

TOWNSHIP OF MAHWAH
SCHOOL DISTRICT

Township of Mahwah School District
Board of Education
Mahwah, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

**Annual Comprehensive
Financial Report**

of the

**Township of Mahwah School District
Board of Education**

Mahwah, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

**Township of Mahwah School District
Board of Education**

Finance Department

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**INTRODUCTORY SECTION
(UNAUDITED)**



MAHWAH BOARD OF EDUCATION
60 Ridge Road, Mahwah, NJ 07430

Michael DeTuro, Ed.D.
Superintendent of Schools

Dennis M. Fare, Ed.D.
Assistant Superintendent

Lisa Rizzo, Ed.S.
Director of Special Services

Katherine Hiromoto
Business Administrator/Board Secretary

Jodie Craft
Director of Curriculum & Instruction

November 21, 2025

The Honorable President and
Members of the Board of Education
Mahwah Township School District
Bergen County, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Mahwah Township School District for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mahwah Township School District as of June 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year ended is in conformity with the accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the district's organizational chart, and a list of principal officials. The financial section includes the financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings, and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Mahwah Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Codification Section 2100. All funds of the District are included in this report. The Mahwah Board of Education and all its schools constitute the District's reporting entity.

The district provides a full range of educational services appropriate to grade levels PreK-12. These services include regular and special education for handicapped students. The district provides a pre-school program for Title I eligible students and a pre-school program for special education students that served a combined 71 students in 2024-2025.

The district completed the 2024-2025 fiscal year with an enrollment of 2,610 students. In addition, 72 students were sent to out-of-district special education programs. The following table details the changes in the student enrollment of the District.

Enrollment as of June 30

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-2025	2,610	(4.62)%
2023-2024	2,748	1.85%
2022-2023	2,698	(1.28)%
2021-2022	2,733	(.001)%
2020-2021	2,737	(4.23)%
2019-2020	2,858	0.91 %
2018-2019	2,832	(1.39) %
2017-2018	2,872	(1.71) %
2016-2017	2,922	(2.14) %
2015-2016	2,986	(3.02) %
2014-2015	3,079	(3.08) %
2013-2014	3,177	(1.39) %
2012-2013	3,222	(2.33) %
2011-2012	3,299	(2.07) %
2010-2011	3,369	(2.20) %
2009-2010	3,445	(1.10) %
2008-2009	3,484	0.81%
2007-2008	3,456	1.24%
2006-2007	3,420	1.24%
2005-2006	3,378	1.50%
2004-2005	3,328	1.00%
2003-2004	3,295	2.00%
2002-2003	3,230	3.89%
2001-2002	3,109	4.47%
2000-2001	2,976	3.05%
1999-2000	2,888	5.64%
1998-1999	2,734	5.15%
1997-1998	2,600	7.52%
1996-1997	2,418	4.40%
1995-1996	2,316	5.65%
1994-1995	2,192	2.00%
1993-1994	2,149	0.90%
1992-1993	2,130	4.70%
1991-1992	2,035	6.30%
1990-1991	1,915	4.90%

2) ECONOMIC CONDITION AND OUTLOOK: The Township of Mahwah's economic condition is consistent with that of the county and region. Enrollment in the District is continuing to decline, although the rate of decline has slowed in recent years and appears to be leveling off. Housing development has remained steady, and it is noteworthy that a housing project planned for the Sheraton Crossroads property has since been modified for warehouse use instead. The District maintains a working relationship with the Township to share information when larger housing projects, that might create an influx of students and families, are being proposed. At this time, there are no projects that would require significant modifications to our schools.

Mahwah is a diverse community and has a wide range of business, commerce, and socio-economic levels within its borders. Tax rates for the Township are comparable, or lower, compared to similar municipalities in the county.

3) MAJOR INITIATIVES:

Major facility projects that were either completed or initiated during the 2024/2025 school year include the completion of Paving Area 3 and the replacement of the commercial ASME hot water heater at Joyce Kilmer School. At Mahwah High School, significant work included paving and drainage improvements to the service road, installation of new asphalt and curbing in the band trailer area, refinishing of the B7 walkway pillars, replacement of mesh fencing at the softball and baseball backstops, miscellaneous fencing repairs throughout the campus, enhancements to the building security system—including the addition of temperature sensors for walk-in units and re-partitioning of the existing system—and repainting of the cafeteria.

At George Washington School, the district undertook the full replacement of the existing retaining wall. At Lenape Meadows, major upgrades included installation of a new public announcement system, replacement of the hot water heater and balancing valves, and a boiler replacement.

Ramapo Ridge Middle School continued with general site maintenance and facility upgrades, including paving and surface improvements in targeted areas.

The 2024/2025 year also saw further implementation and work in the final year of the 2024/2025 District's Strategic Plan that will help frame initiatives for the future of our District. Areas reviewed through the plan process include Curriculum and Instruction, Social-Emotional Learning, Community Connections, and Facilities.

4) DISTRICT INFORMATION:

Post-Graduation Plans **College Data**

<u>Post-Graduation Plans</u>			
	2025	2024	2023
Total Graduates	205	226	198
Post-Secondary	3% (6)	4% (9)	3% (6)
4 - Yr. Colleges	83% (170)	82% (185)	86% (170)
2 -Yr. Colleges	10% (21)	7% (16)	5% (10)
Other	4% (8)	7% (16)	6% (12)

Mahwah High School students will be attending college in the following colleges in the fall.

Albany College of Pharmacy & Health	Florida Atlantic University	Parisian Beauty Academy	The College of New Jersey
American University	High Point University	Pennsylvania State University	The George Washington University
Auburn University	Hofstra University	Quinnipiac University	The University of Alabama
Belmont University	HoHoKus School of Trade	Ramapo College of New Jersey	The University of Tampa
Bergen Community College	Indiana University-Bloomington	Rensselaer Polytechnic Institute	Tulane University of Louisiana
Binghamton University	James Madison University	Rider University	United States Military Academy
Boston College	Johnson & Wales University	Roger Williams University	University of Connecticut
Boston University	Lincoln Technical Institute-Mahwah	Rowan University	University of Delaware
Case Western Reserve University	Long Island University - Post	Rutgers University-New Brunswick	University of Florida
Clemson University	Loyola University Maryland	Rutgers University-Newark	University of Hartford
College of the Holy Cross	Lynn University	Sacred Heart University	University of Hawaii
Culinary Institute of America	Marist University	Saint Peter's University	University of Maryland
Dartmouth College	Marywood University	Santa Barbara City College	University of Minnesota
Dominican University New York	Massachusetts College of Art and Design	Seton Hall University	University of New Hampshire
Drew University	McGill University	St. John's University	University of New Haven
East Carolina University	Monmouth University	St. Thomas Aquinas College	University of Rhode Island
Elon University	Montclair State University	SUNY at New Paltz	University of Scranton
Embry-Riddle Aeronautical University	New Jersey Institute of Technology	Stevens Institute of Technology	University of South Carolina
Emory University	New York University	Stockton University	University of Vermont
Fairfield University	Northeastern University	Suffolk University	Villanova University
Fairleigh Dickinson University	Ohio State University-Main Campus	Susquehanna University	Virginia Tech
Felician University	Pace University	Syracuse University	William Paterson University

A. Capital Reserve Analysis

In the 2000-2001 school year, the District established a capital reserve account to designate monies to fund future capital projects. Utilization of these funds permits the District to make capital improvements to its facilities without burdening the taxpayer or securing financing through the issuance of debt.

The following table traces the history of the capital reserve account resulting in the June 30, 2025, ending balance of \$7,470,122.

2000-2001	Fund Balance Initial Allocation	10,000
Prior Years Additions	Fund Balance and Tax Levy Allocations, Investment Income	31,964,606
Prior Year Expenditures	Board Approved Distributions	(26,192,159)
June 30, 2024	Balance	5,782,447
2024-2025	Additions	2,000,000
2024-2025	Interest Earned	162,422
2024-2025	Expenditures	(474,747)
June 30, 2025	Balance	7,470,122

5) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the district is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District management.

As part of the district's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

6) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at a year-end are either canceled or are included as re-appropriations of fund balance in the subsequent fiscal year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2025.

7) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect government units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP was appointed by the Board of Education for this purpose. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this

Honorable President and
Members of the Board of Education
Mahwah Township School District
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November 21, 2025

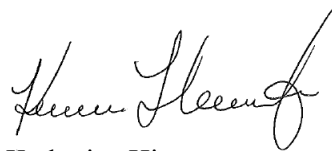
report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Mahwah Township Schools Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation throughout this most critical time. The preparation of this report could not have been accomplished without the efficient and dedicated services of our central office staff.

Respectfully submitted,

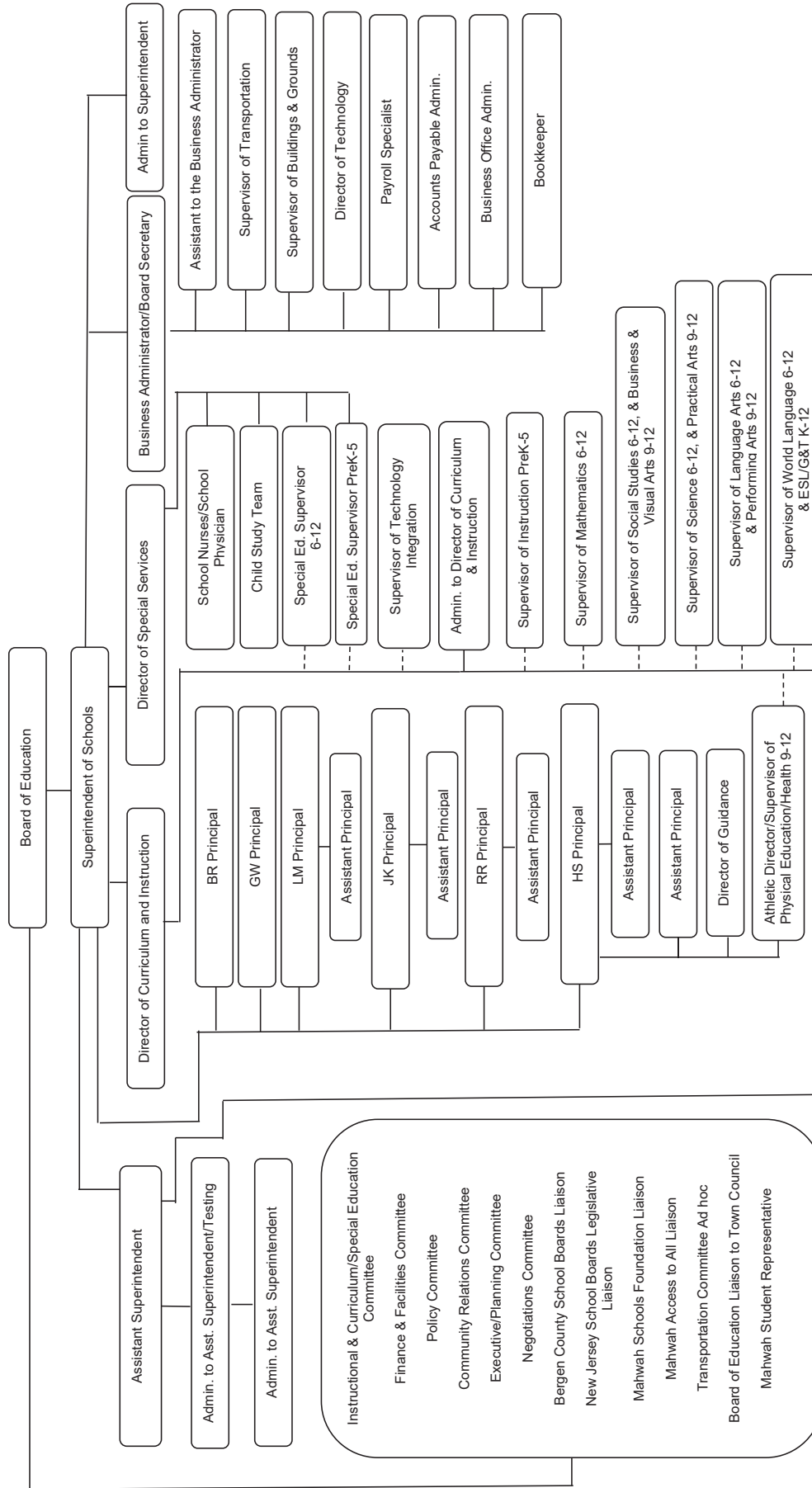
A handwritten signature in black ink, appearing to read "Michael DeTuro".

Michael DeTuro, Ed.D.
Superintendent of Schools

A handwritten signature in black ink, appearing to read "Katherine Hiromoto".

Katherine Hiromoto
Board Secretary/Business Administrator

MAHWAH BOARD OF EDUCATION ORGANIZATIONAL CHART 2025-2026



*Teachers, Admins & Paraprofessionals report directly to building-based administration

**TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Prema C. Moorthy, President	2028
Richard A. DeSilva, Jr., First Vice President	2026
Benjamin A. Kezmarsky, Second Vice President	2027
Brett Coplin	2026
Trista Daveniero	2027
Stephen Huston	2028
Michael Galow	2027
Christopher L. Hughes	2028
Janine Ting Jansen	2026

<u>Other Officials</u>	<u>Title</u>
Michael DeTuro, Ed.D.	Superintendent of Schools
Thomas Lambe	Business Administrator/Board Secretary (to 10/20/25)
Katherine Hiromoto	Business Administrator/Board Secretary (from 10/20/25)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
Consultants and Advisors

Architect Firms

Tokarski & Millemann Architects, LLC
1729 Route 35
Wall, NJ 07719

LAN Associates Engineering, Planning, Architecture, Surveying, Inc.
445 Godwin Avenue, Suite 9
Midland Park, NJ 07432

Audit Firm

Nisivoccia LLP
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856

Attorneys

Schenck Price Smith & King, LLP
220 Park Avenue
Florham Park, NJ 07932

Scarinci & Hollenbeck, LLP
1100 Valley Brook Avenue
Lyndhurst, NJ 07071

Fogarty & Hara
21-00 Route 208 South
Fairlawn, NJ 07410

Bond Counsel

Wilentz, Goldman & Spitzer P.A.
90 Woodbridge Center Drive, Suite 900
Woodbridge, NJ 07095

Risk Management Consultants

Acrisure LLC DBA IMAC Insurance Agency
540 Mill Street
Belleville, NJ 07109

Professional Insurance Associates
429 Hackensack Street
Carlstadt, NJ 07072

Official Depository

TD Bank
One Interstate Shopping Center
Ramsey, NJ 07446

Financial Advisors

Phoenix Advisors. LLC
4 West Park Street
Bordentown, NJ 08505

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members of
the Board of Education
Township of Mahwah School District
Bergen County, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Mahwah Township School District (the "District"), in the County of Bergen, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

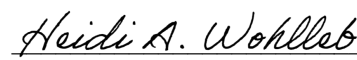
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

November 21, 2025
Mount Arlington, New Jersey


NISIVOCCIA LLP


Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

This section of the Township of Mahwah School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and Region I services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

**Figure A-1
Organization of Township of Mahwah School District's Financial Report**

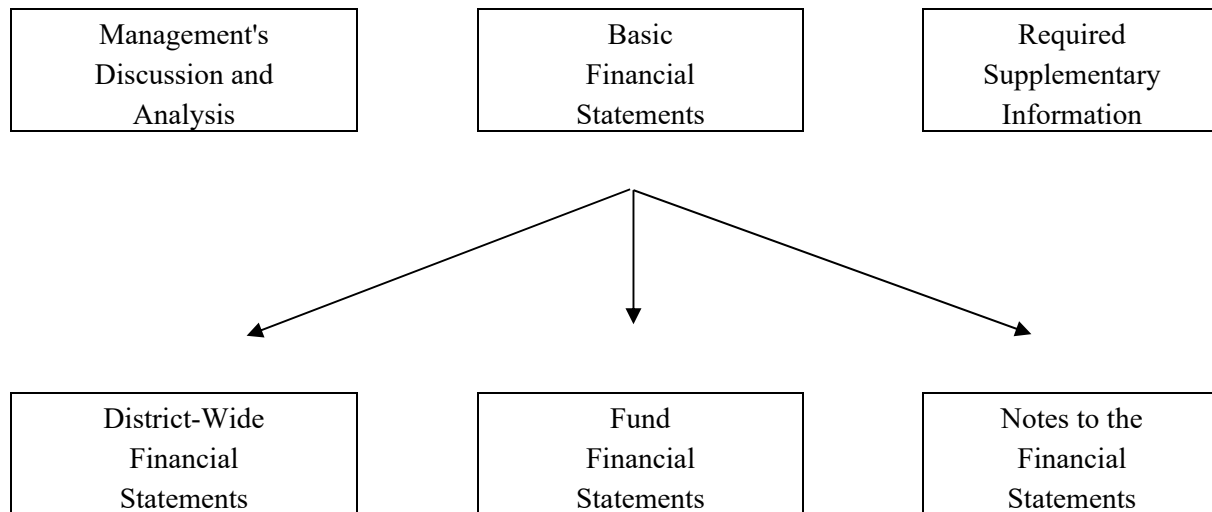


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and Region I services
Required Financial Statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the fiscal year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the fiscal year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the fiscal year, regardless of when cash is received or paid

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current fiscal year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service and Region I services are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at fiscal year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Fund Financial Statements

Notes to the basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2025 and 2024. The District's *combined* net position was \$41,128,658 on June 30, 2025, \$1,544,508 or 3.90% more than it was the fiscal year before. The net position of the governmental activities increased by \$1,496,059 and the net position of the business-type activities increased by \$48,449.

**Figure A-3
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Assets:							
Current and							
Other Assets	\$ 24,176,770	\$ 22,873,660	\$ 1,593,046	\$ 1,599,941	\$ 25,769,816	\$ 24,473,601	
Capital Assets, Net	26,748,735	27,348,935	371,173	372,028	27,119,908	27,720,963	
Lease Assets, Net	1,760,073	708,799			1,760,073	708,799	
Total Assets	52,685,578	50,931,394	1,964,219	1,971,969	54,649,797	52,903,363	3.30%
Deferred Outflows of Resources	1,012,778	1,078,272	66,943	65,176	1,079,721	1,143,448	-5.57%
Liabilities:							
Other Liabilities	1,402,226	1,476,348	157,030	207,799	1,559,256	1,684,147	
Long-Term Liabilities	11,553,631	11,369,314	474,354	488,374	12,027,985	11,857,688	
Total Liabilities	12,955,857	12,845,662	631,384	696,173	13,587,241	13,541,835	0.34%
Deferred Inflows of Resources	950,775	868,339	62,844	52,487	1,013,619	920,826	10.08%
Net Position:							
Net Investment in							
Capital Assets	26,709,253	27,252,859	371,173	372,028	27,080,426	27,624,887	
Restricted	17,529,310	16,653,352			17,529,310	16,653,352	
Unrestricted (Deficit)	(4,446,839)	(5,610,546)	965,761	916,457	(3,481,078)	(4,694,089)	
Total Net Position	\$ 39,791,724	\$ 38,295,665	\$ 1,336,934	\$ 1,288,485	\$ 41,128,658	\$ 39,584,150	3.90%

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Figure A-4 represents the *Changes in Net Position*. Net investment in capital assets decreased \$544,461 due to \$1,387,967 of depreciation expense, \$685,405 in lease amortization expense, \$1,736,679 in lease asset additions and lease agreements entered into, \$786,912 in capital assets additions and the maturity of \$741,999 in lease principal. Restricted net position increased by \$875,958 due to increases in the capital reserve of \$1,687,675, student activities of \$123,008 and scholarships of \$141,255, offset by decreases in excess surplus of \$642,732, the emergency reserve of \$80,000 and unemployment compensation of \$353,248. The deficit in unrestricted net position decreased \$1,213,011 primarily due to changes in deferred inflows and outflows related to pensions, a decrease in the net pension liability, an excess in budget revenue and unexpended budget balances, offset by an increase in compensated absences payable.

