

MOUNTAINSIDE SCHOOL DISTRICT

**Mountainside Board of Education
Mountainside, New Jersey**

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

Annual Comprehensive Financial Report

of the

MOUNTAINSIDE SCHOOL DISTRICT

Mountainside, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

**Mountainside School District
Board Office**

MOUNTAINSIDE SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart.....	4
Roster of Officials	5
Consultants and Advisors	6

FINANCIAL SECTION

Independent Auditors' Report	8
------------------------------------	---

Required Supplementary Information	11
Management's Discussion and Analysis.....	12

Basic Financial Statements (Sections A. and B.).....	19
--	----

A. District-Wide Financial Statements	20
A-1 Statement of Net Position.....	21
A-2 Statement of Activities	23

B. Fund Financial Statements	25
B-1 Balance Sheet – Governmental Funds.....	26
B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
B-4 Statement of Net Position – Proprietary Funds	31
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds.....	32
B-6 Statement of Cash Flows – Proprietary Funds	33

Notes to the Basic Financial Statements.....	34
--	----

Required Supplementary Schedules	74
--	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions.....	75
L-1 Schedule of District's Proportionate Share of the Net Pension Liability- Public Employees Retirement System	75
L-2 Schedule of District Contributions – Public Employees Retirement System.....	76
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Associated with the District – Teachers' Pension and Annuity Fund.....	77
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund.....	78
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios	79
Notes to Required Supplementary Information	80

C. Budgetary Comparison Schedules	81
C-1 Budgetary Comparison Schedule – General Fund	82
C-2 Budgetary Comparison Schedule – Special Revenue Fund	93
C-3 Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI	94

MOUNTAINSIDE SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable)	96
E. Special Revenue Fund.....	97
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund	98
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund (Not Applicable).....	101
G. Proprietary Funds	102
Food Service Enterprise Fund:	
G-1 Statement of Net Position.....	103
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position	104
G-3 Statement of Cash Flows.....	105
H. Fiduciary Activities (Not Applicable).....	106
I. Long-Term Liabilities	107
I-1 Schedule of Serial Bonds	108
I-2 Schedule of Obligations Under Financed Purchases	109
I-3 Schedule of Obligations Under Leases (Not Applicable)	
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	
I-5 Debt Service Fund Budgetary Comparison Schedule	110
J. STATISTICAL SECTION (Unaudited)	111
J-1 Net Position by Component	112
J-2 Changes in Net Position	113
J-3 Fund Balances - Governmental Funds	116
J-4 Changes in Fund Balances - Governmental Funds.....	117
J-5 General Fund Other Local Revenue by Source	119
J-6 Assessed Value and Actual Value of Taxable Property	120
J-7 Direct and Overlapping Property Tax Rates	121
J-8 Principal Property Taxpayers, Current Year and Nine Years Ago.....	122
J-9 Property Tax Levies and Collections	123
J-10 Ratios of Outstanding Debt by Type	124
J-11 Ratios of Net General Bonded Debt Outstanding	125
J-12 Ratios of Overlapping Governmental Activities Debt	126
J-13 Legal Debt Margin Information	127
J-14 Demographic and Economic Statistics	128
J-15 Principal Employers – County of Union, Current Year and Nine Years Ago.....	129
J-16 Full-time Equivalent District Employees by Function/Program	130
J-17 Operating Statistics.....	131
J-18 School Building Information.....	132
J-19 Schedule of Allowable Maintenance.....	133
J-20 Insurance Schedule.....	134

MOUNTAINSIDE SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

K.	SINGLE AUDIT SECTION	135
K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	136
K-2	Independent Auditors' Report on Compliance for Each Major State Program and on Internal Control over Compliance Required by NJOMB 15-08	138
K-3	Schedule of Expenditures of Federal Awards	141
K-4	Schedule of Expenditures of State Awards	143
K-5	Notes to Schedules of Expenditures of Federal and State Awards.....	145
K-6	Schedule of Findings and Questioned Costs	147
K-7	Summary Schedule of Prior Audit Findings	149

INTRODUCTORY SECTION
(UNAUDITED)

MOUNTAINSIDE BOARD OF EDUCATION

1497 WOODACRES DR., MOUNTAINSIDE, NJ 07092

908-232-3232

WWW.MOUNTAINSIDESCHOOLS.ORG

October 1, 2025

The Honorable President and
Members of the Board of Education
of the Mountainside School District
County of Union
Mountainside, New Jersey 07092

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Mountainside School District (the "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 Mountainside School District (the "District"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of the operations of the district. 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 (which should be read in conjunction with the management's discussion and analysis), the district's organizational chart, and a list of principal officials. The financial section includes the basic financial statements, management's discussion and analysis, and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multiyear 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 Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and the New Jersey's 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 and regulations, and findings and recommendations, is included in the single audit section of this report,

1. REPORTING ENTITY AND ITS SERVICES: The Mountainside Public School District is an independent reporting entity within the criteria adopted by GASB (Governmental Accounting Standards Board) in codification section 200. All funds and account groups of the district are included in this report. The Mountainside 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 Pre-K through 8.

These services include general as well as special education (grades Pre-K through 8) programs. The district completed the 2024-2025 fiscal year with an in district enrollment of 750 students, which is a decrease of 2 students from the previous year's enrollment.

2. ECONOMIC CONDITONS AND OUTLOOK: The district's financial condition is sound, assessed property values are slightly ahead of where they were a year ago, and estimated true values also increased, The District anticipates steady enrollment.
3. MAJOR INITIATIVES: The District maintained an emphasis on student achievement, staff development, and safety during the 2024-2025 school year. Funding was applied to maintain class II officers, curricular programming, and embedded professional development to support instructional growth. Additional funding was requested and approved for mental health support, teachers needed for gifted and talented, basic skills and STEM instruction.
4. 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 (G.A.A.P.). An 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.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is 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.

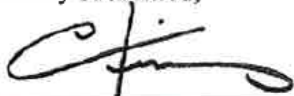
An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions,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

6. 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.
7. 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").

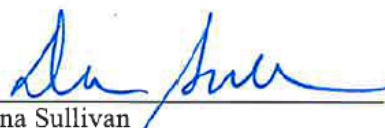
GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, auto liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation, and fidelity bonds. The district is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. A schedule of insurance coverage is found on Exhibit J-20.
9. 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 selected by the Board. 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 report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Board for their concern in providing fiscal accountability to the citizens and taxpayers of the district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

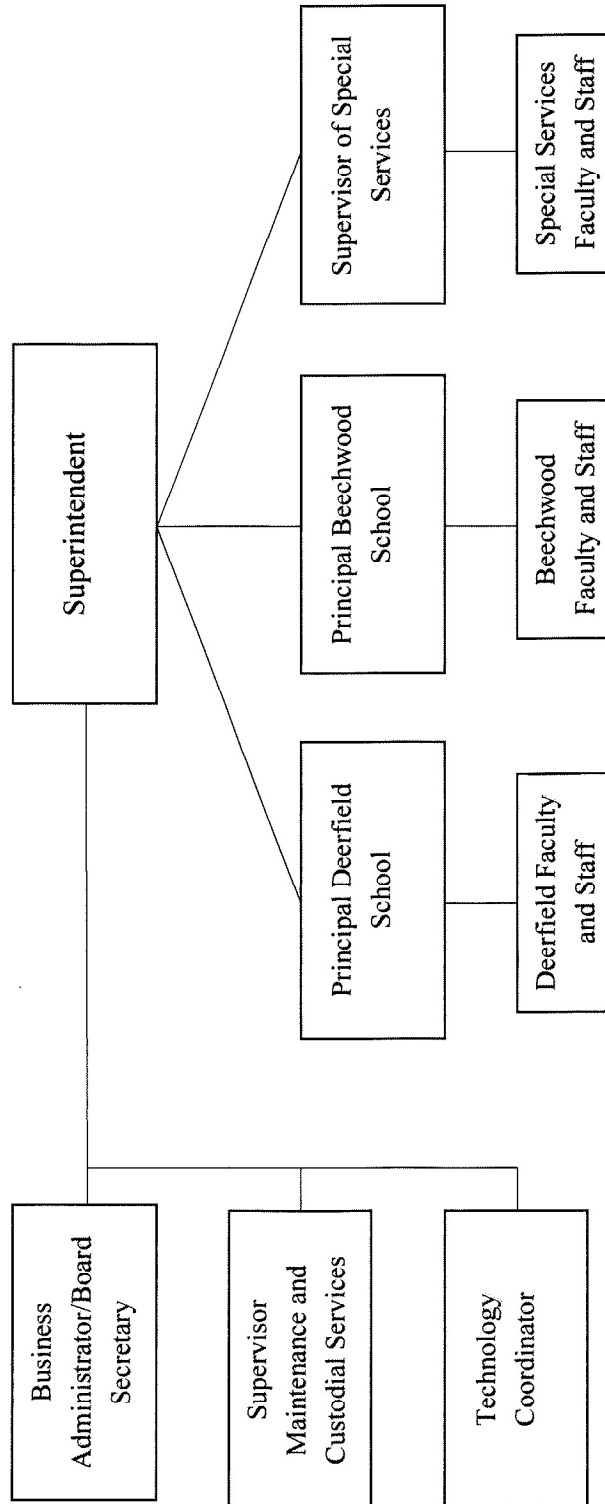


Christopher Kinney
Superintendent of Schools



Dana Sullivan
Interim Business Administrator/Board Secretary

Mountainside School District Organizational Chart



MOUNTAINSIDE SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Vivian Pupo, President	2026
Dana Guidici Pietro, Vice President	2026
Bill Dillion	2025
Michael Goodwin	2025
Jordan Hyman	2027
Candice Schiano	2027
Carmine Venes	2025

Other Officials

Christopher Kinney, Superintendent
Dana Sullivan, Interim School Business Administrator/Board Secretary
Paula Hatch, Treasurer of School Monies

MOUNTAINSIDE SCHOOL DISTRICT
Consultants and Advisors
Fiscal Year Ended June 30, 2025

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, New Jersey 07856

Lawrence Business Park
11 Lawrence Road
Newton, New Jersey 07860

1140 Route 22 East, Suite 203
Bridgewater, New Jersey 08807

Attorney

Machado Law Group
1 Cleveland Place
Springfield, New Jersey 07081

Bond Counsel

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

Financial Advisor

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

Official Depository

Valley National Bank
882 Mountain Avenue
Mountainside, New Jersey 07092

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Mountainside School District
County of Union, 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 Mountainside School District (the "District"), in the County of Union, 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 October 1, 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.

October 1, 2025
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

The discussion and analysis of the Mountainside School District’s financial performance provides an overall review of the School District’s financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District’s financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District’s financial performance.

Overview of the Financial Statements

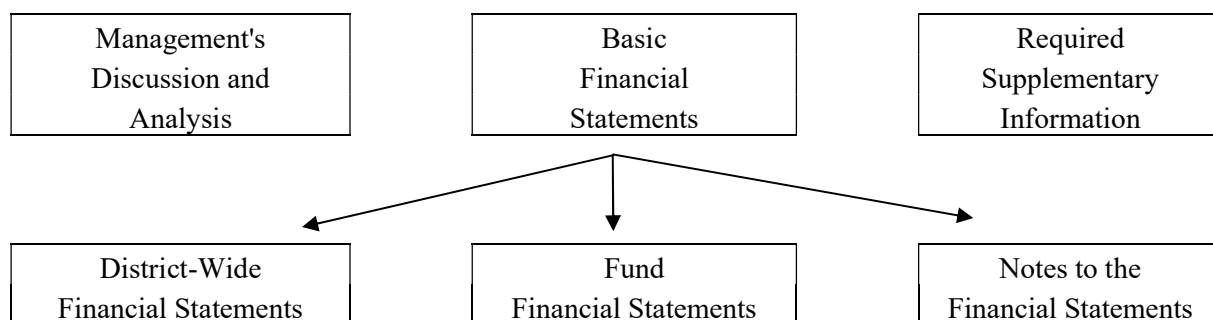
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

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 year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District’s Financial Report



**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

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.

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
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 year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities are 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 year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

MOUNTAINSIDE SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR 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 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 they have 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 operations 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 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. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Financial Analysis of the District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a District's financial position.

The District's financial position is the product of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position. The District's combined net position increased by \$866,210. Net position from governmental activities increased by \$870,025 and net position from business activities decreased by \$3,815. Net investment in capital assets increased by \$285,414, restricted net position increased by \$256,402, and unrestricted net position increased by \$324,394.

The following tables present financial position and operating information for June 30, 2025 and the fiscal year then ended as compared with the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024/2025
Current and Other Assets	\$ 2,949,395	\$ 2,508,101	\$ 275,122	\$ 253,301	\$ 3,224,517	\$ 2,761,402	
Capital Assets, Net	23,015,396	23,789,786	70,949	77,329	23,086,345	23,867,115	
Total Assets	25,964,791	26,297,887	346,071	330,630	26,310,862	26,628,517	-1.19%
Deferred Outflows of Resources	826,023	937,575			826,023	937,575	-11.90%
Other Liabilities	722,735	711,285	37,077	17,821	759,812	729,106	
Long-term Liabilities	13,819,560	15,201,482			13,819,560	15,201,482	
Total Liabilities	14,542,295	15,912,767	37,077	17,821	14,579,372	15,930,588	-8.48%
Deferred Inflows of Resources	184,965	129,166			184,965	129,166	43.20%
Net Position:							
Net Investment in Capital Assets	11,345,396	11,053,602	70,949	77,329	11,416,345	11,130,931	
Restricted	2,011,100	1,754,698			2,011,100	1,754,698	
Unrestricted/(Deficit)	(1,292,942)	(1,614,771)	238,045	235,480	(1,054,897)	(1,379,291)	
Total Net Position	\$ 12,063,554	\$ 11,193,529	\$ 308,994	\$ 312,809	\$ 12,372,548	\$ 11,506,338	7.53%

Changes in Net Position. Net position in the Governmental Activities increased due primarily to the maturity of long-term liabilities, capital assets additions offset by depreciation expense as well as excess revenues and unexpended budget balances in the General Fund. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024/2025
Revenue:							
Program Revenue:							
Charges for Services	\$ 353,713	\$ 355,340	\$ 278,727	\$ 279,285	\$ 632,440	\$ 634,625	
Operating Grants and Contributions	3,827,278	4,363,020	65,231	102,756	3,892,509	4,465,776	
General Revenue:							
Property Taxes	19,657,163	18,827,994			19,657,163	18,827,994	
Unrestricted Federal and State Aid	532,198	478,004			532,198	478,004	
Other	557,386	631,413	10,325	12,321	567,711	643,734	
Total Revenue	<u>24,927,738</u>	<u>24,655,771</u>	<u>354,283</u>	<u>394,362</u>	<u>25,282,021</u>	<u>25,050,133</u>	0.93%
Expenses:							
Instruction	10,230,407	11,064,740			10,230,407	11,064,740	
Pupil and Instruction Services	9,223,076	9,123,291			9,223,076	9,123,291	
Administrative and Business Maintenance and Operations	1,437,660	1,280,283			1,437,660	1,280,283	
Transportation	1,575,362	1,499,606			1,575,362	1,499,606	
Capital Outlay	1,219,052	1,439,762			1,219,052	1,439,762	
Other	21,469	21,469			21,469	21,469	
Total Expenses	<u>350,687</u>	<u>362,950</u>	<u>358,098</u>	<u>344,948</u>	<u>708,785</u>	<u>707,898</u>	
Total Expenses	<u>24,057,713</u>	<u>24,792,101</u>	<u>358,098</u>	<u>344,948</u>	<u>24,415,811</u>	<u>25,137,049</u>	-2.87%
Increase/(Decrease) in Net Position	<u>\$ 870,025</u>	<u>\$ (136,330)</u>	<u>\$ (3,815)</u>	<u>\$ 49,414</u>	<u>\$ 866,210</u>	<u>\$ (86,916)</u>	1096.61%

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Figure A-5 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of those functions.

