

**MOUNTAIN LAKES SCHOOL DISTRICT  
COUNTY OF MORRIS  
NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**

# **Annual Comprehensive Financial Report**

**of the**

**Mountain Lakes School District**

**Mountain Lakes, New Jersey**

**For the Fiscal Year Ended June 30, 2024**

**Prepared by**

**Mountain Lakes School District  
Board of Education**

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## INTRODUCTORY SECTION



# Mountain Lakes School District

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[www.mlschool.org](http://www.mlschool.org)

January 7, 2025

Honorable President and  
Members of the Board of Education  
Mountain Lakes School District  
Morris County, New Jersey

Dear Board Members:

The annual comprehensive financial report (ACFR) of the Mountain Lakes School District (District) for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). 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, 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, 2024, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the revised Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this section.

1. **REPORTING ENTITY SERVICES:** The Mountain Lakes School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB No. 14. All funds and account groups of the District are included in this report. The Mountain Lakes 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 12. These include regular programs, as well as the Lake Drive School for Deaf and Hard of Hearing Children. Lake Drive provides comprehensive educational services to deaf and hard of hearing children ranging in age from infants through high school. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment*</u>	<u>Percent Change</u>
2019-2020	1,549	-1.59%
2020-2021	1,478	-4.58%
2021-2022	1,413	-4.40%
2022-2023	1,395	-1.30%
2023-2024	1,354	-2.94%

\*Includes non-resident students, Boonton Township students and students at the Lake Drive School for Deaf and Hard of Hearing Children.

2. **ECONOMIC CONDITION AND OUTLOOK:** The Mountain Lakes Public Schools 2024-2025 budget contains all the necessary elements to provide our students with a quality education. The District continues to provide a great diversity of courses at all levels. Consequently, we continue to offer many courses, particularly at the high school level. Every effort, however, has been made to hold staff levels as well as general budget expenditures. The Board of Education recognizes the difficult position of our state and local economy and is making every effort to act responsibly. Despite the pressure on schools to reduce services, our budget supports our educational programs at the same levels as the prior year. No courses are cut from the curriculum and class sizes remain relatively consistent.

3. **MAJOR INITIATIVES:** The Board and Administration continued to work closely to develop a 2024-2025 Budget that reflects strong spending discipline as well as sources of efficiencies. District-wide curriculum review and revision remained a priority, as did staff professional development, safety, and security. Staff across the district were trained using the Atlas Curriculum Management System with an eye toward marrying lesson planning, curriculum development, student achievement, and enhanced staff-supervisor relations. Preparations were made to ensure the MLSD exceeds NJQSACD compliance metrics ahead of their 2023-2024 visit.

The majority of students at Mountain Lakes High School are college-bound following graduation. Therefore, a vital aspect of our focus at MLHS is to ensure our students will successfully navigate their post-secondary pathways. Currently, we offer a variety of Advanced Placement courses at MLHS that allow our students to potentially earn college credit or advanced standing based upon performance on AP exams. The Mountain Lakes School District expanded opportunities to receive college credit or advanced standing for MLHS students outside of our AP programs by expanding our dual enrollment at MLHS.

The Mountain Lakes School District plans for and cherishes opportunities to develop and implement relevant and individually meaningful in-service days, so much so that an additional day was added to the district calendar. Staff members were provided ample opportunity to keep current and improve their pedagogical acumen, a necessary disposition of a progressive and innovative school district. Specifically professional learning opportunities continued to focus on the following areas:

- **Differentiated Support:** Staff will engage in Professional Learning Communities (PLCs) to meet their varied needs based on grade level, content and/or department.



- **Technology:** To explore, become knowledgeable, and implement learning experiences that use digital tools to access, manage, evaluate, and synthesize information in order to create and communicate knowledge, solve problems, and redesign learning. Introduce learning platforms that will help to assess and progress monitor students on a regular basis to ensure individualized instruction is provided to all students.

4. **INTERNAL ACCOUNTING CONTROLS:** The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure 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 also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure 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 structure, 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 the voters of the municipality. 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 canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

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 and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. **DEBT ADMINISTRATION:** At June 30, 2024, the District's outstanding debt total was \$18,155,000.00.

8. **CASH MANAGEMENT:** The investment policy of the District is guided in large parts by state statute as detailed in "Notes to the Financial Statements", Note 2. 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.

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

10. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Samuel Klein and Company, LLP, CPA's was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the revised Single Audit Act Amendments of 1996 and the related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

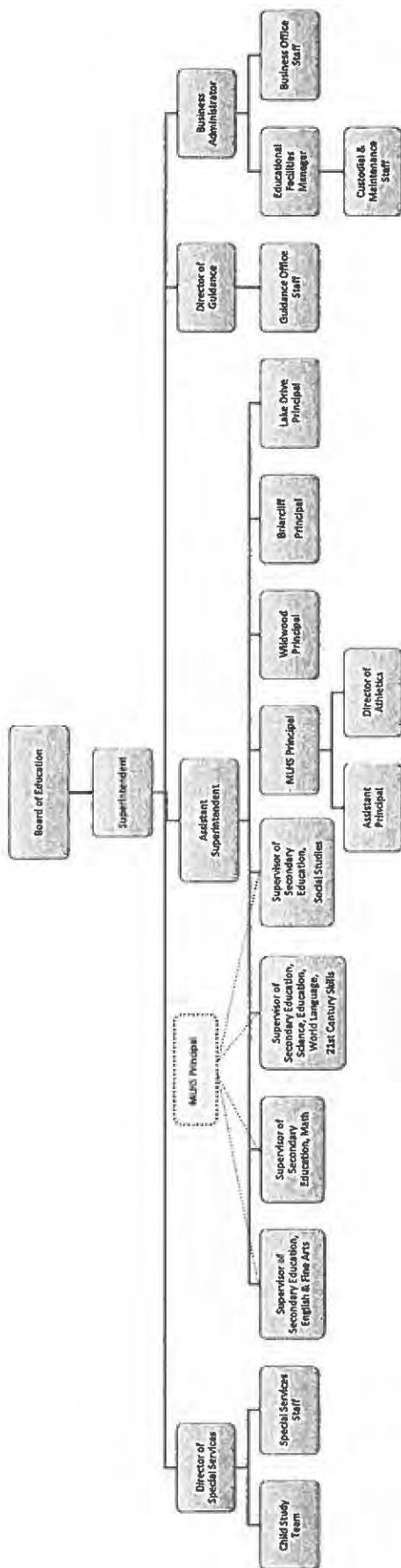
11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Mountain Lakes School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Dr. Brad Siegel  
Superintendent of Schools

James Riley  
School Business Administrator/Board Secretary

# Mountain Lakes School District Organizational Chart





## MOUNTAIN LAKES BOARD OF EDUCATION

### ROSTER OF OFFICIALS JUNE 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. J. Barkaukas	2025
Mr. T. Chiang, Jr.	2026
Dr. A. Don	2024
Mrs. S. Forman	2026
Mr. L. Hermey	2024
Dr. J. Hirschfeld	2025
Ms. M. Leininger	2024
Mrs. J. Parker	2026
Ms. L. Silva McIntyre	2025
Mrs. E. Tucker	2024

#### Other Officials

Mr. Michael J. Fetherman, Superintendent of Schools  
Mr. Alex Ferreira, School Business Administrator/Board Secretary  
Mrs. Ivonne Ciresi, Assistant Superintendent  
Mrs. Lisa Palmieri, Treasurer

**MOUNTAIN LAKES SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**Architect**

Di Cara/Rabino Architects  
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Wayne, New Jersey 07470  
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## FINANCIAL SECTION

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members  
of the Board of Education  
Mountain Lakes School District  
County of Morris  
Mountain Lakes, New Jersey 07046

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mountain Lakes School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Mountain Lakes School 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 Mountain Lakes School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the 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), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. 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 Mountain Lakes School 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 Mountain Lakes School 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, 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 Mountain Lakes School 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 Mountain Lakes School 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, the schedules of the District's proportionate share of the net pension liability, the schedules of the District's contributions, the budgetary comparison information, the schedule of changes in the District's total OPEB liability, related ratios and notes, and the notes to the required supplementary information 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, is 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 Mountain Lakes School District's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also 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 combining and individual non-major fund financial statements, the schedule of expenditures of federal awards and schedule of state financial assistance 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 Comprehensive Financial 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.

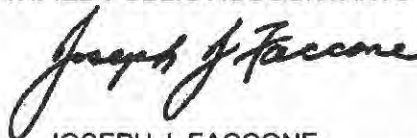
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 January 7, 2025, on our consideration of the Mountain Lakes School 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 Mountain Lakes School 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 the Mountain Lakes School District's internal control over financial reporting and compliance.



SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI  
Licensed Public School Accountant #194

## REQUIRED SUPPLEMENTARY INFORMATION - PART I



**MOUNTAIN LAKES SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**UNAUDITED**

The discussion and analysis of the Mountain Lakes School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and other financial statements to enhance their understanding of the District's financial performance.

**Using this Comprehensive Annual Financial Report (ACFR)**

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Mountain Lakes School District as a financial whole, an entire operating entity. The statements then proceed to provide a detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. Governmental fund statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the Mountain Lakes School District, the General Fund is by far the most significant.

**Reporting the District as a Whole**

**Statement of Net Assets and the Statement of Activities**

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2024". The Statement of Net Assets and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because they report on whether the District's financial position has improved or diminished.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two types of activities:

Governmental Activities - all of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - these services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Community School Enterprise Funds are reported as business activities.

**Reporting the District's Most Significant Funds**

**Fund Financial Statement**

Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.



**MOUNTAIN LAKES SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**UNAUDITED (CONTINUED)**

**Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not change with the conversion to GASB 34.

**The District as a Whole**

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the District's Net Assets for 2024 and 2023.