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 997,743	\$ 1,172,493	\$ 20,639,358	\$ 20,838,274	\$ 21,637,101	\$ 22,010,767	
Grants and Contributions:							
Operating	13,113,270	15,310,109	331,185	410,853	13,444,455	15,720,962	
Capital		228,742				228,742	
General Revenue:							
Property Taxes	70,548,364	69,390,819			70,548,364	69,390,819	
Unrestricted State/ Federal Aid	315,378	293,275			315,378	293,275	
Other	1,274,297	1,443,572	26,059	42,055	1,300,356	1,485,627	
Total Revenue	86,249,052	87,839,010	20,996,602	21,291,182	107,245,654	109,130,192	-1.73%
Expenses:							
Instruction	39,334,426	38,197,410			39,334,426	38,197,410	
Pupil and Instruction Services	23,187,211	22,996,357			23,187,211	22,996,357	
Administration and Business	7,370,847	7,638,973			7,370,847	7,638,973	
Maintenance and Operations	7,752,948	7,301,433			7,752,948	7,301,433	
Transportation	6,113,687	6,490,453			6,113,687	6,490,453	
Other	993,874	933,103	20,948,153	21,127,473	21,942,027	22,060,576	
Total Expenses	84,752,993	83,557,729	20,948,153	21,127,473	105,701,146	104,685,202	0.97%
Increase/(Decrease) in Net Position	\$ 1,496,059	\$ 4,281,281	\$ 48,449	\$ 163,709	\$ 1,544,508	\$ 4,444,990	-65.25%

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Governmental Activities

Careful management of expenses, streamlining our operations and implementing cost efficiencies allow the District to sustain its financial health. The following measures are evidence of this and have allowed the District to apply its resources to other areas of the budget and expand the offerings to staff and students.

- Transportation efficiencies through participation with Region I
- Participation in a Joint Insurance Fund
- Utilizing cooperative, State, and Federal bids and contracts, when applicable
- Group purchasing and auctioning of Utility costs
- Coordination with Township for shared services were applicable
- In-District Special Education programs

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-5
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2024/2025	2023/2024	2024/2025	2023/2024
Instruction	\$ 39,334,426	\$ 38,197,410	\$30,717,096	\$28,432,951
Pupil and Instruction Services	23,187,211	22,996,357	19,938,436	18,581,166
Administration and Business	7,370,847	7,638,973	6,704,130	6,709,450
Maintenance and Operations	7,752,948	7,301,433	7,618,079	6,906,127
Transportation	6,113,687	6,490,453	4,670,365	5,283,588
Other	993,874	933,103	993,874	933,103
	<u>\$ 84,752,993</u>	<u>\$ 83,557,729</u>	<u>\$ 70,641,980</u>	<u>\$ 66,846,385</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$48,449 ((\$4,564) decrease in Region I services and \$53,013 increase in food service). (Refer to Figure A-4). The increase in food service was due to a decrease in operating expenses, offset by decreases in daily sales and federal and state subsidy reimbursements. The decrease in the Region I services was due primarily to expenses in excess of revenue, offset by changes in deferred inflows and outflows related to pensions and a decrease in the net pension liability.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Financial Analysis of the District's Funds

The financial position of the District continues to evolve in response to changing economic conditions. Through careful planning and thoughtful decision-making, the District has maintained stability and positioned itself to responsibly meet its educational and operational needs.

Transportation costs saw an increase due to outside factors that resulted in route costs that exceeded 2024/2025 budget projections. As a result of this, work continued in 2024/2025 to find efficiencies that can reduce costs in the future.

Ratables in the municipality remain more or less stable, and at a level that allows a wider spread of the tax levy across commercial properties and keeps residential taxes at a level that is lower than neighboring municipalities.

To maintain a stable financial position, the District must continue to practice sound fiscal management and carefully monitor expenditures.

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- The preparation of the 2024/2025 budget was difficult as a result of rising costs. This resulted in the need for line item transfers during the fiscal year.

Capital Asset and Long-Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	
Sites (Land)	\$ 1,451,475	\$ 1,451,475			\$ 1,451,475	\$ 1,451,475	
Buildings and Building Improvements	23,218,134	23,596,479			23,218,134	23,596,479	
Site Improvements	253,749	264,781			253,749	264,781	
Machinery and Equipment	1,814,452	2,036,200	\$ 371,173	\$ 372,028	2,185,625	2,408,228	
Construction in Progress	10,925				10,925		
Total Capital Assets, Net of Depreciation	\$ 26,748,735	\$ 27,348,935	\$ 371,173	\$ 372,028	\$ 27,119,908	\$ 27,720,963	-2.17%

The District's capital assets (net of depreciation) decreased \$601,055, or 2.17%, during the fiscal year. (More detailed information about the District's capital assets is presented in Note 9 to the Basic Financial Statements). During the 2024/2025 school year, District additions totaled \$786,912 which were offset by \$1,387,967 in depreciation.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Long-Term Liabilities

The District's long-term liabilities increased by \$170,297, or 1.44%, during the fiscal year. At fiscal year-end, the District had \$7,176,518 in net pension liability (\$7,079,590 governmental activities and \$474,354 business-type activities), \$2,577,558 in compensated absences payable, and \$1,799,555 in leases payable. (More detailed information about the District's long-term liabilities is presented in Note 11 to the Basic Financial Statements).

**Figure A-7
Outstanding Long-Term Liabilities**

	Total School District		Total Percentage Change 2024/25
	2024/25	2023/24	
Governmental Activities:			
Net Pension Liability	\$ 7,176,518	\$ 8,079,590	
Other Long-Term Liabilities	4,377,113	3,289,724	
Total Governmental Activities	11,553,631	11,369,314	1.62%
Business-Type Activities:			
Net Pension Liability	474,354	488,374	
Total Business-Type Activities	474,354	488,374	-2.87%
Total District-wide	<u>\$ 12,027,985</u>	<u>\$ 11,857,688</u>	<u>1.44%</u>

- The District's net pension liability decreased by \$917,092 (\$903,072 governmental activities and \$14,020 business-type activities).
- Compensated absences payable increased by \$92,709.
- The District paid down \$741,999 in lease principal and entered into a new lease for \$1,736,679 during the fiscal year.
- The District's other long-term liabilities as of June 30, 2025 are comprised of compensated absences payable and leases payable.

**Township of Mahwah School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

For the Future

Currently, the District is in good financial position. This is due in large part to the work of past and present Board Members and Administration, as well as the outstanding support of the community for our public school system.

As the cost of goods, services, and staffing continues to rise statewide, the district will need to remain vigilant in its financial planning. Careful evaluation of budget priorities and long-term commitments will be essential to maintain stability while continuing to support high-quality programs for students.

With the District's previous long-term bonds now retired, the Administration and Board are moving forward with a Bond Referendum set for March 10, 2026, to support long-term stability for our taxpayers.

Currently, rising interest rates, inflation, supply-chain issues, and adjusting wage rates to retain and attract quality staff across all industries is a challenge that will need to be closely monitored to ensure that decisions can maintain the stability of District finances.

Many factors were considered by the District's Administration during the process of developing and presenting the 2025/2026 budget. The primary factors considered were:

- Educational program needs and opportunities to enhance student learning
- Projected enrollment trends across all grade levels
- Contractual obligations for salaries and benefits
- Increases in medical benefit costs
- Ongoing capital and facility needs to maintain safe and updated learning environments
- Technology, security, and maintenance priorities
- Rising costs of goods and services impacting district operations

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township of Mahwah School District Board of Education, 60 Ridge Road, Mahwah, New Jersey 07430. Please visit our website at: <https://www.mahwah.k12.nj.us>.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,608,812	\$ 1,270,536	\$ 7,879,348
Internal Balances	1,468,166	(1,468,166)	
Receivables from State Government	1,502,309	1,757	1,504,066
Receivables from Federal Government	32,487	18,855	51,342
Receivables from Other Governmental Units		1,717,033	1,717,033
Other Receivables	54,461	24,423	78,884
Inventory		28,608	28,608
Restricted Cash and Cash Equivalents	12,400,742		12,400,742
Restricted Investments	2,109,793		2,109,793
Capital Assets, Net:			
Sites (Land)	1,451,475		1,451,475
Construction in Progress	10,925		10,925
Depreciable Buildings and Building Improvements, Site Improvements and Machinery and Equipment	25,286,335	371,173	25,657,508
Lease Assets, Net	1,760,073		1,760,073
Total Assets	52,685,578	1,964,219	54,649,797
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,012,778	66,943	1,079,721
Total Deferred Outflows of Resources	1,012,778	66,943	1,079,721
LIABILITIES			
Current Liabilities:			
Payable to State Government	6,281		6,281
Payable to Federal Government	6,730		6,730
Accounts Payable	1,153,783	109,010	1,262,793
Unearned Revenue	235,432	48,020	283,452
Noncurrent Liabilities:			
Due Within One Year	641,769		641,769
Due Beyond One Year	10,911,862	474,354	11,386,216
Total Liabilities	12,955,857	631,384	13,587,241
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	950,775	62,844	1,013,619
Total Deferred Inflows of Resources	950,775	62,844	1,013,619
NET POSITION			
Net Investment in Capital Assets	26,709,253	371,173	27,080,426
Restricted for:			
Capital Projects	7,470,122		7,470,122
Maintenance	2,522,448		2,522,448
Emergency	428,900		428,900
Excess Surplus	3,018,775		3,018,775
Unemployment Compensation	474,383		474,383
Student Activities	1,461,067		1,461,067
Scholarships	2,153,615		2,153,615
Unrestricted (Deficit)	(4,446,839)	965,761	(3,481,078)
Total Net Position	\$ 39,791,724	\$ 1,336,934	\$ 41,128,658

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions				
Governmental Activities:							
Instruction:							
Regular	\$ 27,855,653		\$ 2,910,863	\$ (24,944,790)	\$ (24,944,790)		\$ (24,944,790)
Special Education	7,604,434		5,324,195	(2,280,239)	(2,280,239)		(2,280,239)
Other Special Instruction	1,667,271		181,257	(1,486,014)	(1,486,014)		(1,486,014)
Other Instruction	2,207,068		201,015	(2,006,053)	(2,006,053)		(2,006,053)
Support Services:							
Tuition	7,206,409		719,728	(6,486,681)	(6,486,681)		(6,486,681)
Student & Instruction Related Services	15,980,802	\$ 997,743	1,531,304	(13,451,755)	(13,451,755)		(13,451,755)
General Administrative Services	964,210		53,816	(910,394)	(910,394)		(910,394)
School Administrative Services	3,691,096		392,750	(3,298,346)	(3,298,346)		(3,298,346)
Central Services	1,504,348		143,353	(1,360,995)	(1,360,995)		(1,360,995)
Administrative Information Technology	1,211,193		76,798	(1,134,395)	(1,134,395)		(1,134,395)
Plant Operations and Maintenance	7,752,948		134,869	(7,618,079)	(7,618,079)		(7,618,079)
Pupil Transportation	6,113,687		1,443,322	(4,670,365)	(4,670,365)		(4,670,365)
Transfer of Funds to Charter Schools	60,771			(60,771)	(60,771)		(60,771)
Unallocated Depreciation	933,103			(933,103)	(933,103)		(933,103)
Total Governmental Activities	84,752,993	997,743	13,113,270	(70,641,980)	(70,641,980)		(70,641,980)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 1,445,902	\$ 1,141,671	\$ 331,185	\$	\$ 26,954	\$ 26,954
Region I Transportation	19,026,762	19,037,694			10,932	10,932
Region I Administration	475,489	459,993			(15,496)	(15,496)
Total Business-Type Activities	20,948,153	20,639,358	331,185		22,390	22,390
Total Primary Government	\$ 105,701,146	\$ 21,637,101	\$ 13,444,455	\$ (70,641,980)	22,390	(70,619,590)

General Revenues:

Taxes:						
Property Taxes, Levied for General Purposes, Net				70,548,364		70,548,364
Federal and State Aid not Restricted				315,378		315,378
Investment Earnings				1,035,396	26,059	1,061,455
Miscellaneous Income				238,901		238,901
Total General Revenues				72,138,039	26,059	72,164,098
Change in Net Position				1,496,059	48,449	1,544,508
Net Position - Beginning				38,295,665	1,288,485	39,584,150
Net Position - Ending				\$ 39,791,724	\$ 1,336,934	\$ 41,128,658

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 5,878,305	\$ 172,091	\$ 558,416	\$ 6,608,812
Interfund Receivable	1,598,692			1,598,692
Receivables from State Government	1,502,309			1,502,309
Receivables from Federal Government		32,487		32,487
Other Receivables		54,461		54,461
Restricted Cash and Cash Equivalents	10,895,853	1,504,889		12,400,742
Restricted Investments		2,109,793		2,109,793
Total Assets	<u>\$ 19,875,159</u>	<u>\$ 3,873,721</u>	<u>\$ 558,416</u>	<u>\$ 24,307,296</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ 126,171		\$ 4,355	\$ 130,526
Payable to State Government		\$ 6,281		6,281
Payable to Federal Government		6,730		6,730
Accounts Payable	455,078	10,596		465,674
Unearned Revenue		235,432		235,432
Total Liabilities	<u>581,249</u>	<u>259,039</u>	<u>4,355</u>	<u>844,643</u>
Fund Balances:				
Restricted:				
Capital Reserve	7,470,122			7,470,122
Maintenance Reserve	2,522,448			2,522,448
Emergency Reserve	428,900			428,900
Excess Surplus - 2026-2027	1,524,829			1,524,829
Excess Surplus - 2025-2026	1,493,946			1,493,946
Unemployment Compensation	474,383			474,383
Student Activities		1,461,067		1,461,067
Scholarships		2,153,615		2,153,615
Committed			554,061	554,061
Assigned:				
Year-End Encumbrances	1,724,867			1,724,867
Designated for Subsequent Year's Expenditures	1,381,512			1,381,512
Unassigned	<u>2,272,903</u>			<u>2,272,903</u>
Total Fund Balances	<u>19,293,910</u>	<u>3,614,682</u>	<u>554,061</u>	<u>23,462,653</u>
Total Liabilities and Fund Balances	<u>\$ 19,875,159</u>	<u>\$ 3,873,721</u>	<u>\$ 558,416</u>	<u>\$ 24,307,296</u>

Amounts reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:

Total Fund Balances (Above)	\$ 23,462,653
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	26,748,735
Leased Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	1,760,073
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(7,176,518)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows Related to Pensions, Excluding District Contribution Subsequent to the Measurement Date	324,669
Deferred Inflows Related to Pensions	(950,775)
Long-Term Liabilities, including Compensated Absences Payable and Leases Payable are not due and payable in the current period and therefore are not reported as Liabilities in the Funds.	(4,377,113)
Net Position of Governmental Activities	<u>\$ 39,791,724</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 70,548,364			\$ 70,548,364
Interest Earned on Capital Reserve Funds	162,422			162,422
Miscellaneous Revenues	1,107,520	\$ 1,212,462	\$ 4,355	2,324,337
Total - Local Sources	71,818,306	1,212,462	4,355	73,035,123
State Sources	21,508,519	1,182		21,509,701
Federal Sources	20,512	934,592		955,104
Total Revenues	93,347,337	2,148,236	4,355	95,499,928
EXPENDITURES				
Current:				
Regular Instruction	20,497,468	119,615		20,617,083
Special Education Instruction	5,405,053	50,096		5,455,149
Other Special Instruction	1,186,736			1,186,736
Other Instruction	1,614,904			1,614,904
Support Services and Undistributed Costs:				
Tuition	6,486,681	719,728		7,206,409
Student & Instruction Related Services	11,662,063	994,534		12,656,597
General Administrative Services	710,602			710,602
School Administrative Services	2,661,081			2,661,081
Central Services	1,131,721			1,131,721
Administration Information Technology	1,026,069			1,026,069
Plant Operations and Maintenance	6,899,756			6,899,756
Pupil Transportation	5,858,027			5,858,027
Unallocated Benefits	25,894,261			25,894,261
Capital Outlay	2,869,565		\$ 10,925	2,880,490
Transfer of Funds to Charter Schools	60,771			60,771
Total Expenditures	93,964,758	1,883,973	10,925	95,859,656
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	(617,421)	264,263	(6,570)	(359,728)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
 (Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
OTHER FINANCING SOURCES/(USES)				
Leases (non-budgeted)	\$ 1,736,679			\$ 1,736,679
Transfers In	4,355		\$ 267,847	272,202
Transfers Out	(267,847)		(4,355)	(272,202)
Total Other Financing Sources/(Uses)	1,473,187		263,492	1,736,679
Net Change in Fund Balances	855,766	\$ 264,263	256,922	1,376,951
Fund Balance - July 1	18,438,144	3,350,419	297,139	22,085,702
Fund Balance - June 30	\$ 19,293,910	\$ 3,614,682	\$ 554,061	\$ 23,462,653

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2)			\$ 1,376,951
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:			
Capital outlays related to capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposal of capital assets differ from capital outlays in the period.	Depreciation expense	\$ (1,365,262)	
	Capital asset additions	<u>765,062</u>	
			(600,200)
Capital outlays related to lease assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over he shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.	Lease asset additions	<u>1,736,679</u>	
	Amortization expense	<u>(685,405)</u>	
			1,051,274
Leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.			(1,736,679)
Repayment of leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.			741,999
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:			
Change in Net Pension Liability			903,072
Changes in Deferred Inflows and Outflows			(147,649)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).			(92,709)
Change in Net Position of Governmental Activities (A-2)			<u>\$ 1,496,059</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	
	Region I		Non-Major	
	Transportation	Administration	Funds	Enterprise Funds
ASSETS:				
Current Assets:				
Cash and Cash Equivalents				
Receivable from:				
Federal Government			18,855	18,855
State Government			1,757	1,757
Other Governmental Units				
Accounts Receivable - Other	\$ 1,694,865	22,168	24,423	1,717,033
Interfund Receivable - General Fund			126,171	126,171
Inventories			28,608	28,608
Total Current Assets	1,694,865	714,404	778,114	3,187,383
Non-Current Assets:				
Capital Assets			737,977	737,977
Less: Accumulated Depreciation			(366,804)	(366,804)
Total Non-Current Assets			371,173	371,173
Total Assets	1,694,865	714,404	1,149,287	3,558,556
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflows Related to Pensions		66,943		66,943
Total Deferred Outflows of Resources		66,943		66,943

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025
(Continued)

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	
	Region I		Non-Major	
	Transportation	Administration	Funds	Enterprise Funds
LIABILITIES:				
Current Liabilities:				
Interfund Payable - General Fund	\$ 1,594,337			\$ 1,594,337
Accounts Payable	22,785	\$ 45,483	\$ 40,742	109,010
Unearned Revenue:				
Prepaid Student Balances			40,074	40,074
Commodities			7,946	7,946
Noncurrent Liabilities:				
Due Beyond One Year		474,354		474,354
Total Liabilities	1,617,122	519,837	88,762	2,225,721
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows Related to Pensions		62,844		62,844
Total Deferred Inflows of Resources		62,844		62,844
NET POSITION:				
Investment in Capital Assets			371,173	371,173
Unrestricted	77,743	198,666	689,352	965,761
Total Net Position	\$ 77,743	\$ 198,666	\$1,060,525	\$ 1,336,934

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUNDS NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	Total
	Region I		Non-Major	Enterprise
	Transportation	Administration	Funds	Funds
Operating Revenue:				
Charges for Services:				
Daily Sales:				
Reimbursable Programs			\$ 486,745	\$ 486,745
Non-Reimbursable Programs			646,274	646,274
Program Fees		\$ 459,993		459,993
Transportation Fees from Other LEA's Within the State	\$ 19,037,694			19,037,694
Special Events	19,037,694	459,993	1,133,019	20,630,706
Total Operating Revenue	19,037,694	459,993	1,141,671	20,639,358
Operating Expenses:				
Cost of Sales:				
Reimbursable			381,034	381,034
Non-Reimbursable			257,441	257,441
Total Cost of Sales			638,475	638,475
Salaries, Benefits & Payroll Taxes			981,205	981,205
Contracted Services - Transportation		407,723	573,482	19,026,762
Purchased Professional/Technical Services	19,026,762	108		62,664
Purchased Property Services			38,206	38,206
Other Purchased Services			1,560	1,560
Supplies and Materials			105,393	105,393
Rent		40,800		40,800
General Supplies		16,521		16,521
Miscellaneous Expenses		10,337	3,525	13,862
Depreciation Expense			22,705	22,705
Total Operating Expenses	19,026,762	475,489	1,445,902	20,948,153