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Governmental Activities (Cont'd)

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

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction	\$ 10,230,407	\$ 11,064,740	\$ 7,134,247	\$ 7,339,787
Pupil & Instruction Services	9,223,076	9,123,291	8,847,222	8,789,241
Administrative and Business	1,437,660	1,280,283	1,286,695	1,062,873
Maintenance & Operations	1,575,362	1,499,606	1,512,351	1,462,460
Transportation	1,219,052	1,439,762	724,051	1,034,961
Capital Outlay	21,469	21,469	21,469	21,469
Other	350,687	362,950	350,687	362,950
Total	<u>\$ 24,057,713</u>	<u>\$ 24,792,101</u>	<u>\$ 19,876,722</u>	<u>\$ 20,073,741</u>

Business-Type Activities

Net position from the District's business-type activities decreased by \$3,815 primarily due to a significant reduction in federal and state subsidy reimbursements and an increase in operating expenses. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's fund balances increased on the GAAP basis by \$424,517 during the fiscal year – General Fund Balance increased by \$409,530, Special Revenue Fund Balance increased by \$15,793, and Debt Service Fund Balance decreased by \$806 during the fiscal year. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant fund is the General Fund.

Over the course of the year, the District revised the annual operating budget when the educational needs of the District required it. Approved budgets are a snapshot in time and include estimates and projections that are available during the planning and submission stages. As more specificity becomes available, the projections and estimates are replaced with sound data and the budget is revised accordingly.

**MOUNTAINSIDE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Capital Assets

At the end of the fiscal year 2025, the School District had \$23,086,345 invested in sites, buildings and building improvements and machinery and equipment. (See Figure A-6). (More detailed information about the District's Capital Assets is presented in Note 7 to the basic financial statements).

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2025	2024	2025	2024	2025	2024	Change
Sites	\$ 1,875,070	\$ 1,875,070			\$ 1,875,070	\$ 1,875,070	
Buildings & Building Improvements	20,966,236	21,781,679			20,966,236	21,781,679	
Machinery and Equipment	174,090	133,037	\$ 70,949	\$ 77,329	245,039	210,366	
Total Capital Assets (Net of Depreciation)	<u>\$ 23,015,396</u>	<u>\$ 23,789,786</u>	<u>\$ 70,949</u>	<u>\$ 77,329</u>	<u>\$ 23,086,345</u>	<u>\$ 23,867,115</u>	<u>-3.27%</u>

Overall, capital assets decreased by \$780,770 from fiscal year 2024 to fiscal year 2025. The net decrease in capital assets is due to \$924,652 of depreciation expense offset by \$143,882 of capital additions.

Long – Term Liabilities

At June 30, 2025, the School District had \$13,819,560 of long-term liabilities. (See Figure A-7). (More information about the District's long-term liabilities is presented in Note 9 to the basic financial statements).

Figure A-7

Long-Term Liabilities

	Total School District		Percentage
	2025	2024	Change
General Obligation Bonds (Financed with Property Taxes)	\$ 11,670,000	\$ 12,705,000	
Net Pension Liability	1,778,682	1,987,619	
Financed Purchases Payable		31,184	
Compensated Absences Payable	370,878	477,679	
Total Long-Term Liabilities	<u>\$ 13,819,560</u>	<u>\$ 15,201,482</u>	<u>-9.09%</u>

Contacting the School 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 information, contact the Mountainside Board of Education Office, 1497 Woodacres Drive, Mountainside NJ 07092.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MOUNTAINSIDE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,506,227	\$ 256,782	\$ 1,763,009
Receivables, net:			
Receivables from State Government	258,257	273	258,530
Receivables from Federal Government		2,358	2,358
Other Receivables	8,730	3,458	12,188
Inventories		12,251	12,251
Restricted Assets:			
Cash and Cash Equivalents	1,176,181		1,176,181
Capital Assets, Net:			
Sites (Land)	1,875,070		1,875,070
Depreciable Buildings and Building Improvements and Machinery and Equipment	21,140,326	70,949	21,211,275
Total Assets	25,964,791	346,071	26,310,862
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	521,855		521,855
Deferred Outflows Related to Pensions	304,168		304,168
Total Deferred Outflows of Resources	826,023		826,023
LIABILITIES			
Accounts Payable	548,067	21,488	569,555
Payable to Federal Government	17		17
Accrued Interest Payable	92,581		92,581
Unearned Revenue	82,070	15,589	97,659
Noncurrent Liabilities:			
Due Within One Year	1,045,000		1,045,000
Due Beyond One Year	12,774,560		12,774,560
Total Liabilities	14,542,295	37,077	14,579,372
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	184,965		184,965
Total Deferred Inflows of Resources	184,965		184,965

MOUNTAINSIDE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 11,345,396	\$ 70,949	\$ 11,416,345
Restricted for:			
Capital Projects	576,602		576,602
Maintenance	234,619		234,619
Tuition	104,506		104,506
Excess Surplus	834,645		834,645
Unemployment Compensation	13,174		13,174
Scholarships	177,629		177,629
Student Activities	69,651		69,651
Debt Service	274		274
Unrestricted/(Deficit)	<u>(1,292,942)</u>	<u>238,045</u>	<u>(1,054,897)</u>
Total Net Position	<u>\$ 12,063,554</u>	<u>\$ 308,994</u>	<u>\$ 12,372,548</u>

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

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

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 7,522,147	\$ 91,915	\$ 1,226,294		\$ (6,203,938)		\$ (6,203,938)
Special Education	2,226,325		1,700,225		(526,100)		(526,100)
Other Special Instruction	287,663		42,213		(245,450)		(245,450)
School-Sponsored/Other Instruction	194,273		35,512		(158,761)		(158,761)
Support Services:							
Tuition	6,759,723				(6,759,723)		(6,759,723)
Student & Instruction Related Services	2,463,353	185,618	122,511		(2,155,224)		(2,155,224)
General Administrative Services	373,587		199,583		(174,004)		(174,004)
School Administrative Services	716,365		(7,578)		(723,943)		(723,943)
Central Services	347,709		26,686		(321,023)		(321,023)
Plant Operations and Maintenance	1,575,362		63,011		(1,512,351)		(1,512,351)
Pupil Transportation	1,219,052	76,180	418,821		(724,051)		(724,051)
Interest on Long-Term Debt	300,520				(300,520)		(300,520)
Unallocated Depreciation	50,167				(50,167)		(50,167)
Capital Outlay	21,469				(21,469)		(21,469)
Total Governmental Activities	24,057,713	353,713	3,827,278		(19,876,722)		(19,876,722)
Business-Type Activities:							
Food Service	358,098	278,727	65,231			\$ (14,140)	(14,140)
Total Business-Type Activities	358,098	278,727	65,231			(14,140)	(14,140)
Total Primary Government	\$ 24,415,811	\$ 632,440	\$ 3,892,509	\$ - 0 -	(19,876,722)	(14,140)	(19,890,862)

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 18,808,094		\$ 18,808,094
Taxes Levied for Debt Service	849,069		849,069
Federal and State Aid not Restricted	532,198		532,198
Interest Income		\$ 10,325	10,325
Miscellaneous Income	557,386		557,386
Total General Revenue	<u>20,746,747</u>	<u>10,325</u>	<u>20,757,072</u>
Change in Net Position	870,025	(3,815)	866,210
Net Position - Beginning	11,193,529	312,809	11,506,338
Net Position - Ending	<u>\$ 12,063,554</u>	<u>\$ 308,994</u>	<u>\$ 12,372,548</u>

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

FUND FINANCIAL STATEMENTS

MOUNTAINSIDE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,456,066	\$ 49,887	\$ 274	\$ 1,506,227
Intergovernmental Receivable:				
State	258,257			258,257
Other Accounts Receivable	8,730			8,730
Restricted Assets:				
Cash and Cash Equivalents	928,901	247,280		1,176,181
Total Assets	<u>\$ 2,651,954</u>	<u>\$ 297,167</u>	<u>\$ 274</u>	<u>\$ 2,949,395</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 342,504			\$ 342,504
Payable to Federal Government		\$ 17		17
Unearned Revenue	32,200	49,870		82,070
Total Liabilities	<u>374,704</u>	<u>49,887</u>		<u>424,591</u>
Fund Balances:				
Restricted:				
Capital Reserve	576,602			576,602
Maintenance Reserve	234,619			234,619
Tuition Reserve - Restricted for 2025-2026	44,506			44,506
Tuition Reserve - Restricted for 2026-2027	60,000			60,000
Excess Surplus Restricted for 2025-2026	375,000			375,000
Excess Surplus Restricted for 2026-2027	459,645			459,645
Debt Service			\$ 274	274
Unemployment Compensation	13,174			13,174
Scholarships		177,629		177,629
Student Activities		69,651		69,651
Assigned:				
Encumbrances	62,237			62,237
Designated for Subsequent Year's Expenditures	84,645			84,645
Unassigned	366,822			366,822
Total Fund Balances	<u>2,277,250</u>	<u>247,280</u>	<u>274</u>	<u>2,524,804</u>
Total Liabilities and Fund Balances	<u>\$ 2,651,954</u>	<u>\$ 297,167</u>	<u>\$ 274</u>	<u>\$ 2,949,395</u>

MOUNTAINSIDE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances - Governmental Funds	\$ 2,524,804
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the Funds.	23,015,396
Interest on long term debt is not accrued in government funds, but rather is recognized as an expenditure when due.	(92,581)
The Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	521,855
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,778,682)
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	98,605
Deferred Inflows	(184,965)
Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(12,040,878)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 12,063,554</u></u>

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

MOUNTAINSIDE 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	Debt Service Fund	Total Governmental Funds
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 18,808,094		\$ 849,069	\$ 19,657,163
Tuition from Individuals	91,915			91,915
Transportation Fees From Individuals	76,180			76,180
Restricted Miscellaneous Revenue		\$ 260,838		260,838
Unrestricted Miscellaneous Revenue	296,548			296,548
Total - Local Sources	19,272,737	260,838	849,069	20,382,644
State Sources	5,070,355		437,814	5,508,169
Federal Sources		308,734		308,734
Total Revenue	24,343,092	569,572	1,286,883	26,199,547
EXPENDITURES:				
Current:				
Regular Instruction	4,118,328	374,766		4,493,094
Special Education Instruction	1,314,561			1,314,561
Other Special Instruction	191,952			191,952
School Sponsored/Other Instruction	113,754			113,754
Support Services and Undistributed Costs:				
Tuition	6,789,906			6,789,906
Student & Instruction Related Services	1,568,531	179,013		1,747,544
General Administration	401,363			401,363
School Administration	400,972			400,972
Central Services	251,747			251,747
Plant Operations and Maintenance	1,293,541			1,293,541
Pupil Transportation	1,219,052			1,219,052
Unallocated Benefits	6,096,329			6,096,329
Debt Service:				
Redemption of Principal			1,035,000	1,035,000
Interest and Other Charges			252,689	252,689
Capital Outlay	173,526			173,526
Total Expenditures	23,933,562	553,779	1,287,689	25,775,030
Excess/(Deficit) of Revenue Over/(Under) Expenditures	409,530	15,793	(806)	424,517
Fund Balance—July 1	1,867,720	231,487	1,080	2,100,287
Fund Balance—June 30	\$ 2,277,250	\$ 247,280	\$ 274	\$ 2,524,804

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

MOUNTAINSIDE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, 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) \$ 424,517

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays 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 differs from capital outlays in the period.

Depreciation expense	\$	(918,272)
Capital outlays		143,882
		(774,390)

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 (+)

106,801

Repayment of financed purchases 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. (+)

31,184

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

4,355

Repayment of bonds 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. (+)

1,035,000

The governmental funds report the effect of deferred amount on a bond refunding relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (+)

(52,186)

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

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

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	\$ 208,937
Change in Deferred Outflows	(58,394)
Change in Deferred Inflows	<u>(55,799)</u>
Change in Net Position - Governmental Activities (from A-2)	<u>\$ 870,025</u>

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

	Business-type Activities - Enterprise <u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 256,782
Intergovernmental Accounts Receivable:	
State	273
Federal	2,358
Other Accounts Receivable	3,458
Inventories	12,251
	<u>275,122</u>
Total Current Assets	
Non-Current Assets:	
Capital Assets	168,884
Less: Accumulated Depreciation	(97,935)
	<u>70,949</u>
Total Non-Current Assets	
	<u>346,071</u>
Total Assets	
LIABILITIES:	
Current Liabilities:	
Accounts Payable	21,488
Unearned Revenue - Prepaid Sales	13,148
Unearned Revenue - Donated Commodities	2,441
	<u>37,077</u>
Total Current Liabilities	
NET POSITION:	
Investment in Capital Assets	70,949
Unrestricted	238,045
	<u>308,994</u>
Total Net Position	<u>\$ 308,994</u>

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

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

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Nonreimbursable Programs	\$ 159,375
Daily Sales - Non-Reimbursable Programs	119,352
Total Operating Revenue	278,727
Operating Expenses:	
Cost of Sales - Reimbursable Programs	94,949
Cost of Sales - Nonreimbursable Programs	60,705
Salaries, Benefits & Payroll Taxes	167,202
Supplies, Insurance & Other Costs	18,150
Management Fee	10,712
Depreciation Expense	6,380
Total Operating Expenses	358,098
Operating Loss	(79,371)
Non-Operating Income:	
Local Sources:	
Interest Income	10,325
State Sources:	
State School Lunch Program	2,975
State Extended Income Eligibility - Lunch	1,564
Federal Sources:	
Supply Chain Assistance Funding	5,767
National School Lunch Program	31,258
Food Distribution Program	23,667
Total Non-Operating Income	75,556
Change in Net Position	(3,815)
Net Position - Beginning of Year	312,809
Net Position - End of Year	\$ 308,994

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

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

	<u>Business-type Activities - Enterprise Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 283,765
Payments to Food Service Contractor	(307,931)
Net Cash Provided by/(Used for) Operating Activities	<u>(24,166)</u>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	10,325
Net Cash Provided by/(Used for) Investing Activities	<u>10,325</u>
Cash Flows from Noncapital Financing Activities:	
State Sources - Received in Food Service Fund	4,608
Federal Sources Received in Food Service Fund	30,979
Net Cash Provided by Noncapital Financing Activities	<u>35,587</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	21,746
Cash and Cash Equivalents, July 1	<u>235,036</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 256,782</u></u>
Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities:	
Operating Loss	\$ (79,371)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	6,380
Food Distribution Program	23,667
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(1,716)
(Increase)/Decrease in Other Accounts Receivable	1,851
Increase/(Decrease) in Unearned Revenue - Donated Commodities	348
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	3,187
Increase/(Decrease) in Accounts Payable	21,488
Net Cash Used for Operating Activities	<u><u>\$ (24,166)</u></u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$24,015 and utilized U.S.D.A. Commodities valued at \$23,667.

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

MOUNTAINSIDE 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 the Mountainside 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.

MOUNTAINSIDE 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)

Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. 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 with 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 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.