**Table 1 - Net Assets**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current and Other Assets	\$ 13,102,572.63	\$ 10,326,891.50
Noncurrent Assets	<u>40,645,761.78</u>	<u>40,067,222.74</u>
Total Assets	<u><u>\$ 53,748,334.41</u></u>	<u><u>\$ 50,394,114.24</u></u>
<b>Liabilities</b>		
Current and Other Liabilities	\$ 1,076,784.13	\$ 3,302,594.90
Long-Term Liabilities	<u>27,401,551.12</u>	<u>29,001,884.55</u>
Total Liabilities	<u><u>\$ 28,478,335.25</u></u>	<u><u>\$ 32,304,479.45</u></u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	\$ 21,272,072.18	\$ 19,369,117.17
Restricted	9,990,542.06	7,599,369.54
Unrestricted	<u>(5,992,615.08)</u>	<u>(8,878,851.92)</u>
Total Net Position	<u><u>\$ 25,269,999.16</u></u>	<u><u>\$ 18,089,634.79</u></u>

**MOUNTAIN LAKES SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**UNAUDITED (CONTINUED)**

The District's combined net assets were \$53,748,334.41 and \$50,394,114.24 on June 30, 2024 and June 30, 2023, respectively.

Table 2 shows the Comparative Changes in Net Assets from fiscal year 2024 and 2023:

**Table 2 - Comparative Changes in Net Assets**

	<u>2024</u>	<u>2023</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,516,614.75	\$ 861,428.70	76.06%
Operating Grants and Contributions	12,648,868.52	13,138,254.78	-3.72%
General Revenues:			
Property Taxes	25,422,279.00	24,740,050.00	2.76%
Federal and State Aid	2,462,528.00	1,980,782.68	24.32%
Tuition	15,587,279.74	15,086,324.77	3.32%
Other	695,903.18	581,632.96	19.65%
Total Revenues	<u>58,333,473.19</u>	<u>56,388,473.89</u>	<u>3.45%</u>
Expenditures:			
Instruction	29,852,502.48	30,203,751.58	-1.16%
Support Services:			
Tuition/Student and Instruction Services	8,456,340.62	8,140,846.02	3.88%
General Administration, School Administration, Business Operations and Maintenance of Facilities	9,009,630.92	9,265,711.98	-2.76%
Pupil Transportation	755,626.46	809,495.75	-6.65%
Other Support Services	21,973.17		100.00%
Special Schools	724,170.85	461,621.20	56.88%
Debt Service	549,724.32	555,709.24	-1.08%
Capital Outlay	74,276.00	48,298.00	53.79%
Transfer to Charter School	15,777.00	16,173.00	-2.45%
Unallocated Depreciation and Amortization	871,650.65	835,906.18	4.28%
Food Service	821,436.35	820,023.66	0.17%
Total Expenditures	<u>51,153,108.82</u>	<u>51,157,536.61</u>	<u>-0.01%</u>
Change in Net Position	7,180,364.37	5,230,937.28	
Beginning Net Position	<u>18,089,634.79</u>	<u>12,858,697.51</u>	
Ending Net Position	<u>\$ 25,269,999.16</u>	<u>\$ 18,089,634.79</u>	

**MOUNTAIN LAKES SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**UNAUDITED (CONTINUED)**

**Government Activities**

Property taxes made up 43.58% of revenues for governmental activities for the fiscal year 2024. The District's total revenues were \$58,333,473.19 for the year ended June 30, 2024. Federal, state and local grants accounted for another 25.91%.

The total cost of all programs and services was \$51,153,108.82. Instruction comprises 58.36% of the District's expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services.

Food service revenues exceeded expenses by \$21,158.00. Charges for services represent \$842,594.35 of revenue. This represents the amount paid by patrons for daily food service and catering.

**Governmental Activities**

The Comparative Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 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 these functions.

**Table 3 - Comparative Statement of Activities**

	Total Cost of Services			Net Cost of Services		
	2023-2024	2022-2023	% Change	2023-2024	2022-2023	% Change
Instruction	\$ 29,852,502	\$ 30,203,752	-1.16%	\$ 21,305,330	\$ 21,213,935	0.43%
Support Services:						
Tuition/Student and Instruction Services	8,456,341	8,140,846	3.88%	5,713,704	6,036,126	-5.34%
General Administration, School Administration, Business Operations and Maintenance of Facilities	9,009,631	9,117,906	-1.19%	7,182,942	7,119,563	0.89%
Pupil Transportation	755,626	809,496	-6.65%	755,626	805,754	-6.22%
Other Support Services	21,973	147,806	-85.13%	16,142	106,174	-84.80%
Special Schools	724,171	461,621	56.88%	523,610	461,621	13.43%
Debt Service	549,724	555,709	-1.08%	549,724	555,709	-1.08%
Capital Outlay	74,276	48,298	53.79%	74,276	48,298	53.79%
Transfer to Charter School	15,777	16,173	-2.45%	15,777	16,173	-2.45%
Unallocated Depreciation and Amortization	871,651	835,906	4.28%	871,651	835,906	4.28%
Food Service	821,436	820,024	0.17%	21,158	41,405	-48.90%
	<u>\$ 51,153,108</u>	<u>\$ 51,157,537</u>	<u>-0.01%</u>	<u>\$ 37,029,940</u>	<u>\$ 37,240,664</u>	<u>-0.57%</u>

**MOUNTAIN LAKES SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**UNAUDITED (CONTINUED)**

**Governmental Activities (Continued)**

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students, including curriculum and staff development.

General administration, school administration and business operation include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities' activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school co-curricular, athletic activities and co-curricular field trips as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

**The District's Funds**

These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$55,677,457 and expenditures of \$53,077,950.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2024 and June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

**Comparative Summary of Revenues**

<u>Revenue</u>	<u>June 30, 2024</u>	<u>Percent of Total</u>	<u>June 30, 2023</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$41,695,444	74.89%	\$40,134,224	\$1,561,220	3.89%
State Sources	12,693,263	22.80%	11,535,846	1,157,417	10.03%
Federal Sources	550,589	0.99%	431,646	118,943	27.56%
Private Sources	738,161	1.33%	265,566	472,595	177.96%
	<u>\$55,677,457</u>	<u>100.00%</u>	<u>\$52,367,282</u>	<u>\$3,310,175</u>	<u>6.32%</u>

**MOUNTAIN LAKES SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**UNAUDITED (CONTINUED)**

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2024 and the amount and percentage of increases (decreases) in relation to prior year amounts.

**Comparative Summary of Expenditures**

<u>Expenditures</u>	<u>June 30, 2024</u>	<u>Percent of Total</u>	<u>June 30, 2023</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures					
Instruction	\$19,236,776	36.24%	\$18,743,385	\$ 493,391	2.63%
Undistributed	30,199,457	56.90%	27,963,372	2,236,085	8.00%
Capital Outlay	1,376,143	2.59%	1,501,818	(125,675)	-8.37%
Special Schools	461,054	0.87%	461,621	(567)	-0.12%
Charter School	15,777	0.03%	16,173	(396)	-2.45%
Debt Service	1,788,744	3.37%	1,924,969	(136,225)	-7.08%
	<u>\$53,077,951</u>	<u>100.00%</u>	<u>\$50,611,338</u>	<u>\$ 2,466,613</u>	<u>4.87%</u>

**General Fund Budgeting Highlights**

The 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 budgeted fund is the General Fund.

During the course of the fiscal year 2024, the District amended its General Fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets, but provide flexibility for program management. Transfers from one program to another must be approved by the Board of Education.

At the end of the fiscal year 2024, the District had \$61,673,936 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2024 balances compared to 2023.

**Table 4 - Capital Assets at June 30**

	<u>2024</u>	<u>2023</u>
Land/Sites	\$ 300,000	\$ 300,000
Construction-in-Progress	17,750,470	17,034,867
Site Improvements	678,427	678,427
Buildings and Improvements	38,073,676	38,073,676
Machinery and Equipment	<u>4,871,363</u>	<u>4,471,158</u>
Totals	<u>\$ 61,673,936</u>	<u>\$ 60,558,128</u>



**MOUNTAIN LAKES SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights (Continued)**

Overall capital assets increased \$1,115,808 from fiscal year 2023 to fiscal year 2024. The increase in capital assets was due primarily to the improvements made in the District during 2024.

**For the Future**

The Mountain Lakes School District is financially sound and is able to meet all instructional programs and service requirements. The District continues to prioritize academic excellence and is preparing to introduce a new academic schedule for students at Mountain Lakes High School. In addition, the district will continue to implement the improvements to the school buildings consistent with the referendum passed in 2017. With the continued support of the Board of Education, the administration will propose recommendations and betterments to protect the community's long-term investment.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Alex Ferreira, School Business Administrator/Board Secretary, Borough of Mountain Lakes Public Schools, 96 Powerville Road, Mountain Lakes, New Jersey 07046.

## BASIC FINANCIAL STATEMENTS

#### A. DISTRICT-WIDE FINANCIAL STATEMENTS



MOUNTAIN LAKES SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024

A-1

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 4,968,396.80	\$ 180,018.82	\$ 5,148,415.62
Accounts Receivable, Net	3,192,572.08		3,192,572.08
Inventory		8,514.07	8,514.07
<b>Restricted Assets:</b>			
Capital Reserve Account - Cash	3,473,456.86		3,473,456.86
<b>Total Current Assets</b>	<u>11,634,425.74</u>	<u>188,532.89</u>	<u>11,822,958.63</u>
<b>Noncurrent Assets:</b>			
Capital Assets, Net (Note 6)	39,401,651.18	25,421.00	39,427,072.18
Right-of-Use Asset, Net	1,206,156.00		1,206,156.00
Intangible Assets, Net	12,533.60		12,533.60
	<u>40,620,340.78</u>	<u>25,421.00</u>	<u>40,645,761.78</u>
<b>Total Assets</b>	<u>52,254,766.52</u>	<u>213,953.89</u>	<u>52,468,720.41</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount Related to Pension	1,279,614.00		1,279,614.00
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	461,150.82	2,218.91	463,369.73
Accrued Interest Payable	149,718.24		149,718.24
Payable to Other Governments	23,106.25		23,106.25
Deferred Inflows	339,371.91		339,371.91
<b>Total Current Liabilities</b>	<u>973,347.22</u>	<u>2,218.91</u>	<u>975,566.13</u>
<b>Long-Term Liabilities:</b>			
Due Within One Year (Note 7)	1,260,000.00		1,260,000.00
Due Beyond One Year (Note 7)	18,637,432.00		18,637,432.00
Net Pension Liability (Note 9)	6,185,672.00		6,185,672.00
Lease Liability	1,305,634.85		1,305,634.85
Subscription-Based Information Technology Arrangements	12,812.27		12,812.27
<b>Total Long-Term Liabilities</b>	<u>27,401,551.12</u>		<u>27,401,551.12</u>
<b>Total Liabilities</b>	<u>28,374,898.34</u>	<u>2,218.91</u>	<u>28,377,117.25</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount Related to Pension	101,218.00		101,218.00
<b>NET POSITION</b>			
Investment in Capital Assets, Net of Related Debt	21,246,651.18	25,421.00	21,272,072.18
<b>Restricted for:</b>			
Capital Projects	5,567,418.11		5,567,418.11
Excess Surplus	465,063.66		465,063.66
Legally Restricted	488,557.34		488,557.34
Unemployment Compensation	372,388.34		372,388.34
Maintenance Reserve	1,200,000.00		1,200,000.00
Tuition Reserve	400,000.00		400,000.00
Student Activities	461,176.22		461,176.22
Scholarships	62,642.01		62,642.01
Debt Service	(87.58)		(87.58)
Other Purposes	973,383.96		973,383.96
<b>Unrestricted</b>	<u>(6,178,929.06)</u>	<u>186,313.98</u>	<u>(5,992,615.08)</u>
<b>Total Net Position</b>	<u>\$25,058,264.18</u>	<u>\$211,734.98</u>	<u>\$25,269,999.16</u>

See accompanying notes to financial statements.