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025
 (Continued)

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	Total
	Region I		Non-Major	Enterprise
	Transportation	Administration	Funds	Funds
Operating Income/(Loss)	\$ 10,932	\$ (15,496)	\$ (304,231)	\$ (308,795)
Non-Operating Revenue:				
Federal Sources:				
National School Lunch Program			227,236	227,236
Local Food for Schools (LFS) Cooperative Program			4,704	4,704
Summer EBT Reimbursement			643	643
Food Distribution Program			77,291	77,291
State Sources:				
School Lunch Program			11,910	11,910
New Jersey Extended Income Eligibility (NJEIE) - Lunch			9,401	9,401
Local Sources - Interest Revenue			26,059	26,059
Total Non-Operating Revenue			357,244	357,244
Change in Net Position	10,932	(15,496)	53,013	48,449
Net Position - Beginning of Year	66,811	214,162	1,007,512	1,288,485
Net Position - End of Year	\$ 77,743	\$ 198,666	\$ 1,060,525	\$ 1,336,934

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
 AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	Total
	Transportation	Region I Administration	Non-Major Funds	Enterprise Funds
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 19,307,538	\$ 455,560	\$ 1,140,327	\$ 20,903,425
Payments to/for Employees		(413,153)		(413,153)
Payments to Food Service Vendor			(1,291,600)	(1,291,600)
Payments to Transportation Vendors	(19,003,977)			(19,003,977)
Payments to Suppliers		(63,893)	(66,832)	(130,725)
Net Cash Provided by/(Used for) Operating Activities	303,561	(21,486)	(218,105)	63,970
Cash Flows from Investing Activities:				
Interest Income			26,059	26,059
Net Cash Provided by Investing Activities			26,059	26,059
Cash Flows from Noncapital and Related Financing Activities:				
Federal Reimbursements Collected in Food Service Fund			78,711	78,711
State Reimbursements Collected in Food Service Fund			6,633	6,633
Cash Received - Interfund Receivable - General Fund			127,648	127,648
Cash Disbursed - Interfund Payable - General Fund	(303,561)			(303,561)
Net Cash Provided by/(Used for) Noncapital and Related Financing Activities	(303,561)		212,992	(90,569)
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets			(94,309)	(94,309)
Net Cash Used for Capital and Related Financing Activities			(94,309)	(94,309)
Net Increase/(Decrease) in Cash and Cash Equivalents		(21,486)	(73,363)	(94,849)
Cash and Cash Equivalents, July 1		713,722	651,663	1,365,385
Cash and Cash Equivalents, June 30	\$ - 0 -	\$ 692,236	\$ 578,300	\$ 1,270,536

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Reconciliation of Operating Income/(Loss) to Net
Cash Provided by/(Used for) Operating Activities:
Operating Income/(Loss)
Adjustment to Reconcile Operating Income/(Loss) to
Net Cash Provided by/(Used for) Operating Activities:
Depreciation
Federal Food Distribution Program
Changes in Assets and Liabilities:
(Increase)/Decrease in:
Deferred Inflows and Outflows Related to Pensions
Other Accounts Receivable
Receivable from Other Governmental Units
Inventory
Increase/(Decrease) in:
Net Pension Liability
Accounts Payable
Unearned Revenue - Donated Commodities
Unearned Revenue - Prepaid Student Balances
Net Cash Provided by/(Used for) Operating Activities

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	Total
	Transportation	Administration	Non-Major Funds	Enterprise Funds
\$ 10,932	\$ (15,496)	\$ (304,231)	\$	(308,795)
			22,705	22,705
			77,291	77,291
		8,590	(39)	8,590
		(4,433)	(8,864)	(39)
				265,411
				(8,864)
		(14,020)		(14,020)
22,785	3,873	(6,172)		20,486
		2,510		2,510
		(1,305)		(1,305)
\$ 303,561	\$ (21,486)	\$ (218,105)	\$	63,970

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$79,801 and utilized commodities from the Federal Food Distribution Program valued at \$77,291 for the fiscal year ended June 30, 2025.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Township of Mahwah School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental and proprietary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

The District reports the following proprietary funds:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria and Region I services operations. The food service and Region I services are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the fiscal year).

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current fiscal year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 93,375,990	\$ 2,123,711
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not.		
Current Year Encumbrances		(400)
Prior Year Encumbrances		24,925
Prior Year State aid payments recognized for GAAP statements, not recognized for budgetary purposes	337,606	
Current Year State aid payments recognized for budgetary purposes, not recognized for GAAP statements	(366,259)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 93,347,337</u>	<u>\$ 2,148,236</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 93,964,758	\$ 1,859,448
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(400)
Prior Year Encumbrances		24,925
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 93,964,758</u>	<u>\$ 1,883,973</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	<u>Capital Projects Fund</u>	
	<u>SDA Grant</u>	<u>Fund</u>
	<u>Revenue</u>	<u>Balance</u>
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)	\$ 176,874	\$ 730,935
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants are Recognized as Revenue on the Budgetary Basis when Awarded but are not Recognized on the GAAP Basis until Expended and Submitted for Reimbursement	<u>(176,874)</u>	<u>(176,874)</u>
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per Exhibit B-2)	<u>\$ - 0 -</u>	<u>\$ 554,061</u>

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation.

Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise funds represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	20 to 50 years
Machinery and Equipment	5 to 15 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets are determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond issuance premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

The District does allow employees who provide services over the ten-month academic year the option to have one-tenth of their salaries deducted through the school year which is paid by June 30. Therefore, there are no accrued salaries and wages as of June 30, 2025.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy.

Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent fiscal years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the District-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due beyond one year.

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable:

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

T. Fund Balance Appropriated:

General Fund: Of the \$19,293,910 General Fund balance at June 30, 2025, \$7,470,122 is restricted in the capital reserve account; \$2,522,448 is restricted in the maintenance reserve; \$428,900 is restricted in the emergency reserve account; \$474,383 is restricted for unemployment compensation; \$3,018,775 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) (\$1,493,946 is prior year excess surplus which is included as anticipated budget revenue for the fiscal year ending June 30, 2026 and \$1,524,829 is current year excess surplus which will be included as anticipated budget revenue for the fiscal year ending June 30, 2027); \$1,724,867 is assigned for encumbrances; \$1,381,512 is designated for subsequent year's expenditures; and \$2,272,903 is unassigned which is \$366,259 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2026.

Special Revenue Fund: Of the \$3,614,682 Special Revenue Fund balance at June 30, 2025, \$1,461,067 is restricted for student activities and \$2,153,615 is restricted for scholarships.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: The \$554,061 Capital Projects Fund balance at June 30, 2025 is committed for capital projects, which is \$176,874 less on the GAAP basis due to the SDA grants receivable not recognized on the GAAP basis.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District has excess surplus at June 30, 2025 as outlined above.

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$366,259 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

U. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, a capital reserve, a maintenance reserve, an emergency reserve and unemployment compensation in the General Fund and student activities and scholarships in the Special Revenue Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has \$554,061 of committed resources in the Capital Projects Fund at June 30, 2025.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2025.

V. Deficit Net Position:

The District has a \$4,446,839 deficit in unrestricted net position in governmental activities as of June 30, 2025 primarily due to the non-recognition of the June state aid payments and SDA grants receivable as explained in Note 1T on the previous page, the accrual of \$2,577,558 in compensated absences payable, deferred inflows related to pensions of \$950,775 and net pension liability of \$7,176,518, offset by deferred outflows related to pensions of \$324,669, excluding the District contribution subsequent to the measurement date, and \$5,264,594 governmental funds assigned and unassigned fund balances. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

W. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2025, with regard to pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2025, with regard to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization and subscription assets, net of accumulated amortization, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activities of the Enterprise Funds. For the School District, these revenues are sales for food service and fees for Region I. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

Z. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

AA. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this note on Investments.

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the District to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

New Jersey statutes permit the District to purchase the following types of securities: (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

New Jersey statutes permit the District to purchase the following types of securities: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
- (a) the funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) the designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) the designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) on the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2025, cash and cash equivalents and investments of the District consisted of the following:

Cash and Cash Equivalents					
	Unrestricted		Restricted		
			Capital	Maintenance	Emergency
Checking Accounts	\$ 7,879,348	\$ 7,470,122	\$ 2,522,448	\$ 428,900	

Cash and Cash Equivalents					
	Restricted			Investments	Total
	Unemployment Compensation	Student Activities	Scholarship	Scholarship Certificate of Deposit	
Certificate of Deposit/ Checking Accounts	\$ 474,383	\$ 1,461,067	\$ 43,822	\$ 2,109,793	\$ 22,389,883

During the period ended June 30, 2025, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2025 was \$22,389,883 and the bank balance was \$27,921,919.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board by inclusion of \$10,000 on October 4, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at fiscal year-end of any unanticipated revenue or unexpended line item appropriation amounts or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 5,782,447
Board Approved Withdrawals - Capital Outlay	(206,900)
Board Approved Withdrawal - Capital Projects Fund	(267,847)
Interest Earned	162,422
Increase Approved by Board Resolution June 11, 2025	<u>2,000,000</u>
Ending Balance, June 30, 2025	<u><u>\$ 7,470,122</u></u>

The balance in the capital reserve account at June 30, 2025 does not exceed the balance of local support costs of uncompleted capital projects in the District's Long Range Facilities Plan ("LRFP"). Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$750,000 was established by Board resolution on June 17, 2020. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be reserved and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	<u>\$ 2,522,448</u>
Ending Balance, June 30, 2025	<u><u>\$ 2,522,448</u></u>

NOTE 6: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution in fiscal year 2011-12 by inclusion of \$500,000 for the accumulation of funds for use as unanticipated General Fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a through and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution between June 1st and June 30th of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

The activity of the emergency reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 508,900
Budgeted Withdrawal	<u>(80,000)</u>
Ending Balance, June 30, 2025	<u><u>\$ 428,900</u></u>

NOTE 7. RECEIVABLES FROM OTHER GOVERNMENTS

The following receivables due from other governments existed as of June 30, 2025:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>
Federal		\$ 32,487	\$ 18,855
State	\$ 1,502,309		1,757
Other			1,717,033
	<u><u>\$ 1,502,309</u></u>	<u><u>\$ 32,487</u></u>	<u><u>\$ 1,737,645</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2025, the District transferred \$571,847 to the capital outlay accounts; \$298,302 for equipment and \$273,545, of which \$206,900 was a withdrawal from Capital Reserve, for facilities acquisition and construction services. County Superintendent approval was obtained where required.

NOTE 9. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,451,475			\$ 1,451,475
Construction in Progress		\$ 10,925		10,925
Total Capital Assets Not Being Depreciated	1,451,475	10,925		1,462,400
Capital Assets Being Depreciated:				
Buildings and Building Improvements	42,001,318	510,203		42,511,521
Site Improvements	330,976			330,976
Machinery and Equipment	5,841,672	243,934		6,085,606
Total Capital Assets Being Depreciated	48,173,966	754,137		48,928,103
Governmental Activities Capital Assets	49,625,441	765,062		50,390,503
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(18,404,839)	(888,548)		(19,293,387)
Site Improvements	(66,195)	(11,032)		(77,227)
Machinery and Equipment	(3,805,472)	(465,682)		(4,271,154)
	(22,276,506)	(1,365,262)		(23,641,768)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 27,348,935	\$ (600,200)	\$ -0-	\$ 26,748,735
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 716,127	\$ 21,850		\$ 737,977
Less Accumulated Depreciation	(344,099)	(22,705)		(366,804)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 372,028	\$ (855)	\$ - 0 -	\$ 371,173

The increases totaling \$786,912 represent current fiscal year capitalized expenditures. The District had active construction projects totaling \$2,773,390 with unexpended balances of \$730,935 as of June 30, 2025. The District had \$668,749 in outstanding construction commitments at June 30, 2025.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 38,312
Special Education Instruction	13,947
Other Instruction	69,361
Student and Instruction Related Services	25,470
General Administrative Services	113,212
School Administrative Services	6,599
Plant Operations and Maintenance	106,725
Pupil Transportation	58,533
Unallocated	<u>933,103</u>
	<u><u>\$ 1,365,262</u></u>

NOTE 10. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2025 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 2,389,584	\$ 1,736,679	\$(1,950,945)	\$ 2,175,318
Total Lease Assets Being Amortized	<u>2,389,584</u>	<u>1,736,679</u>	<u>(1,950,945)</u>	<u>2,175,318</u>
Governmental Activities Lease Assets	<u>2,389,584</u>	<u>1,736,679</u>	<u>(1,950,945)</u>	<u>2,175,318</u>
Less Accumulated Amortization for:				
Machinery and Equipment	<u>(1,680,785)</u>	<u>(685,405)</u>	<u>1,950,945</u>	<u>(415,245)</u>
	<u>(1,680,785)</u>	<u>(685,405)</u>	<u>1,950,945</u>	<u>(415,245)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u><u>\$ 708,799</u></u>	<u><u>\$ 1,051,274</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 1,760,073</u></u>

Amortization expense was charged to governmental functions as follows:

Regular Instruction	<u>\$ 685,405</u>
	<u><u>\$ 685,405</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the District-wide financial statements:

	<u>Balance</u> <u>6/30/2024</u>	<u>Issued/ Added</u>	<u>Retired/ Matured</u>	<u>Balance</u> <u>6/30/2025</u>
Governmental Activities:				
Leases Payable	\$ 804,875	\$ 1,736,679	\$ 741,999	\$ 1,799,555
Net Pension Liability	8,079,590		903,072	7,176,518
Compensated Absences Payable	<u>2,484,849</u>	<u>402,010</u>	<u>309,301</u>	<u>2,577,558</u>
Total Governmental Activities	<u>11,369,314</u>	<u>2,138,689</u>	<u>1,954,372</u>	<u>11,553,631</u>
Business-Type Activities:				
Net Pension Liability	<u>488,374</u>		<u>14,020</u>	<u>474,354</u>
Total Business-Type Activities	<u>488,374</u>		<u>14,020</u>	<u>474,354</u>
Total District-wide	<u><u>\$ 11,857,688</u></u>	<u><u>\$ 2,138,689</u></u>	<u><u>\$ 1,968,392</u></u>	<u><u>\$ 12,027,985</u></u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and were liquidated through the debt service fund. The final maturity of the serial bonds payable occurred during the prior fiscal year.

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the Board had no bonds authorized but not issued.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. LONG-TERM LIABILITIES (Cont'd)

C. Leases Payable:

The District had leases outstanding as of June 30, 2025 as follows:

<u>Leases Payable</u>				
Purpose	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Savin Copiers	Monthly	02/20/26	3.400%	\$ 62,876
HP Computers	Annual	08/01/27	0.000%	1,736,679
				<u>\$ 1,799,555</u>

Principal and interest due on leases outstanding will be liquidated through the General Fund as follows:

Fiscal Year Ending June 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 641,769	\$ 804
2027	578,893	
2028	578,893	
	<u>\$ 1,799,555</u>	<u>\$ 804</u>

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The entire \$2,577,558 of compensated absences payable at June 30, 2025 is long-term. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, no liability existed for compensated absences in the Proprietary Funds.

E. Unamortized Bond Issuance Premiums:

The District had no liability for unamortized bond issuance premiums at June 30, 2025.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is \$-0- and the long-term portion is \$7,650,872 (\$7,176,518 governmental activities and \$474,354 business-type activities). See Note 12 for further information on the PERS.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The membership tiers for PERS are represented below.

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and is adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$766,174 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$24,666 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a liability of \$7,650,872 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.056%, which was a decrease of 0.003% from June 30, 2023.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense in the amount of \$9,186. Additionally, for the fiscal year ended June 30, 2024, the State recognized an actual pension expense on behalf of the District in the amount of \$24,666 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:			
2020	5.16		\$ 55,599
2021	5.13	\$ 9,505	
2022	5.04		31,450
		<u>9,505</u>	<u>87,049</u>
Changes in Proportion:			
2020	5.16		8,077
2021	5.13		71,954
2022	5.04	183,363	
2023	5.08		124,186
2024	5.08		347,234
		<u>183,363</u>	<u>551,451</u>
Difference Between Expected and Actual Experience:			
2020	5.16	3,097	
2021	5.13		7,559
2022	5.04		12,810
2023	5.08	39,356	
2024	5.08	110,808	
		<u>153,261</u>	<u>20,369</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2021	5.00		525,183
2022	5.00		(833,121)
2023	5.00		216,043
2024	5.00		446,645
			<u>354,750</u>
District Contribution Subsequent to the Measurement Date - 2024	1.00	733,592	
		<u>\$ 1,079,721</u>	<u>\$ 1,013,619</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense as follows:

Fiscal Year Ending June 30,	Total
2025	(432,134)
2026	207,531
2027	(266,438)
2028	(171,812)
2029	(4,637)
	<u>\$ (667,490)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2024 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the noncontributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2024 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2024			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 10,166,128	\$ 7,650,872	\$ 5,510,403

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2025, the State of New Jersey contributed \$10,123,511 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of \$(444,566).

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a liability of \$121,870,735 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.2465%, which was an increase of 0.004% from June 30, 2023.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>121,870,735</u>
Total	<u>\$ 121,870,735</u>

For the fiscal year ended June 30, 2024, the State recognized pension benefit on behalf of the District in the amount of \$(444,566) and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:			
2017	8.30		\$ 480,199,664
2018	8.29		1,060,765,245
2019	8.04		1,016,333,107
2020	7.99	\$ 603,633,698	
2021	7.93		7,317,559,989
2022	7.83	<u>67,989,902</u>	
		<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience:			
2017	8.30	8,543,764	
2018	8.29	186,086,527	
2019	8.04		39,486,140
2020	7.99		3,217,090
2021	7.93	97,106,767	
2022	7.83		12,735,529
2023	7.93	144,751,819	
2024	7.84		211,440,707
		<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2021	5.00		888,658,452
2022	5.00		(1,659,667,329)
2023	5.00		357,972,332
2024	5.00		816,400,864
			<u>403,364,319</u>
		<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	<u><u>\$ (9,436,989,313)</u></u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the actuarial assumptions on the following page, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 calculated using the discount rate as disclosed below, as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2024</u>		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 144,860,621	\$ 121,870,735	\$ 102,508,904

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$55,591 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$102,029 for the fiscal year ended June 30, 2025.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual local education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Annual Comprehensive Financial Report (ACFR) which can be found at <https://www.nj.gov/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	<u>219,185</u>
Total	<u><u>372,741</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65%	2.75 - 6.55%	3.25 - 16.25%
	based on years	based on years	based on years
	of service	of service	of service

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 - June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Mortality Rates

Pre--retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 "Safety" (PFRS), "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 112,787,699
Changes for Year:	
Service Cost	4,563,078
Interest on the Total OPEB Liability	4,145,017
Difference between Actual and Expected Experience	(1,938,250)
Changes of Assumptions	9,420,556
Contributions from Members	108,394
Gross Benefit Payments by the State	<u>(3,165,617)</u>
Net Changes	<u>13,133,178</u>
Balance at June 30, 2024	<u><u>\$ 125,920,877</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024 calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	\$ 147,480,315	\$ 125,920,877	\$ 108,392,626

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024 calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 104,893,007	\$ 125,920,877	\$ 153,311,065

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$4,311,942 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2024, the State had deferred outflows of resources and deferred inflows of resources related to OPEB attributable to the District from the following sources:

	<u>Deferral Year</u>	<u>Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ 2,414,866
	2018	9.51		2,948,156
	2019	9.29	\$ 465,138	
	2020	9.24	11,998,500	
	2021	9.24	70,873	
	2022	9.13		19,256,430
	2023	9.30	174,879	
	2024	9.33	8,410,850	
			<u>21,120,240</u>	<u>24,619,452</u>
Differences between Expected and Actual Experience	2018	9.51		2,786,926
	2019	9.29		5,474,699
	2020	9.24	11,183,073	
	2021	9.24		13,629,433
	2022	9.13	1,983,136	
	2023	9.30		1,624,564
	2024	9.33	299,546	
			<u>13,465,755</u>	<u>23,515,622</u>
Changes in Proportion	N/A	N/A	<u>2,680,091</u>	<u>3,019,932</u>
			<u>\$ 37,266,086</u>	<u>\$ 51,155,006</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources excluding changes in proportion related to OPEB attributable to the District will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2025	\$ (4,466,561)
2026	(3,745,237)
2027	(1,778,869)
2028	467,518
2029	(3,246,098)
Thereafter	(779,832)
	<u>\$ (13,549,079)</u>

NOTE 14. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Effective January 1, 2025, the District has health benefits coverage for its employees under Horizon Blue Cross Blue Shield of New Jersey. Prior to that, health benefits coverage for the District's employees was under the State of New Jersey Employees' Health Benefit Plan.