MOUNTAINSIDE 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)

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.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is 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. Non-exchange 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 the governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

MOUNTAINSIDE 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 budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by a vote of 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. All budget amendments/transfers must be made by School Board resolution. All budgeting 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 budget 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, except for 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. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and 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 last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

MOUNTAINSIDE 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)

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 and Other Financing Sources" from the Budgetary Comparison Schedule	\$ 24,357,734	\$ 569,572
Differences - 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	- 0 -	- 0 -
Prior Year Encumbrances	- 0 -	- 0 -
Prior Year State Aid Payments Recognized for GAAP Statements	146,313	
Current Year State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(160,955)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 24,343,092</u>	<u>\$ 569,572</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,933,562	\$ 553,779
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:	- 0 -	- 0 -
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,933,562</u>	<u>\$ 553,779</u>

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash, change funds, amount in deposits, and short-term investments with maturities of one year or less.

MOUNTAINSIDE 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)

E. Cash and Cash Equivalents, and Investments: (Cont'd)

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.

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 fund. 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.

MOUNTAINSIDE 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)

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 and/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 and prepaid expenses, 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 fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

K. Capital Assets:

During the 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:

MOUNTAINSIDE 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: (Cont'd)

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 Years
Machinery and Equipment	10 to 15 Years
Computer and Related Technology	5 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 the 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 is 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 is 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 premium 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 allows employees who provide services to the District over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year. As of June 30, 2025, the amount earned by these employees but not disbursed was \$153,549.

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.

MOUNTAINSIDE 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: (Cont'd)

It is the district's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. A long-term liability for accumulated vacation and sick leave has been recorded in the governmental activities in the district-wide statements.

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 in more than one year.

Q. Leases 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. Subscriptions Payable:

In the district-wide financial statements, subscriptions payable 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 \$2,277,250 General Fund fund balance at June 30, 2025, \$576,602 is restricted in the capital reserve account; \$234,619 is restricted in the maintenance reserve account; \$13,174 is restricted for unemployment compensation; \$104,506 is restricted in the tuition reserve account and has been appropriated and \$44,506 has been included as anticipated revenue for the fiscal year ending June 30, 2026 and \$60,000 will be included as anticipated revenue for the fiscal year ending June 30, 2027; \$375,000 is prior year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2026; \$459,645 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2027; \$62,237 is assigned for encumbrances; \$84,645 is assigned fund balance designated for subsequent year's expenditures; and \$366,822 is unassigned which is \$160,955 more than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026.

Special Revenue Fund: Of the \$247,280 Special Revenue Fund fund balance at June 30, 2025, \$69,651 is restricted for student activities and \$177,629 is restricted for Scholarships.

Debt Service Fund: Of the District \$274 restricted Debt Service Fund fund balance at June 30, 2025, \$273 has been appropriated and included in anticipated revenue for the fiscal year ending June 30, 2026 and \$1 will be appropriated and included in anticipated revenue for the fiscal year ending June 30, 2027.

MOUNTAINSIDE 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)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), 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 year's budget. The district has excess surplus as noted above.

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 related 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 last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two 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 final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,292,942 in governmental activities, which is primarily a result of compensated absences payable, net pension liability and the related deferred inflows and outflows. This deficit does not mean that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

V. 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 related to pensions and the deferred amount on refunding.

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 related to pensions at June 30, 2025.

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

MOUNTAINSIDE 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)

V. Net Position: (Cont'd)

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.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by the 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 in the General Fund for a capital reserve, maintenance reserve, tuition reserve, excess surplus and unemployment compensation. Fund balance restrictions have been established in the Special Revenue Fund for scholarships and student activities, and in the Debt Service 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 to remove or change the commitment of resources. The district has no committed resources at June 30, 2025.

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 at June 30, 2025 in the General Fund for encumbrances and the amount designated for subsequent years expenditures.

MOUNTAINSIDE 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 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 activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

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.

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

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.

NOTE 3. 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 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 District 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 District's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District 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 District 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's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

In addition to the above collateral requirement, if the 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%.

MOUNTAINSIDE 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)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, 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 Board 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;
- (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

MOUNTAINSIDE 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:

(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 of the district consisted of the following:

	<u>Cash and Cash Equivalents</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Checking Accounts	<u>\$ 1,763,009</u>	<u>\$ 1,176,181</u>	<u>\$ 2,939,190</u>

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2025, was \$2,939,190 and the bank balance was \$3,095,603.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Mountainside School District 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.

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 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.

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

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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:

Balance at June 30, 2024	\$ 461,316
Increased by:	
Unexpended Appropriations Returned from Capital Outlay	286
Deposit - June 2025 Board Resolution	<u>200,000</u>
	661,602
Decreased by:	
Budgeted Withdrawal	<u>85,000</u>
Balance at June 30, 2025	<u><u>\$ 576,602</u></u>

The balance in the capital reserve at June 30, 2025 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long-Range Facilities Plan. The withdrawal during the fiscal year from the capital reserve was for use in DOE approved facilities projects consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution. These funds may 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.

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

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

If the account exceeds this maximum amount at June 30, the excess shall be restricted 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.

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

Balance at June 30, 2024	\$ 161,579
Increased by:	
Deposit - June 2025 Board Resolution	<u>103,009</u>
	264,588
Decreased by:	
Withdrawal by Board Resolution	<u>29,969</u>
Balance at June 30, 2025	<u><u>\$ 234,619</u></u>

NOTE 6. TUITION RESERVE ACCOUNT

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year tuition. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be restricted and budgeted for tax relief.

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

Balance at June 30, 2024	\$ 130,629
Increased by:	
Deposit - June 2025 Board Resolution	<u>60,000</u>
	190,629
Decreased by:	
Budgeted Withdrawal	<u>86,123</u>
Balance at June 30, 2025	<u><u>\$ 104,506</u></u>

The District established a tuition reserve in the amount of \$44,506 during the fiscal year ended June 30, 2024 which has been appropriated in the District's 2025-2026 approved budget to provide for any tuition adjustments in the fiscal year ending June 30, 2026.

The District established a tuition reserve in the amount of \$60,000 during the fiscal year ended June 30, 2025 which will be appropriated in the District's 2026-2027 approved budget to provide for any tuition adjustments in the fiscal year ending June 30, 2027.

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

NOTE 7. CAPITAL ASSETS

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

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 1,875,070			\$ 1,875,070
Total Capital Assets not Being Depreciated	1,875,070			1,875,070
Capital Assets Being Depreciated:				
Buildings and Building Improvements	31,408,793	\$ 59,168		31,467,961
Machinery and Equipment	426,585	84,714		511,299
Total Capital Assets Being Depreciated	31,835,378	143,882		31,979,260
Governmental Activities Capital Assets	33,710,448	143,882		33,854,330
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(9,627,114)	(874,611)		(10,501,725)
Machinery and Equipment	(293,548)	(43,661)		(337,209)
Total Accumulated Depreciation	(9,920,662)	(918,272)		(10,838,934)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 23,789,786</u>	<u>\$ (774,390)</u>	<u>\$ - 0 -</u>	<u>\$ 23,015,396</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 168,884			\$ 168,884
Less Accumulated Depreciation	(91,555)	\$ (6,380)		(97,935)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 77,329</u>	<u>\$ (6,380)</u>	<u>\$ - 0 -</u>	<u>\$ 70,949</u>
GRAND TOTAL	<u>\$ 23,867,115</u>	<u>\$ (780,770)</u>	<u>\$ - 0 -</u>	<u>\$ 23,086,345</u>
Depreciation expense was charged to governmental functions as follows:				
Regular Instruction			\$	576,446
Special Education				69,915
Student and Instruction Related Services				111,437
General Administration				16,194
School Administration				21,605
Operations and Maintenance of Plant				72,508
Student Transportation				50,167
			<u>\$</u>	<u>918,272</u>

MOUNTAINSIDE 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 year ended June 30, 2025 the District transferred \$104,645 to capital outlay accounts. \$70,645 was for equipment and did not need County Superintendent approval. \$34,000 was for facilities acquisition and construction services, for which the District received County Superintendent approval.

NOTE 9. LONG TERM LIABILITIES

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

	Balance 6/30/2024	Accrued	Retired	Balance 6/30/2025	Amount Due Within one One Year
Bonds Payable	\$ 12,705,000		\$ 1,035,000	\$ 11,670,000	\$ 1,045,000
Financed Purchases Payable	31,184		31,184		
Compensated Absences Payable	477,679		106,801	370,878	
Net Pension Liability	1,987,619		208,937	1,778,682	
	<u>\$ 15,201,482</u>	<u>\$ - 0 -</u>	<u>\$ 1,381,922</u>	<u>\$ 13,819,560</u>	<u>\$ 1,045,000</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. Bonds issued by the Board are general obligation bonds and all are retired in serial installments within the statutory period of usefulness.

The District issued \$13,075,000 of Refunding School Bonds dated December 29, 2021 to refinance its 2014 School Bonds dated July 1, 2014 which were authorized by the taxpayers through a referendum to repair its buildings and acquire two additional school buildings to fulfill enrollment and curriculum demands. The Refunding School Bonds constituted an advance refunding, and the bonds are federally taxable with annual maturities commencing February 15, 2022 through August 15, 2023 at interest rates ranging from .454% to 2.633%. The Bonds maturing prior to August 15, 2032 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after August 15, 2032 are redeemable at the option of the Board, in whole or in part, on any date on or after August 15, 2031, upon notice as required therein, at one hundred percent (100%) of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

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

Purpose	Final Maturity Date	Interest Rate	Principal Amount
Refunding School Bonds, Series 2021	8/15/34	1.404% - 2.633%	\$ 11,670,000

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

NOTE 9. LONG TERM LIABILITIES

A. Bonds Payable: (Cont'd)

Principal and interest due on Serial Bonds outstanding are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,045,000	\$ 239,547	\$ 1,284,547
2027	1,065,000	223,616	1,288,616
2028	1,095,000	205,205	1,300,205
2029	1,115,000	184,389	1,299,389
2030	1,145,000	161,636	1,306,636
2031-2035	6,205,000	397,646	6,602,646
	<u>\$ 11,670,000</u>	<u>\$ 1,412,039</u>	<u>\$ 13,082,039</u>

The Debt Service Fund will be used to liquidate the annual principal and interest maturities for the District's Serial Bonds.

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the District has no bonds authorized but not issued.

C. Financed Purchases Payable:

The District did not have any financed purchases payable at June 30, 2025.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is \$0 and is separated from the long-term portion of \$370,878.

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 Food Service Fund.

The General Fund will be used to liquidate the Compensated Absences Payable.

E. Net Pension Liability:

The Public Employee's Retirement System (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 \$1,778,682. See Note 10 for further information on the PERS.

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

NOTE 10. 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 following represents the membership tiers for PERS:

<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, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years 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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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.

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 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 \$178,119 for fiscal year 2025. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$5,734 to 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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2025, the District reported a liability of \$1,778,682 for its proportionate share of the net pension liability, for PERS, 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 0.0131% for PERS, which was a decrease of 0.0006% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense of \$83,377 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of \$5,734 and the District recognized pension expense and revenue for \$5,734 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:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:	2020	5.16		\$ (12,925)
	2021	5.13	\$ 2,210	
	2022	5.04		(7,312)
			<u>2,210</u>	<u>(20,237)</u>
Changes in Proportion:	2020	5.16	2,573	
	2021	5.13	47,134	
	2022	5.04		(384)
	2023	5.08	11,058	
	2024	5.08		(77,136)
			<u>60,765</u>	<u>(77,520)</u>
Difference Between Expected and Actual Experience:	2020	5.16	721	
	2021	5.13		(1,757)
	2022	5.04		(2,978)
	2023	5.00	9,149	
	2024	5.08	25,760	
			<u>35,630</u>	<u>(4,735)</u>

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:	2021	5.00		\$ (122,096)
	2022	5.00		193,685
	2023	5.08		(50,226)
	2024	5.08		(103,836)
				(82,473)
District Contribution Subsequent to the Measurement Date	2024	1.00	\$ 205,563	
			\$ 304,168	\$ (184,965)

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 benefit as follows:

Fiscal Year Ending June 30,	Total
2025	\$ (46,734)
2026	48,345
2027	(48,943)
2028	(38,012)
2029	(1,016)
	\$ (86,360)

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, applied to all periods in the measurement:

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%

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

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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.

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 Markets 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%

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

NOTE 10. PENSION PLANS (Cont'd)

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

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 nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of 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 in determining the total pension liability.

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	\$ 2,363,431	\$ 1,778,682	\$ 1,281,064

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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her 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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

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 \$2,130,275 to the TPAF for normal pension benefits on behalf of the district, which is more than the contractually required benefit of \$89,911.

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 \$24,647,728 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 0.0497% which was a decrease of -0.0009% as of June 30, 2023.

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>24,647,728</u>
Total	<u><u>\$ 24,647,728</u></u>

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of \$89,911 and the District recognized pension benefit and revenue for \$89,911 in the fiscal year ended June 30, 2025 financial statements.

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

NOTE 10. 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)

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
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	67,989,902	
			<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>

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

NOTE 10. 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 following actuarial assumptions, 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.

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

NOTE 10. 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 weighing 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.

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

NOTE 10. PENSION PLANS (Cont'd)

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

Sensitivity of the District'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 above, as well as what the State's 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%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 30,014,249	\$ 24,647,728	\$ 21,612,193
<u>Pension Plan Fiduciary Net Position - TPAF</u>			

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 \$9,841 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$21,364 for the fiscal year ended June 30, 2025.

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

NOTE 11. 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. The district obtains its health benefit coverage through the NJ State Health Benefits Plan.

Property, Liability and Health Benefits

The district is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The SAIF is a risk-sharing fund that is an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members 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 SAIF are elected.

As a member of the SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF's liabilities.

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

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

	<u>School Alliance</u> <u>Insurance Fund</u>
Total Assets	<u>\$ 58,120,778</u>
Net Position	<u>\$ 19,408,763</u>
Total Revenue	<u>\$ 60,984,350</u>
Total Expenses	<u>\$ 61,472,363</u>
Change in Net Position	<u>\$ (488,013)</u>
Members Dividends	<u>\$ - 0 -</u>

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

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550

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

NOTE 11. RISK MANAGEMENT (Cont'd)

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 Unemployment Compensation Restricted Fund Balance 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 the District’s contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024-2025	\$ - 0 -	\$ 15,589	\$ 785	\$ 21,807	\$ 13,174
2023-2024	- 0 -	15,900	2,721	66,441	18,607
2022-2023	30,000	14,376	2,150	21,785	66,427

NOTE 12. DEFERRED COMPENSATION

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

The plan administrators are as follows:

AXA Equivest	Equitable
Valic	MetLife

Equitable Life Assurance and MetLife are the plan administrators for the District’s Internal Revenue Code 457 plans.

NOTE 13. TAX CALENDAR

Property taxes are levied 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, September 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 local school district on a predetermined, agreed-upon schedule.

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

NOTE 14. 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 15. COMMITMENTS AND CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The district is periodically involved in various lawsuits. The district estimates that the potential claims against it resulting from any such litigation and not covered by insurance would not materially affect the financial position of the district.

Encumbrances

At June 30, 2025, there were \$62,237 of encumbrances in the General Fund in the governmental funds. All of the governmental funds are considered to be major funds.