MOUNTAIN LAKES SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A-2  
Sheet #1

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 17,509,412.07	\$	\$ 5,123,007.03	\$ (12,386,405.04)	\$	\$ (12,386,405.04)
Special Education Instruction	10,687,049.24		3,011,694.83	(7,675,354.41)		(7,675,354.41)
Other Instruction	1,114,917.64			(1,114,917.64)		(1,114,917.64)
School-Sponsored Activities	541,123.53		412,470.26	(128,653.26)		(128,653.26)
Support Services:						
Tuition	797,785.81			(797,785.81)		(797,785.81)
Student and Instruction Related Services	7,658,554.81	674,020.40	2,068,616.40	(4,915,918.01)		(4,915,918.01)
General Administration Services	1,108,424.61		187,846.55	(920,578.06)		(920,578.06)
School Administration Services	2,440,447.72		660,758.14	(1,779,689.59)		(1,779,689.59)
Central Services	765,478.57		199,160.65	(566,317.92)		(566,317.92)
Administration of Information Technology	305,213.48		67,526.63	(237,686.86)		(237,686.86)
Plant Operations and Maintenance	4,390,066.54		711,396.51	(3,678,670.03)		(3,678,670.03)
Pupil Transportation	755,626.46			(755,626.46)		(755,626.46)
Security	14,323.44			(14,323.44)		(14,323.44)
Other Support Services	7,649.73		5,830.99	(1,818.74)		(1,818.74)
Special Schools	724,170.85		200,560.54	(523,610.31)		(523,610.31)
Debt Service:						
Interest	549,724.32			(549,724.32)		(549,724.32)
Capital Outlay	74,276.00			(74,276.00)		(74,276.00)
Transfer to Charter School	15,777.00			(15,777.00)		(15,777.00)
Unallocated Depreciation	676,035.00			(676,035.00)		(676,035.00)
Unallocated Amortization Expense	195,615.65			(195,615.65)		(195,615.65)
<b>Total Governmental Activities</b>	<b>\$ 50,331,672.47</b>	<b>\$ 674,020.40</b>	<b>\$ 12,648,868.52</b>	<b>\$ (37,008,783.55)</b>	<b>\$ -</b>	<b>\$ (37,008,783.55)</b>
Business-Type Activities:						
Food Services	821,436.35	842,594.35			21,158.00	21,158.00
<b>Total Business-Type Activities</b>	<b>821,436.35</b>	<b>842,594.35</b>			<b>21,158.00</b>	<b>21,158.00</b>
<b>Total Primary Government</b>	<b>\$ 51,153,108.82</b>	<b>\$ 1,516,614.75</b>	<b>\$ 12,648,868.52</b>	<b>\$ (37,008,783.55)</b>	<b>\$ 21,158.00</b>	<b>\$ (36,987,625.55)</b>
General Revenues:						
Property Taxes:						
Levied for General Purposes				\$ 23,768,426.00	\$	\$ 23,768,426.00
Levied for Debt Service				1,653,853.00		1,653,853.00
Federal and State Aid - Unrestricted				2,462,528.00		2,462,528.00

MOUNTAIN LAKES SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A-2  
Sheet #2

	Net (Expense) Revenue and Change In Net Assets		
	Governmental Activities	Business- Type Activities	Total
General Revenues:			
Tuition Received	\$ 15,587,279.74	\$	\$ 15,587,279.74
Interest and Investment Earnings		10,018.17	10,018.17
Miscellaneous	685,885.01		685,885.01
Transfers	(46,509.32)	46,509.32	
Total General Revenues	<u>44,111,462.43</u>	<u>56,527.49</u>	<u>44,167,989.92</u>
Change in Net Position	<u>7,102,678.88</u>	<u>77,685.49</u>	<u>7,180,364.37</u>
Net Position, July 1	<u>17,955,585.30</u>	<u>134,049.49</u>	<u>18,089,634.79</u>
Net Position, June 30	<u>\$ 25,058,264.18</u>	<u>\$ 211,734.98</u>	<u>\$ 25,269,999.16</u>

See accompanying notes to financial statements.

## **B. FUND FINANCIAL STATEMENTS**

## GOVERNMENTAL FUNDS

MOUNTAIN LAKES SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

B-1  
Sheet #1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 6,632,611.69	\$ 139,888.77	\$ 1,529,400.59	\$ 139,952.61	\$ 8,441,853.66
Accounts Receivable:					
Federal		628,949.79			628,949.79
State	206,167.04	28,035.56	904,200.00		1,138,402.60
Tuition	1,425,218.71				1,425,218.71
Other Accounts Receivable				0.98	0.98
Interfunds Receivable	152,784.19				152,784.19
<b>Total Assets</b>	<b>\$ 8,416,781.63</b>	<b>\$ 796,874.12</b>	<b>\$ 2,433,600.59</b>	<b>\$ 139,953.59</b>	<b>\$ 11,787,209.93</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable:					
Payroll Deductions and Withholdings Payable	\$ 305,403.51	\$	\$	\$	\$ 305,403.51
Unemployment Compensation Claims Payable	49,112.55				49,112.55
Other	99,463.07	7,171.69			106,634.76
Interfunds Payable:					
General Fund		12,743.02		140,041.17	152,784.19
Intergovernmental Accounts Payable:					
State		23,106.25			23,106.25
Deferred Revenue	109,336.98	230,034.93			339,371.91
<b>Total Liabilities</b>	<b>563,316.11</b>	<b>273,055.89</b>		<b>140,041.17</b>	<b>976,413.17</b>
<b>Fund Balances:</b>					
Restricted:					
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	465,063.66				465,063.66
Legally Restricted - Designated for Subsequent Year's Expenditures	488,557.34				488,557.34
Capital Reserve	3,133,817.52				3,133,817.52
Maintenance Reserve	1,200,000.00				1,200,000.00
Tuition Reserve	400,000.00				400,000.00
Unemployment Compensation	372,388.34				372,388.34
Scholarships		62,642.01			62,642.01
Student Activities		461,176.22			461,176.22
Capital Projects			2,433,600.59		2,433,600.59
Debt Service				(87.58)	(87.58)
Assigned:					
Other Purposes	973,383.96				973,383.96
Unassigned	820,254.70				820,254.70
<b>Total Fund Balances</b>	<b>7,853,465.52</b>	<b>523,818.23</b>	<b>2,433,600.59</b>	<b>(87.58)</b>	<b>10,810,796.76</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,416,781.63</b>	<b>\$ 796,874.12</b>	<b>\$ 2,433,600.59</b>	<b>\$ 139,953.59</b>	<b>\$ 11,787,209.93</b>

Total Fund Balance above: \$ 10,810,796.76

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements. (See Note 9). 1,178,396.00

Accounts Payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements. (See Note 9). (6,185,672.00)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of capital assets is \$61,673,936.18 and the accumulated depreciation is \$22,272,285.00. (See Note 6). 39,401,651.18



MOUNTAIN LAKES SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

B-1  
Sheet #2

Lease assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of capital assets is \$1,888,154.19 and the accumulated amortization is \$681,998.19. (See Note 8).		\$ 1,206,156.00
Subscription-Based Information Technology Arrangements (SBITAs) used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the intangible assets is \$18,800.40 and the accumulated amortization is \$6,266.80 (See Note 8).		12,533.60
Long-term liabilities, including bonds payable, pension liability, lease liability, and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds. (See Note 7).		
Bonds Payable, Net	\$ (18,155,000.00)	
Lease Liability	(1,305,634.85)	
SBIT Liability	(12,812.27)	
Compensated Absences	<u>(1,742,432.00)</u>	
		(21,215,879.12)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.		<u>(149,718.24)</u>
Net Position of Governmental Activities (A-1)		<u><u>\$ 25,058,264.18</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