Property, Liability and Health Benefits - Insurance

A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (the "Group"). This public entity risk management pool provided general liability, workers compensation, property and automobile coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Group is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the Group are elected.

As a member of the Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 14. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits – Insurance (Cont'd)

The June 30, 2025 audit report for the Group is not available as of the date of this report. Selected summarized financial information for the Group as of June 30, 2024:

	Northeast Bergen County School Board Insurance Group (NESBIG)
Total Assets	\$ 29,497,559
Net Position	\$ 15,614,782
Total Revenue	\$ 22,860,172
Total Expenses	\$ 22,083,791
Member Dividends	\$ 2,000,000
Change in Net Position	\$ (1,223,619)

Financial statements for the Group are available at the Group's Executive Director's Office:

Burton Agency
44 Bergen Street
PO Box 270
Westwood, NJ 07675
(201) 664-0310

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two fiscal years.

Fiscal Year	Contributions		Interest Earned	Amount Reimbursed	Anticipated as Revenue in	Ending Balance
	District	Employee			General Fund Budget	
2024-2025	\$ -0-	\$ 183,555	\$ 17,394	\$ 154,197	\$ 400,000	\$ 474,383
2023-2024	-0-	119,545	35,254	124,304	-0-	827,631
2022-2023	-0-	127,329	20,961	127,989	-0-	797,136

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 15. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 16. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2025:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,598,692	\$ 126,171
Capital Projects Fund		4,355
Proprietary Funds:		
Region I Transportation		1,594,337
Food Service	126,171	
	<u>\$ 1,724,863</u>	<u>\$ 1,724,863</u>

During the fiscal year, the General Fund transferred \$267,847 to the Capital Projects Fund for the local share of capital projects.

The General Fund interfund receivable of \$1,598,692 is for interest earned due from the Capital Projects Fund and an interfund loan due from the Region I Transportation Fund due to receivables which had not yet been collected as of June 30, 2025. The General Fund interfund payable of \$126,171 is due to the Food Service Enterprise Fund for federal and state subsidy reimbursements and local food for schools reimbursements not remitted as of June 30, 2025.

NOTE 17. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future fiscal years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

403(b)

AIG Retirement Services (formerly VALIC)
American Century Services LLC
Ameriprise Financial/RiverSource
Equitable (formerly AXA)
Lincoln Investment Planning
Security Benefit

457

Equitable (formerly AXA)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 18. TAX CALENDAR

Property taxes are levied by the District's constituent municipality as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the District on a predetermined mutually agreed-upon schedule.

NOTE 19. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2025:

	<u>Governmental Funds</u>		District Contribution Subsequent to Measurement Date	Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>		
Vendors	\$ 83,651	\$ 1,507		\$ 85,158
Payroll Deductions and Withholdings	371,427			371,427
Due to State of New Jersey		9,089	\$ 688,109	697,198
	<u>\$ 455,078</u>	<u>\$ 10,596</u>	<u>\$ 688,109</u>	<u>\$ 1,153,783</u>

	<u>Proprietary Funds</u>		District Contribution Subsequent to Measurement Date	Total Business - Type Funds
	<u>Region I Transportation</u>	<u>Food Service</u>		
Vendors	\$ 22,785	\$ 40,742		\$ 63,527
Due to State of New Jersey			\$ 45,483	45,483
	<u>\$ 22,785</u>	<u>\$ 40,742</u>	<u>\$ 45,483</u>	<u>\$ 109,010</u>

NOTE 20. CONTINGENCIES

Litigation

The Board is periodically involved in claims and lawsuits arising in the normal course of business. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 20. CONTINGENCIES (Cont'd)

Grant Programs

The District participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the District is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

Encumbrances

At June 30, 2025, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

Governmental Funds			
<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<u>\$ 1,724,867</u>	<u>\$ 400</u>	<u>\$ 668,749</u>	<u>\$ 2,394,016</u>

In the District's Governmental Funds Balance Sheet as of June 30, 2025, \$-0- is assigned for encumbrances in the Special Revenue Fund, which is \$400 less than the actual encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$668,749 of fiscal year-end encumbrances in the Capital Projects Fund are included in the committed fund balance on a GAAP basis at June 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0628894962%	0.0602580602%	0.0599611482%	0.0615131394%	0.0606555673%
District's proportionate share of the net pension liability	\$ 14,117,432	\$ 17,846,709	\$ 13,957,997	\$ 12,111,631	\$ 10,929,213
District's covered employee payroll	\$ 4,130,496	\$ 4,142,788	\$ 4,291,979	\$ 4,240,155	\$ 4,331,687
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	341.79%	430.79%	325.21%	285.64%	252.31%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%
	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0594981727%	0.0580003919%	0.0603820780%	0.0591531519%	0.0563059068%
District's proportionate share of the net pension liability	\$ 9,702,596	\$ 6,871,016	\$ 9,112,487	\$ 8,567,964	\$ 7,650,872
District's covered employee payroll	\$ 4,214,133	\$ 4,397,847	\$ 4,327,014	\$ 4,403,689	\$ 4,380,499
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	230.24%	156.24%	210.60%	194.56%	174.66%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	70.33%	62.91%	65.23%	68.22%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Contractually required contribution	\$ 540,681	\$ 535,324	\$ 564,328	\$ 632,594	\$ 591,839
Contributions in relation to the contractually required contribution	(540,681)	(535,324)	(564,328)	(632,594)	(591,839)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 4,142,788	\$ 4,291,979	\$ 4,240,155	\$ 4,331,687	\$ 4,214,133
Contributions as a percentage of covered employee payroll	13.05%	12.47%	13.31%	14.60%	14.04%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
Contractually required contribution	\$ 650,880	\$ 679,252	\$ 761,447	\$ 790,599	\$ 766,174
Contributions in relation to the contractually required contribution	(650,880)	(679,252)	(761,447)	(790,599)	(766,174)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 4,397,847	\$ 4,327,014	\$ 4,403,689	\$ 4,380,499	\$ 4,497,848
Contributions as a percentage of covered employee payroll	14.80%	15.70%	17.29%	18.05%	17.03%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.2427921080%	0.2446592460%	0.2417091642%	0.2261037579%	0.2312923265%
State's proportionate share of the net pension liability attributable the District	\$ 153,454,980	\$ 192,464,540	\$ 162,969,034	\$ 143,842,354	\$ 141,946,284
District's covered employee payroll	\$ 24,508,618	\$ 23,984,530	\$ 23,663,322	\$ 25,117,473	\$ 26,033,263
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	626.13%	802.45%	688.70%	572.68%	545.25%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.95%
	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.2405763104%	0.2393637791%	0.2422613252%	0.2425852803%	0.2465765740%
State's proportionate share of the net pension liability attributable the District	\$ 158,416,606	\$ 115,074,588	\$ 124,993,315	\$ 123,797,744	\$ 121,870,735
District's covered employee payroll	\$ 27,021,314	\$ 27,898,674	\$ 28,789,110	\$ 29,066,467	\$ 29,324,707
State's proportionate share of the net pension liability attributable to the District as a percentage of District's covered employee payroll	586.27%	412.47%	434.17%	425.91%	415.59%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	35.52%	32.29%	34.68%	37.99%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Contractually required contribution	\$ 9,369,808	\$ 14,461,032	\$ 11,289,669	\$ 8,385,506	\$ 8,372,371
Contributions in relation to the contractually required contribution	(1,958,837)	(2,623,690)	(3,329,710)	(4,548,960)	(5,276,760)
Contribution deficiency/(excess)	<u>\$ 7,410,971</u>	<u>\$ 11,837,342</u>	<u>\$ 7,959,959</u>	<u>\$ 3,836,546</u>	<u>\$ 3,095,611</u>
District's covered employee payroll	\$ 23,984,530	\$ 23,663,322	\$ 25,117,473	\$ 26,033,263	\$ 27,021,314
Contributions as a percentage of covered employee payroll	8.17%	11.09%	13.26%	17.47%	19.53%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
Contractually required contribution	\$ 9,851,019	\$ 2,707,756	\$ 3,363,919	\$ 3,041,350	\$ (444,566)
Contributions in relation to the contractually required contribution	(6,958,016)	(9,973,066)	(9,917,032)	(10,507,450)	(10,123,511)
Contribution deficiency/(excess)	<u>\$ 2,893,003</u>	<u>\$ (7,265,310)</u>	<u>\$ (6,553,113)</u>	<u>\$ (7,466,100)</u>	<u>\$ (10,568,077)</u>
District's covered employee payroll	\$ 27,898,674	\$ 28,789,110	\$ 29,066,467	\$ 29,324,707	\$ 29,963,684
Contributions as a percentage of covered employee payroll	24.94%	34.64%	34.12%	35.83%	33.79%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL
OPEB LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 4,723,448	\$ 3,912,435	\$ 3,450,735	\$ 3,734,724	\$ 6,552,896	\$ 5,795,648	\$ 4,563,054	\$ 4,563,078
Interest	3,561,710	4,118,093	3,867,767	3,175,562	3,297,304	2,863,697	3,972,245	4,145,017
Changes in Benefit Terms					(135,291)			
Difference Between Expected and Actual Experience		(8,860,523)	(15,610,147)	23,859,097	(22,818,633)	4,026,169	(1,039,846)	(1,938,250)
Changes in Assumptions	(14,902,456)	(11,222,184)	1,314,904	26,047,925	125,401	(28,987,943)	227,333	9,420,556
Member Contributions	95,838	90,376	80,247	75,245	84,296	90,999	101,795	108,394
Gross Benefit Payments	(2,602,711)	(2,614,938)	(2,707,137)	(2,482,530)	(2,597,352)	(2,836,577)	(3,096,430)	(3,165,617)
Net Change in Total OPEB Liability	(9,124,171)	(14,576,741)	(9,603,631)	54,410,023	(15,491,379)	(19,048,007)	4,728,151	13,133,178
Total OPEB Liability - Beginning	121,493,454	112,369,283	97,792,542	88,188,911	142,598,934	127,107,555	108,059,548	112,787,699
Total OPEB Liability - Ending	<u>\$ 112,369,283</u>	<u>\$ 97,792,542</u>	<u>\$ 88,188,911</u>	<u>\$ 142,598,934</u>	<u>\$ 127,107,555</u>	<u>\$ 108,059,548</u>	<u>\$ 112,787,699</u>	<u>\$ 125,920,877</u>
District's Covered Employee Payroll *	\$ 28,127,318	\$ 27,955,301	\$ 29,357,628	\$ 30,364,950	\$ 31,235,447	\$ 32,296,521	\$ 33,116,124	\$ 33,470,156
Total OPEB Liability as a Percentage of Covered Employee Payroll	400%	350%	300%	470%	407%	335%	341%	376%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2024 is based on the payroll on the June 30, 2016 - 2023 census data, respectively.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 70,548,364		\$ 70,548,364	\$ 70,548,364	
Unrestricted Miscellaneous Revenues	100,000		100,000	868,619	\$ 768,619
Interest Earned on Current Expense Emergency Reserve	100		100		(100)
Interest Earned on Maintenance Reserve	100		100		(100)
Interest Earned on Capital Reserve Funds	50,000		50,000	162,422	112,422
Other Restricted Miscellaneous Revenues	180,000		180,000	238,901	58,901
Total Revenues from Local Sources	70,878,564		70,878,564	71,818,306	939,742
Revenues from State Sources:					
Categorical Transportation Aid	1,281,333		1,281,333	1,281,333	
Extraordinary Aid	300,000		300,000	1,293,924	993,924
Categorical Special Education Aid	3,165,052		3,165,052	3,165,052	
Categorical Security Aid	295,931		295,931	295,931	
Nonpublic School Transportation Costs				103,273	103,273
TPAF Post Retirement Contributions (Non-Budgeted)				2,994,741	2,994,741
TPAF Pension Contributions (Non-Budgeted)				10,123,511	10,123,511
TPAF Non-Contributory Insurance (Non-Budgeted)				125,403	125,403
TPAF Long-Term Disability Insurance (Non-Budgeted)				4,327	4,327
Reimbursed TPAF Social Security Contributions				2,149,677	2,149,677
Total Revenues from State Sources	5,042,316		5,042,316	21,537,172	16,494,856
Revenues from Federal Sources:					
Medicaid Reimbursement	38,956		38,956	20,512	(18,444)
Total Revenues from Federal Sources	38,956		38,956	20,512	(18,444)
TOTAL REVENUE	75,959,836		75,959,836	93,375,990	17,416,154

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 879,490	\$ 30,813	\$ 910,303	\$ 876,851	\$ 33,452
Grades 1-5 - Salaries of Teachers	5,769,926	295,368	6,065,294	5,947,131	118,163
Grades 6-8 - Salaries of Teachers	3,989,837	132,907	4,122,744	4,075,524	47,220
Grades 9-12 - Salaries of Teachers	6,386,577	104,482	6,491,059	6,427,102	63,957
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000	50,337	85,337	85,337	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	457,692	188,658	646,350	646,350	
Purchased Professional-Educational Services	505,000	65,141	570,141	570,141	
Other Purchased Services (400-500 series)	931,908	(9,483)	922,425	921,762	663
General Supplies	1,101,508	(187,541)	913,967	888,137	25,830
Textbooks	56,896	(14,899)	41,997	38,991	3,006
Other Objects	29,560	(6,588)	22,972	20,142	2,830
Total Regular Programs - Instruction	20,143,394	649,195	20,792,589	20,497,468	295,121
Special Education - Instruction:					
Learning and/or Language Disabilities - Mild/Moderate:					
Salaries of Teachers	634,665	16,040	650,705	650,705	
Other Salaries for Instruction	218,769	(57,504)	161,265	161,158	107
General Supplies	23,361		23,361	16,256	7,105
Textbooks	1,161		1,161	450	711
Total Learning and/or Language Disabilities - Mild/Moderate	877,956	(41,464)	836,492	828,569	7,923

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 4,474,806	\$ (411,952)	\$ 4,062,854	\$ 4,061,454	\$ 1,400
Other Salaries for Instruction	168,671	(64,782)	103,889	103,889	
General Supplies	40,171	(11,302)	28,869	25,786	3,083
Textbooks	5,092	(1,114)	3,978	2,156	1,822
Total Resource Room/Resource Center	4,688,740	(489,150)	4,199,590	4,193,285	6,305
Preschool Disabilities - Part-Time:					
Salaries of Teachers	189,733	48,728	238,461	238,461	
Other Salaries for Instruction	202,403	(76,646)	125,757	125,757	
General Supplies	3,313		3,313	923	2,390
Total Preschool Disabilities - Part-Time	395,449	(27,918)	367,531	365,141	2,390
Preschool Disabilities - Full-Time:					
General Supplies		14,766	14,766	14,766	
Total Preschool Disabilities - Full-Time		14,766	14,766	14,766	
Home Instruction:					
Salaries of Teachers	40,000		40,000	3,292	36,708
Total Home Instruction	40,000		40,000	3,292	36,708
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,002,145	(543,766)	5,458,379	5,405,053	53,326
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	915,622	36,759	952,381	915,908	36,473
General Supplies	23,439	(6,159)	17,280	11,716	5,564
Textbooks	5,100	(2,900)	2,200	1,300	900
Total Basic Skills/Remedial - Instruction	944,161	27,700	971,861	928,924	42,937

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 273,273	\$ (16,524)	\$ 256,749	\$ 256,749	
General Supplies	3,730		3,730	1,063	\$ 2,667
Total Bilingual Education - Instruction	<u>277,003</u>	<u>(16,524)</u>	<u>260,479</u>	<u>257,812</u>	<u>2,667</u>
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	600,000	20,999	620,999	457,581	163,418
Supplies and Materials	19,500	(8,683)	10,817	10,343	474
Other Objects	33,875	(3,667)	30,208	29,008	1,200
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	<u>653,375</u>	<u>8,649</u>	<u>662,024</u>	<u>496,932</u>	<u>165,092</u>
School-Sponsored Athletics - Instruction:					
Salaries	775,221	67,687	842,908	842,908	
Purchased Services (300-500 series)	174,086	24,613	198,699	153,396	45,303
Supplies and Materials	131,656	(9)	131,647	106,972	24,675
Other Objects	17,650	3,616	21,266	14,696	6,570
Total School-Sponsored Athletics - Instruction	<u>1,098,613</u>	<u>95,907</u>	<u>1,194,520</u>	<u>1,117,972</u>	<u>76,548</u>
Summer School - Instruction:					
Salaries of Teachers	15,000		15,000		15,000
Total Summer School - Instruction	<u>15,000</u>		<u>15,000</u>		<u>15,000</u>
Total Summer School	<u>15,000</u>		<u>15,000</u>		<u>15,000</u>
TOTAL INSTRUCTION	<u>29,133,691</u>	<u>221,161</u>	<u>29,354,852</u>	<u>28,704,161</u>	<u>650,691</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular		\$ 8,260	\$ 8,260	\$ 8,260	
Tuition to Other LEAs Within the State-Special	\$ 1,240,165	13,315	1,253,480	1,217,551	\$ 35,929
Tuition to County Voc. School Dist.-Regular	468,464	(72,052)	396,412	396,412	
Tuition to County Voc. School Dist.-Special	77,400	(77,400)			
Tuition to CSSD & Reg. Day Schools	871,195	609,069	1,480,264	1,480,264	
Tuition to Priv. Sch. for the Handicap. W/I State	3,333,688	50,116	3,383,804	3,382,323	1,481
Tuition to Priv Sch Handicap & Oth LEAs-Spl,O/S St	275,000	(274,181)	819	819	
Tuition - Other	165,771	(164,719)	1,052	1,052	
Total Undistributed Expenditures - Instruction	6,431,683	92,408	6,524,091	6,486,681	37,410
Undistributed Expenditures - Health Services:					
Salaries	632,452	167,199	799,651	648,558	151,093
Purchased Professional and Technical Services	31,500	7,361	38,861	33,226	5,635
Supplies and Materials	15,071	42,779	57,850	53,367	4,483
Total Undist. Expenditures - Health Services	679,023	217,339	896,362	735,151	161,211
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	537,745	(81,219)	456,526	446,556	9,970
Purchased Professional - Educational Services	2,252,713	(610,500)	1,642,213	1,433,842	208,371
Supplies and Materials	5,000		5,000	4,844	156
Other Objects	7,500		7,500	6,662	838
Total Undist. Expend. - Speech, OT, PT, Related Svcs	2,802,958	(691,719)	2,111,239	1,891,904	219,335
Undist.Expend.- Other Supp.Serv.Students-Extra.Serv.:					
Salaries	2,222,796	56,214	2,279,010	2,279,010	
Purchased Professional - Educational Services	1,074,071	261,938	1,336,009	1,310,104	25,905
Supplies and Materials	7,000	(2,357)	4,643	781	3,862
Other Objects	6,000		6,000	3,763	2,237
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	3,309,867	315,795	3,625,662	3,593,658	32,004