NOTE 16. ACCOUNTS PAYABLE

Accounts Payable, as of June 30, 2025, consisted of the following:

	Governmental Funds	Total	District Contribution Subsequent to Measurement Date	Total	Business-Type Activities
	General Fund	Government Funds		Governmental Activities	Proprietary Funds
Vendors	\$ 178,234	\$ 178,234		\$ 178,234	\$ 21,488
Payroll Deductions and Withholdings	10,721	10,721		10,721	
Accrued Salaries and Wages	153,549	153,549		153,549	
Due to:					
State of New Jersey			\$ 205,563	205,563	
	<u>\$ 342,504</u>	<u>\$ 342,504</u>	<u>\$ 205,563</u>	<u>\$ 548,067</u>	<u>\$ 21,488</u>

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

NOTE 17. 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 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 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 financial statements which can be found at <https://www.nj.gov/treasury/pensions/gasb-notices-opeb.shtml>.

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

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 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 of service	based on years of service	based on years 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.

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

NOTE 17. 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, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend increased 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 Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 22,759,181
Changes for Year:	
Service Cost	1,102,505
Interest on the Total OPEB Liability	907,292
Changes of Assumptions	2,062,041
Difference between Actual and Expected Experience	1,400,662
Contributions from Members	23,726
Gross Benefit Payments by the State	<u>(692,914)</u>
Net Changes	<u>4,803,312</u>
Balance at June 30, 2024	<u><u>\$ 27,562,493</u></u>

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

NOTE 17. 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 were 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	\$ 32,281,582	\$ 27,562,493	\$ 23,725,780

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 were 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	\$ 32,281,582	\$ 27,562,493	\$ 23,725,780

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 \$4,773,372 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.

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 associated with the District from the following sources:

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

NOTE 17. 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)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 528,584
	2018	9.51		645,314
	2019	9.29	\$ 101,813	
	2020	9.24	2,626,320	
	2021	9.24	15,513	
	2022	9.13		4,214,990
	2023	9.30	38,279	
	2024	9.33	1,841,029	
			<u>4,622,954</u>	<u>5,388,888</u>
Differences between Expected and Actual Experience	2018	9.51		610,022
	2019	9.29		1,198,343
	2020	9.24	2,447,834	
	2021	9.24		2,983,311
	2022	9.13	434,083	
	2023	9.30		355,597
	2024	9.33	65,567	
			<u>2,947,484</u>	<u>5,147,273</u>
Changes in Proportion	N/A	N/A	<u>3,602,815</u>	<u>329,369</u>
			<u>\$ 11,173,253</u>	<u>\$ 10,865,530</u>

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

Fiscal Year Ending June 30,	Total
2025	\$ (977,674)
2026	(819,785)
2027	(389,372)
2028	102,334
2029	(710,530)
Thereafter	<u>(170,696)</u>
	<u>\$ (2,965,723)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

MOUNTAINSIDE 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	2021	2022	2023	2024	2025
District's Proportionat Share of the Net Pension Liability	0.0133247350%	0.0149830170%	0.0118650500%	0.0120180750%	0.0122673320%	0.0122673320%	0.0136182040%	0.0136675081%	0.0137746038%	0.0130900507%
District's Proportionate Share of the Net Pension Liability	\$ 2,991,136	\$ 4,437,540	\$ 2,761,994	\$ 2,366,299	\$ 2,210,387	\$ 2,060,773	\$ 1,613,280	\$ 2,054,407	\$ 1,987,619	\$ 1,778,682
District's Covered Employee Payroll	\$ 1,255,418	\$ 803,347	\$ 863,294	\$ 913,837	\$ 957,762	\$ 1,014,975	\$ 1,038,548	\$ 1,059,319	\$ 929,318	\$ 1,029,522
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	238.26%	552.38%	319.94%	258.94%	230.79%	203.04%	155.34%	193.94%	213.88%	172.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

MOUNTAINSIDE 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	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 114,557	\$ 133,107	\$ 109,917	\$ 120,197	\$ 119,325	\$ 138,243	\$ 159,485	\$ 171,668	\$ 183,405	\$ 178,119
Contributions in Relation to the Contractually Required Contribution	(114,557)	(133,107)	(109,917)	(120,197)	(119,325)	(138,243)	(159,485)	(171,668)	(183,405)	(178,119)
Contribution Deficiency/(Excess)	\$ -0 -	\$ -0 -	\$ -0 -	\$ -0 -	\$ -0 -	\$ -0 -	\$ -0 -	\$ -0 -	\$ -0 -	\$ -0 -
District's Covered Employee Payroll	\$ 1,255,418	\$ 803,347	\$ 863,294	\$ 913,837	\$ 957,762	\$ 1,014,975	\$ 1,038,548	\$ 929,318	\$ 1,029,522	\$ 1,073,220
Contributions as a Percentage of Covered Employee Payroll	9.13%	16.57%	12.73%	13.15%	12.46%	13.62%	15.36%	18.47%	17.81%	16.60%

MOUNTAINSIDE 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	2021	2022	2023	2024	2025
State's Proportionate of the Net Pension Liability										
Attributable to the District	0.0462460365%	0.0461256310%	0.0440637910%	0.0487949000%	0.0455134403%	0.0459915400%	0.0499742616%	0.0511171937%	0.0507984200%	0.0498688416%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 29,229,470	\$ 36,285,358	\$ 29,709,397	\$ 31,042,309	\$ 27,932,028	\$ 30,284,876	\$ 24,025,221	\$ 26,373,617	\$ 25,923,790	\$ 24,647,728
District's Covered Employee Payroll	\$ 4,875,421	\$ 4,746,097	\$ 4,898,914	\$ 5,230,583	\$ 5,532,815	\$ 5,636,859	\$ 5,943,056	\$ 6,061,917	\$ 5,839,218	\$ 5,761,965
State's Proportionate Share of the Net Pension Liability Attributable to the District as a Percentage of its Covered Employee Payroll	599.53%	764.53%	606.45%	593.48%	504.84%	537.27%	404.26%	435.07%	443.96%	427.77%
Plan fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

MOUNTAINSIDE 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	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 248,539	\$ 367,344	\$ 494,797	\$ 737,610	\$ 915,112	\$ 1,042,181	\$ 565,324	\$ 709,788	\$ 636,872	\$ (89,911)
Contributions in Relation to the Contractually Required Contribution	(250,023)	(369,299)	(495,631)	(913,877)	(1,026,852)	(1,480,331)	(2,134,008)	(2,076,670)	(2,125,078)	(2,130,275)
Contribution Deficiency/(Excess)	\$ (1,484)	\$ (1,955)	\$ (834)	\$ (176,267)	\$ (111,740)	\$ (438,150)	\$ (1,568,684)	\$ (1,366,882)	\$ (1,488,206)	\$ (2,220,186)
District's Covered Employee Payroll	\$ 4,875,421	\$ 4,746,097	\$ 4,898,914	\$ 5,230,583	\$ 5,532,815	\$ 5,636,859	\$ 5,943,056	\$ 5,839,218	\$ 5,761,965	\$ 6,153,157
Contributions as a Percentage of Covered Employee Payroll	5.13%	7.78%	10.12%	17.47%	18.56%	26.26%	35.91%	35.56%	36.88%	34.62%

MOUNTAINSIDE SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
 ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
 LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 1,031,795	\$ 852,212	\$ 794,911	\$ 884,370	\$ 1,628,198	\$ 1,434,474
Interest	651,138	758,574	750,343	624,527	648,022	556,482
Change of Benefit Terms					(26,589)	
Changes in Assumptions	(2,688,790)	(2,162,828)	256,271	4,988,873	(4,111,330)	(5,633,025)
Differences between Expected and Actual Experience		(692,190)	(2,949,107)	4,087,001	24,645	193,499
Member Contributions	17,551	17,418	15,640	14,412	16,567	17,683
Gross Benefit Payments	(476,633)	(503,971)	(527,614)	(475,471)	(510,460)	(551,212)
Net Change in Total OPEB Liability	(1,464,939)	(1,730,785)	(1,659,556)	10,123,712	(2,330,947)	(3,982,099)
Total OPEB Liability - Beginning	22,043,073	20,578,134	18,847,349	17,187,793	27,311,505	24,980,558
Total OPEB Liability - Ending	\$ 20,578,134	\$ 18,847,349	\$ 17,187,793	\$ 27,311,505	\$ 24,980,558	\$ 20,998,459
District's Covered Employee Payroll *	\$ 5,762,208	\$ 6,144,420	\$ 6,490,577	\$ 6,651,834	\$ 6,981,604	\$ 7,121,236
Total OPEB Liability as a Percentage of Covered Employee Payroll	357%	307%	265%	411%	358%	295%
						335%
						406%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2023 are based on the payroll on the June 30, 2016 - 2022 census data.

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

MOUNTAINSIDE 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 decrease 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

MOUNTAINSIDE 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	\$ 18,808,094		\$ 18,808,094	\$ 18,808,094	
Tuition From Individuals	103,400		103,400	91,915	\$ (11,485)
Transportation Fees From Individuals	74,970		74,970	76,180	1,210
Unrestricted Miscellaneous Revenues	209,792	\$ 31,042	240,834	296,548	55,714
Total Revenues from Local Sources	19,196,256	31,042	19,227,298	19,272,737	45,439
Revenues from State Sources:					
School Choice Aid					
Categorical Transportation Aid	380,713		380,713	380,713	
Extraordinary Aid	100,000		100,000	168,595	68,595
Categorical Special Education Aid	1,165,254		1,165,254	1,165,254	
Categorical Security Aid	97,144		97,144	97,144	
Non Public Transportation Aid				45,075	45,075
TPAF Post Retirement Contributions (Non-Budgeted)				630,179	630,179
TPAF Pension Contributions (Non-Budgeted)				2,130,275	2,130,275
TPAF Non-Contributory Insurance (Non-Budgeted)				26,388	26,388
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,286	1,286
Reimbursed TPAF Social Security Contributions				440,088	440,088
Total Revenues from State Sources	1,743,111		1,743,111	5,084,997	3,341,886
TOTAL REVENUE	20,939,367	31,042	20,970,409	24,357,734	3,387,325

MOUNTAINSIDE 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:					
Preschool - Salaries of Teachers	\$ 61,837	\$ 235	\$ 62,072	\$ 62,072	
Kindergarten - Salaries of Teachers	315,475	422	315,897	315,896	\$ 1
Grades 1-5 - Salaries of Teachers	2,180,062	(69,080)	2,110,982	2,088,970	22,012
Grades 6-8 - Salaries of Teachers	1,417,437	473	1,417,910	1,371,218	46,692
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000	5,226	6,226	6,226	
Purchased Professional-Educational Services	9,000	1,033	10,033	10,033	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	77,306	16,428	93,734	93,640	94
Purchased Technical Services	53,436	312	53,748	45,009	8,739
Other Purchased Services (400-500 series)	9,505	58,369	67,874	44,873	23,001
General Supplies	102,072	(15,326)	86,746	75,293	11,453
Textbooks	29,135	(25,823)	3,312	2,869	443
Other Objects	1,026	1,203	2,229	2,229	
Total Regular Programs - Instruction	4,257,291	(26,528)	4,230,763	4,118,328	112,435
Special Education - Instruction:					
Learning and/or Language Disabilities-Mild to Moderate:					
Salaries of Teachers	133,713	7,752	141,465	141,464	1
General Supplies	2,000	(1,200)	800	247	553
Total Learning and/or Language Disabilities-Mild to Moderate	135,713	6,552	142,265	141,711	554

MOUNTAINSIDE 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	\$ 907,742	\$ 5,293	\$ 913,035	\$ 910,346	\$ 2,689
Other Salaries for Instruction	282,724	(16,967)	265,757	259,870	5,887
General Supplies	3,500	(383)	3,117	2,634	483
Total Resource Room/Resource Center	1,193,966	(12,057)	1,181,909	1,172,850	9,059
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,329,679	(5,505)	1,324,174	1,314,561	9,613
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	366,424	(56,664)	309,760	149,127	160,633
General Supplies		908	908	900	8
Total Basic Skills/Remedial - Instruction	366,424	(55,756)	310,668	150,027	160,641
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	53,979	(904)	53,075	53,075	
Supplies and Materials	4,000	(3,315)	685	685	
Other Objects	10,000	(1,000)	9,000	9,000	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	67,979	(5,219)	62,760	62,760	
School-Sponsored Athletics - Instruction:					
Salaries	46,100	(6,750)	39,350	39,350	
Purchased Services (300-500 series)		2,551	2,551	2,551	
Supplies and Materials	5,000	(1,906)	3,094	3,093	1
Other Objects	1,000	5,000	6,000	6,000	
Total School-Sponsored Athletics - Instruction	52,100	(1,105)	50,995	50,994	1
Before/After School Programs - Instruction:					
Salaries of Teachers	17,000		17,000	8,892	8,108
Total Before/After School Programs - Instruction	17,000		17,000	8,892	8,108
Total Before/After School Programs	17,000		17,000	8,892	8,108

MOUNTAINSIDE 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
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teachers	\$ 11,000	\$ 12,056	\$ 23,056	\$ 23,056	
Other Salaries of Instruction	6,000	3,977	9,977	9,977	
Total Other Suppl/At-risk Programs - Instruction	17,000	16,033	33,033	33,033	
TOTAL INSTRUCTION	6,107,473	(78,080)	6,029,393	5,738,595	\$ 290,798
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	4,316,718		4,316,718	4,316,718	
Tuition to Other LEAs Within the State-Special	623,406	185,634	809,040	804,350	4,690
Tuition to County Voc. School Dist.-Regular	345,500	(13,500)	332,000	329,750	2,250
Tuition to Priv. Sch. for the Handicap. W/I State	1,620,830	(225,903)	1,394,927	1,336,668	58,259
Tuition - State Facilities		2,420	2,420	2,420	
Total Undistributed Expenditures - Instruction	6,906,454	(51,349)	6,855,105	6,789,906	65,199
Undistributed Expenditures - Health Services:					
Salaries	163,816	600	164,416	163,816	600
Purchased Professional and Technical Services	5,435	2,370	7,805	4,941	2,864
Supplies and Materials	3,065	(374)	2,691	2,690	1
Other Objects	400	(4)	396		396
Total Undistributed Expenditures - Health Services	172,716	2,592	175,308	171,447	3,861
Undistributed Expenditures - Speech, OT, PT, Related Services:					
Salaries	153,698		153,698	153,697	1
Purchased Professional - Educational Services	53,875	(86)	53,789	27,848	25,941
Supplies and Materials	1,000		1,000	744	256
Total Undistributed Expend. - Speech, OT, PT, Related Services	208,573	(86)	208,487	182,289	26,198

MOUNTAINSIDE 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.- Other Supp.Services Students - Extra.Services:					
Salaries		\$ 68,177	\$ 68,177	\$ 68,177	
Purchased Professional - Educational Services	\$ 130,000	19,804	149,804	127,303	\$ 22,501
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Services	130,000	87,981	217,981	195,480	22,501
Undistributed Expenditures- Guidance:					
Salaries of Other Professional Staff	129,589	352	129,941	129,941	
Supplies and Materials	500	(62)	438	359	79
Total Undistributed Expenditures - Guidance	130,089	290	130,379	130,300	79
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	352,926	(25,485)	327,441	327,441	
Salaries of Secretarial and Clerical Assistants	64,217	314	64,531	64,530	1
Purchased Professional - Educational Services	24,057	(5,424)	18,633	11,006	7,627
Other Purchased Prof. and Tech. Services	5,370		5,370	4,963	407
Other Purchased Services (400-500 series)	500	324	824	824	
Supplies and Materials	29,645	(2,061)	27,584	15,571	12,013
Other Objects	860	430	1,290	1,290	
Total Undistributed Expenditures - Child Study Team	477,575	(31,902)	445,673	425,625	20,048
Undist. Expend.- Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	137,801	1	137,802	137,801	1
Salaries of Other Professional Staff	60,000		60,000		60,000
Salaries of Secretarial and Clerical Assistants	25,653	897	26,550	24,722	1,828
Sal of Facilitators, Math Coaches & Literacy Coaches		882	882	882	
Other Purchased Services (400-500 series)		288	288	288	
Supplies and Materials	7,000	(2,068)	4,932	4,919	13
Total Undist. Expend. - Improvement of Instructional Services	230,454		230,454	168,612	61,842