MOUNTAIN LAKES SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Local Sources:					
Local Tax Levy	\$ 23,768,426.00	\$	\$	\$ 1,653,853.00	\$ 25,422,279.00
Tuition Individuals	811,766.00				811,766.00
Tuition LEA's within the State	14,290,500.15				14,290,500.15
Tuition Other Sources	413,942.17				413,942.17
Tuition from Summer School	71,071.42				71,071.42
Transportation Fees from Individuals	7,997.00				7,997.00
Rents and Royalties	20,259.46				20,259.46
Unrestricted Miscellaneous Revenues	657,628.55				657,628.55
Total Revenues - Local Sources	40,041,590.75			1,653,853.00	41,695,443.75
Private Sources		738,161.11 *			738,161.11
State Sources	11,523,595.59	130,576.36	904,200.00	134,891.00	12,693,262.95
Federal Sources		550,588.86			550,588.86
Total Revenues	51,565,186.34	1,419,326.33	904,200.00	1,788,744.00	55,677,456.67
<b>Expenditures</b>					
Current:					
Regular Instruction	10,930,522.20	455,357.31			11,385,879.51
Special Education	6,735,979.12				6,735,979.12
Other Instruction	1,114,917.64				1,114,917.64
Support Services and Undistributed Costs:					
Tuition	797,785.81				797,785.81
Student and Instruction Related	4,362,391.34	962,712.87 **			5,325,104.21
General and Business Administrative	861,987.00				861,987.00
School Administration Services	1,573,593.05				1,573,593.05
Central Services	504,197.88				504,197.88
Administration of Information Technology	216,624.68				216,624.68
Plant Operations and Maintenance	3,667,285.12				3,667,285.12
Security	14,323.44				14,323.44
Pupil Transportation	755,626.46				755,626.46
Employee Benefits	16,482,929.14				16,482,929.14
Special Schools	461,053.64				461,053.64
Capital Outlay	660,540.60		715,602.41		1,376,143.01
Transfer to Charter School	15,777.00				15,777.00
Debt Service:					
Principal				1,300,000.00	1,300,000.00
Interest				488,743.76	488,743.76
Total Expenditures	49,155,534.12	1,418,070.18	715,602.41	1,788,743.76	53,077,950.47
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	2,409,652.22	1,256.15	188,597.59	0.24	2,599,506.20
Other Financing Sources (Uses):					
Transfer to Enterprise Fund	(46,509.32)				(46,509.32)
Transfers In			1,869,800.00		1,869,800.00
Transfers Out	(1,869,800.00)				(1,869,800.00)
Total Other Financing Sources (Uses)	(1,916,309.32)		1,869,800.00		(46,509.32)
Net Change in Fund Balance	493,342.90	1,256.15	2,058,397.59	0.24	2,552,996.88
Fund Balances, July 1,	7,360,122.62	522,562.08	375,203.00	(87.82)	8,257,799.88
Fund Balances, June 30	\$ 7,853,465.52	\$ 523,818.23	\$ 2,433,600.59	\$ (87.58)	\$ 10,810,796.76

\* Special Revenue Fund now includes revenues from student activities.

\*\* Special Revenue Fund now includes expenditures from student activities.

The accompanying notes to the financial statements are an integral part of this statement.

MOUNTAIN LAKES SCHOOL DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

B-3  
Sheet #1

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$2,552,996.88
Amount 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 capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (676,035.00)	
Capital Outlays	<u>1,327,845.01</u>	651,810.01
Loss on Disposal of Capital Assets		(74,276.00)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bond Payment		1,300,000.00
Governmental funds report lease principal payments as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which amortization expense exceeded lease principal payments in the period.		
Amortization Expense	(189,348.85)	
Lease Principal Payment	<u>169,909.98</u>	(19,438.87)
Governmental funds report outlays for Subscription-Based Information Technology Arrangements (SBITAs) as expenditures. However, in the statement of activities, the cost of those intangible assets is allocated over their subscription term as amortization expense. This is the amount by which SBITA outlays exceeded amortization expense in the period.		
Amortization Expense	(6,266.80)	
SBITA Outlays	<u>5,988.13</u>	(278.67)

MOUNTAIN LAKES SCHOOL DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

B-3  
Sheet #2

Ref.

Amount Reported for Governmental Activities in the Statement of Activities  
(A-2) are different because:

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.

\$2,928,896.00

In the statement of activities, certain operating expenses, e.g., compensated absences (vacation) are measured by the amounts earned during the year. In the governmental fund, 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Compensated Absences

(258,956.00)

Accrued Interest Payable:

Balance June 30, 2023

\$ 171,643.77

Balance June 30, 2024

(149,718.24)

21,925.53

Change in Net Position of Governmental Activities

A-2

\$7,102,678.88

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The accompanying notes to the financial statements are an integral part of this statement.

## PROPRIETARY FUNDS

MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

B-4

Business-Type  
Activities  
Enterprise Fund  
Food  
Service

ASSETS

Current Assets:

Cash and Cash Equivalents

\$ 180,018.82

Inventories:

Food

8,514.07

Total Current Assets

188,532.89

Noncurrent Assets:

Furniture, Machinery and Equipment

53,890.30

Less Accumulated Depreciation

(28,469.30)

Total Noncurrent Assets

25,421.00

Total Assets

\$ 213,953.89

LIABILITIES

Accounts Payable

\$ 2,218.91

Total Liabilities

\$ 2,218.91

NET POSITION

Invested in Capital Assets, Net of Related Debt

\$ 25,421.00

Unrestricted

186,313.98

Total Net Position

\$ 211,734.98

MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

B-5

Business-Type  
Activities  
Enterprise Fund  
Food  
Service

Operating Revenues:	
Charges for Services:	
Daily Sales - Nonprogram (Nonreimbursable Program) Meals	\$ 816,853.22
Miscellaneous	25,741.13
Total Operating Revenues	<u>842,594.35</u>
Operating Expenses:	
Cost of Sales - Nonreimbursable Programs	351,555.07
Salaries	266,399.02
Personnel Services - Employee Benefits	61,489.08
Purchased Services (Including Fixed Price Contract)	44,038.32
Other Purchased and Technical Service	14,617.55
Cleaning, Repairs and Maintenance Services	6,129.72
Insurance	34,954.18
General Supplies	27,386.26
Miscellaneous	14,867.15
Total Operating Expenses	<u>821,436.35</u>
Operating Income	<u>21,158.00</u>
Nonoperating Revenues (Expenses):	
Interest Income	10,018.17
Total Nonoperating Revenues (Expenses)	<u>10,018.17</u>
Income before Contributions and Transfers	<u>31,176.17</u>
Capital Contributions:	
Change in Capital Assets	<u>(25,421.00)</u>
Other Financing Sources (Uses):	
Operating Transfer In:	
Transfer of Funds	46,509.32
Total Other Financing Sources (Uses)	<u>46,509.32</u>
Change in Net Position	52,264.49
Total Net Position - Beginning	<u>134,049.49</u>
Total Net Position - Ending	<u>\$ 186,313.98</u>



MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF CASH FLOWS  
PROPRIETARY FUNDS  
JUNE 30, 2024

B-6

Business-Type  
Activities  
Enterprise Fund  
Food  
Service

<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Other Funds	\$ 816,853.22
Payments to Employees	(266,399.02)
Payments to Vendor	(449,075.93)
Payments for Employee Benefits	(61,489.08)
Payments to Suppliers	(42,634.61)
Net Cash Provided by (Used for) Operating Activities	<u>(2,745.42)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating Subsidies and Transfers to Other Funds	46,509.32
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>46,509.32</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchases of Capital Assets	(25,421.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(25,421.00)</u>
<u>Cash Flows from Investing Activities</u>	
Interest and Dividends	10,018.17
Net Cash Provided by (Used for) Investing Activities	<u>10,018.17</u>
Net Increase (Decrease) in Cash and Cash Equivalents	28,361.07
Balance - Beginning of Year	151,657.75
Balance - End of Year	<u>\$ 180,018.82</u>
 <u>Reconciliation of Operating Income (Loss) to Net</u>	
<u>Cash Provided (Used) by Operating Activities</u>	
Operating Income (Loss)	\$ 21,158.00
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used for) Operating Activities:	
Change in Assets and Liabilities:	
(Increase)/Decrease in Inventories	(381.20)
Increase/(Decrease) in Accounts Payable	2,218.91
(Increase)/Decrease in Deferred Inflows	(25,741.13)
Total Adjustments	<u>(23,903.42)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,745.42)</u>

**FIDUCIARY FUNDS (IF APPLICABLE)**

## **NOTES TO FINANCIAL STATEMENTS**

## **MOUNTAIN LAKES SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024**

#### **1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Mountain Lakes School District (the "District") is a Type II District located in the County of Morris, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K - 12. The District had an approximate enrollment at June 30, 2024 of 1,316 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- . the organization is legally separate (can sue or be sued in their own name)
- . the District holds the corporate powers of the organization
- . the District appoints a voting majority of the organization's board
- . the District is able to impose its will on the organization
- . the organization has the potential to impose a financial benefit/burden on the District
- . there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

##### **A. Basis of Presentation**

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

##### **1. Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **A. Basis of Presentation (Continued)**

#### **1. Government-Wide Financial Statements (Continued)**

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

#### **2. Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

### **B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

#### **1. Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund. This fund also includes payroll agency, payroll net and unemployment reserve accounts.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) as they pertain to governmental entities state 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 revenues.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Fund Accounting (Continued)**

#### **1. Governmental Funds (Continued)**

##### **General Fund (Continued)**

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 Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes. This fund also includes scholarship account and student activities accounts.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (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.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Permanent Fund** - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The District presently has no resources that are considered permanent funds.

#### **2. Proprietary Fund Type**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Fund of the District:

**Enterprise Fund** - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.



## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Fund Accounting (Continued)**

#### **2. Proprietary Fund Type (Continued)**

##### **Enterprise Fund (Continued)**

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Machinery and Equipment	5 - 12 Years

**Internal Service Funds** - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The District does not currently utilize any Internal Service Funds.

#### **3. Long-Term Debt**

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes serial bonds outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

### **C. Measurement Focus**

#### **1. Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

#### **2. Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.



## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **C. Measurement Focus (Continued)**

#### **2. Fund Financial Statements (Continued)**

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

### **D. Basis of Accounting**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

### **E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office for approval. Budgets which meet the tax levy cap requirements do not require voter approval. Budgets which exceed the tax levy cap require voter approval for the excess amount at the November election. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.).

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **E. Budgets/Budgetary Control (Continued)**

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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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 revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The overexpenditures related to on-behalf payments in the general fund are due to the inclusion of the nonbudgeted on-behalf payments made by the State of New Jersey as district expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures.

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund Revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Budgets/Budgetary Control (Continued)

#### Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 51,579,847.34	\$ 1,429,238.97
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(9,912.64)
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	(122,809.00)	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>108,148.00</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 51,565,186.34</u>	<u>\$ 1,419,326.33</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 51,025,334.12	\$ 1,427,982.82
Difference - 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.		<u>(9,912.64)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 51,025,334.12</u>	<u>\$ 1,418,070.18</u>

### F. 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 reservations of 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.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **F. Encumbrances (Continued)**

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred inflows 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.

### **G. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited to the types 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 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 public 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 at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

### **H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditures during the year of purchase.

Inventories in the Proprietary Funds 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, 2024.

### **I. Allowance for Uncollectible Accounts**

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

### **J. Tuition Receivable**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

### **K. Tuition Payable**

Tuition charges for the fiscal years 2022-23 and 2023-24 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.



## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **L. 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.