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.- Guidance:					
Salaries of Other Professional Staff	\$ 1,086,288	\$ (134,449)	\$ 951,839	\$ 948,593	\$ 3,246
Salaries of Secretarial and Clerical Assistants	123,584	(12,000)	111,584	111,584	
Other Salaries		36,226	36,226	36,226	
Supplies and Materials	28,612	(137)	28,475	15,017	13,458
Other Objects	108,923	(541)	108,382	99,092	9,290
Total Undist Expend. - Guidance	1,347,407	(110,901)	1,236,506	1,210,512	25,994
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	1,805,575	(177,190)	1,628,385	1,628,385	
Salaries of Secretarial and Clerical Assistants	125,200	(54,988)	70,212	69,141	1,071
Other Salaries		69,968	69,968	69,968	
Other Purchased Services (400-500 series)	5,063	270,702	275,765	272,896	2,869
Supplies and Materials	10,000	539	10,539	10,539	
Other Objects	4,000	5,239	9,239	9,239	
Total Undist Expend. - Child Study Team	1,949,838	114,270	2,064,108	2,060,168	3,940
Undist. Expend.- Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	186,848	3,157	190,005	190,005	
Salaries of Other Professional Staff	1,341,567	(67,538)	1,274,029	1,265,568	8,461
Salaries of Secretarial and Clerical Assistants	65,150		65,150	65,150	
Other Salaries	50,000		50,000	32,395	17,605
Other Purchased Prof. and Tech. Services	90,670	(69,993)	20,677	4,177	16,500
Other Purchased Services (400-500 series)	3,000	63	3,063	140	2,923
Supplies and Materials	6,500		6,500	1,688	4,812
Other Objects	6,000	23,987	29,987	2,637	27,350
Total Undist. Expend.- Improv. of Inst. Serv.	1,749,735	(110,324)	1,639,411	1,561,760	77,651

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.- Edu. Media Serv./Sch. Library:					
Salaries	\$ 433,274	\$ (13,574)	\$ 419,700	\$ 411,622	\$ 8,078
Supplies and Materials	251,184	(31,588)	219,596	159,667	59,929
Other Objects	2,500		2,500	1,926	574
Total Undist Expend-Edu. Media Serv./Sch. Library	686,958	(45,162)	641,796	573,215	68,581
Undist.Expend.- Instructional Staff Training Services:					
Other Salaries	26,500		26,500	15,267	11,233
Other Purchased Prof. And Tech. Services	59,747	(32,188)	27,559		27,559
Other Purchased Services (400-500 series)	34,649	(6,000)	28,649	19,193	9,456
Supplies and Materials	5,000		5,000	441	4,559
Other Objects	6,260		6,260	794	5,466
Total Undist.Expend.- Instructional Staff Training Services	132,156	(38,188)	93,968	35,695	58,273
Undist. Expend.- Support Serv.-Gen. Admin.:					
Salaries	346,308	1,875	348,183	348,168	15
Legal Services	208,236	(28,188)	180,048	56,961	123,087
Audit Fees	105,000	11,536	116,536	61,536	55,000
Architectural/Engineering Services	18,500		18,500	11,774	6,726
Other Purchased Professional Services	40,000	926	40,926	40,926	
Purchased Technical Services	14,000	(2,703)	11,297	9,450	1,847
Communications / Telephone	120,651	21,022	141,673	133,249	8,424
BOE Other Purchased Services	20,064	(4,439)	15,625	10,445	5,180
General Supplies	5,000	629	5,629	605	5,024
BOE In-house training/ Meeting Supplies	3,500		3,500	3,094	406
Miscellaneous Expenditures	3,500		3,500	2,516	984
BOE Membership Dues and Fees	32,000		32,000	31,878	122
Total Undist. Expend.- Support Serv.-Gen. Admin.	916,759	658	917,417	710,602	206,815

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.- Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 1,634,654	\$ 137,924	\$ 1,772,578	\$ 1,772,578	
Salaries of Secretarial and Clerical Assistants	912,514	(110,129)	802,385	768,358	\$ 34,027
Other Purchased Services (400-500 series)	2,563	925	3,488	3,409	79
Supplies and Materials	129,586	(27,332)	102,254	91,882	10,372
Other Objects	45,776	2,274	48,050	24,854	23,196
Total Undist. Expend.- Support Serv.-School Adm.	2,725,093	3,662	2,728,755	2,661,081	67,674
Undist. Expend. - Central Services:					
Salaries	828,787	98,655	927,442	927,442	
Purchased Technical Services	175,000	28,914	203,914	175,652	28,262
Miscellaneous Purchased Services (400-500 series other than 594)	6,000	(6,000)			
Supplies and Materials	12,000	(520)	11,480	11,469	11
Other Objects	15,875	1,283	17,158	17,158	
Total Undist. Expend. - Central Services	1,037,662	122,332	1,159,994	1,131,721	28,273
Undist. Expend. - Admin. Info. Technology:					
Salaries	523,831	(26,328)	497,503	496,852	651
Purchased Professional Services	517,831	(19,012)	498,819	293,719	205,100
Purchased Technical Services	135,000	(135,000)			
Other Purchased Services (400-500 series)		134,099	134,099	44,150	89,949
Supplies and Materials	301,000	(52,132)	248,868	189,625	59,243
Other Objects	5,000	(560)	4,440	1,723	2,717
Total Undist. Expend. - Admin. Info. Technology	1,482,662	(98,933)	1,383,729	1,026,069	357,660

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.- Required Maintenance for School Facilities:					
Salaries	\$ 668,405	\$ (53,428)	\$ 614,977	\$ 614,977	
Cleaning, Repair, and Maintenance Services	1,134,918	586,453	1,721,371	1,041,427	\$ 679,944
General Supplies	109,629	(7,744)	101,885	92,465	9,420
Other Objects	5,000	19,098	24,098	24,098	
Total Undist. Expend.- Required Maint. for School Facilities	1,917,952	544,379	2,462,331	1,772,967	689,364
Undist. Expend.- Custodial Services:					
Salaries	158,446	38,884	197,330	197,330	
Purchased Professional and Technical Services	2,280,245	(152,961)	2,127,284	2,111,097	16,187
Cleaning, Repair, and Maintenance Services	74,777	(37,590)	37,187	20,694	16,493
Insurance	600,000	51,730	651,730	651,730	
Miscellaneous Purchased Services	44,500	39,686	84,186	65,749	18,437
General Supplies	364,659	(30,006)	334,653	277,355	57,298
Energy (Natural Gas)	427,091	(22,329)	404,762	334,861	69,901
Energy (Electricity)	1,111,828	1,513	1,113,341	1,036,183	77,158
Total Undist. Expend.- Custodial Services	5,061,546	(111,073)	4,950,473	4,694,999	255,474
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	225,094	18,346	243,440	140,532	102,908
Total Care and Upkeep Of Grounds	225,094	18,346	243,440	140,532	102,908
Security:					
Salaries		60,249	60,249	60,249	
Purchased Professional and Technical Services	154,241	(56,436)	97,805	97,805	
Cleaning, Repair, and Maintenance Services	380,000	(257,096)	122,904	112,776	10,128
General Supplies	30,000	(5,098)	24,902	20,428	4,474
Total Security	564,241	(258,381)	305,860	291,258	14,602
Total Undist. Expend.- Oper. and Maint. of Plant Serv.	7,768,833	193,271	7,962,104	6,899,756	1,062,348

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	\$ 351,368	\$ 29,550	\$ 380,918	\$ 380,918	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	50,000	56,252	106,252	106,252	
Cleaning, Repair, and Maint. Services	15,000	5,450	20,450	20,450	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studis	250,000	(10,363)	239,637	237,401	\$ 2,236
Contract. Serv.(Bet. Home & Sch.)-Vendors	2,193,730	(209,162)	1,984,568	1,934,170	50,398
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	275,000	80,065	355,065	328,250	26,815
Contract. Serv.(Spl. Ed. Students)-Vendors	75,000	1,330	76,330	70,170	6,160
Contract. Serv.(Reg. Students)-ESCs & CTSA	240,000	34,000	274,000	234,981	39,019
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	3,180,000	(308,594)	2,871,406	2,466,807	404,599
Misc. Purchased Serv. - Transportation	28,000	6,710	34,710	25,219	9,491
General Supplies	85,000	10,839	95,839	53,409	42,430
Total Undist. Expend. - Student Trans. Serv.	6,743,098	(303,923)	6,439,175	5,858,027	581,148
UNALLOCATED BENEFITS					
Group Insurance	19,500	27	19,527	19,527	
Social Security Contributions	750,000	14,655	764,655	764,655	
Other Retirement Contributions - PERS	730,000		730,000	718,956	11,044
Other Retirement Contributions - Regular	55,000	591	55,591	55,591	
Workers Compensation	205,000	21,560	226,560	214,539	12,021
Health Benefits	9,084,220	(293,317)	8,790,903	8,471,650	319,253
Tuition Reimbursement	204,849	5,471	210,320	152,631	57,689
Other Employee Benefits	172,110	4,320	176,430	91,203	85,227
Unused Sick Payment to Terminated/Retired Staff	232,850		232,850	7,850	225,000
TOTAL UNALLOCATED BENEFITS	11,453,529	(246,693)	11,206,836	10,496,602	710,234

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)			\$	2,994,741	\$ (2,994,741)
TPAF Pension Contributions (Non-Budgeted)				10,123,511	(10,123,511)
TPAF Non-Contributory Insurance (Non-Budgeted)				125,403	(125,403)
TPAF Long-Term Disability Insurance (Non-Budgeted)				4,327	(4,327)
Reimbursed TPAF Social Security Contributions				2,149,677	(2,149,677)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				15,397,659	(15,397,659)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 11,453,529	\$ (244,965)	\$ 11,208,564	25,894,261	(14,685,697)
TOTAL UNDISTRIBUTED EXPENDITURES	51,217,261	(586,108)	50,631,153	62,330,261	(11,699,108)
TOTAL GENERAL CURRENT EXPENSE	80,350,952	(364,947)	79,986,005	91,034,422	(11,048,417)
CAPITAL OUTLAY					
Equipment					
Grades 9-12		8,342	8,342		8,342
Undistributed Expenditures - Admin. Info. Tech.		60,000	60,000	60,000	
Undist. Expend. - Required Maint for School Fac.	60,000	(1,659)	58,341	58,341	
Undist. Expend. - Custodial Services		227,233	227,233	227,233	
School Buses - Regular	110,000	(280)	109,720	109,720	
Special Schools (All Programs)		4,666	4,666		4,666
Total Equipment	170,000	298,302	468,302	455,294	13,008

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	\$ 199,605	\$ 282,562	\$ 482,167	\$ 65,799	\$ 416,368
Construction Services	613,321	(9,017)	604,304	532,109	72,195
Assessment for Debt Service on SDA Funding	79,684		79,684	79,684	
Total Facilities Acquisition and Const. Serv.	892,610	273,545	1,166,155	677,592	488,563
Assets Acquired Under Leases (Non-Budgeted):					
Regular Programs - Equipment				1,736,679	(1,736,679)
Total Assets Acquired Under Leases (Non-Budgeted)				1,736,679	(1,736,679)
TOTAL CAPITAL OUTLAY	1,062,610	571,847	1,634,457	2,869,565	(1,235,108)
Transfer of Funds to Charter Schools	60,771		60,771	60,771	
TOTAL EXPENDITURES	81,474,333	206,900	81,681,233	93,964,758	(12,283,525)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(5,514,497)	(206,900)	(5,721,397)	(588,768)	5,132,629
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund - Interest Earned				4,355	4,355
Leases (Non-budgeted)				1,736,679	1,736,679
Capital Reserve - Transfer to Capital Projects Fund		(267,847)	(267,847)	(267,847)	
Total Other Financing Sources/(Uses)		(267,847)	(267,847)	1,473,187	1,741,034

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Uses	\$ (5,514,497)	\$ (474,747)	\$ (5,989,244)	\$ 884,419	\$ 6,873,663
Fund Balance, July 1	18,775,750		18,775,750	18,775,750	
Fund Balance, June 30	<u>\$ 13,261,253</u>	<u>\$ (474,747)</u>	<u>\$ 12,786,506</u>	<u>\$ 19,660,169</u>	<u>\$ 6,873,663</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2026-2027				\$ 1,524,829	
Excess Surplus - Restricted For 2025-2026				1,493,946	
Capital Reserve				7,470,122	
Maintenance Reserve				2,522,448	
Emergency Reserve				428,900	
Unemployment Compensation				474,383	
Assigned Fund Balance:					
Year End Encumbrances				1,724,867	
Designated for Subsequent Year's Expenditures				1,381,512	
Unassigned Fund Balance				<u>2,639,162</u>	
				<u>19,660,169</u>	
				<u>(366,259)</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>\$ 19,293,910</u>	
Fund Balance per Governmental Funds (GAAP)					

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 6,200	\$ 1,263	\$ 7,463	\$ 1,182	\$ (6,281)
Federal Sources	626,000	302,816	928,816	915,005	(13,811)
Local Sources		943,759	943,759	1,207,524	263,765
Total Revenues	632,200	1,247,838	1,880,038	2,123,711	243,673
EXPENDITURES:					
Instruction					
Personal Services - Salaries	90,000	33,802	123,802	117,181	6,621
Purchased Professional-Educational Services		2,541	2,541		2,541
Purchased Professional and Technical Services		1,500	1,500	1,500	
Tuition	485,000	215,141	700,141	700,141	
General Supplies	8,000	(5,116)	2,884	934	1,950
Textbooks	500	(142)	358		358
Other Objects	5,700	45,879	51,579	45,158	6,421
Total Instruction	589,200	293,605	882,805	864,914	17,891
Support Services					
Personal Services - Salaries		727	727		727
Personal Services - Employee Benefits		11,061	11,061	9,089	1,972
Purchased Professional and Technical Services		86,160	86,160	86,160	
Other Purchased Services	43,000	(43,000)			
Student Activities		874,735	874,735	874,735	
Scholarships Awarded		24,550	24,550	24,550	
Total Support Services	43,000	954,233	997,233	994,534	2,699
Total Expenditures	632,200	1,247,838	1,880,038	1,859,448	20,590
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 264,263	\$ 264,263

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note A - Explanation of Differences Between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 93,375,990	\$ 2,123,711
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary		
Basis Recognizes Encumbrances as Expenditures and Revenue, whereas		
the GAAP Basis does not.		
Current Year Encumbrances		(400)
Prior Year Encumbrances		24,925
Prior Year State Aid Payments Recognized for GAAP Statements, not		
Recognized for Budgetary Purposes	337,606	
Current Year State Aid Payments Recognized for Budgetary Purposes, not		
Recognized for GAAP Statements	(366,259)	
Total Revenues as Reported on the Statement of Revenues, Expenditures		
and Changes in Fund Balances - Governmental Funds	<u>\$ 93,347,337</u>	<u>\$ 2,148,236</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 93,964,758	\$ 1,859,448
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but		
Not Received are Reported in the Year the Order is Placed for		
Budgetary Purposes, not in the Year the Supplies are Received		
for Financial Reporting Purposes		
Current Year Encumbrances		(400)
Prior Year Encumbrances		24,925
Total Expenditures as Reported on the Statement of Revenues,		
Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 93,964,758</u>	<u>\$ 1,883,973</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Elementary and Secondary Education Act			
	Title I	Title IIA		Title III
		2024-25	2023-24	
REVENUE:				
State Sources				
Federal Sources	\$ 117,052	\$ 46,750	\$ 1,500	\$ 20,221
Local Sources				
Total Revenue	<u>\$ 117,052</u>	<u>\$ 46,750</u>	<u>\$ 1,500</u>	<u>\$ 20,221</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	\$ 107,963			\$ 1,800
Purchased Professional and Technical Services				
Tuition				
General Supplies				
Other Objects				
Total Instruction	<u>107,963</u>			<u>1,800</u>
Support Services:				
Personal Services - Employee Benefits	9,089			
Purchased Professional and Technical Services		\$ 46,750	\$ 1,500	18,421
Student Activities				
Scholarships Awarded				
Total Support Services	<u>9,089</u>	<u>46,750</u>	<u>1,500</u>	<u>18,421</u>
Total Expenditures	<u>\$ 117,052</u>	<u>\$ 46,750</u>	<u>\$ 1,500</u>	<u>\$ 20,221</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Elementary and Secondary Education Act		IDEA - Part B, Basic	
	Title III Immigrant	Title IV	Regular	Preschool
REVENUE:				
State Sources				
Federal Sources	\$ 8,352	\$ 20,989	\$ 665,785	\$ 34,356
Local Sources				
Total Revenue	<u>\$ 8,352</u>	<u>\$ 20,989</u>	<u>\$ 665,785</u>	<u>\$ 34,356</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	\$ 7,418			
Purchased Professional and Technical Services		\$ 1,500		
Tuition			\$ 665,785	\$ 34,356
General Supplies	934			
Other Objects				
Total Instruction	<u>8,352</u>	<u>1,500</u>	<u>665,785</u>	<u>34,356</u>
Support Services:				
Personal Services - Employee Benefits				
Purchased Professional and Technical Services		19,489		
Student Activities				
Scholarships Awarded				
Total Support Services		<u>19,489</u>		
Total Expenditures	<u>\$ 8,352</u>	<u>\$ 20,989</u>	<u>\$ 665,785</u>	<u>\$ 34,356</u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

	<u>NJ Nonpublic</u>	<u>Student</u>		<u>Local</u>	<u>Totals</u>
	<u>Nursing</u>	<u>Activities</u>	<u>Scholarships</u>	<u>Programs</u>	<u>June 30, 2025</u>
REVENUE:					
State Sources	\$ 1,182				\$ 1,182
Federal Sources					915,005
Local Sources		\$ 997,743	\$ 165,805	\$ 43,976	1,207,524
Total Revenue	<u>\$ 1,182</u>	<u>\$ 997,743</u>	<u>\$ 165,805</u>	<u>\$ 43,976</u>	<u>\$ 2,123,711</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries					\$ 117,181
Purchased Professional and Technical Services					1,500
Tuition					700,141
General Supplies					934
Other Objects	\$ 1,182			\$ 43,976	45,158
Total Instruction	<u>1,182</u>			<u>43,976</u>	<u>864,914</u>
Support Services:					
Personal Services - Employee Benefits					9,089
Purchased Professional and Technical Services					86,160
Student Activities		\$ 874,735			874,735
Scholarships Awarded			\$ 24,550		24,550
Total Support Services		<u>874,735</u>	<u>24,550</u>		<u>994,534</u>
Total Expenditures	<u>\$ 1,182</u>	<u>\$ 874,735</u>	<u>\$ 24,550</u>	<u>\$ 43,976</u>	<u>\$ 1,859,448</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 176,874
Transfer from Capital Reserve	267,847
Interest Revenue	<u>4,355</u>
Total Revenue and Other Financing Sources	<u>449,076</u>
Expenditures and Other Financing Uses:	
Construction Services	10,925
Transfer to General Fund - Interest Earned	<u>4,355</u>
Total Expenditures and Other Financing Uses	<u>15,280</u>
Excess of Revenue and Other Financing Sources	
Over Expenditures and Other Financing Uses	433,796
Fund Balance - Beginning	<u>297,139</u>
Fund Balance - Ending	<u><u>\$ 730,935</u></u>
<u>Recapitulation of Fund Balance at June 30, 2025:</u>	
Committed - Year-End Encumbrances	\$ 668,749
Committed	<u>62,186</u>
Committed Fund Balance per Governmental Funds (Budgetary Basis)	730,935
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	<u>(176,874)</u>
Total Fund Balance per Governmental Funds (GAAP Basis)	<u><u>\$ 554,061</u></u>

