TOWNSHIP OF MAHWAH SCHOOL DISTRICT
COUNTY OF BERGEN
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
COUNTY OF BERGEN
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025
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November 21, 2025

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Township of Mahwah School District in the County of Bergen for the fiscal year ended June 30, 2025, and have issued our report thereon dated November 21, 2025.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated November 21, 2025, on the financial statements of the Board.

We will review the status of the comments, during our next audit engagement. We have already discussed any comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions and recommendation.

This report is intended for the information of the Township of Mahwah School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nisivoccia LLP
NISIVOCCIA LLP

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

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2025

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's ACFR.

Officials in Office and Surety Bonds

Name	Position	Coverage
Philip H. Nisonoff, Ed.D.	Treasurer	$400,000
Thomas Lambe	School Business Administrator/Board Secretary	400,000

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the District. The District data certification was completed by the chief school administrator. The District Chapter 44 data was submitted timely. The revised data certification date was not due to significant revisions as a result of errors or omissions on the part of the District.

Tuition Charges

The District did not have tuition charges for the current year and prior year.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid, on a test basis, during the period under review indicated overall compliance with respect to signatures, certification or supporting documentation except as noted below.

Finding 2025-001

During our review of the vouchers for the various funds and accounts, we noted that receipt of goods signatures were not obtained for tuition, transportation and certain other expenditures. In addition, instances were noted where confirming orders (purchasing of goods or services prior to the issuance of an approved purchase order) occurred and purchase orders were not prepared for food service fund expenditures. As the District has already implemented procedures to ensure that receipt of goods signatures are obtained on all vouchers, confirming orders do not occur and purchase orders are prepared for food service fund expenditures, no formal recommendation is judged to be warranted.

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account. All payrolls were approved by the Superintendent and certified by the President of the Board and the School Business Administrator, and the Superintendent. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

The required certification (ECERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed in a timely manner.

Finding 2025-002

During our review of the payroll records, it was noted that the Medicare tax withholding for an employee did not include the additional .9% withholding required for wages paid in excess of $200,000.

Recommendation

It is recommended that the District ensure that the Medicare tax withholding is properly calculated for its employees.

Management's Response

The District will ensure that the Medicare tax withholding is properly calculated for its employees.

Finding 2025-003

Although a monthly analysis of the activity in the payroll agency account was prepared it was not detailed by individual payroll withholdings. As the District has already put procedures in place to ensure that the payroll agency monthly analysis will be detailed by individual payroll withholding categories, no formal recommendation is judged to be warranted.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, 2025 for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained herein within the Special Revenue Section of the District's ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, II, III, III Immigrant and IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. did not indicate any area of noncompliance.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2025. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. “When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to $25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest $1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made . . . ."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law . . . .”

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are $44,000 (with a Qualified Purchasing Agent) and $32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is $20,200 for 2024-25.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to $44,000.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

In as much as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded $100,000 in federal and/or state support. Accordingly, we inquired of school management, or the appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the ACFR Schedule B-5 does separate program and non-program revenue and program and nonprogram cost of goods sold.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to students, maintenance of all applicable production records, meal counts, noncompetitive procurements, modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP Loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA if the FSMC received a PPP loan.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the ACFR.

Finding 2025-004:

Net cash resources exceeded three months average expenditures by $206,953. As the District already has a plan in place to utilize the excess cash resources which includes the purchase of certain equipment, no formal recommendation is judged to be warranted.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have the comment below.

Finding 2025-005

During our review of the analysis of balance by clubs/activities for the student activities account, we noted individual negative club/activity balances. As the District already resolved the larger negative balances and has a plan in place to ensure that balances are reviewed prior to disbursements being made to ensure that negative balances do not occur in the future, no formal recommendation is judged to be warranted.

Finding 2025-006

The outstanding check listing at June 30, 2025 for the student activities account includes a number of older outstanding checks which should be reviewed for cancellation. Also, included on the outstanding check listing are a few items without a payee or a check number which should also be reviewed and resolved. No formal recommendation is judged to be warranted.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (ASSA) for on-roll, private schools for the disabled, low income and bilingual students. We also performed a review of the District procedures related to its completion. The information on the ASSA was compared to the District workpapers with a few exceptions. The information that was included on the workpapers was verified on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District's written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2024-2025 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

Our review of the travel policies and records revealed that the District is in general compliance with the travel regulations.

Testing for Lead of All Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Facilities and Capital Assets

Our procedures included a review of the Schools Development Authority (SDA) grant agreements for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. Based on these procedures, we have no comments.