### **M. Capital Assets**

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 40 Years
Furniture and Equipment	7 - 20 Years
Vehicles	8 Years

### **N. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

### **O. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **P. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

### **Q. Net Position**

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, 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.

### **R. Deferred Inflows**

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned.

### **S. Fund Equity**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

### **T. Fund Balance**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. **Nonspendable** - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. **Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **T. Fund Balance (Continued)**

- c. Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- e. Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

### **U. Proprietary Funds Revenues and Expenses**

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **V. Rebutable Arbitrage**

Rebutable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebutable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

### **W. Allocation of Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, worker's compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".



## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **X. On-Behalf Payments**

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security and post-retirement medical and pension contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

### **Y. Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

### **Z. Accounting and Financial Reporting for Pensions**

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date-an Amendment to GASB No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Z. Accounting and Financial Reporting for Pensions (Continued)**

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

### **AA. Accounting and Financial Reporting for Other Post-Retirement Benefits ("OPEB")**

In 2018 the District implemented GASB #75 which addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, revenues and expense/expenditures. The Statement GASB #45 supersedes Accounting and Financial Reporting for Post-Employment Benefits with other than Pension.

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements.

### **AB. GASB Statement No. 84 Fiduciary Activities**

The District implemented GASB Statement No. 84 Fiduciary Activities on July 1, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District reclassified the payroll agency, payroll net and unemployment reserve accounts to the General Fund. The Special Revenue Fund was adjusted to include student activities and scholarship accounts. There was no adverse impact on the financial statements of the District.

### **AC. Other Accounting Standards**

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- ***GASB Statement No. 101. Compensated Absences.*** The objectives of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

Effective Date: The requirements of this Statement that are effective for fiscal years beginning after December 15, 2023. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

- ***GASB Statement No. 102. Certain Risk Disclosures.*** The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **AC. Other Accounting Standards (Continued)**

Effective Date: The requirements of this Statement that are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

- *GASB Statement No. 103. Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

- *GASB Statement No. 104. Disclosure of Certain Capital Assets.* The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

## **3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

Investments are stated at cost, which approximates market. 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. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

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, 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.

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%.

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.



### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

**Custodial Credit Risk** - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Board will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Board does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

**Interest Rate Risk** - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Board's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

Lakeland Bank - Checking and Money Market Accounts	<u>\$8,621,872.48</u>
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The carrying amount of the Board's cash and cash equivalents at June, 30, 2024 was \$10,181,971.93. Of the bank balance, \$250,000.00 was covered by Federal Depository Insurance and \$9,931,971.93 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental unit's deposits in excess of the Federal deposit maximums. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40.

Of the total amount, deposits of \$3,473,456.86 have been earmarked towards the Capital Reserve Account (See Note 4).

The District had no securities as of June 30, 2024 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

New Jersey P.L. 2017, c. 310 permits the Board of Education to purchase various investments in accordance with the Board's Cash Management Plan.

### 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the district. 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 department, 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. Pursuant to N.J.A.C. 6:23A-14.1(g), 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, 2023 to June 30, 2024 fiscal year is as follows:

#### **4. CAPITAL RESERVE ACCOUNT (Continued)**

Beginning Balance, July 1, 2023	\$ 3,733,256.86
Increased by:	
Transfer by Board of Education	<u>2,400,000.00</u>
	6,133,256.86
Decreased by:	
Budgeted Transfer to Capital Outlay	<u>2,659,800.00</u>
Ending Balance, June 30, 2024	<u><u>\$ 3,473,456.86</u></u>

#### **5. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**

Intergovernmental Accounts Receivable at June 30, 2024 consisted of Federal Source, State Sources and transportation. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables are as follows:

	<u>Governmental Fund Financial Statements</u>
State Aid:	
General Fund:	
TPAF FICA Reimbursement	\$ 70,707.04
Extraordinary Aid	123,630.00
Nonpublic Transportation Aid	<u>11,830.00</u>
	<u><u>\$ 206,167.04</u></u>
Special Revenue Fund:	
State Source	<u><u>\$ 28,035.56</u></u>
Federal Source	<u><u>\$ 628,949.79</u></u>
Capital Projects Funds:	
SDA Grant:	
State Sources	<u><u>\$ 904,200.00</u></u>

## 6. CAPITAL ASSETS

Capital Asset Activity for the year ended June 30, 2024 was as follows:

	Beginning Balance June 30, 2023	Additions	Retirements	Ending Balance June 30, 2024
<u>Governmental Activities</u>				
Nondepreciable Assets:				
Sites	\$ 300,000.00	\$	\$	\$ 300,000.00
Construction-in-Progress	17,034,867.22	715,602.41		17,750,469.63
	<u>17,334,867.22</u>	<u>715,602.41</u>		<u>18,050,469.63</u>
Depreciable Assets:				
Site Improvements	678,427.40			678,427.40
Buildings and Improvements	38,073,675.68			38,073,675.68
Machinery and Equipment	4,471,157.87	612,242.60	212,037.00	4,871,363.47
	<u>43,223,260.95</u>	<u>612,242.60</u>	<u>212,037.00</u>	<u>43,623,466.55</u>
Total Assets	60,558,128.17	1,327,845.01	212,037.00	61,673,936.18
Less Accumulated Depreciation:				
Buildings and Improvements	<u>(21,734,011.00)</u>	<u>(676,035.00)</u>	<u>(137,761.00)</u>	<u>(22,272,285.00)</u>
Governmental Activities - Net Capital Assets	<u>\$ 38,824,117.17</u>	<u>\$ 651,810.01</u>	<u>\$ 74,276.00</u>	<u>\$ 39,401,651.18</u>
<u>Capital Outlay</u>				
General		\$ 660,540.60		
Capital Projects		715,602.41		
		<u>1,376,143.01</u>		
Adjustments:				
Assessments for Debt Service		<u>(48,298.00)</u>		
Total Additions to Capital Assets		<u>\$ 1,327,845.01</u>		

The following is a summary of Proprietary Fund Type Capital Assets at June 30, 2024:

Machinery and Equipment	\$ 53,890.30
Less: Accumulated Depreciation	<u>(28,469.30)</u>
Net Capital Assets	<u>\$ 25,421.00</u>

## 7. LONG-TERM DEBT

### Long-Term Liability Conversion Schedule - June 30, 2024

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>	<u>Long-Term Portion</u>
Bonds Payable	\$ 19,455,000.00	\$	\$ 1,300,000.00	\$ 18,155,000.00	\$ 1,260,000.00	\$ 16,895,000.00
Financing Lease	1,323,145.55		135,949.33	1,187,196.22	143,996.12	1,043,200.10
Operating Lease		152,399.28	33,960.65	118,438.63	35,381.39	83,057.24
Subscription-Based Information Technology Arrangements		18,800.40	5,988.13	12,812.27	6,262.60	6,549.67
Net Pension Liability	6,740,263.00			6,740,263.00		6,740,263.00
Compensated Absences	<u>1,483,476.00</u>	<u>258,956.00</u>		<u>1,742,432.00</u>		<u>1,742,432.00</u>
	<u>\$ 29,001,884.55</u>	<u>\$ 430,155.68</u>	<u>\$ 1,475,898.11</u>	<u>\$ 27,956,142.12</u>	<u>\$ 1,445,640.11</u>	<u>\$ 26,510,502.01</u>



## 7. LONG-TERM DEBT (Continued)

### A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. Interest rates on outstanding bonds are from 2.00% to 5.00%.

Principal and interest due on serial bonds outstanding is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,721,562.51	\$ 1,260,000.00	\$ 461,562.51
2026	1,634,756.26	1,200,000.00	434,756.26
2027	1,572,281.26	1,165,000.00	407,281.26
2028	1,509,231.26	1,130,000.00	379,231.26
2029	1,462,393.76	1,110,000.00	352,393.76
2030	1,032,381.26	700,000.00	332,381.26
2031	1,042,678.13	725,000.00	317,678.13
2032	1,041,650.00	740,000.00	301,650.00
2033	1,034,418.75	750,000.00	284,418.75
2034	1,026,012.50	760,000.00	266,012.50
2035	1,020,856.25	775,000.00	245,856.25
2036	1,013,350.00	790,000.00	223,350.00
2037	999,500.00	800,000.00	199,500.00
2038	975,500.00	800,000.00	175,500.00
2039	951,500.00	800,000.00	151,500.00
2040	902,875.00	775,000.00	127,875.00
2041	879,625.00	775,000.00	104,625.00
2042	856,375.00	775,000.00	81,375.00
2043	833,125.00	775,000.00	58,125.00
2044	809,875.00	775,000.00	34,875.00
2045	786,625.00	775,000.00	11,625.00
	<u>\$ 23,106,571.94</u>	<u>\$ 18,155,000.00</u>	<u>\$ 4,951,571.94</u>

### B. Bonds Authorized but Not Issued

As of June 30, 2024, the Board had no authorized but not issued bonds.

## 8. LEASES

In June 2017, the Governmental Accounting Standards Board issued GASB No. 87, Leases. This GASB increases the transparency and comparability of organizations by requiring the capitalization of substantially all leases on the balance sheet and disclosures of key information about leasing arrangements. Under this new guidance, at the lease commencement date, a lessee recognizes a right-of-use asset and lease liability, which is initially measured at the present value of the future lease payments. For income statement purposes, a dual model was retained for lessees, requiring leases to be classified as either operating or finance leases. Under the operation lease model, lease expense is recognized on a straight-line basis over the lease term. Under the finance lease model, interest on the lease liability is recognized separately from amortization of the right-of-use assets.

## 8. LEASES (Continued)

The District determines if an arrangement contains a lease at the inception of a contract. The lease classification is determined at the commencement date. Right-of-use assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the District's obligation to make lease payments arising from the lease term. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments during the lease term. Lease commencement is the date the District has the right to control the property. The District utilizes its incremental borrowing rate to discount the lease payments. The incremental borrowing rate is based on the District's estimated rate of interest for a collateralized borrowing over a similar term as the lease term. The operating lease right-of-use assets also include lease payments made before commencement, lease incentives and are recorded net of impairment. Operating leases are expensed on a straight-line basis over the lease term.

The District accounts for lease components and non-lease components as a single lease component. Variable lease payment amounts that cannot be determined at the commencement of the lease such as increases in lease payments based on changes in index rates or usage are not included in the right-of-use assets or lease liabilities. These are expensed as incurred.