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
GEORGE WASHINGTON SCHOOL HVAC SYSTEM UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 2,328,669	\$ 2,535	\$ 2,331,204	\$ 2,331,204
Total Revenue and Other Financing Sources	2,328,669	2,535	2,331,204	2,331,204
Expenditures:				
Construction Services	2,031,530		2,031,530	2,331,204
Total Expenditures	2,031,530	-0-	2,031,530	2,331,204
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 297,139	\$ 2,535	\$ 299,674	\$ -0-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ -0-
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 1,600,000
Additional Authorization	\$ 731,204
Change Orders	\$ -0-
Revised Authorized Cost	\$ 2,331,204
Change Order Percentage	0.00%
Percentage Completion	87.15%
Original Target Completion Date	06/30/2024
Revised Target Completion Date	06/30/2026

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
JOYCE KILMER SCHOOL HVAC SYSTEM UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 176,874	\$ 176,874	\$ 176,874
Transfer from Capital Reserve		265,312	265,312	265,312
Total Revenue and Other Financing Sources	\$ -0-	442,186	442,186	442,186
Expenditures:				
Construction Services		10,925	10,925	442,186
Total Expenditures	-0-	10,925	10,925	442,186
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ -0-	\$ 431,261	\$ 431,261	\$ -0-

Additional Project Information:

Project Number	SP-02-03-2900-075-23-R501
Grant Date	10/13/2023
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 442,186
Change Order Percentage	0.00%
Percentage Completion	2.47%
Original Target Completion Date	06/30/2026

PROPRIETARY FUNDS

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds						
	Major Funds		Non-Major Funds				
	Region I	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds
ASSETS:							
Current Assets:							
Cash and Cash Equivalents		\$ 692,236	\$ 34,777	\$ 543,523	\$ 578,300	\$ 727,013	\$ 1,270,536
Receivable from:							
Federal Government				18,855	18,855		18,855
State Government				1,757	1,757		1,757
Other Governmental Units		22,168				1,717,033	1,717,033
Accounts Receivable - Other	\$ 1,694,865			24,423	24,423	24,423	24,423
Interfund Receivable - General Fund				126,171	126,171	126,171	126,171
Inventories				28,608	28,608		28,608
Total Current Assets	1,694,865	714,404	34,777	743,337	778,114	2,444,046	3,187,383
Non-Current Assets:							
Capital Assets				737,977	737,977		737,977
Less: Accumulated Depreciation				(366,804)	(366,804)		(366,804)
Total Non-Current Assets				371,173	371,173		371,173
Total Assets	1,694,865	714,404	34,777	1,114,510	1,149,287	2,444,046	3,558,556
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows Related to Pensions		66,943				66,943	66,943
Total Deferred Outflows of Resources		66,943				66,943	66,943

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025
(Continued)

	Business-Type Activities - Enterprise Funds						
	Major Funds			Non-Major Funds			
	Region I Transportation	Administration	Region I Summer School	Food Service	Non-Major Funds	Total Region I	Total Enterprise Funds
LIABILITIES:							
Current Liabilities:							
Interfund Payable - General Fund	\$ 1,594,337					\$ 1,594,337	\$ 1,594,337
Accounts Payable	22,785	\$ 45,483		\$ 40,742	\$ 40,742	68,268	109,010
Unearned Revenue:							
Prepaid Student Balances				40,074	40,074		40,074
Commodities				7,946	7,946		7,946
Noncurrent Liabilities:							
Due Beyond One Year		474,354				474,354	474,354
Total Liabilities	1,617,122	519,837		88,762	88,762	2,136,959	2,225,721
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows Related to Pensions		62,844				62,844	62,844
Total Deferred Inflows of Resources		62,844				62,844	62,844
NET POSITION:							
Investment in Capital Assets				371,173	371,173		371,173
Unrestricted	77,743	198,666	\$ 34,777	654,575	689,352	311,186	965,761
Total Net Position	\$ 77,743	\$ 198,666	\$ 34,777	\$1,025,748	\$1,060,525	\$ 311,186	\$ 1,336,934

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUNDS NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					
	Major Funds		Non-Major Funds			Total Enterprise Funds
	Region I Transportation	Administration	Region I Summer School	Food Service	Total Non-Major Funds	
Operating Revenue:						
Charges for Services:						
Daily Sales:						
Reimbursable Programs				\$ 486,745	\$ 486,745	\$ 486,745
Non-Reimbursable Programs				646,274	646,274	646,274
Program Fees		\$ 459,993				\$ 459,993
Transportation Fees from Other LEA's Within the State						
	\$ 19,037,694					19,037,694
	19,037,694	459,993		1,133,019	1,133,019	20,630,706
				8,652	8,652	8,652
Special Events						
	19,037,694	459,993		1,141,671	1,141,671	20,639,358
Total Operating Revenue						
Operating Expenses:						
Cost of Sales:						
Reimbursable				381,034	381,034	381,034
Non-Reimbursable				257,441	257,441	257,441
Total Cost of Sales				638,475	638,475	638,475
Salaries, Benefits & Payroll Taxes						
Contracted Services - Transportation		407,723		573,482	573,482	981,205
Purchased Professional/Technical Services						
Purchased Property Services		108		62,556	62,556	19,026,762
Other Purchased Services				38,206	38,206	62,664
Supplies and Materials				1,560	1,560	38,206
Rent		40,800		105,393	105,393	1,560
General Supplies		16,521				105,393
Miscellaneous Expenses		10,337		3,525	3,525	40,800
Depreciation Expense				22,705	22,705	16,521
						10,337
						22,705
Total Operating Expenses	19,026,762	475,489		1,445,902	1,445,902	20,948,153

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TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					
	Major Funds		Non-Major Funds			Total Enterprise Funds
	Region I Transportation	Administration	Region I Summer School	Food Service	Non-Major Funds	
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 19,307,538	\$ 455,560		\$ 1,140,327	\$ 1,140,327	\$ 20,903,425
Payments to/for Employees		(413,153)				(413,153)
Payments to Food Service Vendor				(1,291,600)	(1,291,600)	(1,291,600)
Payments to Transportation Vendors	(19,003,977)					(19,003,977)
Payments to Suppliers		(63,893)		(66,832)	(66,832)	(130,725)
Net Cash Provided by/(Used for) Operating Activities	303,561	(21,486)	\$ -0-	(218,105)	(218,105)	63,970
Cash Flows from Investing Activities:						
Interest Income				26,059	26,059	26,059
Net Cash Provided by Investing Activities				26,059	26,059	26,059
Cash Flows from Noncapital and Related Financing Activities:						
Federal Reimbursements Collected in Food Service Fund				78,711	78,711	78,711
State Reimbursements Collected in Food Service Fund				6,633	6,633	6,633
Cash Received - Interfund Receivable - General Fund				127,648	127,648	127,648
Cash Disbursed - Interfund Payable - General Fund	(303,561)					(303,561)
Net Cash Provided by/(Used for) Noncapital and Related Financing Activities	(303,561)			212,992	212,992	(90,569)
Cash Flows from Capital and Related Financing Activities:						
Purchase of Capital Assets				(94,309)	(94,309)	(94,309)
Net Cash Used for Capital and Related Financing Activities				(94,309)	(94,309)	(94,309)
Net Increase/(Decrease) in Cash and Cash Equivalents	-0-	(21,486)	-0-	(73,363)	(73,363)	(94,849)
Cash and Cash Equivalents, July 1	-0-	713,722	34,777	616,886	651,663	1,365,385
Cash and Cash Equivalents, June 30	\$ -0-	\$ 692,236	\$ 34,777	\$ 543,523	\$ 578,300	\$ 1,270,536

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Business-Type Activities - Enterprise Funds					
	Major Funds			Non-Major Funds		
	Region I	Administration	Region I Summer School	Food Service	Total Non-Major Funds	Total Enterprise Funds
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ 10,932	\$ (15,496)	\$ - 0 -	\$ (304,231)	\$ (304,231)	\$ (308,795)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation				22,705	22,705	22,705
Federal Food Distribution Program				77,291	77,291	77,291
Changes in Assets and Liabilities:						
(Increase)/Decrease in:						
Deferred Inflows and Outflows Related to Pensions		8,590				8,590
Other Accounts Receivable				(39)	(39)	(39)
Receivable from Other Governmental Units	269,844	(4,433)		(8,864)	(8,864)	265,411
Inventory						(8,864)
Increase/(Decrease) in:						
Net Pension Liability		(14,020)				(14,020)
Accounts Payable	22,785	3,873		(6,172)	(6,172)	20,486
Unearned Revenue - Donated Commodities				2,510	2,510	2,510
Unearned Revenue - Prepaid Student Balances				(1,305)	(1,305)	(1,305)
Net Cash Provided by/(Used for) Operating Activities	\$ 303,561	\$ (21,486)	\$ - 0 -	\$ (218,105)	\$ (218,105)	\$ 282,075
						\$ 63,970

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$79,801 and utilized commodities from the Federal Food Distribution Program valued at \$77,291 for the fiscal year ended June 30, 2025.

**FIDUCIARY ACTIVITIES
(NOT APPLICABLE)**

LONG-TERM LIABILITIES

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2024</u>	<u>Issued</u>	<u>Retired/ Matured</u>	<u>Balance July 1, 2025</u>
Savin Copiers	3.40%	\$ 438,640	\$ 154,560		\$ 91,684	\$ 62,876
HP Computers	0.00%	1,950,945	650,315		650,315	
HP Computers	0.00%	1,736,679		\$ 1,736,679		1,736,679
			<u>\$ 804,875</u>	<u>\$ 1,736,679</u>	<u>\$ 741,999</u>	<u>\$ 1,799,555</u>

STATISTICAL SECTION
(UNAUDITED)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,				
	2016	2017	2018	2019	2020
Governmental Activities:					
Net Investment in Capital Assets	\$ 1,279,666	\$ 3,293,074	\$ 7,263,645	\$ 12,820,744	\$ 15,928,622
Restricted	12,773,742	13,838,842	11,003,689	11,296,479	14,655,201
Unrestricted/(Deficit)	(12,928,272)	(14,812,906)	(10,849,819)	(13,219,328)	(13,494,767)
Total Governmental Activities Net Position	<u>\$ 1,125,136</u>	<u>\$ 2,319,010</u>	<u>\$ 7,417,515</u>	<u>\$ 10,897,895</u>	<u>\$ 17,089,056</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 181,819	\$ 207,607	\$ 193,187	\$ 156,118	\$ 151,034
Unrestricted	247,329	176,925	302,200	280,960	173,155
Total Business-Type Activities Net Position	<u>\$ 429,148</u>	<u>\$ 384,532</u>	<u>\$ 495,387</u>	<u>\$ 437,078</u>	<u>\$ 324,189</u>
District-wide:					
Net Investment in Capital Assets	\$ 1,461,485	\$ 3,500,681	\$ 7,456,832	\$ 12,976,862	\$ 16,079,656
Restricted	12,773,742	13,838,842	11,003,689	11,296,479	14,655,201
Unrestricted/(Deficit)	(12,680,943)	(14,635,981)	(10,547,619)	(12,938,368)	(13,321,612)
Total District Net Position	<u>\$ 1,554,284</u>	<u>\$ 2,703,542</u>	<u>\$ 7,912,902</u>	<u>\$ 11,334,973</u>	<u>\$ 17,413,245</u>

	June 30,				
	2021	2022	2023	2024	2025
Governmental Activities:					
Net Investment in Capital Assets	\$ 18,036,062	\$ 19,371,869	\$ 24,449,502	\$ 27,252,859	\$ 26,709,253
Restricted	18,138,303	16,608,007	13,966,631	16,653,352	17,529,310
Unrestricted/(Deficit)	(11,713,766)	(6,756,849)	(4,401,749)	(5,610,546)	(4,446,839)
Total Governmental Activities Net Position	<u>\$ 24,460,599</u>	<u>\$ 29,223,027</u>	<u>\$ 34,014,384</u>	<u>\$ 38,295,665</u>	<u>\$ 39,791,724</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 130,274	\$ 117,418	\$ 186,702	\$ 372,028	\$ 371,173
Unrestricted	261,944	605,967	938,074	916,457	965,761
Total Business-Type Activities Net Position	<u>\$ 392,218</u>	<u>\$ 723,385</u>	<u>\$ 1,124,776</u>	<u>\$ 1,288,485</u>	<u>\$ 1,336,934</u>
District-wide:					
Net Investment in Capital Assets	\$ 18,166,336	\$ 19,489,287	\$ 24,636,204	\$ 27,624,887	\$ 27,080,426
Restricted	18,138,303	16,608,007	13,966,631	16,653,352	17,529,310
Unrestricted/(Deficit)	(11,451,822)	(6,150,882)	(3,463,675)	(4,694,089)	(3,481,078)
Total District Net Position	<u>\$ 24,852,817</u>	<u>\$ 29,946,412</u>	<u>\$ 35,139,160</u>	<u>\$ 39,584,150</u>	<u>\$ 41,128,658</u>

Source: Township of Mahwah School District Financial Reports.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 23,720,946	\$ 30,335,322	\$ 31,200,125	\$ 28,628,023	\$ 27,343,525	\$ 28,532,878	\$ 27,507,927	\$ 26,101,095	\$ 26,111,582	\$ 27,855,653
Special Education	7,374,663	9,992,170	9,235,512	9,005,629	9,137,554	9,203,347	9,087,977	8,908,848	8,290,227	7,604,434
Other Special Instruction	1,308,823	1,788,011	2,046,142	2,248,012	1,802,741	1,969,307	1,940,767	1,590,014	1,500,995	1,667,271
Other Instruction	2,157,527	1,711,862	2,086,730	1,913,916	1,934,843	1,862,887	1,959,727	2,046,247	2,294,606	2,207,068
Support Services:										
Tuition	4,483,777	5,643,899	5,413,906	5,511,864	5,349,886	5,155,898	5,617,778	6,328,607	6,493,437	7,206,409
Student & Instruction Related Services	9,383,619	11,186,665	13,148,416	13,911,479	14,136,131	14,444,592	15,491,633	17,211,794	16,502,920	15,980,802
General Administrative Services	1,927,941	1,009,474	953,025	915,175	827,184	1,173,288	1,017,683	710,434	1,027,602	964,210
School Administrative Services	2,896,896	5,224,374	4,991,663	3,726,778	3,850,641	4,151,389	3,503,569	3,503,467	3,700,847	3,691,096
Central Services	764,078	1,230,828	1,318,961	1,300,621	1,339,881	1,470,159	1,322,551	1,353,935	1,483,118	1,504,348
Administrative Information Technology	836,111	1,432,968	1,208,834	1,155,823	1,232,681	1,197,574	1,381,281	1,416,785	1,427,406	1,211,193
Plant Operations and Maintenance	5,220,979	7,196,988	6,046,342	6,207,827	6,612,792	7,243,658	8,506,120	7,372,716	7,301,433	7,752,948
Pupil Transportation	3,946,228	4,721,661	4,463,140	4,606,930	4,232,693	4,074,833	5,088,122	6,339,150	6,490,453	6,113,687
Charter Schools										60,771
Interest on Long-term Debt	506,456	413,289	314,064	257,711	200,323	96,850	56,480	24,275		
Unallocated Depreciation		357,063	371,141	523,495	536,195	581,268	626,875	771,548	933,103	933,103
Total Governmental Activities Expenses	64,528,044	82,244,574	82,798,001	79,913,283	78,537,070	81,157,928	83,108,490	83,678,915	83,557,729	84,752,993
Business-Type Activities:										
Food Service	983,105	998,918	1,041,801	1,110,326	862,192	628,947	1,264,780	1,366,566	1,484,048	1,445,902
Region I Transportation		10,904,780	11,485,575	12,200,760	12,020,071	10,249,134	14,146,214	18,273,424	19,187,384	19,026,762
Region I Administration		391,031	360,853	462,092	434,044	368,878	261,657	299,264	456,041	475,489
Region I Summer School		145,766	126,473	130,962	100,741	375				
Total Business-Type Activities Expenses	983,105	12,440,495	13,014,702	13,904,140	13,417,048	11,247,334	15,672,651	19,939,254	21,127,473	20,948,153
Total District-Wide Expenses	65,511,149	94,685,069	95,812,703	93,817,423	91,954,118	92,405,262	98,781,141	103,618,169	104,685,202	105,701,146
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services						379,342	877,337	1,002,925	1,172,493	997,743
Operating Grants and Contributions	7,817,464	22,362,904	23,796,580	19,258,386	17,020,657	20,964,399	18,496,346	16,027,832	15,310,109	13,113,270
Capital Grants and Contributions		(400,795)	(30)					1,119,577	228,742	
Total Governmental Activities Program Revenues	7,817,464	21,962,109	23,796,550	19,258,386	17,020,657	21,343,741	19,373,683	18,150,334	16,711,344	14,111,013

TOWNSHIP OF MAHWAH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

(Continued)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 803,214	\$ 816,221	\$ 847,654	\$ 930,170	\$ 636,214	\$ 5,547	\$ 179,641	\$ 1,061,580	\$ 1,181,044	\$ 1,141,671
Region I Transportation		10,783,657	11,556,620	12,193,458	12,012,030	10,242,343	14,147,656	18,328,421	19,197,756	19,037,694
Region I Administration		398,961	410,630	412,399	388,442	403,590	406,850	445,490	459,474	459,993
Region I Summer School		145,837	126,474	120,697	117,332					
Operating Grants and Contributions	207,713	208,802	193,615	203,054	148,136	663,415	1,279,110	492,846	410,853	331,185
Total Business-Type Activities Revenues	1,010,927	12,353,478	13,134,993	13,859,778	13,302,154	11,314,895	16,013,257	20,328,337	21,249,127	20,970,543
Total District-Wide Program Revenues	8,828,391	34,315,587	36,931,543	33,118,164	30,322,811	32,658,636	35,386,940	38,478,671	37,960,471	35,081,556
Net (Expense)/Revenue:										
Governmental Activities	(56,710,580)	(60,282,465)	(59,001,451)	(60,654,897)	(61,516,413)	(59,814,187)	(63,734,807)	(65,528,581)	(66,846,385)	(70,641,980)
Business-type Activities	27,822	(87,017)	120,291	(44,362)	(114,894)	67,561	340,606	389,083	121,654	22,390
Total District-Wide Net (Expense)/Revenue	(56,682,758)	(60,369,482)	(58,881,160)	(60,699,259)	(61,631,307)	(59,746,626)	(63,394,201)	(65,139,498)	(66,724,731)	(70,619,590)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	57,218,837	58,463,214	59,551,594	61,981,537	63,515,128	64,995,945	66,295,864	67,621,781	68,832,195	70,548,364
Taxes Levied for Debt Service	2,561,875	2,514,144	2,398,458	1,628,024	1,594,942	1,556,000	1,473,757	1,116,189	558,624	
Unrestricted Grants and Contributions	153,130	198,014	187,178	102,848	90,561	105,075	85,477	318,815	293,275	315,378
Investment Earnings	33,006	60,580	133,980	222,516	184,093	51,031	26,279	616,898	1,018,554	1,035,396
Miscellaneous Income	312,600	282,719	656,671	200,352	287,880	567,669	615,858	646,255	425,018	238,901
Adjustment to Capital Assets	(77,364)									
Transfers	(2,600)	(42,332)								
Total Governmental Activities General Revenues and Other Changes in Net Position	60,199,484	61,476,339	62,927,881	64,135,277	65,672,604	67,275,720	68,497,235	70,319,938	71,127,666	72,138,039
Business-type Activities:										
Miscellaneous	41	69	188	482	2,005	468	64	12,308	42,055	26,059
Disposal of Capital Assets, Net of Depreciation			(9,624)	(14,429)			(9,503)			
Transfers	2,600	42,332								
Total Business-type Activities General Revenues and Other Changes in Net Position	2,641	42,401	(9,436)	(13,947)	2,005	468	(9,439)	12,308	42,055	26,059
Total District-Wide General Revenues and Other Changes in Net Position	60,202,125	61,518,740	62,918,445	64,121,330	65,674,609	67,276,188	68,487,796	70,332,246	71,169,721	72,164,098

TOWNSHIP OF MAHWAH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

(Continued)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Change in Net Position:										
Governmental Activities	\$ 3,488,904	\$ 1,193,874	\$ 3,926,430	\$ 3,480,380	\$ 4,156,191	\$ 7,461,533	\$ 4,762,428	\$ 4,791,357	\$ 4,281,281	\$ 1,496,059
Business-Type Activities	30,463	(44,616)	110,855	(58,309)	(112,889)	68,029	331,167	401,391	163,709	48,449
Total District-Wide Change in Net Position	\$ 3,519,367	\$ 1,149,258	\$ 4,037,285	\$ 3,422,071	\$ 4,043,302	\$ 7,529,562	\$ 5,093,595	\$ 5,192,748	\$ 4,444,990	\$ 1,544,508

Source: Township of Mahwah School District Financial Reports.