Management Suggestions

Governmental Accounting Standards Board (GASB) Statements effective for Fiscal Year Ending June 30, 2026

GASB Statement No. 103, Financial Reporting Model Improvements

Management's Discussion and Analysis (MD&A)
Information in MD&A is limited to five sections – Overview of Financial Statements, Financial Summary, Detailed Analyses, Significant Capital Assets and Long-Term Financing Activity and Currently Known Facts. Standard emphasizes that the detailed analyses should explain why balances and results of operations changed. Also, only the most relevant information should be presented.

Unusual or Infrequent Items
Statement provides a definition of these items and the presentation of these items in the financial statements.

Proprietary Fund Statement of Revenue, Expenses and Changes in Net Position
Provides a definition of both operating and nonoperating revenue and expenses. New requirement for subtotals for Operating Income/(Loss) and Noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Provides a definition of subsidies.

Budgetary Comparison Information
Must present variance between original and final budget amounts as well as variance between final budget and actual amounts. An explanation of significant variances must be included in the Notes to the Required Supplementary Information (RSI).

Management Suggestions (Cont'd)

Governmental Accounting Standards Board (GASB) Statements effective for Fiscal Year Ending June 30, 2026 (Cont'd)

GASB Statement No. 104, Disclosure of Certain Capital Assets

Standard requires lease assets as well as subscription assets to be disclosed separately in the capital assets note disclosures. The standard also requires a disclosure for capital assets held for sale where it is probable that the sale will be finalized within one year of the financial statement date.

Local Grants Receivable and Unearned Revenue

There is a local grant receivable balance related to the award for one prior year and a local grant unearned revenue related to the award for another prior year which are both from the same grantor. The receivable should be reviewed to determine whether the unearned revenue relates to the receivable and the related cash receipts should be reclassified and whether the remaining receivable balance is collectible.

Status of Prior Year Findings/Recommendations

The prior year finding/recommendation with regard to negative club/activity balances was resolved.

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	2025-2026 Application for State School Aid						Sample for Verification					
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers on Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Preschool:												
3 Year Old Half Day	4		4				4		4			
4 Year Old Half Day	12		12				12		12			
Kindergarten Full Day	151		151				151		151			
Grade One	144		144				144		144			
Grade Two	166		166				166		166			
Grade Three	180		180				180		180			
Grade Four	161		161				161		161			
Grade Five	176		176				176		176			
Grade Six	160		160				160		160			
Grade Seven	164		164				164		164			
Grade Eight	188		188				188		188			
Grade Nine	143		143				143		143			
Grade Ten	177		177				177		177			
Grade Eleven	183	1	183	1			183		183			
Grade Twelve	172		172				172		172			
Subtotal	2,181	1	2,181	1			2,181		2,181			
Special Education:												
Elementary School	180		180				10		10			
Middle School	110		110				7		7			
High School	138		138				8		8			
Subtotal	428		428				25		25			
Totals	2,609	1	2,609	1	-0-	-0-	2,206	-0-	2,206	-0-	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Private Schools for Disabled						Resident Low Income					
	Reported on ASSA as Private Schools	Reported on Workpapers as Private Schools	Errors	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten							15	15		1	1	
Grade One							15	15		1	1	
Grade Two							25	25		1	1	
Grade Three							14	14		1	1	
Grade Four							20	22	(2)	1	1	
Grade Five							18	17	1	1	1	
Grade Six							14	14		1	1	
Grade Seven							20	22	(2)	2	2	
Grade Eight							20	20		1	1	
Grade Nine							20	21	(1)	2	2	
Grade Ten							22	23	(1)	2	2	
Grade Eleven							25	25		2	2	
Grade Twelve							25	25		1	1	
Subtotal							253	258	(5)	17	17	
Special Education:												
Elementary School	20	20		1	1		30	26	4	2	2	
Middle School	7	7		1	1		35	37	(2)	3	3	
High School	15	15		2	2		49	43	6	3	3	
Subtotal	42	42		4	4		114	106	8	8	8	
Totals	42	42	-0-	4	4	-0-	367	364	3	25	25	-0-
Percentage Error			0.00%			0.00%			0.82%			0.00%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Kindergarten:						
Full Day	4	4				
Grade One	2	2				
Grade Two	2	2		1	1	
Grade Three	3	3		1	1	
Grade Four	1	1				
Grade Five	1	1				
Grade Six	1	1				
Grade Eight	1	1				
Grade Nine	1	1				
Grade Ten	2	2		1	1	
	18	18		3	3	
Sp. Ed. Elementary	2	2		1	1	
	2	2		1	1	
Totals	20	20	-0-	4	4	-0-
Percentage Error			0.00%			0.00%