MOUNTAINSIDE 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. - Educational Media Services/School Library:					
Salaries	\$ 169,880	\$ (29,530)	\$ 140,350	\$ 140,260	\$ 90
Salaries of Technology Coordinators	93,015	(9,659)	83,356	83,356	
Other Purchased Services (400-500 series)	81,744	(29,155)	52,589	39,376	13,213
Supplies and Materials	10,909	19,396	30,305	30,143	162
Total Undist Expend - Educational Media Services/School Library	355,548	(48,948)	306,600	293,135	13,465
Undist. Expend. - Instructional Staff Training Services:					
Purchased Professional - Educational Service		700	700	700	
Other Purchased Services (400-500 series)	5,000	(3,222)	1,778	943	835
Total Undist. Expend. - Instructional Staff Training Services	5,000	(2,522)	2,478	1,643	835
Undist. Expend. - Support Services - General Administration:					
Salaries	111,353	(2,903)	108,450	108,449	1
Legal Services	35,000	11,746	46,746	46,745	1
Audit Fees	39,270	16,730	56,000	56,000	
Architectural/Engineering Services	5,000	(1,475)	3,525	3,525	
Purchased Technical Services	28,248	(3,677)	24,571	24,571	
Communications/Telephone	29,105	3,540	32,645	32,578	67
BOE Other Purchased Services	2,000	(684)	1,316	1,316	
Other Purchased Services (400-500 series other than 530 & 585)	20,959	9,637	30,596	30,594	2
General Supplies	30,101	3,611	33,712	33,711	1
Judgments Against The School District	50,000		50,000	50,000	
Miscellaneous Expenditures	2,790	(2,572)	218	217	1
BOE Membership Dues and Fees	11,321	2,337	13,658	13,657	1
Total Undist. Expend. - Support Services - General Administration	365,147	36,290	401,437	401,363	74

MOUNTAINSIDE 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 Services - School Administration:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 225,306	\$ 3,107	\$ 228,413	\$ 228,411	\$ 2
Salaries of Secretarial and Clerical Assistants	138,976	12,154	151,130	151,128	2
Other Purchased Services (400-500 series)	9,520	7,504	17,024	17,023	1
Supplies and Materials	1,875	(142)	1,733	1,732	1
Other Objects	2,615	63	2,678	2,678	
Total Undist. Expend. - Support Services - School Administration	378,292	22,686	400,978	400,972	6
Undist. Expend. - Central Services:					
Salaries	228,470	(3,505)	224,965	224,965	
Purchased Technical Services	14,790	839	15,629	15,629	
Miscellaneous Purchased Services (400-500 series other than 594)	1,000	(95)	905	904	1
Supplies and Materials	3,252	(70)	3,182	3,182	
Other Objects	2,000	5,067	7,067	7,067	
Total Undist. Expend. - Central Services	249,512	2,236	251,748	251,747	1
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	93,291	(2,001)	91,290	91,288	2
Cleaning, Repair, and Maintenance Services	90,458	53,485	143,943	143,942	1
General Supplies	20,126	620	20,746	20,745	1
Total Undist. Expend. - Required Maintenance for School Facilities	203,875	52,104	255,979	255,975	4

MOUNTAINSIDE 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. - Custodial Services:					
Salaries	\$ 425,470	\$ (15,961)	\$ 409,509	\$ 409,507	\$ 2
Salaries of Non-Instructional Aides		30,389	30,389	30,389	
Purchased Professional and Technical Services	8,794	(3,742)	5,052	5,051	1
Cleaning, Repair, and Maintenance Services	16,360	328	16,688	16,687	1
Other Purchased Property Services	16,500	(2,738)	13,762	13,761	1
Insurance	104,264	2,522	106,786	106,786	
General Supplies	35,562	(8,189)	27,373	27,373	
Energy (Natural Gas)	74,725	2,924	77,649	77,237	412
Energy (Electricity)	194,243	22,511	216,754	216,754	
Total Undist. Expend.- Custodial Services	875,918	28,044	903,962	903,545	417
Undist. Expend. - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	23,563	1,628	25,191	25,091	100
Total Undist. Expend. - Care And Upkeep of Grounds	23,563	1,628	25,191	25,091	100
Undistrib. Expend. - Security:					
Purchased Professional and Technical Services	100,000	8,930	108,930	108,930	
General Supplies	3,930	(3,930)			
Total Undistrib. Expend. - Security	103,930	5,000	108,930	108,930	
Total Undist. Expend. - Operations & Maintenance of Plant Services	1,207,286	86,776	1,294,062	1,293,541	521
Undist. Expend.- Student Transportation Services:					
Contract. Serv. - Aid in Lieu of Payments - Nonpublic Students	103,416	8,595	112,011	111,950	61
Contract. Serv. - (Betw. Home & Sch.) - Vendors	476,884	(1,357)	475,527	471,327	4,200
Contract. Serv. - (Other than Betw. Home & School) - Vendors	20,000	14,790	34,790	34,534	256
Contract. Serv. - (Special Education Students) - Vendors	718,097	(98,626)	619,471	601,241	18,230
Total Undist. Expend. - Student Transportation Services	1,318,397	(76,598)	1,241,799	1,219,052	22,747

MOUNTAINSIDE 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
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 187,428	\$ (39,211)	\$ 148,217	\$ 148,217	
Other Retirement Contributions - PERS	206,535	(29,189)	186,534	178,119	\$ 8,415
Other Retirement Contributions - Other		19,029	19,029	9,841	9,188
Workers Compensation	56,997	972	57,969	57,969	
Health Benefits	2,650,165	2,381	2,652,546	2,376,311	276,235
Tuition Reimbursement	5,000	9,625	14,625	12,630	1,995
Other Employee Benefits	50,821	34,205	85,026	85,026	
TOTAL UNALLOCATED BENEFITS	3,156,946	7,000	3,163,946	2,868,113	295,833
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				630,179	(630,179)
TPAF Pension Contributions (Non-Budgeted)				2,130,275	(2,130,275)
TPAF Non-Contributory Insurance (Non-Budgeted)				26,388	(26,388)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,286	(1,286)
Reimbursed TPAF Social Security Contributions				440,088	(440,088)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,228,216	(3,228,216)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,156,946	7,000	3,163,946	6,096,329	(2,932,383)
TOTAL UNDISTRIBUTED EXPENDITURES	15,291,989	34,446	15,326,435	18,021,441	(2,695,006)
TOTAL GENERAL CURRENT EXPENSE	21,399,462	(43,634)	21,355,828	23,760,036	(2,404,208)

MOUNTAINSIDE 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
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - General Administration		\$ 11,476	\$ 11,476	\$ 8,175	\$ 3,301
Undist. Expend. - Required Maintenance for School Facilities		59,169	59,169	59,168	1
Total Equipment		<u>70,645</u>	<u>70,645</u>	<u>67,343</u>	<u>3,302</u>
 Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services		34,000	34,000		34,000
Construction Services	\$ 85,000		85,000	84,714	286
Assessment for Debt Service on SDA Funding	21,469		21,469	21,469	
Total Facilities Acquisition and Construction Services	<u>106,469</u>	<u>34,000</u>	<u>140,469</u>	<u>106,183</u>	<u>34,286</u>
 TOTAL CAPITAL OUTLAY	<u>106,469</u>	<u>104,645</u>	<u>211,114</u>	<u>173,526</u>	<u>37,588</u>
 TOTAL EXPENDITURES	<u>21,505,931</u>	<u>\$ 61,011</u>	<u>21,566,942</u>	<u>23,933,562</u>	<u>(2,366,620)</u>
 Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(566,564)</u>	<u>(29,969)</u>	<u>(596,533)</u>	<u>424,172</u>	<u>1,020,705</u>
 Fund Balance, July 1	<u>2,014,033</u>		<u>2,014,033</u>	<u>2,014,033</u>	
 Fund Balance, June 30	<u>\$ 1,447,469</u>	<u>\$ (29,969)</u>	<u>\$ 1,417,500</u>	<u>\$ 2,438,205</u>	<u>\$ 1,020,705</u>

MOUNTAINSIDE 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
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 375,000	
Excess Surplus - Restricted For 2026-2027				459,645	
Capital Reserve				576,602	
Maintenance Reserve				234,619	
Tuition Reserve - Restricted for 2025-2026				44,506	
Tuition Reserve - Restricted for 2026-2027				60,000	
Unemployment Compensation				13,174	
Assigned Fund Balance:					
Year End Encumbrances				62,237	
Designated for Subsequent Year's Expenditures				84,645	
Unassigned Fund Balance				527,777	
				<u>2,438,205</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(160,955)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,277,250</u>	

MOUNTAINSIDE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources		\$ 285,122	\$ 285,122	\$ 260,838	\$ (24,284)
Federal Sources	\$ 158,118	141,327	299,445	308,734	9,289
Total Revenue	158,118	426,449	584,567	569,572	(14,995)
Expenditures:					
Instruction:					
Salaries of Teachers		20,000	20,000	17,404	2,596
Purchased Professional and Educational Services		26,000	26,000	25,380	620
Other Purchased Services	136,687	35,074	171,761	165,760	6,001
General Supplies	500	159,500	160,000	155,077	4,923
Total Instruction	137,187	240,574	377,761	363,621	14,140
Support Services:					
Purchased Professional and Technical Services	20,931	(8,931)	12,000	11,145	855
Scholarships Awarded		9,188	9,188		9,188
Student Activities		185,618	185,618	179,013	6,605
Total Support Services	20,931	185,875	206,806	190,158	16,648
Total Expenditures	158,118	426,449	584,567	553,779	30,788
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 15,793	\$ 15,793

MOUNTAINSIDE 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 and Other Financing Sources" from the Budgetary Comparison Schedule	\$ 24,357,734	\$ 569,572
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not:		
Current Year Encumbrances	- 0 -	- 0 -
Prior Year Encumbrances	- 0 -	- 0 -
Prior Year State Aid Payments Recognized for GAAP Statements	146,313	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(160,955)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 24,343,092</u>	<u>\$ 569,572</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,933,562	\$ 553,779
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:	- 0 -	- 0 -
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,933,562</u>	<u>\$ 553,779</u>

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

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year was submitted to the County office and was approved by a vote of 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)l. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying and the amended budget supplementary information reflect the original 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. 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 last two State Aid payments for the current year. Since the State is recording the last two 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

MOUNTAINSIDE 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				IDEA Part B	
	Title I	Title II Part A			Basic	Preschool
REVENUE:						
Local Sources						
Federal Sources	\$ 559	\$ 11,145	\$	165,760	\$	8,351
Total Revenue	559	11,145		165,760		8,351
EXPENDITURES:						
Instruction:						
Salaries of Teachers	420					8,351
Purchased Professional/Educational Services				165,760		
Other Purchased Services						
General Supplies	139					
Total Instruction	559			165,760		8,351
Support Services:						
Purchased Professional and Technical Services		11,145				
Student Activities						
Total Support Services		11,145				
Total Expenditures	\$ 559	\$ 11,145	\$	165,760	\$	8,351

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

	ARP - Education Stabilization Fund				
	ESSER III	Accelerated Learning Coach and Educator Support	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day	
REVENUE:					
Local Sources					
Federal Sources	\$ 89,147	\$ 17,029	\$ 4,879	\$ 11,864	
Total Revenue	89,147	17,029	4,879	11,864	
EXPENDITURES:					
Instruction:					
Salaries of Teachers	741		4,379	11,864	
Purchased Professional/Educational Services		17,029			
Other Purchased Services					
General Supplies	88,406		500		
Total Instruction	89,147	17,029	4,879	11,864	
Support Services:					
Purchased Professional and Technical Services					
Student Activities					
Total Support Services					
Total Expenditures	\$ 89,147	\$ 17,029	\$ 4,879	\$ 11,864	

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

	Student Activities	Scholarships	Local Donations	Totals
REVENUE:				
Local Sources	\$ 185,618	\$ 9,188	\$ 66,032	\$ 260,838
Federal Sources				308,734
Total Revenue	185,618	9,188	66,032	569,572
EXPENDITURES:				
Instruction:				
Salaries of Teachers				17,404
Purchased Professional/Educational Services				25,380
Other Purchased Services				165,760
General Supplies			66,032	155,077
Total Instruction			66,032	363,621
Support Services:				
Purchased Professional and Technical Services				11,145
Student Activities	179,013			179,013
Total Support Services	179,013			190,158
Total Expenditures	\$ 179,013	\$ -0-	\$ 66,032	\$ 553,779

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

MOUNTAINSIDE SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 256,782
Intergovernmental Accounts Receivable:	
State	273
Federal	2,358
Other Accounts Receivable	3,458
Inventories	12,251

Total Current Assets	<u>275,122</u>
----------------------	----------------

Non-Current Assets:

Capital Assets	168,884
Less: Accumulated Depreciation	<u>(97,935)</u>

Total Non-Current Assets	<u>70,949</u>
--------------------------	---------------

Total Assets	<u>346,071</u>
--------------	----------------

LIABILITIES:

Current Liabilities:

Accounts Payable	21,488
Unearned Revenue - Prepaid Sales	13,148
Unearned Revenue - Donated Commodities	<u>2,441</u>

Total Current Liabilities	<u>37,077</u>
---------------------------	---------------

NET POSITION:

Investment in Capital Assets	70,949
Unrestricted	<u>238,045</u>

Total Net Position	<u><u>\$ 308,994</u></u>
--------------------	--------------------------

MOUNTAINSIDE SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Operating Revenue:

Local Sources:

Daily Sales - Reimbursable Programs	\$ 159,375
Daily Sales - Non-Reimbursable Programs	119,352

Total Operating Revenue

278,727

Operating Expenses:

Cost of Sales - Reimbursable Programs	94,949
Cost of Sales - Nonreimbursable Programs	60,705
Salaries, Benefits & Payroll Taxes	167,202
Supplies, Insurance & Other Costs	18,150
Management Fee	10,712
Depreciation Expense	6,380

Total Operating Expenses

358,098

Operating Loss

(79,371)

Non-Operating Income:

Local Sources:

Interest Income	10,325
-----------------	--------

State Sources:

State School Lunch Program	2,975
State Extended Income Eligibility - Lunch	1,564

Federal Sources:

Supply Chain Assistance Funding	5,767
National School Lunch Program	31,258
Food Distribution Program	23,667

Total Non-Operating Income

75,556

Change in Net Position

(3,815)