Note: The operations of the Region I enterprise funds are included in the financial statements of the District beginning with the fiscal year ended June 30, 2017

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,				
	2016	2017	2018	2019	2020
General Fund:					
Restricted	\$ 11,758,284	\$ 13,838,079	\$ 11,001,536	\$ 11,294,771	\$ 13,303,620
Assigned	3,303,770	2,112,932	5,972,900	2,770,401	2,602,245
Unassigned	1,295,670	1,408,419	1,508,249	1,903,627	1,707,065
Total General Fund	<u>\$ 16,357,724</u>	<u>\$ 17,359,430</u>	<u>\$ 18,482,685</u>	<u>\$ 15,968,799</u>	<u>\$ 17,612,930</u>
All Other Governmental Funds:					
Restricted	\$ 1,015,458	\$ 763	\$ 2,153	\$ 1,708	\$ 1,351,581
Assigned		613,102			
Total All Other Governmental Funds	<u>\$ 1,015,458</u>	<u>\$ 613,865</u>	<u>\$ 2,153</u>	<u>\$ 1,708</u>	<u>\$ 1,351,581</u>
Total Governmental Funds	<u>\$ 17,373,182</u>	<u>\$ 17,973,295</u>	<u>\$ 18,484,838</u>	<u>\$ 15,970,507</u>	<u>\$ 18,964,511</u>
	June 30,				
	2021	2022	2023	2024	2025
General Fund:					
Restricted	\$ 15,077,176	\$ 13,488,664	\$ 10,594,982	\$ 13,302,933	\$ 13,914,628
Assigned	2,367,768	4,845,210	4,751,941	2,917,136	3,106,379
Unassigned	3,273,949	3,762,073	2,412,272	2,218,075	2,272,903
Total General Fund	<u>\$ 20,718,893</u>	<u>\$ 22,095,947</u>	<u>\$ 17,759,195</u>	<u>\$ 18,438,144</u>	<u>\$ 19,293,910</u>
All Other Governmental Funds:					
Restricted	\$ 3,061,127	\$ 3,119,343	\$ 3,371,649	\$ 3,350,419	\$ 3,614,682
Committed		195,620	2,304,328	297,139	554,061
Total All Other Governmental Funds	<u>\$ 3,061,127</u>	<u>\$ 3,314,963</u>	<u>\$ 5,675,977</u>	<u>\$ 3,647,558</u>	<u>\$ 4,168,743</u>
Total Governmental Funds	<u>\$ 23,780,020</u>	<u>\$ 25,410,910</u>	<u>\$ 23,435,172</u>	<u>\$ 22,085,702</u>	<u>\$ 23,462,653</u>

Source: Township of Mahwah School District Financial Reports.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

		Fiscal Year Ending June 30,									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:											
Tax Levy	\$ 59,780,712	\$ 60,977,358	\$ 61,950,052	\$ 63,609,561	\$ 65,110,070	\$ 66,551,945	\$ 67,769,621	\$ 68,737,970	\$ 69,390,819	\$ 70,548,364	
Interest Earnings	33,006	60,135	133,980	222,516	184,093	51,031	26,279	616,898	1,018,554	1,035,396	
Miscellaneous	312,600	283,164	656,671	200,352	287,880	565,884	615,858	646,255	425,018	238,901	
Local Sources	72,598	59,606	162,473	82,566	89,230	2,052,720	996,683	1,121,943	1,261,774	1,212,462	
State Sources	6,856,555	9,258,100	10,457,809	12,215,250	12,944,364	15,340,653	19,356,853	20,140,316	21,220,086	21,509,701	
Federal Sources	1,041,441	1,005,075	910,519	981,616	959,886	1,369,664	1,731,675	2,883,764	1,597,888	955,104	
Total Revenues	68,096,912	71,643,438	74,271,504	77,311,861	79,575,523	85,931,897	90,496,969	94,147,146	94,914,139	95,499,928	
Expenditures:											
Instruction:											
Regular Instruction	16,258,610	16,795,275	17,548,458	17,629,273	17,751,538	18,207,192	18,672,458	18,687,394	19,065,975	20,617,083	
Special Education Instruction	5,287,002	5,087,538	5,034,310	5,345,867	5,707,648	5,673,489	6,208,358	6,281,712	5,836,348	5,455,149	
Other Special Instruction	1,308,823	1,336,733	1,165,617	1,310,681	1,134,957	1,192,915	1,323,630	1,112,990	1,071,424	1,186,736	
Other Instruction	1,228,979	1,265,686	1,211,040	1,226,434	1,285,594	1,217,838	1,404,810	1,504,492	1,632,298	1,614,904	
Support Services:											
Tuition	4,483,777	5,643,899	5,413,906	5,511,864	5,349,886	5,155,898	5,617,778	6,328,607	6,493,437	7,206,409	
Student & Instruction Related Services	7,100,831	7,465,764	8,356,047	9,442,645	9,632,210	10,145,084	11,596,968	13,262,824	12,908,701	12,656,597	
General Administrative Services	639,864	656,200	672,130	644,677	608,106	913,127	752,045	726,559	785,790	710,602	
School Administrative Services	2,484,779	2,698,117	2,651,495	2,308,922	2,446,575	2,530,839	2,411,482	2,478,012	2,680,321	2,661,081	
Central Services	764,078	823,658	817,389	810,585	888,311	965,324	944,095	1,002,539	1,126,815	1,131,721	
Administrative Information Technology	836,111	1,085,866	744,964	852,662	972,184	926,001	1,147,340	1,150,976	1,257,758	1,026,069	
Plant Operations and Maintenance	4,838,122	5,233,048	5,344,721	5,724,278	5,972,962	6,665,434	7,255,375	7,293,053	6,903,536	6,899,756	
Pupil Transportation	3,737,090	3,809,159	3,998,747	4,268,003	3,879,649	3,770,378	4,824,176	6,106,635	6,271,019	5,858,027	
Unallocated Benefits	12,709,512	15,740,661	16,984,817	18,403,599	18,672,802	20,780,953	23,413,999	24,460,073	26,017,521	25,894,261	
Charter Schools										60,771	
Capital Outlay	936,353	844,002	1,417,545	4,718,233	2,717,417	1,419,610	3,770,754	4,607,135	3,654,041	2,880,490	
Debt Service:											
Principal	2,025,000	2,060,000	2,032,000	1,335,000	1,360,000	1,432,000	1,395,000	1,075,000	545,000		
Interest and Other Charges	537,137	455,387	366,775	293,469	236,650	122,091	78,756	44,883	13,625		
Total Expenditures	65,176,068	71,000,993	73,759,961	79,826,192	78,616,489	81,118,173	90,817,024	96,122,884	96,263,609	95,859,656	

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

(Continued)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,920,844	\$ 642,445	\$ 511,543	\$ (2,514,331)	\$ 959,034	\$ 4,813,724	\$ (320,055)	\$ (1,975,738)	\$ (1,349,470)	\$ (359,728)
Other Financing Sources (Uses):										
Unexpended Balance of School Refunding Bonds Issuance Costs						1,785				
School Refunding Bonds Issued						1,317,000				
School Bonds Defeased						(1,260,000)				
Bond Issuance Costs						(25,500)				
Deferred Amount on Refunding Leases (Non-Budgeted)						(31,500)	1,950,945			1,736,679
Transfers In	317	445	614,779				200,430	2,304,328	24,341	272,202
Transfers Out	(2,917)	(42,777)	(614,779)				(200,430)	(2,304,328)	(24,341)	(272,202)
Total Other Financing Sources (Uses)	(2,600)	(42,332)				1,785	1,950,945			1,736,679
Net Change in Fund Balances	\$ 2,918,244	\$ 600,113	\$ 511,543	\$ (2,514,331)	\$ 959,034	\$ 4,815,509	\$ 1,630,890	\$ (1,975,738)	\$ (1,349,470)	\$ 1,376,951

Source: Township of Mahwah School District Financial Reports.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

Fiscal Year Ending June 30,	Interest on Investments	Prior Year Refunds	Rentals	Other	Total
2016	\$ 32,689	\$ 126,531	\$ 149,251	\$ 36,818	\$ 345,289
2017	59,690	155,865	89,791	37,508	342,854
2018	132,273	293,703	115,381	247,587	788,944
2019	222,516	82,635	83,779	33,938	422,868
2020	184,093	102,510	57,545	127,825	471,973
2021	51,031	92,600	35,010	438,274	616,915
2022	26,279	272,347	113,420	230,091	642,137
2023	616,898	197,891	45,394	402,970	1,263,153
2024	1,018,554	195,079	90,424	139,515	1,443,572
2025	1,031,041	54,824	95,129	88,948	1,269,942

Source: Township of Mahwah School District Records.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2015	\$ 97,182,300	\$ 4,374,675,800	\$ 13,819,800	\$ 770,650,255	\$ 374,621,600	\$ 49,592,700	\$ 5,680,542,455	\$ 4,740,139	\$ 5,685,282,594	\$ 1.0420	\$ 6,030,661,715
2016	99,182,100	4,386,777,000	14,540,400	797,400,700	339,170,900	49,592,700	5,686,663,800	4,774,230	5,691,438,030	1.0610	5,923,219,890
2017	91,422,600	4,409,862,900	16,507,400	794,286,300	338,063,200	49,592,700	5,699,735,100	4,706,708	5,704,441,808	1.0780	6,050,679,269
2018	97,032,700	4,429,547,200	16,542,500	782,611,800	343,166,400	49,592,700	5,718,493,300	- 0 -	5,718,493,300	1.0970	6,112,325,113
2019	85,885,700	4,437,413,600	16,567,600	812,558,100	376,341,400	49,592,700	5,778,359,100	- 0 -	5,778,359,100	1.1140	6,132,743,501
2020	83,270,100	4,447,865,900	16,597,740	811,192,900	373,091,400	49,592,700	5,781,610,740	- 0 -	5,781,610,740	1.1390	6,372,554,680
2021	75,400,700	4,460,013,800	17,566,540	809,206,000	373,091,400	49,592,700	5,784,871,140	- 0 -	5,784,871,140	1.1619	6,459,989,176
2022	70,578,400	4,474,797,200	16,558,040	801,881,300	372,657,700	49,592,700	5,786,065,340	- 0 -	5,786,065,340	1.1800	6,533,412,478
2023	78,806,300	4,488,991,700	15,957,500	786,504,800	372,657,700	47,706,500	5,790,624,500	- 0 -	5,790,624,500	1.1930	7,424,596,547
2024	66,452,500	4,502,907,300	18,476,300	771,131,900	391,441,100	48,264,400	5,798,673,500	- 0 -	5,798,673,500	1.2070	7,752,302,127

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.
Reassessment occurs when ordered by the County Board of Taxation.

a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies;

b - Tax rates are per \$100 of assessed value.

Source: Municipal Tax Assessor.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Mahwah	Bergen County	
2015	\$ 0.9957	\$ 0.0463	\$ 1.042	\$ 0.427	\$ 0.254	\$ 1.723
2016	1.0164	0.0446	1.061	0.430	0.256	1.747
2017	1.0349	0.0431	1.078	0.441	0.267	1.786
2018	1.0618	0.0352	1.097	0.455	0.263	1.815
2019	1.0861	0.0279	1.114	0.469	0.258	1.841
2020	1.1117	0.0273	1.139	0.491	0.274	1.904
2021	1.1366	0.0253	1.162	0.509	0.280	1.951
2022	1.1607	0.0193	1.180	0.520	0.272	1.972
2023	1.1704	0.0096	1.193	0.538	0.306	2.037
2024	1.1752	0.0048	1.207	0.546	0.311	2.064

a - The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b - Rates for debt service are based on each year's requirements.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

Source: Municipal Tax Collector and School Business Administrator.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2024		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
1700 MacArthur Boulevard, LLC	\$ 102,000,000	1	1.76%
Vista Distribution Center, Inc.	65,000,000	2	1.12%
Howmedica Osteonics Corporation	60,000,000	3	1.03%
Crossroads Developers	55,350,200	4	0.95%
Colfin Ind.	33,000,000	5	0.57%
Volvo Car USA LLC	28,500,000	6	0.49%
Sharp Office Holdings	24,555,400	7	0.42%
Inwood Realty Group	24,000,000	8	0.41%
Garden Crossroads, LLC	20,100,000	9	0.35%
Mahwah Industrial LLC	18,763,800	10	0.32%
Total	<u>\$ 431,269,400</u>		<u>7.44%</u>

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

Not Available

Source: Municipal Tax Assessor.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 59,780,712	\$ 59,780,712	100.00%	\$ -0-
2017	60,977,358	60,977,358	100.00%	-0-
2018	61,950,052	61,950,052	100.00%	-0-
2019	63,609,561	63,609,561	100.00%	-0-
2020	65,110,070	65,110,070	100.00%	-0-
2021	66,551,945	66,551,945	100.00%	-0-
2022	67,769,621	67,769,621	100.00%	-0-
2023	68,737,970	68,737,970	100.00%	-0-
2024	69,390,819	69,390,819	100.00%	-0-
2025	70,548,364	70,548,364	100.00%	-0-

a - School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: Mahwah Township School District records, including the Certificate and Report of Report of School Taxes (A4F form).

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Bond		School Facilities Loans	Financed Purchases	Total District	Percentage of Personal Income ^a	Per Capita ^a
		Certificates of Participation	Anticipation Notes (BANs)					
2016	\$ 11,177,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 11,177,000	0.55%	\$ 425
2017	9,117,000	-0-	-0-	-0-	-0-	9,117,000	0.44%	347
2018	7,085,000	-0-	-0-	-0-	-0-	7,085,000	0.33%	269
2019	5,750,000	-0-	-0-	-0-	-0-	5,750,000	0.26%	219
2020	4,390,000	-0-	-0-	-0-	-0-	4,390,000	0.19%	168
2021	3,015,000	-0-	-0-	-0-	-0-	3,015,000	0.13%	116
2022	1,620,000	-0-	-0-	-0-	-0-	1,620,000	0.07%	64
2023	545,000	-0-	-0-	-0-	-0-	545,000	0.02%	22
2024	-0-	-0-	-0-	-0-	-0-	-0-	0.00%	-0-
2025	-0-	-0-	-0-	-0-	-0-	-0-	0.00%	-0-

a - See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

Source: Mahwah Township School District Financial Reports.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	\$ 11,177,000	\$ -0-	\$ 11,177,000	0.197%	\$ 425
2017	9,117,000	-0-	9,117,000	0.160%	347
2018	7,085,000	-0-	7,085,000	0.124%	269
2019	5,750,000	-0-	5,750,000	0.101%	219
2020	4,390,000	-0-	4,390,000	0.076%	168
2021	3,015,000	-0-	3,015,000	0.052%	116
2022	1,620,000	-0-	1,620,000	0.028%	64
2023	545,000	-0-	545,000	0.009%	22
2024	-0-	-0-	-0-	0.000%	-0-
2025	-0-	-0-	-0-	0.000%	-0-

a - See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b - See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.

Source: Mahwah Township District Financial Reports.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Mahwah Township	\$ 48,415,946	100.00%	\$ 48,415,946
Bergen County General Obligation Debt	1,042,720,595	3.41%	<u>35,535,684</u>
Subtotal, Overlapping Debt			83,951,630
Mahwah Township School District Direct Debt			<u>-0-</u>
Total Direct and Overlapping Debt			<u>\$ 83,951,630</u>

a - For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses of Mahwah Township. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

Sources: Assessed value data used to estimate applicable percentages provided by the Bergen County Board of Taxation; debt outstanding data provided by each governmental unit.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2025	
Year Ended December 31,	Equalized Valuation Basis
2022	\$ 7,392,443,261
2023	7,995,616,512
2024	8,056,800,834
	<u>\$ 23,444,860,607</u>
Average Equalized Valuation of Taxable Property	<u>\$ 7,814,953,536</u>
Debt Limit (4% of Average Equalization Value) ^a	\$ 312,598,141
Net Bonded School Debt	-0-
Legal Debt Margin	<u>\$ 312,598,141</u>

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 236,223,123	\$ 237,872,690	\$ 239,477,464	\$ 241,588,749	\$ 246,088,778
Total Net Debt Applicable to Limit	11,177,000	9,117,000	7,085,000	5,750,000	4,390,000
Legal Debt Margin	<u>\$ 225,046,123</u>	<u>\$ 228,755,690</u>	<u>\$ 232,392,464</u>	<u>\$ 235,838,749</u>	<u>\$ 241,698,778</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.73%	3.83%	2.96%	2.38%	1.78%

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Limit	\$ 250,947,213	\$ 257,110,516	\$ 271,076,901	\$ 291,936,352	\$ 312,598,141
Total Net Debt Applicable to Limit	3,015,000	1,620,000	545,000	-0-	-0-
Legal Debt Margin	<u>\$ 247,932,213</u>	<u>\$ 255,490,516</u>	<u>\$ 270,531,901</u>	<u>\$ 291,936,352</u>	<u>\$ 312,598,141</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.20%	0.63%	0.20%	0.00%	0.00%

^a - Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
Department of Treasury, Division of Taxation.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
UNAUDITED

Year	Population ^a	Bergen County Per Capita Personal Income ^b	Personal Income ^c	Township Unemployment Rate ^d
2016	26,266	\$ 78,836	\$ 2,070,706,376	4.1%
2017	26,354	81,024	2,135,306,496	3.6%
2018	26,283	85,191	2,239,075,053	3.2%
2019	26,202	88,241	2,312,090,682	2.7%
2020	26,078	91,972	2,398,445,816	7.9%
2021	25,256	97,343	2,458,494,808	5.1%
2022	25,291	97,138	2,456,717,158	3.2%
2023	25,344	102,229	2,590,891,776	3.6%
2024	25,806	102,229 *	2,638,121,574 *	3.8%
2025	25,806 *	102,229 *	2,638,121,574 *	N/A

* - Latest Bergen County per capita personal income (2023) and population data (2024) available were used for calculation purposes.

N/A - Not Available.

Source:

- a** - Population information provided by the US Department of Census - Population Division.
- b** - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c** - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d** - Unemployment data provided by the NJ Department of Labor and Workforce Development.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - BERGEN COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2024		Percentage of Total Employment
	Number of Employees	Rank	
Hackensack University Medical Center	N/A	1	N/A
Valley Health Systems, Inc.	N/A	2	N/A
Bio-Reference Laboratories	N/A	3	N/A
Express Scripts	N/A	4	N/A
Quest Diagnostics	N/A	5	N/A
KPMG LLP	N/A	6	N/A
Englewood Hospital and Medical Center	N/A	7	N/A
Englewood Hospital Home Health Care	N/A	8	N/A
Unilever Best Foods	N/A	9	N/A
Stryker	N/A	10	N/A
Total	N/A		N/A
Total Employment	494,480		N/A

Employer	2015		Percentage of Total Employment
	Number of Employees	Rank	
Hackensack University Medical Center	N/A	1	N/A
Valley Health Systems, Inc.	N/A	2	N/A
Medico Solutions, Inc.	N/A	3	N/A
Quest Diagnostics	N/A	4	N/A
Bio-Reference Laboratories	N/A	5	N/A
Englewood Hospital and Medical Center	N/A	6	N/A
Becton Dickinson and Company	N/A	7	N/A
Englewood Hospital Home Health Care	N/A	8	N/A
Unilever Best Foods	N/A	9	N/A
Stryker	N/A	10	N/A
Total	N/A		N/A
Total Employment	453,688		N/A

N/A - Information is not available.