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Kindergarten:						
Full Day	3	3				
Grade One	6	6				
Grade Two	8	8				
Grade Three	4	4				
Grade Four	1	1		1	1	
Grade Five	2	2				
Grade Seven	4	4		1	1	
Grade Eight	5	5				
Grade Nine	3	3				
Grade Ten	4	4		1	1	
Grade Eleven	1	1		1	1	
Grade Twelve	5	5				
	46	46		4	4	
Sp. Ed. Elementary	3	1	2			
Sp. Ed. Middle School	1	1				
Sp. Ed. High School	3		3			
	7	2	5			
Totals	53	48	5	4	4	-0-
Percentage Error			9.43%			0.00%

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	926	926		16	16	
Regular - Special Ed	132	132		2	2	
Transported - Non Public	55	55		1	1	
AIL - Non Public	189	189		3	3	
Special Needs - Public	93	93		2	2	
Special Needs - Private	40	40		1	1	
Totals	1,435	1,435	-0-	25	25	-0-
Percentage Error			0.00%			0.00%

	Reported	Re-calculated
Average Mileage:		
Regular Including Grade PK Students	4.6	4.6
Regular Excluding Grade PK Students	4.6	4.6
Special Education with Special Needs	8.2	8.2

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2025

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1	$ 93,964,758	(B)		
Increased by:				
Transfer from Capital Outlay to Capital Projects Fund	$ 0	(B1a)		
Transfer from Capital Reserve to Capital Projects Fund	$ 267,847	(B1b)		
Transfer from General Fund to SRF for PreK - Regular	$ 0	(B1c)		
Transfer from General Fund to SRF for PreK - Inclusion	$ 0	(B1d)		
Decreased by:				
On-Behalf TPAF Pension and Social Security	$ 15,397,659	(B2a)		
Assets Acquired Under Leases and Financed Purchases	$ 1,736,679	(B2b)		
Adjusted 2024-25 General Fund Expenditures [(B)+(B1's)-(B2's)]	$ 77,098,267	(B3)		
2% of Adjusted 2024-25 General Fund Expenditures [(B3) times .02]	$ 1,541,965	(B4)		
Enter Greater of (B4) or $250,000	$ 1,541,965	(B5)		
Increased by: Allowable Adjustments	$ 1,097,197	(K)		
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]			$ 2,639,162	(M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2025				
(Per ACFR Budgetary Comparison Schedule C-1)	$ 19,660,169	(C)		
Decreased by:				
Year-End Encumbrances	$ 1,724,867	(C1)		
Legally Restricted:				
Designated for Subsequent Year's Expenditures	$	(C2)		
Excess Surplus - Designated for Subsequent Year's Expenditures	$ 1,493,946	(C3)		
Other Restricted Fund Balances	$ 10,895,853	(C4)		
Assigned Fund Balance:				
Designated for Subsequent Year's Expenditures	$ 1,381,512	(C5)		
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			$ 4,163,991	(U1)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-	$ 1,524,829	(E)
Recapitulation of Excess Surplus as of June 30, 2025		
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	$ 1,493,946	(C3)
Restricted Excess Surplus [(E)]	$ 1,524,829	(E)
Total Excess Surplus [(C3)+(E)]	$ 3,018,775	(D)
Detail of Allowable Adjustments		
Impact Aid	$ -0-	(H)
Sale & Lease-back	$ -0-	(I)
Extraordinary Aid	$ 993,924	(J1)
Additional Nonpublic School Transportation Aid	$ 103,273	(J2)
Total Adjustments [(H)+(I)+(J1)+(J2)]	$ 1,097,197	(K)
Detail of Other Restricted Fund Balances		
Statutory Restrictions:		
Approved Unspent Separate Proposal	$ -0-	
Sale/Lease-back Reserve	$ -0-	
Capital Reserve	$ 7,470,122	
Maintenance Reserve	$ 2,522,448	
Emergency Reserve	$ 428,900	
Tuition Reserve	$ -0-	
School Bus Advertising 50% Fuel Offset Reserve - Current Year	$ -0-	
School Bus Advertising 50% Fuel Offset Reserve - Prior Year	$ -0-	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	$ -0-	
Impact Aid General Fund Reserve (Sections 8007 and 8008)	$ -0-	
Other State/Government Mandated Reserve	$ -0-	
Unemployment Compensation Fund	$ 474,383	
Other Restricted Fund Balances Not Noted Above	$ -0-	
Total Other Restricted Fund Balances	$ 10,895,853	(C4)

TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2025

It is recommended that:

1. Administrative Practices and Procedures

   None

2. Financial Planning, Accounting and Reporting

   Finding 2025-002:

   The District ensure that the Medicare tax withholding is properly calculated for its employees.

3. School Purchasing Program

   None

4. School Food Service

   None

5. Student Body Activities

   None

6. Application for State School Aid

   None

7. Pupil Transportation

   None

8. Facilities and Capital Assets

   None

9. Miscellaneous

   None

10. Status of Prior Year's Findings/Recommendations

    The prior year finding/recommendation with regard to negative club/activity balances was resolved.