Net Position - Beginning of Year

312,809

Net Position - End of Year

\$ 308,994

MOUNTAINSIDE SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 283,765
Payments to Food Service Contractor	(307,931)
Net Cash Provided by/(Used for) Operating Activities	(24,166)
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	10,325
Net Cash Provided by/(Used for) Investing Activities	10,325
Cash Flows from Noncapital Financing Activities:	
State Sources	4,608
Federal Sources	30,979
Net Cash Provided by Noncapital Financing Activities	35,587
Net Increase/(Decrease) in Cash and Cash Equivalents	21,746
Cash and Cash Equivalents, July 1	235,036
Cash and Cash Equivalents, June 30	\$ 256,782
Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities:	
Operating Loss	\$ (79,371)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	6,380
Food Distribution Program	23,667
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(1,716)
(Increase)/Decrease in Other Accounts Receivable	1,851
Increase/(Decrease) in Unearned Revenue - Donated Commodities	348
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	3,187
Increase/(Decrease) in Accounts Payable	21,488
Net Cash Used for Operating Activities	\$ (24,166)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$24,015 and utilized U.S.D.A. Commodities valued at \$23,667.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

MOUNTAINSIDE SCHOOL DISTRICT
LONG-TERM LIABILITIES
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2024	Retired or Matured	Balance June 30, 2025
			Date	Amount				
Refunding School Bonds, Series 2021	12/29/21	\$ 13,075,000	08/15/25	\$ 1,045,000	1.404%			
			08/15/26	1,065,000	1.614%			
			08/15/27	1,095,000	1.793%			
			08/15/28	1,115,000	1.973%			
			08/15/29	1,145,000	2.053%			
			08/15/30	1,175,000	2.163%			
			08/15/31	1,205,000	2.283%			
			08/15/32	1,240,000	2.433%			
			08/15/33	1,275,000	2.533%			
			08/15/34	1,310,000	2.633%			
						\$ 12,705,000	\$ 1,035,000	\$ 11,670,000
						<u>\$ 12,705,000</u>	<u>\$ 1,035,000</u>	<u>\$ 11,670,000</u>

MOUNTAINSIDE SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Series	Interest Rate	Original Issue	Balance July 1, 2024	Retired or Matured
Student Chromebooks	3.15%	\$ 37,137	\$ 7,302	\$ 7,302
Student Tablets	2.75%	9,362	1,845	1,845
Teacher Tablets	2.85%	111,892	22,037	22,037
			<u>\$ 31,184</u>	<u>\$ 31,184</u>

MOUNTAINSIDE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 849,069	\$ 849,069	\$ 849,069	
State Sources:				
Debt Service State Aid Support	437,814	437,814	437,814	
Total Revenue	<u>1,286,883</u>	<u>1,286,883</u>	<u>1,286,883</u>	
EXPENDITURES:				
Regular Debt Service:				
Interest	252,690	252,690	252,689	\$ 1
Redemption of Principal	<u>1,035,000</u>	<u>1,035,000</u>	<u>1,035,000</u>	
Total Regular Debt Service	<u>1,287,690</u>	<u>1,287,690</u>	<u>1,287,689</u>	<u>1</u>
Total Expenditures	<u>1,287,690</u>	<u>1,287,690</u>	<u>1,287,689</u>	<u>1</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(807)</u>	<u>(807)</u>	<u>(806)</u>	<u>1</u>
Fund Balance, July 1	<u>1,080</u>	<u>1,080</u>	<u>1,080</u>	
Fund Balance, June 30	<u>\$ 273</u>	<u>\$ 273</u>	<u>\$ 274</u>	<u>\$ 1</u>
Recapitulation:				
Restricted - For Subsequent Year's Expenditures			\$ 273	
Restricted			<u>1</u>	
Total Restricted Fund Balance			<u>\$ 274</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.

MOUNTAINSIDE SCHOOL DISTRICT
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

June 30,

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ (2,757,658)	\$ 3,022,572	\$ 7,167,658	\$ 7,542,000	\$ 8,459,986	\$ 8,643,393	\$ 11,018,173	\$ 10,814,998	\$ 11,053,602	\$ 11,345,396
Restricted	10,654,724	5,495,272	1,707,722	1,950,212	1,987,113	1,961,337	2,152,531	2,051,830	1,754,698	2,011,100
Unrestricted/(Deficit)	(3,706,696)	(3,928,497)	(3,416,998)	(2,306,496)	(2,893,817)	(2,526,221)	(2,053,098)	(1,536,969)	(1,614,771)	(1,292,942)
Total Governmental Activities Net Position	\$ 4,190,370	\$ 4,589,347	\$ 5,458,382	\$ 7,185,716	\$ 7,553,282	\$ 8,078,509	\$ 11,117,606	\$ 11,329,859	\$ 11,193,529	\$ 12,063,554
Business-Type Activities										
Net Investment in Capital Assets	\$ 16,281	\$ 10,193	\$ 4,105	\$ 18,059	\$ 18,662	\$ 25,469	\$ 47,074	\$ 43,359	\$ 77,329	\$ 70,949
Unrestricted	29,864	33,060	50,201	54,414	71,557	42,782	144,160	220,036	235,480	238,045
Total Business-Type Activities Net Position	\$ 46,145	\$ 43,253	\$ 54,306	\$ 72,473	\$ 90,219	\$ 68,251	\$ 191,234	\$ 263,395	\$ 312,809	\$ 308,994
District-Wide										
Net Investment in Capital Assets	\$ (2,741,377)	\$ 3,032,765	\$ 7,171,763	\$ 7,560,059	\$ 8,478,648	\$ 8,668,862	\$ 11,065,247	\$ 10,858,357	\$ 11,130,931	\$ 11,416,345
Restricted	10,654,724	5,495,272	1,707,722	1,950,212	1,987,113	1,961,337	2,152,531	2,051,830	1,754,698	2,011,100
Unrestricted/(Deficit)	(3,676,832)	(3,895,437)	(3,366,797)	(2,252,082)	(2,822,260)	(2,483,439)	(1,908,938)	(1,316,933)	(1,379,291)	(1,054,897)
Total District Net Position	\$ 4,236,515	\$ 4,632,600	\$ 5,512,688	\$ 7,258,189	\$ 7,643,501	\$ 8,146,760	\$ 11,308,840	\$ 11,593,254	\$ 11,506,338	\$ 12,372,548

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE 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	\$ 3,841,919	\$ 3,869,637	\$ 3,901,424	\$ 4,189,376	\$ 6,493,063	\$ 7,470,134	\$ 6,908,317	\$ 8,001,756	\$ 8,214,266	\$ 7,522,147
Special Education	454,465	833,168	871,258	1,009,032	2,014,117	2,199,302	2,058,013	2,127,371	2,386,443	2,226,325
Other Special Instruction	84,298	105,098	438,104	478,946	828,223	724,725	720,984	571,828	307,327	287,663
School Sponsored/Other Instruction								181,175	156,704	194,273
Support Services:										
Tuition	5,822,983	6,479,704	6,042,250	5,443,120	6,434,452	6,621,378	6,605,031	6,812,308	6,764,361	6,759,723
Student & Instruction Related Services	1,233,119	1,161,265	1,232,650	1,288,926	1,873,868	1,961,551	1,830,396	2,216,388	2,358,931	2,463,353
General Administrative Services	513,930	501,208	537,786	615,653	181,011	1,014,877	986,008	243,873	240,477	373,587
School Administrative Services	373,708	389,048	383,891	410,515	751,255	872,034	743,755	663,363	728,618	716,365
Central Services								283,095	311,187	347,709
Plant Operations And Maintenance	898,776	933,888	932,895	914,446	1,401,990	1,689,257	1,864,803	1,294,856	1,499,606	1,575,362
Pupil Transportation	612,067	706,245	671,609	615,923	710,107	668,880	945,809	1,335,205	1,439,762	1,219,052
Capital Outlay								21,469	21,469	21,469
Interest On Long-Term Debt	723,447	692,338	655,311	613,730	556,778	520,755	313,425	324,672	314,153	300,520
Unallocated Depreciation	75,242	140,902	303,066	314,566				48,591	48,797	50,167
Total Governmental Activities Expenses	14,633,954	15,812,501	15,970,244	15,894,233	21,244,864	23,742,893	22,976,541	24,125,950	24,792,101	24,057,713
Business-type activities:										
Food Service	209,319	193,533	180,088	196,258	155,651	376,679	274,572	269,527	344,948	358,098
Total Business-Type Activities Expense	209,319	193,533	180,088	196,258	155,651	376,679	274,572	269,527	344,948	358,098
Total District Expenses	\$ 14,843,273	\$ 16,006,034	\$ 16,150,332	\$ 16,090,491	\$ 21,400,515	\$ 24,119,572	\$ 23,251,113	\$ 24,395,477	\$ 25,137,049	\$ 24,415,811

MOUNTAINSIDE 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
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 5,822,963	\$ 6,479,704	\$ 6,042,250	\$ 5,443,120	\$ 6,434,452	\$ 6,621,378	\$ 6,605,031			
Student & Instruction Related Services						53,080	110,848	\$ 272,876	\$ 355,340	\$ 353,713
Operating Grants and Contributions	2,134,260	5,752,435	6,310,226	3,840,201	356,951	524,906	526,701	4,325,363	4,363,020	3,827,278
Capital Grants and Contributions	561,150	458,569	455,892	454,736						
Total Governmental Activities Program Revenues	8,518,373	12,690,708	12,808,368	9,738,057	6,791,403	7,199,364	7,242,580	4,598,239	4,718,360	4,180,991
Business-Type Activities:										
Charges for Services:										
Food Service	167,168	161,466	164,180	183,910	143,125	168,508	62,843	258,489	279,285	278,727
Operating Grants and Contributions	29,359	28,811	25,346	28,772	28,868	186,141	306,061	75,710	102,756	65,231
Total Business Type Activities Program Revenues	196,527	190,277	189,526	212,682	171,993	354,649	368,904	334,199	382,041	343,958
Total District Program Revenues	\$ 8,714,900	\$ 12,880,985	\$ 12,997,894	\$ 9,950,739	\$ 6,963,396	\$ 7,554,013	\$ 7,611,484	\$ 4,932,438	\$ 5,100,401	\$ 4,524,949
Net (Expense)/Revenue:										
Governmental Activities	\$ (6,115,581)	\$ (3,121,793)	\$ (3,161,876)	\$ (6,156,176)	\$ (14,453,461)	\$ (16,543,529)	\$ (15,733,961)	\$ (19,527,711)	\$ (20,073,741)	\$ (19,876,722)
Business-Type Activities	(12,792)	(3,256)	9,438	16,424	16,342	(22,030)	94,332	64,672	37,093	(14,140)
Total District-Wide Net (Expense)/Revenue	\$ (6,128,373)	\$ (3,125,049)	\$ (3,152,438)	\$ (6,139,752)	\$ (14,437,119)	\$ (16,565,559)	\$ (15,639,629)	\$ (19,463,039)	\$ (20,036,648)	\$ (19,890,862)

MOUNTAINSIDE SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiscal Year Ending June 30,										
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 15,108,033	\$ 15,410,193	\$ 15,718,396	\$ 16,032,764	\$ 16,353,419	\$ 16,778,899	\$ 17,261,649	\$ 17,640,483	\$ 17,993,293	\$ 18,808,094
Taxes Levied for Debt Service	897,219	1,258,365	1,237,201	1,237,201	1,233,439	1,215,916	1,192,928	1,142,530	834,701	849,069
Unrestricted Grants and Contributions								506,063	478,004	532,198
Investment Earnings								23,389		
Miscellaneous Income	170,468	205,316	313,917	354,592	257,870	191,224	207,618	426,692	631,413	557,386
Other Item - Cancellation of Prior Year Accounts Payable								807		
Total Governmental Activities	16,175,720	4,523,374	17,269,514	17,624,557	17,844,728	18,186,039	18,662,195	19,739,964	19,937,411	20,746,747
Business-Type Activities:										
Investment Earnings	149	364	1,615	1,773	1,404	63		7,489	12,321	10,325
Total Business-Type Activities	149	(579)	1,615	1,773	1,404	63		7,489	12,321	10,325
Total District-Wide General Revenues and Other Changes in Net Position	\$ 16,175,869	\$ 4,522,795	\$ 17,271,129	\$ 17,626,330	\$ 17,846,132	\$ 18,186,102	\$ 18,662,195	\$ 19,747,453	\$ 19,949,732	\$ 20,757,072
Change in Net Position:										
Governmental Activities	\$ 1,003,518	\$ 1,681,102	\$ 2,334,553	\$ 1,727,333	\$ 124,460	\$ 525,227	\$ 951,727	\$ 212,253	\$ (136,330)	\$ 870,025
Business-Type Activities	(12,643)	7,482	11,053	18,197	17,746	(21,967)	94,332	72,161	49,414	(3,815)
Total District	\$ 990,875	\$ (62,267)	\$ 2,345,606	\$ 1,745,530	\$ 142,206	\$ 503,260	\$ 1,046,059	\$ 284,414	\$ (86,916)	\$ 866,210

Source: Mountainside School District Financial Reports.

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

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ 2,954,975	\$ 2,567,564	\$ 2,644,430	\$ 3,223,740	\$ 2,974,982	\$ 3,121,410	\$ 4,314,078	\$ 1,798,371	\$ 1,522,131	\$ 1,763,546
Assigned	168,030	314,104	342,475	318,382	533,226	287,445	237,459	9,043	20,440	146,882
Unassigned	440,582	488,567	538,780	507,526	533,321	885,486	888,643	302,648	325,149	366,822
Total General Fund	\$ 3,563,587	\$ 3,370,235	\$ 3,525,685	\$ 4,049,648	\$ 4,041,529	\$ 4,294,341	\$ 5,440,180	\$ 2,110,062	\$ 1,867,720	\$ 2,277,250
All Other Governmental Funds										
Restricted		\$ 5,428,167	\$ 2,120,766	\$ 903,190	\$ 706,470	\$ 724,805	\$ 459,466	\$ 269,241	\$ 232,567	\$ 247,554
Committed	\$ 23,722									
Total All Other Governmental Funds	\$ 23,722	\$ 5,428,167	\$ 2,120,766	\$ 903,190	\$ 706,470	\$ 724,805	\$ 459,466	\$ 269,241	\$ 232,567	\$ 247,554
Total Governmental Funds:										
Restricted	\$ 2,954,975	\$ 7,995,731	\$ 4,765,196	\$ 4,126,930	\$ 3,681,452	\$ 3,846,215	\$ 4,773,544	\$ 2,067,612	\$ 1,754,698	\$ 2,011,100
Committed	23,722									
Assigned	168,030	314,104	342,475	318,382	533,226	287,445	237,459	9,043	20,440	146,882
Unassigned	440,582	488,567	538,780	507,526	533,321	885,486	888,643	302,648	325,149	366,822
Total Governmental Funds	\$ 3,587,309	\$ 8,798,402	\$ 5,646,451	\$ 4,952,838	\$ 4,747,999	\$ 5,019,146	\$ 5,899,646	\$ 2,379,303	\$ 2,100,287	\$ 2,524,804

Source: Mountainside School District Financial Reports.