Source: County of Bergen.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Function/Program</u>					
Instruction:					
Regular	216	216	218	214	217
Special Education/Other Special Instruction	84	84	86	91	91
Other Instruction	10	8	5	2	1
Support Services:					
Student & Instruction Related Services	98	102	115	126	132
School Administrative Services	26	25	26	23	23
General Administrative Services	3	3	3	3	3
Central Services	8	9	9	9	9
Administration Information Technology	4	5	5	5	5
Plant Operations and Maintenance	9	8	9	9	9
Pupil Transportation	8	6	5	5	5
Total	<u>466</u>	<u>466</u>	<u>481</u>	<u>487</u>	<u>495</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Function/Program</u>					
Instruction:					
Regular	214	205	213	208	208
Special Education/Other Special Instruction	88	86	89	81	81
Other Instruction	1	1	1	1	1
Support Services:					
Student & Instruction Related Services	125	132	140	140	140
School Administrative Services	24	25	25	25	25
General Administrative Services	2	3	3	3	2
Central Services	9	9	8	9	9.5
Administration Information Technology	5	5	5	5	5
Plant Operations and Maintenance	9	9	10	10	9
Pupil Transportation	5	5	5	6	5.5
Total	<u>482</u>	<u>480</u>	<u>499</u>	<u>488</u>	<u>486</u>

Source: Mahwah Township School District Personnel Records.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff ^d	Elementary School	Middle School	High School	Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	2,996	\$ 61,677,578	\$ 20,587	1.08%	300	17.5:1	16.5:1	12.2:1	2,970	2,852	-3.18%	96.03%
2017	2,922	67,641,604	23,149	12.45%	300	17.7:1	15.6:1	11.9:1	2,913	2,788	-1.93%	95.72%
2018	2,872	69,943,641	24,354	5.20%	304	17.1:1	14.8:1	11.5:1	2,866	2,739	-1.61%	95.57%
2019	2,832	73,479,490	25,946	6.54%	305	17.7:1	15.2:1	11.9:1	2,832	2,711	-1.19%	95.73%
2020	2,858	74,302,422	25,998	0.20%	308	16.9:1	15.3:1	11.5:1	2,842	2,737	0.35%	96.31%
2021	2,878	78,144,472	27,152	4.44%	308	15.1:1	15.4:1	11.7:1	2,737	2,666	-3.69%	97.41%
2022	2,733	85,572,514	31,311	15.32%	306	16.1:1	15.2:1	12.0:1	2,716	2,567	-0.77%	94.52%
2023	2,698	90,395,866	33,505	7.01%	311	15.9:1	14.1:1	10.8:1	2,686	2,532	-1.10%	94.27%
2024	2,748	92,050,943	33,497	-0.02%	296	N/A	N/A	N/A	2,692	2,558	0.22%	95.03%
2025	2,610	92,979,166	35,624	6.35%	296	N/A	N/A	N/A	2,611	2,488	-3.01%	95.29%

a - Enrollment is obtained from October 15 Enrollment Summary, including students placed out of district.

b - Operating expenditures equal total expenditures less debt service and capital outlay.

c - Cost per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other (State) cost per pupil calculations.

d - Teaching staff includes only full-time equivalents of certificated staff.

e - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

N/A - Not Available

Source: Mahwah Township School District records.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Elementary Schools:</u>										
Betsy Ross School										
Square Feet	33,526	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096
Capacity (students)	275	216	216	216	216	216	216	216	216	216
Enrollment	222	217	199	230	244	247	286	279	248	235
George Washington School										
Square Feet	34,365	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867
Capacity (students)	241	241	241	241	241	241	241	241	241	241
Enrollment	201	202	193	189	203	192	209	201	182	171
Lenape Meadows School										
Square Feet	82,000	76,597	76,597	76,597	76,597	76,597	76,597	76,597	76,597	76,597
Capacity (students)	578	578	578	578	578	578	578	578	578	578
Enrollment	461	425	431	384	384	305	327	342	360	375
Joyce Kilmer School										
Square Feet	82,220	71,555	71,555	71,555	71,555	71,555	71,555	71,555	71,555	71,555
Capacity (students)	558	564	564	564	564	564	564	564	564	564
Enrollment	438	447	452	435	399	409	395	375	403	393
<u>Middle School:</u>										
Ramapo Ridge Middle School										
Square Feet	100,037	112,040	112,040	112,040	112,040	112,040	112,040	112,040	112,040	112,040
Capacity (students)	826	820	820	820	820	820	820	820	820	820
Enrollment	753	702	696	678	714	679	646	641	630	622
<u>High School:</u>										
Mahwah High School										
Square Feet	187,844	164,791	173,763	173,763	181,065	181,065	181,065	181,065	181,065	181,065
Capacity (students)	1,093	1,143	1,143	1,143	1,192	1,192	1,192	1,192	1,192	1,192
Enrollment	911	929	901	916	914	902	870	860	864	814

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED
(Continued)

<u>District Building</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Athletic Building Square Feet	13,000	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660
Central Administration Square Feet	9,000	7,181	7,181	7,181	7,181	7,181	7,181	7,181	7,181	7,181
Maintenance Garage Square Feet	4,200	4,584	4,584	4,584	4,584	4,584	4,584	4,584	4,584	4,584

Number of Schools at June 30, 2025
 Elementary School = 4
 Middle School = 1
 High School = 1
 Other = 3

Enrollment here does not agree with enrollment on Exhibit J-17 as that enrollment includes students placed out of district.

Source: Mahwah Township School District.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance
For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Mahwah High School	N/A	\$ 339,673	\$ 603,471	\$ 609,911	\$ 666,297	\$ 727,060
Betsy Ross	N/A	81,194	67,674	117,396	116,996	89,587
Joyce Kilmer	N/A	130,277	149,747	216,746	133,752	198,339
Ramapo Ridge	N/A	217,011	215,894	396,647	269,018	332,911
George Washington	N/A	68,091	123,793	80,470	98,500	90,746
Lenape Meadows	N/A	227,614	177,241	164,613	263,398	221,800
Total School Facilities		<u>1,063,860</u>	<u>1,337,820</u>	<u>1,585,783</u>	<u>1,547,961</u>	<u>1,660,443</u>
Grand Total		<u>\$ 1,063,860</u>	<u>\$ 1,337,820</u>	<u>\$ 1,585,783</u>	<u>\$ 1,547,961</u>	<u>\$ 1,660,443</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Mahwah High School	N/A	\$ 962,992	\$ 1,113,932	\$ 1,493,625	\$ 847,757	\$ 648,793
Betsy Ross	N/A	227,041	249,617	157,684	101,685	95,186
Joyce Kilmer	N/A	173,470	369,663	187,898	186,777	285,937
Ramapo Ridge	N/A	415,573	406,487	313,736	373,642	445,791
George Washington	N/A	84,339	185,727	246,510	348,922	90,255
Lenape Meadows	N/A	158,404	192,086	246,153	244,909	207,005
Total School Facilities		<u>2,021,819</u>	<u>2,517,512</u>	<u>2,645,606</u>	<u>2,103,692</u>	<u>1,772,967</u>
Grand Total		<u>\$ 2,021,819</u>	<u>\$ 2,517,512</u>	<u>\$ 2,645,606</u>	<u>\$ 2,103,692</u>	<u>\$ 1,772,967</u>

N/A - Not Applicable.

* - School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3).

Source: Mahwah Township School District records.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School		
Board Insurance Group:		
Property - Blanket Building & Contents	\$ 227,895,968	\$ 25,000
Earthquake/Flood	5,000,000	100,000
Comprehensive General Liability Coverage	1,000,000	10,000
Additional Comprehensive General Liability Coverage	9,000,000	
Excess Liability	10,000,000	10,000
Umbrella Liability	50,000,000	10,000
Comprehensive Automobile Liability & Physical Damage	1,000,000	1,000
Pollution Liability	2,000,000/ 4,000,000	15,000
School Board Legal Liability	1,000,000	25,000
Cyber Liability	1,000,000	25,000
Boiler & Machinery	Up to the Property Limit	1,000
Workers Compensation - Coverage through Northeast Bergen County School Board Insurance Group		
Health Insurance through New Jersey State Health Benefits Plan		
Volunteer Accident Policy - Philadelphia Ins. Co.		
Student & Athletic Insurance through QBE Ins. Co.		
Accident Policy through Garber Life Insurance Company		
Traveler's Insurance Public Employee Bonds-		
Thomas Lambe Business Administrator	400,000	
Dr. Philip H. Nisonoff Treasurer	400,000	
Blanket Employee Dishonesty (Per Employee)	100,000	5,000
Per Loss (Excess)	500,000	

Source: Mahwah Township School District records.

SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Township of Mahwah School District
County of Bergen, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Mahwah School District, in the County of Bergen (the "District") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable President and Members
of the Board of Education
Township of Mahwah School District
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 21, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant



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Independent Member
BKR International

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Township of Mahwah School District
County of Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Township of Mahwah School District (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2025. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

The Honorable President and Members
of the Board of Education
Township of Mahwah School District
Page 2

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Honorable President and Members
of the Board of Education
Township of Mahwah School District
Page 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
November 21, 2025

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb
Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2025		Amount Provided to Subrecipients
			From	To		Unearned/ Revenue/ (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
Special Education Cluster (IDEA):													
	84.027	IDEA-2900-25	7/1/24	9/30/25	\$ 668,326		\$ 668,326	\$ (665,785)			\$ 2,541		
	84.027	IDEA-2900-24	7/1/23	9/30/24	668,121	\$ (192,029)	192,029						
	84.173	IDEA-2900-25	7/1/24	9/30/25	34,356		34,356	(34,356)					
						(192,029)	894,711	(700,141)			2,541		
Subtotal Special Education Cluster (IDEA)													
Elementary and Secondary Education Act:													
Title I													
	84.010	ESEA-2900-25	7/1/24	9/30/25	124,819		108,004	(117,052)		\$ (9,048)			
	84.010	ESEA-2900-24	7/1/23	9/30/24	121,729	(9,294)	9,294						
						(9,294)	117,298	(117,052)			(9,048)		
	84.367A	ESEA-2900-25	7/1/24	9/30/25	46,750		31,300	(46,750)			(15,450)		
	84.367A	ESEA-2900-24	7/1/23	9/30/24	48,443		1,500	(1,500)					
	84.367A	ESEA-2900-23	7/1/22	9/30/23	92,693	\$ 16,500			\$ (16,500)				
						16,500	32,800	(48,250)		(16,500)	(15,450)		
	84.365A	ESEA-2900-25	7/1/24	9/30/25	22,732		20,221	(20,221)					
	84.365A	ESEA-2900-24	7/1/23	9/30/24	3,679	(3,678)							
						(3,678)	23,899	(20,221)					
	84.365A	ESEA-2900-25	7/1/24	9/30/25	9,344		8,352	(8,352)					
							8,352	(8,352)					
							13,000	(20,989)			(7,989)		
	84.424A	ESEA-2900-25	7/1/24	9/30/25	20,989		13,000	(20,989)			(7,989)		
Subtotal Title IV													
Education Stabilization Fund:													
COVID-19 ARP:													
ESSER III													
	84.425U	S425U210027	3/13/20	9/30/24	1,484,589	(1,624)	1,624						
						(1,624)	1,624						
						(206,625)	16,500	1,091,684	(915,005)	(16,500)	(32,487)	2,541	
Total U.S. Department of Education													
Total Education Stabilization Fund													
U.S. Department of Treasury:													
Passed-through State Department of Education:													
Special Revenue Fund:													
COVID 19 - American Rescue Plan - Coronavirus													
State and Local Fiscal Recovery Funds:													
ACSERS													
	21.027	N/A	7/1/23	6/30/24	247,675	(117,225)	123,955				\$ 6,730		
						(117,225)	123,955					6,730	
						(323,850)	16,500	1,215,639	(915,005)	(16,500)	(32,487)	2,541	6,730
Total U.S. Department of Treasury													
Total Special Revenue Fund													

N/A - Not Available/Applicable

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Federal Grantor/Pass-Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2025		Amount Provided to Subrecipients
			From	To		Unearned Revenue/ (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Uncamed Revenue	
U.S. Department of Health and Human Services - Medicaid Cluster:													
Medical Assistance Program (SEMI)	93.778	N/A	7/1/24	6/30/25	\$ 20,512			\$ 20,512	\$ (20,512)				
Total General Fund/Medicaid Cluster								20,512	(20,512)				
Total U.S. Department of Health and Human Services								20,512	(20,512)				
U.S. Department of Agriculture - Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
National School Lunch Program	10.555	N/A	7/1/24	6/30/25	227,236			208,381	(227,236)		\$ (18,855)		
National School Lunch Program	10.555	N/A	7/1/23	6/30/24	205,265	\$ (14,100)		14,100	(227,236)		(18,855)		
Subtotal National School Lunch Program						(14,100)		222,481	(71,855)			7,946	
Federal Food Distribution Program	10.555	N/A	7/1/24	6/30/25	79,801			79,801	(5,436)				
Federal Food Distribution Program	10.555	N/A	7/1/23	6/30/24	75,301	5,436			(77,291)				
Subtotal Federal Food Distribution Program						5,436		79,801	(304,527)		(18,855)	7,946	
Subtotal Child Nutrition Cluster						(8,664)		302,282	(643)				
Summer EBT Reimbursement	10.646	N/A	7/1/24	6/30/25	643			643	(4,704)				
Local Food for Schools (LFS) Cooperative Program	10.185	N/A	7/1/22	6/30/25	13,787	(3,630)		8,334	(309,874)		(18,855)	7,946	
Total U.S. Department of Agriculture/Food Service Fund						(12,294)		311,259	(1,245,391)	\$ (16,500)	\$ (51,342)	\$ 10,487	\$ -0-
TOTAL FEDERAL AWARDS						\$ (336,144)	\$ 16,500	\$ 1,547,410	\$ (1,245,391)	\$ (16,500)	\$ (51,342)	\$ 10,487	\$ -0-

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2024		Repayment of Prior Years' Balances	Balance at June 30, 2025		MEMO						
		From	To		Budgetary Unearned Revenue/ (Accounts Receivable)	Due to Grantor		Cash Received	Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures		
State Department of Education:																
General Fund:																
Special Education Categorical Aid	25-495-034-5120-089	7/1/24	6/30/25	\$ 3,165,052		\$ 2,920,608	\$ (3,165,052)			\$ (244,444)	\$ 3,165,052					
Special Education Categorical Aid	24-495-034-5120-089	7/1/23	6/30/24	2,963,673	\$ (233,441)	233,441										
Categorical Security Aid	25-495-034-5120-084	7/1/24	6/30/25	295,931		273,076	(295,931)									
Categorical Security Aid	24-495-034-5120-084	7/1/23	6/30/24	276,632	(21,790)	21,790										
Transportation Aid	25-495-034-5120-014	7/1/24	6/30/25	1,281,333		1,182,373	(1,281,333)									
Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	1,045,796	(82,375)	82,375										
Extraordinary Special Education Costs Aid	25-495-034-5120-044	7/1/24	6/30/25	1,293,924		1,264,860	(1,293,924)			\$ (1,293,924)	1,293,924					
Extraordinary Special Education Costs Aid	24-495-034-5120-044	7/1/23	6/30/24	1,264,860	(1,264,860)											
Nonpublic School Transportation Costs	25-495-034-5120-014	7/1/24	6/30/25	103,273		86,692	(103,273)			(103,273)	103,273					
Nonpublic School Transportation Costs	24-495-034-5120-014	7/1/23	6/30/24	86,692												
On-Behalf TPAF Contributions:																
Post-Retirement Medical Pension	25-495-034-5094-001	7/1/24	6/30/25	2,994,741		2,994,741	(2,994,741)									
Non-Contributory Insurance	25-495-034-5094-002	7/1/24	6/30/25	10,123,511		10,123,511	(10,123,511)									
Long-Term Disability Insurance	25-495-034-5094-004	7/1/24	6/30/25	125,403		125,403	(125,403)									
Reimbursed TPAF Contributions:																
Social Security Aid	25-495-034-5094-003	7/1/24	6/30/25	2,149,677		2,044,565	(2,149,677)			(105,112)	2,149,677					
Social Security Aid	24-495-034-5094-003	7/1/23	6/30/24	2,103,073	(102,743)	102,743										
Total General Fund State Aid					(1,791,901)	21,460,505	(21,537,172)			(1,502,309)						
Special Revenue Fund:																
NJ Nonpublic Aid:																
Textbook Aid (Chapter 194)	25-100-034-5120-064	7/1/24	6/30/25	358		358				\$ 358						
Textbook Aid (Chapter 194)	24-100-034-5120-064	7/1/23	6/30/24	636												
Nursing Services (Chapter 226)	25-100-034-5120-070	7/1/24	6/30/25	1,300		1,300	(1,182)									
Nursing Services (Chapter 226)	24-100-034-5120-070	7/1/23	6/30/24	1,440												
Handicapped Services (Chapter 193):																
Supplementary Instruction	24-100-034-5120-066	7/1/23	6/30/24	826		826	(826)									
Examination and Classification	25-100-034-5120-066	7/1/24	6/30/25	3,412												
Examination and Classification	24-100-034-5120-066	7/1/23	6/30/24	380		380	(380)									
Corrective Speech	24-100-034-5120-066	7/1/23	6/30/24	1,860		1,860	(1,860)									
Security Aid	25-100-034-5120-509	7/1/24	6/30/25	2,050		2,050										
Security Aid	24-100-034-5120-509	7/1/23	6/30/24	2,460		2,460	(2,460)									
Technology Initiative	25-100-034-5120-373	7/1/24	6/30/25	343		343										
Teacher's STEM Grant	N/A	7/1/21	6/30/22	4,407	616					\$ 616						
School Development Authority - Emergent and Capital Maintenance Needs Grant	N/A	7/1/23	6/30/25	65,002	65,002											
	N/A	7/1/22	6/30/25	66,045	66,045											
	N/A	7/1/21	6/30/25	68,781	68,781											
Total Special Revenue Fund					200,444	7,463	(1,182)	(6,279)			200,444	6,281				

N/A - Not Available/Applicable

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Township of Mahwah School District under programs of the federal and state governments for the fiscal year ended June 30, 2025. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(28,653) for the general fund, \$24,525 for the special revenue fund (\$4,938 of which is attributable to encumbrances for local grants which are not included on the schedules of expenditures of state and federal awards) and (\$176,874) for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 20,512	\$ 21,508,519	\$ 21,529,031
Special Revenue Fund	934,592	1,182	935,774
Food Service Enterprise Fund	309,874	21,311	331,185
Total Financial Assistance	<u>\$ 1,264,978</u>	<u>\$ 21,531,012</u>	<u>\$ 22,795,990</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2025. Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has an active grant awarded in the amount of \$176,874 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act as of June 30, 2025. As of June 30, 2025, these funds have not been expended and submitted for reimbursement or been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on a GAAP basis as it is expended and submitted for reimbursement.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	Yes	X	No
2.) Significant deficiencies identified?	Yes	X	None reported
Noncompliance material to basic financial statements noted?	Yes	X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

1.) Material weakness identified?	Yes	X	No
2.) Significant deficiencies identified?	Yes	X	None reported
Noncompliance material to basic financial statements noted?	Yes	X	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?			
	Yes	X	No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster (IDEA):					
I.D.E.A. - Part B, Basic Regular	84.027	07/01/24	09/30/25	\$ 668,326	\$ 665,785
I.D.E.A. - Part B, Preschool	84.173	07/01/24	09/30/25	34,356	34,356
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?		X	Yes		No

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

State Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

1.) Material weakness identified? Yes X No
2.) Significant deficiencies identified? Yes X None reported

Noncompliance material to basic financial statements noted? Yes X No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?
 Yes X No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Reimbursed TPAF Contributions:					
Social Security Aid	25-495-034-5094-003	07/01/24	06/30/25	\$ 2,149,677	\$ 2,149,677
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?		<u> X </u>	Yes	<u> </u>	No

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

There were no prior year audit findings.