Finance leases are recognized as a noncurrent asset and as a finance lease liability within accrued expenses and other liabilities and other noncurrent liabilities.

Supplemental balance sheet information related to leases were as follows:

Balance Sheet Supplemental Information:	June 30, 2024
Operating Leases:	
Operating Lease Right-of-Use Assets	<u>\$ 118,439</u>
Operating Lease Obligations - Current	35,381
Operating Lease Obligations - Noncurrent	<u>83,058</u>
Total Operating Lease Obligations	<u>\$ 118,439</u>
Finance Leases:	
Right-of-Use Assets Included in:	
Property, Plant and Equipment, Net	<u>\$ 1,087,717</u>
Lease Obligations Included in:	
Other Noncurrent Liabilities	<u>1,187,196</u>
Total Finance Lease Obligations	<u>\$ 1,187,196</u>

Average lease term and discount rates as of June 30, 2024 were as follows:

Weighted Average Terms and Discount Rates:	June 30, 2024
Weighted Average Remaining Lease Terms in Years:	
Operating Leases	3.24
Finance Leaseas	7.00
Weighted Average Discount Rate:	
Operating Leases	3.84%
Finance Leases	5.44%

## 8. LEASES (Continued)

The aggregate future lease payments for operating and finance Leases as of June 30, 2024 were as follows:

	<u>Finance Lease</u>	<u>Operating Lease</u>
Future Lease Payments (Fiscal Years)		
2025	\$ 170,099	\$ 38,907
2026	175,139	38,907
2027	180,298	38,907
Later	<u>766,845</u>	<u>8,659</u>
Total Undiscounted Minimum Lease Payments	1,292,381	125,380
Less: Present Value Discount	<u>(105,185)</u>	<u>(6,941)</u>
Lease Liability	<u>\$ 1,187,196</u>	<u>\$ 118,439</u>

## 9. SUBSCRIPTION LEASES

In June 2022, GASB Statement No. 96, Subscription-Based Information Technology Arrangements was implemented providing School Districts guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users. Under this new guidance, the District must disclose and report any SBITAs in excess of one year with the following information. A general description of its SBITAs, including the basis, terms and conditions on which variable payments not included in the measurement of the subscription liability are determined; the total amount of subscription assets, and the related accumulated amortization, disclosed separately from other capital assets; the amount of outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the subscription liability; the amount of outflows of resources recognized in the reporting period for other payments, such as termination penalties, not previously included in the measurement of the subscription liability, principal and interest requirements to maturity, presented separately, for the subscription liability for each of the five subsequent fiscal years and in five-year increments thereafter and commitments under SBITAs before the commencement of the subscription term; the components of any loss associated with an impairment. The Mountain Lakes School District has reviewed all their SBITAs and determined that they have one agreement in excess of one year.

Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 6,262.60
2026	<u>6,549.66</u>
	<u>\$12,812.26</u>

## **10. PENSION PLANS**

### **Description of Plans**

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P. O. Box 295, Trenton, New Jersey 08625.

### **Teachers' Pension and Annuity Fund (TPAF)**

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

### **Public Employees' Retirement System (PERS)**

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

### **Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60<sup>th</sup> of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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.

### **Significant Legislation**

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.



## **10. PENSION PLANS (Continued)**

### **Significant Legislation (Continued)**

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

### **Contribution Requirements**

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 7.50% of employees' annual compensation, as defined.

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium. Under current statute, the school is a noncontributing employer of the TPAF.

### **Three-Year Trend Information for PERS**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2024	\$ 570,775	\$570,775	100%
June 30, 2023	563,322	563,322	100%
June 30, 2022	574,465	574,465	100%

## 10. PENSION PLANS (Continued)

### Contribution Requirements (Continued)

#### Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Post-</u> <u>Retirement</u> <u>Medical</u> <u>Benefits</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>
June 30, 2024	\$6,820,287	100%	\$1,856,233	\$2,196
June 30, 2023	6,814,087	100%	1,790,044	2,110
June 30, 2022	6,977,710	100%	1,630,275	2,344

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$6,820,287 to the TPAF for normal pension, \$1,856,233 for post-retirement medical benefits and \$2,196 for long-term disability insurance On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,421,442.59 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

### Teachers' Pension and Annuity Fund (TPAF)

#### Summary of Significant Accounting Policies

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 Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### Teachers' Pension and Annuity Fund (TPAF) (Continued)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is 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 district (employer) does 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 district. However, the State's portion of the net pension liability that was associated with the District was \$83,898,610, as measured on June 30, 2023 and \$86,235,596 as measured on June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$2,124,551 and revenue of \$2,124,551 for support provided by the State. The measurement period for the pension expense and revenue reported in the District's financial statements (A-2) at June 30, 2024 is based upon changes in the collective net pension liability with a measurement period of June 30, 2022 through June 30, 2023. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2022 and June 30, 2023.

Although the District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the District. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.



## 10. PENSION PLANS (Continued)

### Teachers' Pension and Annuity Fund (TPAF) (Continued)

#### Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective Deferred Outflows of Resources	\$ 2,413,548,676	\$ 4,885,289,911
Collective Deferred Inflows of Resources	14,741,373,312	19,563,805,393
Collective Net Pension Liability (Nonemployer - State of New Jersey)	51,109,961,824	51,594,415,806
State's Portion of the Net Pension Liability that was Associated with the District	86,235,596	80,523,883
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.1671413415%	0.1674957296%

#### Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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%

Preretirement 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 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

## 10. PENSION PLANS (Continued)

### Teachers' Pension and Annuity Fund (TPAF) (Continued)

#### Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

#### Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 based on 100% of the actuarially determined contributions for the State. 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

Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf23.pdf>.

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

## 10. PENSION PLANS (Continued)

### Public Employees' Retirement System (PERS)

#### Summary of Significant Accounting Policies

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

At June 30, 2024, the District reported a liability of \$6,185,672 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2022. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2023 and 2022. At June 30, 2023, the District's proportion was 0.0427058256%, which was a decrease of 0.0019571841% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$(564,500). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 59,143	\$ 25,285
Changes of Assumptions	13,589	374,878
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,486	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		879,451
District Contributions Subsequent to the Measurement Date	<u>570,775</u>	
Total	<u>\$ 671,993</u>	<u>\$ 1,279,614</u>

The \$101,218 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2024 the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

# **10. PENSION PLANS (Continued)**

## **Public Employees' Retirement System (PERS) (Continued)**

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

<u>Year Ended June 30</u>	<u>Amount</u>
2024	\$(326,580)
2025	(182,285)
2026	254,731
2027	(45,587)
2028	775
	<u>\$(298,946)</u>

#### ***Additional Information:***

Collective balances at June 30, 2023 and 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective Deferred Outflows of Resources	\$ 1,080,204,730	\$ 1,715,543,211
Collective Deferred Inflows of Resources	1,780,216,457	4,112,583,758
Collective Net Pension Liability (Nonstate - Local Group)	14,606,489,066	15,219,184,920
District's Portion of Net Pension Liability	6,185,672	6,740,263
District's Proportion Percentage	0.0427058256%	0.0446630097%

#### **Actuarial Assumptions**

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Preretirement 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 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.



## 10. PENSION PLANS (Continued)

### Public Employees' Retirement System (PERS) (Continued)

#### Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

#### Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

#### Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 on 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 to determine the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

## 10. PENSION PLANS (Continued)

### **Public Employees' Retirement System (PERS) (Continued)**

#### **Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate (Continued)**

	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's Proportionate Share of the Collective Net Pension Liability	\$ 8,120,317	\$ 6,237,822	\$ 4,635,570

#### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

## 11. POST-RETIREMENT BENEFITS

### **General Information about the OPEB Plan**

#### **State Health Benefit State Retired Employees Plan**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for pay-as-you-go PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions and Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.



## 11. POST-RETIREMENT BENEFITS (Continued)

### General Information about the OPEB Plan (Continued)

#### Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB's No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage: [nj.gov/treasury/omb/fr.shtml](http://nj.gov/treasury/omb/fr.shtml).

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2023 actuarial valuation reported by the State in the State's most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

#### Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2023. 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:

#### Total Nonemployer OPEB Liability (Continued)

Total Nonemployer OPEB Liability	\$52,361,668,239	
	<u>TPA/ABP</u>	<u>PERS</u>
Salary Increases:	2.75% - 4.25%	2.75% - 6.55%
	Based on	Based on
	Service Years	Service Years

Preretirement 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. Postretirement 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 was 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.

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRE experience studies prepared for July 1, 2018 to June 30, 2021.

#### Health Care Trend Assumptions

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 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

## 11. POST-RETIREMENT BENEFITS (Continued)

### General Information about the OPEB Plan (Continued)

#### Discount Rate

The discount rate to measure the total OPEB liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. 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 Total OPEB Liability Reported by the State of New Jersey

	<u>Increase/(Decrease)</u>
	<u>Total OPEB Liability</u>
Balance Recognized at June 30, 2023 (Based on June 30, 2022 Measurement Date)	<u>\$ 50,646,462,966</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,136,235,476
Interest on the Total OPEB Liability	1,844,113,951
Changes of Benefit Terms	0
Differences Between Expected and Actual Experience	(980,424,863)
Changes of Assumptions	105,539,463
Gross Benefit Payments <sup>1</sup>	N/A
Contributions from the Employer <sup>1</sup>	(1,390,258,754)
Contributions from Members <sup>1</sup>	N/A
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>1,715,205,273</u>
Balance Recognized at June 30, 2024 (Based on June 30, 2023 Measurement Date)	<u>\$ 52,361,668,239</u>

<sup>1</sup>Data provided by the State.

At June 30, 2023, the State's proportionate share of the OPEB liability attributable to the District is \$79,341,300. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund - Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the State's share of the OPEB liability attributable to the District was .15153%, which was a decrease of .00053% from its proportionate share measured as of June 30, 2022 of .15685%.

There were no changes of benefit term.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent in 2022 to 3.65 percent in 2023.