MOUNTAIN SIDE 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	\$ 16,005,251	\$ 16,668,558	\$ 16,955,597	\$ 17,269,965	\$ 17,586,858	\$ 17,994,815	\$ 18,454,577	\$ 18,783,013	\$ 18,827,994	\$ 19,657,163
Tuition Charges								65,600	69,045	91,915
Transportation Fees from Individuals								41,036	56,196	76,180
Interest Earned on Capital Reserve Funds								17,233		
Interest Earned on Maintenance Reserve Funds								6,156		
Miscellaneous	281,236	205,316	380,746	393,173	363,250	300,111	347,162	426,692	631,413	557,386
State Sources	2,360,201	2,406,787	2,776,007	3,180,874	3,236,806	3,925,046	4,785,061	5,159,654	5,271,705	5,508,169
Federal Sources	251,601	244,513	258,387	256,807	251,572	469,147	491,030	597,996	746,336	308,734
Total Revenue	18,898,289	19,525,174	20,370,737	21,100,819	21,438,486	22,689,119	24,077,830	25,097,380	25,602,689	26,199,547
Expenditures:										
Instruction:										
Regular Instruction	3,763,412	3,672,337	3,481,333	3,755,028	3,708,801	3,777,687	4,011,055	4,651,552	4,762,246	4,493,094
Special Education Instruction	754,465	833,168	803,845	948,032	1,083,025	988,495	1,059,118	1,270,774	1,485,578	1,314,561
School Sponsored/Other Instruction	84,298	105,096	438,104	478,946	464,384	366,408	420,667	446,187	282,591	305,706
Support Services:										
Tuition	5,963,932	6,597,553	6,324,090	5,487,680	5,928,393	6,101,526	6,079,644	6,812,308	6,730,627	6,789,906
Student & Instruction Related Services	1,043,988	1,045,153	1,141,928	1,222,482	1,377,975	1,359,999	1,356,866	1,618,864	1,705,223	1,747,544
General And Business Administrative Services	293,612	267,800	214,018	285,889	230,059	265,676	289,514	231,312	278,876	401,363
School Administrative Services	379,254	383,374	388,105	410,515	379,281	393,893	385,995	395,845	429,617	400,972
Central Services	190,926	169,592	194,356	219,767	215,088	241,430	252,038	235,257	242,080	251,747
Plant Operations And Maintenance	897,763	927,987	932,895	914,446	970,422	1,032,617	1,043,420	1,075,547	1,238,689	1,293,541
Pupil Transportation	612,067	706,245	671,609	615,923	670,809	632,709	896,283	1,335,206	1,439,762	1,219,052
Allocated and Unallocated Benefits	2,854,509	3,022,763	3,470,351	3,794,501	4,205,671	4,908,299	5,776,222	5,913,190	5,860,582	6,096,329
Debt Service:										
Principal	714,369	681,934	646,821	609,921	1,115,000	1,135,000	1,290,000	1,285,000	1,010,000	1,035,000
Interest And Other Charges	944,000	1,035,000	1,065,000	1,095,000	571,815	532,728	443,331	305,602	272,379	252,689
Special Revenue:										
Federal	274,067	244,513	258,387	256,807	251,572	469,147	491,030			
State							6,975			
Other	88,302	37,719	66,829	38,581	105,379	89,491	134,285			
Capital Outlay	4,106,828	5,161,612	3,944,826	154,297	677,094	91,228	29,508	95,821	143,455	173,526
Total Expenditures	22,965,792	24,891,846	24,042,497	20,287,815	21,954,768	22,386,333	23,965,951	25,672,465	25,881,705	25,775,030
Excess/(Deficiency) Of Revenues										
Over/(Under) Expenditures	(4,067,503)	(5,366,672)	(3,671,760)	813,004	(516,282)	302,786	111,879	(575,085)	(279,016)	424,517

MOUNTAINSIDE 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
Other Financing Sources (Uses)										
Bond Proceeds		\$ 83,402					\$ 13,075,000			
Payment to Refunded Bond Escrow Agent							(12,954,044)			
Cost Recovery from Capital Projects								\$ 807		
Cancellation of Prior Year Accounts Payable										
Transfers In	\$ 227,674	15,051	\$ 3,203	\$ 12,984					\$ 16,055	
Transfers Out	(227,674)	(15,051)	(3,203)	(12,984)					(16,055)	
Total Other Financing Sources (Uses)		83,402					120,956	807		
Net Change In Fund Balances	\$ (4,067,503)	\$ (5,283,270)	\$ (3,671,760)	\$ 813,004	\$ (516,282)	\$ 302,786	\$ 232,835	\$ (574,278)	\$ (279,016)	\$ 424,517
Debt Service As A Percentage Of	8.79%	8.70%	8.52%	8.47%	7.93%	7.48%	7.24%	6.22%	4.98%	5.03%
Noncapital Expenditures										

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Transportation Fees	Other	Total
2016		\$ 9,284	\$ 54,520	\$ 78,991	\$ 142,795
2017		45,300	30,473	76,774	152,546
2018		122,580	56,553	131,581	310,714
2019	\$ 34,638	111,660	52,158	156,137	354,592
2020	66,353	119,180	34,650	37,687	257,870
2021	3,255	39,950	21,800	126,267	191,272
2022	4,447	49,400	35,941	115,022	204,810
2023	108,891	65,600	41,036	120,428	335,955
2024	196,830	69,045	56,196	129,544	451,615
2025	137,252	91,915	76,180	159,296	464,643

Source: Mountainside School District Financial Records.

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2015	\$ 6,288,700	\$ 396,707,500	\$ 50,332,400	\$ 24,035,600	\$ 477,364,200	\$ 135,850,600	\$ 431,147	\$ 477,795,347	\$ 3.366	\$ 1,750,299,915
2016	5,975,400	398,232,000	50,183,500	23,611,700	478,002,600	136,045,200	424,058	478,426,658	3.409	1,765,280,237
2017	5,948,000	398,178,000	50,009,200	23,626,700	477,761,900	136,045,200	418,462	478,180,362	3.516	1,776,961,583
2018	5,237,000	399,186,700	49,585,000	23,975,800	477,984,500	136,045,200	412,860	478,397,360	3.579	1,793,093,553
2019	4,253,400	403,879,600	51,511,600	23,369,200	483,013,800	135,766,100	417,565	483,431,365	3.605	1,812,635,017
2020	4,590,700	406,006,100	54,832,200	22,834,200	488,263,200	133,938,700	425,161	488,688,361	3.639	1,882,704,267
2021 *	18,239,200	1,539,177,200	219,953,500	113,487,400	1,890,857,300	568,598,500	1,573,487	1,892,430,787	0.963	2,019,875,654
2022	18,627,300	1,544,441,500	216,595,800	112,842,600	1,892,507,200	568,127,500	1,473,696	1,893,980,896	0.987	2,161,870,043
2023	19,366,000	1,547,783,100	216,896,500	112,842,600	1,896,888,200	568,127,500	1,397,019	1,898,285,219	0.992	2,180,334,457
2024	18,183,500	1,564,120,405	217,056,100	112,842,600	1,912,202,605	570,343,000	1,262,695	1,913,465,300	0.996	2,450,495,789

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 \$100 per assessed valuation.

* Revaluation became effective in this year.

Source: Municipal Tax Assessor.

MOUNTAINSIDE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Mountainside School District												
Year Ended December 31,	Direct Rate				Overlapping Rates		Total Direct and Overlapping Tax Rate					
	General			Total Direct	Municipality	Union County						
	Basic Rate ^a	Obligation Debt Service ^b										
2015	\$	3.221	\$	0.145	\$	3.366	\$	1.890	\$	1.908	\$	7.164
2016		3.218		0.191		3.409		1.909		1.985		7.303
2017		3.251		0.265		3.516		1.947		2.010		7.473
2018		3.322		0.256		3.579		1.960		1.991		7.530
2019		3.347		0.258		3.605		1.969		1.939		7.513
2020		3.390		0.249		3.639		1.976		1.859		7.474
2021	*	0.898	*	0.065	*	0.963	*	0.512	*	0.489	*	1.964
2022		0.922		0.065		0.987		0.523		0.487		1.997
2023		0.948		0.044		0.992		0.534		0.471		1.997
2024		0.951		0.045		0.996		0.563		0.490		2.049

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

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

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

* Revaluation became effective in this year.

Source: Municipal Tax Collector and School Business Administrator.

MOUNTAINSIDE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2024		2015	
Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
	% of Total District Net Assessed Value		% of Total District Net Assessed Value
SHP VI Mountainside, LLC	\$ 24,967,400	Delaney Real Estate Holdings, LP	\$ 3,700,600
Prime Care One, LLC	21,558,200	Bear Mountain Realty, LLC	3,572,500
1180 Route 22 NJ Owner, LLC	11,250,000	HCP PCI New Jersey, LLC	3,300,000
Bear Mountainside Realty, LLC	10,992,000	Echo Recreation Partners, LP	2,893,000
253 Sheffield, Inc.	10,290,000	HCR ManorCare Properties, LLC	3,100,000
FYL Real Estate, LLC	9,610,000	Safeguard Storage Properties	1,929,200
SH727, LLC	9,197,300	ASC Mountainside Realty	1,600,000
Safeguard Mountainside, LP	8,750,000	SH727, LLC	1,564,800
ECHO Recreation Partners LP	8,500,000	NG Construction, LLC	1,461,200
Maikos Land Development, LLC	8,410,000	Triple Net Investments XV, LLC	1,440,600
Total	\$ 123,524,900	Total	\$ 24,561,900
	6.46%		1.28%

NOTE: The Borough completed a revaluation of real property in 2021.

Source: Municipal Tax Assessor.

MOUNTAINSIDE 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	\$ 16,005,251	\$ 16,005,251	100.00%	\$ - 0 -
2017	16,668,558	16,668,558	100.00%	- 0 -
2018	16,955,597	16,955,597	100.00%	- 0 -
2019	17,269,965	17,269,965	100.00%	- 0 -
2020	17,586,858	17,586,858	100.00%	- 0 -
2021	17,994,815	17,994,815	100.00%	- 0 -
2022	18,454,577	18,454,577	100.00%	- 0 -
2023	18,783,013	18,783,013	100.00%	- 0 -
2024	18,827,994	18,827,994	100.00%	- 0 -
2025	19,657,163	19,657,163	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: Mountainside School District records including the Certificate and Report of School Taxes (A4F Form).

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	Obligation Bonds	Financed Purchases			
2016	\$ 20,900,000	\$ 65,407	\$ 20,965,407	5.12%	\$ 3,072
2017	19,865,000	46,742	19,911,742	4.70%	2,911
2018	18,800,000	27,272	18,827,272	4.25%	2,742
2019	17,705,000	6,963	17,711,963	3.78%	2,571
2020	16,590,000		16,590,000	3.45%	2,413
2021	15,455,000	126,713	15,581,713	2.95%	2,222
2022	15,000,000	95,035	15,095,035	2.77%	2,170
2023	13,715,000	61,473	13,776,473	2.41%	1,990
2024	12,705,000	31,184	12,736,184	2.23%	1,839
2025	11,670,000		11,670,000	1.96%	1,615

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

^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.

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE 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 Actual Taxable Value ^a	
	General		Net General		
	Obligation	Deductions	Bonded Debt	of Property	Per Capita ^b
	Bonds		Outstanding		
2016	\$ 20,900,000	\$ - 0 -	\$ 20,900,000	4.37%	\$ 3,063
2017	19,865,000	- 0 -	19,865,000	4.15%	2,904
2018	18,800,000	- 0 -	18,800,000	3.93%	2,738
2019	17,705,000	- 0 -	17,705,000	3.66%	2,579
2020	16,590,000	- 0 -	16,590,000	3.39%	2,409
2021	15,455,000	- 0 -	15,455,000	0.82%	2,248
2022	15,000,000	- 0 -	15,000,000	0.79%	2,182
2023	13,715,000	- 0 -	13,715,000	0.72%	1,981
2024	12,705,000	- 0 -	12,705,000	0.67%	1,835
2025	11,670,000	- 0 -	11,670,000	0.61%	1,615

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

^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.

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE 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:			
Borough of Mountainside	\$ 6,355,000	100.00%	\$ 6,355,000
Union County General Obligation Debt	482,595,186	2.139% ^a	<u>10,323,431</u>
Subtotal, Overlapping Debt			16,678,431
Mountainside School District Direct Debt			<u>11,670,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 28,348,431</u></u>

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 that is borne by the residents and businesses of Mountainside Borough. 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.

^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 Mountainside taxable equalized property values. Applicable percentages were estimated by determining the portion of Mountainside Borough's equalized property value that is within the Union County boundaries and dividing it by Union County's total equalized property value.

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

MOUNTAINSIDE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 68,517,383	\$ 69,722,183	\$ 70,891,754	\$ 71,305,054	\$ 72,016,520	\$ 73,546,244	\$ 80,859,333	\$ 60,609,776	\$ 65,938,859	\$ 71,234,886
Total Net Debt Applicable to Limit	20,900,000	19,865,000	18,800,000	17,705,000	16,590,000	15,455,000	15,000,000	13,715,000	12,705,000	11,670,000
Legal Debt Margin	\$ 47,617,383	\$ 49,857,183	\$ 52,091,754	\$ 53,600,054	\$ 55,426,520	\$ 58,091,244	\$ 65,859,333	\$ 46,894,776	\$ 53,233,859	\$ 59,564,886
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	30.50%	28.49%	26.52%	24.83%	23.04%	21.01%	18.55%	22.63%	19.27%	16.38%

Legal Debt Margin Calculation for Fiscal Year 2025

	Mountainside Borough
Equalized valuation basis	
2023	\$ 2,160,396,347
2022	2,415,187,420
2021	2,547,904,870
	<u>\$ 7,123,488,637</u>
Average Equalized Valuation of Taxable Property	<u>\$ 2,374,496,212</u>
Debt Limit (3% of average equalization value) ^a	\$ 71,234,886
Net Bonded School Debt as of June 30, 2025	<u>11,670,000</u>
Legal Debt Margin	<u>\$ 59,564,886</u>

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts.

MOUNTAINSIDE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Union County Per Capita Personal Income ^c	Unemployment Rate ^d
2016	6,824	\$ 409,296,696	\$ 59,979	5.00%
2017	6,841	423,840,996	61,956	4.50%
2018	6,866	443,062,980	64,530	4.00%
2019	6,888	468,673,296	68,042	3.50%
2020	6,876	481,443,768	70,018	9.40%
2021	7,014	529,080,048	75,432	6.90%
2022	6,957	545,707,080	78,440	4.00%
2023	6,924	571,243,848	82,502	4.50%
2024	7,228	596,324,456 *	82,502 **	4.80%
2025	7,228 *	596,324,456 *	82,502 **	N/A

* - Latest population data available (2023) was used for calculation purposes.

** - Latest Union County per capita personal income available (2022) was used for calculation purposes.

N/A - Not Available

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

MOUNTAINSIDE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - UNION COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2025			2016		
Employer	Number of Employees	Percentage of Total Employment	Employer	Number of Employees	Percentage of Total Employment
Merck & Company	6,000	2.08%	Trinitas Hospital	1,674	1.86%
Overlook Medical Center	3,487	1.21%	Maier Terminals, LLC	945	1.05%
Trinitas Regional Medical Center	3,000	1.04%	Actavis	602	0.67%
Summit Medical Group	2,305	0.80%	Wakefern Food Corporation	563	0.63%
Blue Apron	2,000	0.69%	AFI Food Services	536	0.60%
Nokia	1,800	0.62%	Olympia Trail Bus Co.	442	0.49%
Kean University	1,000 *	0.35%	New England Motor Freight	358	0.40%
Maier Terminals, Inc.	1,000 *	0.35%	Federal Express	300	0.33%
Children's Specialized Hospital	500 #	0.17%	Duro Bag Company	240	0.27%
Robert Wood Johnson University Hospital	500 #	0.17%	Atlanta Food Corporation	191	0.21%
Total	21,592	7.47%	Total	5,851	6.50%
Total County Employment	288,988		Total County Employment	90,000	

NOTE: Employment data provided by the NJ Department of Labor and Workforce Development.

* - 1,000 or more employees

- 500 - 999 employees

Source: Union County Economic Development Corporation.

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

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction:										
Regular	61.0	61.0	61.0	62.1	68.8	71.0	68.7	63.1	63.2	60.3
Special Education	9.8	12.0	11.0	11.0	12.0	17.0	8.1	22.4	22.1	23.9
Support Services:										
Student & Instruction Related Services	11.0	12.0	11.4	11.4	11.4	13.0	12.3	10.0	12.0	13.1
School Administration Services	4.6	4.6	4.6	4.6	4.6	4.0	5.0	4.7	5.1	5.7
General Administration Services	2.4	2.0	2.0	2.0	2.0	3.0	3.0	4.0	4.1	4.7
Other Administrative Services	2.7	2.5	4.0	4.0	4.9	4.0	4.0	2.0	2.0	1.8
Plant Operations and Maintenance	8.0	8.0	8.0	7.0	8.0	8.0	8.0	7.0	7.0	8.0
Total	<u>99.5</u>	<u>102.1</u>	<u>102.0</u>	<u>102.1</u>	<u>111.7</u>	<u>120.0</u>	<u>109.1</u>	<u>113.1</u>	<u>115.5</u>	<u>117.5</u>

Source: Mountainside School District Personnel Records.

MOUNTAINSIDE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio	Average		% Change in Average Daily Enrollment	Student Attendance Percentage
							Daily Enrollment (ADE) ^d	Daily Attendance (ADA) ^e		
2016	734.0	17,200,596	23,434	10.57%	61.0	1:12	729.2	701.5	-1.63%	96.20%
2017	718.0	18,013,300	25,088	7.06%	61.0	1:12	715.9	687.9	-1.82%	96.09%
2018	727.0	18,385,851	25,290	0.80%	61.0	1:12	724.9	696.5	1.25%	96.08%
2019	727.0	18,428,654	25,349	0.23%	62.1	1:12	729.0	698.1	0.57%	95.76%
2020	746.0	19,590,858	26,261	3.60%	68.8	1:11	764.9	726.9	4.92%	95.03%
2021	728.0	20,627,377	28,334	7.89%	71.0	1:11	725.3	707.1	-5.17%	97.49%
2022	729.0	22,203,112	30,457	7.49%	68.7	1:11	735.0	707.5	1.34%	96.26%
2023	736.0	23,986,042	32,590	7.00%	63.1	1:11	740.5	703.9	0.75%	95.06%
2024	752.0	24,455,871	32,521	-0.21%	70.1	1:11	758.9	724.9	2.48%	95.52%
2025	747.0	24,313,815	32,549	0.08%	70.5	1:11	748.5	728.5	-1.37%	97.33%

Note: Enrollment based on annual October district count.

- ^a Operating expenditures equal total expenditures less capital outlay and debt service.
- ^b Teaching staff includes only full-time equivalents of certificated staff.
- ^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- ^d The cost per pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Source: Mountainside School District records.

MOUNTAINSIDE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beechwood										
Square Feet	35,810	35,810	35,810	35,810	35,810	35,810	35,810	35,810	35,810	35,810
Capacity (Students)	235	235	235	235	235	235	235	235	235	235
Enrollment	236	237	237	252	268	265	265	271	263	269
Deerfield										
Square Feet	83,258	83,258	83,258	83,258	83,258	83,258	83,258	83,258	83,258	83,258
Capacity (Students)	546	546	546	546	546	546	546	546	546	546
Enrollment	498	481	490	475	478	463	463	465	489	478

Number of Schools at June 30, 2025

Elementary = 1

Middle School = 1

Note: Enrollment is based on the annual October district count.

Source: Mountainside School District Facilities Office.

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

Undistributed Expenditures:

Required Maintenance for School Facilities 11-000-261-XXX

<u>School Facilities</u>	<u>Project #</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Deerfield School	N/A	\$ 165,072	\$ 133,819	\$ 144,601	\$ 122,543	\$ 136,673
Beechwood School	N/A	65,324	54,217	68,857	58,354	52,264
		<u>\$ 230,396</u>	<u>\$ 188,036</u>	<u>\$ 213,458</u>	<u>\$ 180,897</u>	<u>\$ 188,937</u>

<u>School Facilities</u>	<u>Project #</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Deerfield School	N/A	\$ 143,514	\$ 136,215	\$ 140,993	\$ 110,767	\$ 166,914
Beechwood School	N/A	60,659	549,986	63,882	102,674	89,061
		<u>\$ 204,173</u>	<u>\$ 686,201</u>	<u>\$ 204,875</u>	<u>\$ 267,397</u>	<u>\$ 255,975</u>

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

N/A - Not Applicable

Source: Mountainside School District records.

MOUNTAINSIDE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - SAIF		
Property - Blanket Building and Contents	\$ 35,521,390	\$ 2,500
Electronic Data Processing	211,119	2,500
Comprehensive General Liability	10,000,000	
Comprehensive Personal and Advertising Injury	10,000,000	
Sexual Abuse - Per Occurrence/Member Aggregate	10,000,000	
Sexual Abuse - Fund Aggregate	28,500,000	
Comprehensive Medical Expense Limit - each person	10,000	
Comprehensive Automotive Liability	10,000,000	
Excess Liability (GL/AL)	10,000,000	
School District Layered Excess Liability - Allianz	25,000,000	
School Leaders Professional Liability - SAIF		
Limit of Liability	5,000,000	5,000
IEP Hearing Limit	100,000	5,000
Crisis Fund Sublimit - per member	25,000	
Excess Liability (SLPL) - each loss/each policy year	15,000,000	
Surety Bonds - Selective		
Interim Business Administrator	450,000	
Treasurer of School Monies	210,000	
Worker's Compensation - SAIF		
Bodily Injury by Accident- Each Accident	5,000,000	
Bodily Injury by Disease- Each Employee	5,000,000	
Bodily Injury by Disease- Aggregate	5,000,000	
Student Accident - Zurich		
Accident Medical - Students	1,000,000	
Accident Medical - Volunteers/Non-enrolled Campers	50,000	
Cyber Liability - SAIF		
Aggregate Per Scheduled Insured	2,000,000	10,000
Aggregate First Party Limit of Insurance	750,000	10,000
Cyber Extortion	750,000	10,000

Source: Mountainside School District records

SINGLE AUDIT SECTION



Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

Independent Member
BKR International

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
Mountainside School District
County of Union, 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 "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mountainside School District (the "District"), in the County of Union 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 October 1, 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 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
Mountainside 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.

October 1, 2025
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOC CIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant



Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

Independent Member
BKR International

Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Mountainside School District
County of Union, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Mountainside School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2025. The District's major 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 state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major 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 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 state program. Our audit does not provide a legal determination of the district's compliance with the compliance requirements referred to above.

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

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.

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 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 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.

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

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.

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.

October 1, 2025
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell
Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

MOUNT AINSIDE 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	Award Amount	Balance at June 30, 2024			Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2025		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue						Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
U.S. Department of Education Passed-through State Department of Education														
Special Revenue Fund:														
Elementary and Secondary Education Act														
Title I														
	84.010A	ESEA-3470-24	7/1/23-9/30/24	\$ 44,675	\$ (7,163)			\$ 7,722	\$ (559)					
Total Title I					(7,163)			7,722	(559)					
Title II, Part A	84.367A	ESEA-3470-25	7/1/24-9/30/25	11,145				11,145	(11,145)					
Title II, Part A	84.367A	ESEA-3470-24	7/1/23-9/30/24	10,595			\$ 3,505	\$ 3,505			\$ (3,505)			
Total Title II, Part A							3,505	11,145	(11,145)		(3,505)			
Total Elementary and Secondary Education Act														
Education Stabilization Fund														
COVID 19 - CRRSA:														
ESSER II	84.425D	S425D210023	3/13/20-9/30/23	247,027			17					\$ 17		
COVID 19 - ARP:														
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	555,178		2,557		86,590	(89,147)					
Learning Acceleration	84.425U	S425U210027	3/13/20-9/30/24	50,000		11,350		5,679	(17,029)					
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000				4,879	(4,879)					
Comprehensive Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(756)			12,620	(11,864)					
Total Education Stabilization Fund					(756)	13,907	17	109,768	(122,919)				17	
Special Education Cluster:														
I.D.E.A. Part B, Basic	84.027	IDEA-3470-25	7/1/24-9/30/25	165,760				165,760	(165,760)					
I.D.E.A. Part B, Preschool	84.173	IDEA-3470-25	7/1/24-9/30/25	8,351				8,351	(8,351)					
I.D.E.A. Part B, Preschool	84.173	IDEA-3470-24	7/1/23-9/30/24	8,562	(8,562)			8,562						
Total Special Education Cluster					(8,562)			182,673	(174,111)					
Total U.S. Department of Education					(16,481)	13,907	3,522	311,308	(308,734)		(3,505)			17

MOUNT AINSIDE 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	Award Amount	Balance at June 30, 2024			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2025		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
U.S. Department of the Treasury: Passed-through State Department of Education COVID-19 Additional or Compensatory Special Education and Related Services	21.027	N/A	7/1/23-6/30/24	\$ 197,960	\$ (91,479)		\$ 91,479						
Total U.S. Department of Treasury					(91,479)		91,479						
Total Special Revenue Fund					(107,960)	\$ 13,907		402,787	\$ (308,734)				\$ 17
U.S. Department of Agriculture: Passed-through State Department of Agriculture Child Nutrition Cluster													
Food Distribution Program	10.555	N/A	7/1/24-6/30/25	24,015				24,015	(21,574)			\$ 2,441	
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	26,071		2,093			(2,093)				
National School Lunch Program	10.555	N/A	7/1/24-6/30/25	30,978				28,900	(31,258)		\$ (2,358)		
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	28,186	(2,079)			2,079					
COVID 19 - Supply Chain Assistance	10.555	N/A	7/1/22-6/30/25	47,443		5,767			(5,767)				
Total Child Nutrition Cluster/ U.S. Department of Agriculture					(2,079)	7,860		54,994	(60,692)		(2,358)	2,441	
Total Food Service Enterprise Fund					(2,079)	7,860		54,994	(60,692)		(2,358)	2,441	
Total Federal Awards					\$ (110,039)	\$ 21,767	\$ 3,522	\$ 457,781	\$ (369,426)	\$ (3,505)	\$ (2,358)	\$ 2,441	\$ 17
													\$ - 0 -

N/A - Not Applicable

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

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

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance at June 30, 2024			Cash Received	Budgetary Expenditures	Balance at June 30, 2025		MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue				GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education General Fund:												
Special Education Categorical Aid	24-495-034-5120-089	7/1/23 - 6/30/24	\$ 1,108,326	\$ (102,230)			\$ 102,230					\$ 1,108,326
Security Aid	24-495-034-5120-084	7/1/23 - 6/30/24	68,546	(6,756)			6,756					68,546
Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	307,722	(30,327)			30,327					307,722
Additional Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	40,950	(40,950)			40,950					40,950
Extraordinary Aid	24-100-034-5120-044	7/1/23 - 6/30/24	165,324	(165,324)			165,324					165,324
Reimbursed TPAF Social Security Contributions	24-495-034-5120-003	7/1/23 - 6/30/24	415,739	(20,816)			20,816					415,423
Special Education Categorical Aid	25-495-034-5120-089	7/1/24 - 6/30/25	1,165,254				1,051,109	\$ (1,165,254)			\$ (114,145)	1,165,254
Security Aid	25-495-034-5120-084	7/1/24 - 6/30/25	97,144				87,628	(97,144)			(9,516)	97,144
Transportation Aid	25-495-034-5120-014	7/1/24 - 6/30/25	380,713				343,419	(380,713)			(37,294)	380,713
Additional Nonpublic Transportation Aid	25-495-034-5120-014	7/1/24 - 6/30/25	45,075					(45,075)	\$ (45,075)		(45,075)	45,075
Extraordinary Aid	25-100-034-5120-044	7/1/24 - 6/30/25	168,595					(168,595)	(168,595)		(168,595)	168,595
Reimbursed TPAF Social Security Contributions	25-495-034-5120-003	7/1/24 - 6/30/25	440,088				395,501	(440,088)	(44,587)		(44,587)	440,088
On-Behalf TPAF Post-Retirement Contribution	25-495-034-5094-001	7/1/24 - 6/30/25	630,179				630,179	(630,179)				630,179
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24 - 6/30/25	2,130,275				2,130,275	(2,130,275)				2,130,275
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	26,388				26,388	(26,388)				26,388
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	1,286				1,286	(1,286)				1,286
Total General Fund State Aid				(366,403)			5,032,188	(5,084,997)	(258,257)		(419,212)	7,191,288
Schools Development Authority: Special Revenue Fund:	N/A	7/1/21-6/30/25	16,524		\$ 9,549					\$ 9,549		6,975
SDA Emergent and Capital Maintenance Needs					9,549					9,549		6,975
Total Special Revenue Fund												
Debt Service Fund:												
Debt Service Aid II	25-495-034-5120-017	7/1/24-6/30/25	437,814				437,814	(437,814)				437,814
Total Debt Service Fund							437,814	(437,814)				437,814

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024			Balance at June 30, 2025			MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Agriculture Enterprise Fund:											
State School Lunch Program	25-100-010-3350-023	7/1/24 - 6/30/25	\$ 4,539			\$ 4,266	\$ (4,539)	\$ (273)		\$ (273)	\$ 4,539
State School Lunch Program	24-100-010-3350-023	7/1/23 - 6/30/24	5,224	\$ (342)		342					5,224
Total State School Lunch Program				(342)		4,608	(4,539)	(273)		(273)	9,763
Total Enterprise Fund				(342)		4,608	(4,539)	(273)		(273)	9,763
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION				\$ (366,745)	\$ 9,549	\$ 5,474,610	\$ (5,527,350)	\$ (258,530)	\$ 9,549	\$ (419,485)	\$ 7,645,840

Less - State Awards Not Subject to Single Audit Major Program Determination:

On-Behalf TPAF Pension System Contributions:

Post-Retirement Medical	25-495-034-5094-001	7/1/24 - 6/30/25	\$ 630,179				\$ 630,179				
Pension	25-495-034-5094-002	7/1/24 - 6/30/25	2,130,275				2,130,275				
Non-Contributory Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	26,388				26,388				
Long-Term Disability Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	1,286				1,286				
Subtotal On-Behalf TPAF Pension System Contributions							2,788,128				

TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION

\$ (2,739,222)

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

MOUNTAINSIDE 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 Mountainside 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 and Special Revenue Funds on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General and Special Revenue Funds 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 except for the revenue recognition of the last two 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 last two 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. The Special Revenue Fund also does not recognize the June state aid payments in the current year.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$14,642) for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund.

MOUNTAINSIDE 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)

Revenue from federal and state awards are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,070,355	\$ 5,070,355
Special Revenue Fund	\$ 308,734		308,734
Debt Service Fund		437,814	437,814
Food Service Fund	<u>60,692</u>	<u>4,539</u>	<u>65,231</u>
Total Awards	<u>\$ 369,426</u>	<u>\$ 5,512,708</u>	<u>\$ 5,882,134</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. FEDERAL AND STATE LOANS OUTSTANDING

Mountainside School District had no loan balances at June 30, 2025.

NOTE 7. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. 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.

MOUNTAINSIDE 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

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2025 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

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

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

State Awards (Cont'd)

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Categorical Aid	25-495-034-5120-089	07/01/24	06/30/25	\$ 1,165,254	\$ 1,165,254
Security Aid	25-495-034-5120-084	07/01/24	06/30/25	97,144	97,144
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?		<u>X</u>	Yes		No

Section II - Financial Statement Findings - N/A

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

MOUNTAINSIDE 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.