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

The following presents the total nonemployer OPEB liability as of June 30, 2023 and 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

# 11. POST-RETIREMENT BENEFITS (Continued)

## **Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate (Continued)**

	June 30, 2023		
	At 1% Decrease 2.65%	At Discount Rate 3.65%	At 1% Increase 4.65%
Total OPEB Liability (School Retirees)	\$ 93,014,053	\$ 79,341,300	\$ 68,363,667
	June 30, 2022		
	At 1% Decrease 2.54%	At Discount Rate 3.54%	At 1% Increase 4.54%
Total OPEB Liability (School Retirees)	\$ 93,372,101	\$ 79,438,926	\$ 68,272,183

## **Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the total nonemployer OPEB liability as of June 30, 2023 and 2022, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability (School Retirees)	\$ 65,865,511	\$ 79,341,300	\$ 96,974,404
	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability (School Retirees)	\$ 65,661,128	\$ 79,438,926	\$ 97,536,900

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

For the year ended June 30, 2024, the board of education recognized OPEB expense of \$1,803,404 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB's No. 75 and in which there is a special funding situation. This amount has been included in the District-Wide Statement of Activities (accrual basis) as a Revenue and Expense in accordance with GASB No. 85.

In accordance with GASB's No. 75, the Mountain Lakes Board of Education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

## 11. POST-RETIREMENT BENEFITS (Continued)

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
(1) Difference Between Actual and Expected Experience	\$ 2,423,833,873	\$ 7,622,142,141
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
(3) Assumption Changes	<u>2,953,930,039</u>	<u>5,322,439,580</u>
(4) Sub-Total	5,377,763,912	12,944,581,721
(5) Contributions Made in Fiscal Year Ending 2024 After Measurement Date	<u>TBD</u>	<u>N/A</u>
(6) Total	<u>\$ TBD</u>	<u>\$ 12,944,581,721</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in the OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2024	\$ (1,937,495,912)
2025	(1,800,859,954)
2026	(1,402,986,516)
2027	(552,616,135)
2028	(638,913,116)
Total Thereafter	<u>(1,233,946,176)</u>
	<u>\$ (7,566,817,809)</u>

## 12. DEFINED CONTRIBUTION RETIREMENT PROGRAM

### Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the minimum base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.



## **12. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)**

### **Description of System (Continued)**

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

### **Contributions Required and Made**

Contributions made by employees for DCRP are currently at 5.5% of their base wages. The employer contribution is 4.05%, which includes a member contribution match of 3.0%, Group Life Insurance is .74% of gross wages and Long-Term Disability is .31% of gross wages. Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>School District</u>
2024	\$37,934.16
2023	47,539.00
2022	46,533.35

## **13. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

### 13. COMPENSATED ABSENCES (Continued)

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, 2024, no liability existed for compensated absences in the Proprietary Fund types.

### 14. DEFERRED COMPENSATION

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits 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.

### 15. 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.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

### 16. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets at June 30, 2024:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$152,784.19	\$
Special Revenue Fund		12,743.02
Debt Service Fund		<u>140,041.17</u>
	<u>\$152,784.19</u>	<u>\$152,784.19</u>

### 17. INVENTORY

Inventory in the Enterprise Fund for regular food and supplies at June 30, 2024 was \$8,514.07 and is stated at lower of cost or market.



## **18. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$7,853,465.52 General Fund fund balance at June 30, 2024, \$973,383.96 is reserved for encumbrances; \$3,133,817.52 has been reserved in the Capital Reserve Account; \$1,200,000.00 has been reserved in the Maintenance Reserve Account; \$400,000.00 has been reserved in the Tuition Reserve; \$465,063.66 is reserved as excess surplus designated for subsequent years' expenditures; \$488,557.34 is reserved as legally restricted - designated for subsequent year's expenditures, \$372,388.34 is reserved for unemployment compensation and \$820,254.70 is unreserved and undesignated.

**Special Revenue Fund** - Of the \$523,818.23 Special Revenue Fund fund balance at June 30, 2024, \$62,642.01 is restricted for the scholarship fund and \$461,176.22 for student activities.

**Debt Service Fund** - The Debt Service Fund balance at June 30, 2024 is \$(87.58).

## **19. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved 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 reserve General Fund 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 years' budget. There was no excess surplus as of June 30, 2024.

## **20. SECONDARY MARKET DISCLOSURE**

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

## **21. CONTINGENT LIABILITIES**

### **A. Litigation**

No litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a material adverse impact on the financial condition of the Board of Education

General liability and other claims, currently pending against the School District, are handled by insurance carriers.

### **B. Federal and State Awards**

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provisions have been recorded in the accompanying general purpose financial statements for such contingencies.

## **22. RECONCILIATION OF FUND BALANCE - GENERAL FUND**

The Surpluses are presented on a GAAP basis and a reconciliation from the budget basis to the GAAP basis is as follows:

	<u>Unreserved and Designated</u>
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	\$ 7,976,274.52
Less: Allocation of State Aid Payment of \$122,809.00 Not Recognized on a GAAP Basis	<u>(122,809.00)</u>
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	<u><u>\$ 7,853,465.52</u></u>

## **23. TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

## **24. SUBSEQUENT EVENT**

The Mountain Lakes School District has evaluated subsequent events that occurred after the balance sheet date, but before January 7, 2025. Based upon this evaluation, the District has determined that no disclosures are needed.

## REQUIRED SUPPLEMENTARY INFORMATION - PART II

### C. BUDGETARY COMPARISON SCHEDULES

MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
**Sheet #1**

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual <u>Positive (Negative)</u>
<b>Revenues</b>					
Local Sources:					
Local Tax Levy	\$23,768,426.00	\$	\$23,768,426.00	\$23,768,426.00	\$
Tuition from Individuals	540,574.00		540,574.00	811,766.00	271,192.00
Tuition from Other LEA's within the State	11,589,307.00		11,589,307.00	14,290,500.15	2,701,193.15
Tuition from Other Sources	232,500.00		232,500.00	413,942.17	181,442.17
Tuition from Summer School	81,389.00		81,389.00	71,071.42	(10,317.58)
Transportation Fees from Individuals	9,800.00		9,800.00	7,997.00	(1,803.00)
Rents and Royalties	16,197.00		16,197.00	20,259.46	4,062.46
Interest Earned on Maintenance Reserve	50.00		50.00		(50.00)
Interest Earned on Capital Reserve Funds	100.00		100.00		(100.00)
Unrestricted Miscellaneous Revenues	108,487.00		108,487.00	657,628.55	549,141.55
Total - Local Sources	<u>36,346,830.00</u>		<u>36,346,830.00</u>	<u>40,041,590.75</u>	<u>3,694,760.75</u>
State Sources:					
Security Aid	67,173.00		67,173.00	67,173.00	
Special Educational Aid	1,157,088.00		1,157,088.00	1,157,088.00	
Transportation Aid	78,377.00		78,377.00	78,377.00	
Nonpublic Transportation Aid				11,830.00	11,830.00
Extraordinary Aid	79,549.00		79,549.00	123,630.00	44,081.00
Nonbudgeted:					
On-Behalf Contributions:					
TPAF - Pension Contributions				6,820,287.00	6,820,287.00
TPAF - Post-Retirement Medical Contributions				1,856,233.00	1,856,233.00
TPAF - Long-Term Disability Insurance Contributions				2,196.00	2,196.00
Reimbursed TPAF Social Security Contributions				1,421,442.59	1,421,442.59
Total - State Sources	<u>1,382,187.00</u>		<u>1,382,187.00</u>	<u>11,538,256.59</u>	<u>10,156,069.59</u>
Total Revenues	<u>\$37,729,017.00</u>	<u>\$ -</u>	<u>\$37,729,017.00</u>	<u>\$51,579,847.34</u>	<u>\$ 13,850,830.34</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
Sheet #2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Positive (Negative)</u>
<u>Expenditures</u>					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$ 376,808.00	\$ (234,862.00)	\$ 141,946.00	\$ 141,910.00	\$ 36.00
Kindergarten	345,244.00	(35,040.00)	310,204.00	310,204.00	
Grades 1 - 5	2,966,611.00	(151,034.00)	2,815,577.00	2,792,049.33	23,527.67
Grades 6 - 8	2,280,474.00	75,858.00	2,356,332.00	2,332,858.35	23,473.65
Grades 9 - 12	4,834,781.00	(322,554.00)	4,512,227.00	4,492,930.28	19,296.72
Regular Programs - Home Instruction:					
Salaries of Teachers		5,728.00	5,728.00	5,725.00	3.00
Purchased Professional-Educational Services	15,000.00	(11,496.84)	3,503.16	3,502.70	0.46
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	227,824.00	(24,330.00)	203,494.00	203,491.59	2.41
Purchased Professional-Educational Services	734.00	(734.00)			
Purchased Technical Services	35,135.00	(35,135.00)			
Other Purchased Services (400 - 500 Series)	363,250.00	21,779.39	385,029.39	348,450.75	36,578.64
General Supplies	325,155.00	3,439.42	328,594.42	229,382.78	99,211.64
Textbooks	86,300.00	(25,391.55)	60,908.45	59,446.72	1,461.73
Other Objects	22,000.00	(10,226.00)	11,774.00	10,570.70	1,203.30
Total Regular Programs	<u>11,879,316.00</u>	<u>(743,998.58)</u>	<u>11,135,317.42</u>	<u>10,930,522.20</u>	<u>204,795.22</u>
Special Education:					
Visual Impairments - Instruction:					
Salaries of Teachers		8,370.00	8,370.00	8,370.00	
Total Visual Impairments		<u>8,370.00</u>	<u>8,370.00</u>	<u>8,370.00</u>	
Auditory Impairments - Instruction:					
Salaries of Teachers	2,968,056.00	509,438.67	3,477,494.67	3,341,839.34	135,655.33
Other Salaries for Instruction	580,168.00	118,083.00	698,251.00	698,249.97	1.03
Other Purchased Services (400 - 500 Series)		1,729.00	1,729.00	1,729.00	
General Supplies	40,000.00	(6,754.01)	33,245.99	28,989.98	4,256.01
Textbooks	15,000.00	(15,000.00)			
Other Objects		11,064.00	11,064.00	3,541.00	7,523.00
Total Auditory Impairments	<u>3,603,224.00</u>	<u>618,560.66</u>	<u>4,221,784.66</u>	<u>4,074,349.29</u>	<u>147,435.37</u>
Emotional Regulation Impairment:					
Salaries of Teachers	164,036.00	(2,046.00)	161,990.00	161,990.00	
Total Emotional Regulation Impairment	<u>164,036.00</u>	<u>(2,046.00)</u>	<u>161,990.00</u>	<u>161,990.00</u>	



MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
**Sheet #3**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Positive (Negative)
<b>Expenditures</b>					
Current Expense:					
Special Education:					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,913,779.00	\$ 63,174.00	\$ 1,976,953.00	\$ 1,976,952.83	\$ 0.17
General Supplies	8,780.00	(3,444.78)	5,335.22	5,119.04	216.18
Textbooks	1,200.00	(1,200.00)			
Total Resource Room/Resource Center	<u>1,923,759.00</u>	<u>58,529.22</u>	<u>1,982,288.22</u>	<u>1,982,071.87</u>	<u>216.35</u>
Special Education:					
Home Instruction:					
Salaries of Teachers	521,361.00	(7,498.00)	513,863.00	488,334.92	25,528.08
Purchased Professional-Educational Services	15,000.00	(11,310.51)	3,689.49	3,689.47	0.02
Other Purchased Services (400 - 500 Series)	22,000.00	(3,595.00)	18,405.00	17,173.57	1,231.43
General Supplies	3,000.00	(3,000.00)			
Total Home Instruction	<u>561,361.00</u>	<u>(25,403.51)</u>	<u>535,957.49</u>	<u>509,197.96</u>	<u>26,759.53</u>
Total Special Education	<u>6,252,380.00</u>	<u>658,010.37</u>	<u>6,910,390.37</u>	<u>6,735,979.12</u>	<u>174,411.25</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	260,000.00	(5,224.34)	254,775.66	249,893.49	4,882.17
Purchased Services (300 - 500 Series)	200.00		200.00	68.80	131.20
Supplies and Materials	6,025.00	(3,312.70)	2,712.30	2,296.15	416.15
Other Objects		2,339.00	2,339.00	1,195.00	1,144.00
Total School-Sponsored Cocurricular Activities	<u>266,225.00</u>	<u>(6,198.04)</u>	<u>260,026.96</u>	<u>253,453.44</u>	<u>6,573.52</u>
School-Sponsored Athletics:					
Salaries	667,792.00	(2,441.00)	665,351.00	664,390.05	960.95
Purchased Services (300 - 500 Series)	30,000.00	(1,971.00)	28,029.00	27,999.36	29.64
Supplies and Materials	80,000.00	(6,815.50)	73,184.50	72,917.48	267.02
Other Objects	76,200.00	22,803.00	99,003.00	96,157.31	2,845.69
Total School-Sponsored Athletics	<u>853,992.00</u>	<u>11,575.50</u>	<u>865,567.50</u>	<u>861,464.20</u>	<u>4,103.30</u>
Total - Instruction	<u>19,251,913.00</u>	<u>(80,610.75)</u>	<u>19,171,302.25</u>	<u>18,781,418.96</u>	<u>389,883.29</u>
Undistributed Expenditures:					
Instruction:					
Tuition to County Vocational School Districts - Regular	251,000.00	4,011.00	255,011.00	235,573.80	19,437.20
Tuition to Private Schools for the Disabled W/I State	888,810.00	(266,812.98)	621,997.02	530,574.75	91,422.27
Total Instruction	<u>1,139,810.00</u>	<u>(262,801.98)</u>	<u>877,008.02</u>	<u>766,148.55</u>	<u>110,859.47</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
**Sheet #4**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Positive (Negative)
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	\$	\$ 37,095.00	\$ 37,095.00	\$ 31,637.26	\$ 5,457.74
Total Attendance and Social Work Services		<u>37,095.00</u>	<u>37,095.00</u>	<u>31,637.26</u>	<u>5,457.74</u>
Health Services:					
Salaries	693,994.00	4,494.00	698,488.00	697,352.34	1,135.66
Purchased Professional and Technical Services	350,000.00	13,231.75	363,231.75	310,062.26	53,169.49
Other Purchased Services (400 - 500 Series)	250.00	(250.00)			
Supplies and Materials	9,400.00	(4,107.00)	5,293.00	3,290.19	2,002.81
Other Objects		85.00	85.00	85.00	
Total Health Services	<u>1,053,644.00</u>	<u>13,453.75</u>	<u>1,067,097.75</u>	<u>1,010,789.79</u>	<u>56,307.96</u>
Speech, OT, PT and Related Services:					
Salaries	173,129.00	(1,759.00)	171,370.00	171,282.00	88.00
Purchased Professional-Educational Services		5,250.00	5,250.00	5,250.00	
Supplies and Materials	1,150.00	(596.34)	553.66	553.66	
Total Speech, OT, PT and Related Services	<u>174,279.00</u>	<u>2,894.66</u>	<u>177,173.66</u>	<u>177,085.66</u>	<u>88.00</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	310,880.00	9,651.00	320,531.00	320,167.05	363.95
Total Other Support Services - Students - Extraordinary Services	<u>310,880.00</u>	<u>9,651.00</u>	<u>320,531.00</u>	<u>320,167.05</u>	<u>363.95</u>
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	776,091.00	(36,175.00)	739,916.00	709,842.44	30,073.56
Salaries of Secretarial and Clerical Assistants	112,138.00	(13,501.00)	98,637.00	98,636.15	0.85
Purchased Professional-Educational Services		7,050.00	7,050.00	7,050.00	
Other Purchased Services (400 - 500 Series)	2,806.00	(2,806.00)			
Supplies and Materials	16,000.00	(4,048.00)	11,952.00	11,507.06	444.94
Other Objects	9,600.00	(1,823.00)	7,777.00	7,596.04	180.96
Total Other Support Services - Students - Guidance	<u>916,635.00</u>	<u>(51,303.00)</u>	<u>865,332.00</u>	<u>834,631.69</u>	<u>30,700.31</u>
Other Support Services - Students - Child Study Teams:					
Salaries of Other Professional Staff	828,429.00	35,368.00	863,797.00	863,782.41	14.59
Salaries of Secretarial and Clerical Assistants	104,038.00	1,681.00	105,719.00	105,634.19	84.81
Supplies and Materials	8,280.00	9,206.12	17,486.12	7,150.80	10,335.32
Total Other Support Services - Students - Child Study Teams	<u>940,747.00</u>	<u>46,255.12</u>	<u>987,002.12</u>	<u>976,567.40</u>	<u>10,434.72</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
Sheet #5

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Positive (Negative)
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 654,408.00	\$ (11,862.00)	\$ 642,546.00	\$ 641,818.84	\$ 727.16
Salaries of Other Professional Staff	26,500.00	113,633.00	140,133.00	93,380.72	46,752.28
Purchased Professional-Educational Services	2,500.00		2,500.00	2,500.00	
Other Purchased Services (400 - 500)	12,000.00	(1,373.00)	10,627.00	8,861.48	1,765.52
Supplies and Materials	1,500.00	30,238.00	31,738.00	30,735.11	1,002.89
Other Objects	22,106.00	(13,009.00)	9,097.00	8,411.99	685.01
Total Improvement of Instructional Services	<u>719,014.00</u>	<u>117,627.00</u>	<u>836,641.00</u>	<u>785,708.14</u>	<u>50,932.86</u>
Educational Media Services/School Library:					
Salaries	202,935.00	7,365.00	210,300.00	209,070.05	1,229.95
Supplies and Materials	36,890.00	(2,138.00)	34,752.00	34,652.59	99.41
Other Objects	850.00	(850.00)			
Total Educational Media Services/School Library	<u>240,675.00</u>	<u>4,377.00</u>	<u>245,052.00</u>	<u>243,722.64</u>	<u>1,329.36</u>
Instructional Staff Training Services:					
Purchased Professional-Educational Services	10,000.00	(9,883.00)	117.00	117.00	
Other Purchased Services (400 - 500 Series)	22,500.00	(11,240.42)	11,259.58	9,468.72	1,790.86
Supplies and Materials	1,500.00	1,410.00	2,910.00	2,910.00	
Other Objects	5,100.00	(3,777.00)	1,323.00	1,223.25	99.75
Total Instructional Staff Training Services	<u>39,100.00</u>	<u>(23,490.42)</u>	<u>15,609.58</u>	<u>13,718.97</u>	<u>1,890.61</u>
Support Services General Administration:					
Salaries	450,672.00	(33,688.00)	416,984.00	416,381.55	602.45
Legal Services	72,000.00	1,665.00	73,665.00	73,582.59	82.41
Audit Fees	40,500.00	(400.00)	40,100.00	40,100.00	
Other Purchased Professional Services	19,200.00	21,443.00	40,643.00	36,195.61	4,447.39
Purchased Technical Services		9,329.00	9,329.00	9,328.92	0.08
Communications/Telephone	3,800.00	(1,319.91)	2,480.09	980.09	1,500.00
BOE Other Purchased Services	6,600.00	406.21	7,006.21	4,988.43	2,017.78
Miscellaneous Purchased Service (400 - 500 Series)	204,454.00	45,113.00	249,567.00	244,237.04	5,329.96
General Supplies	5,000.00	1,332.00	6,332.00	6,097.46	234.54
BOE In-House Training/Meeting Supplies		582.00	582.00	582.00	
Judgments Against the School District	8,000.00	(3,300.00)	4,700.00	3,950.00	750.00
Miscellaneous Expenditures	4,500.00	390.24	4,890.24	4,563.00	327.24
BOE Membership Fees and Dues	19,300.00	1,831.00	21,131.00	21,000.31	130.69
Total Support Services General Administration	<u>834,026.00</u>	<u>43,383.54</u>	<u>877,409.54</u>	<u>861,987.00</u>	<u>15,422.54</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
Sheet #6

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual <u>Positive (Negative)</u>
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 759,848.00	\$ 79,175.00	\$ 839,023.00	\$ 837,179.20	\$ 1,843.80
Salaries of Other Professional Staff	144,953.00	(2,047.00)	142,906.00	142,902.90	3.10
Salaries of Secretarial and Clerical Assistants	479,844.00	10,629.00	490,473.00	484,557.53	5,915.47
Unused Vacation Payments to Terminated/Retired Staff		44,292.61	44,292.61	44,292.61	
Other Purchased Services (400 - 500 Series)	14,700.00	7,191.75	21,891.75	15,295.31	6,596.44
Supplies and Materials	47,000.00	4,868.76	51,868.76	41,823.40	10,045.36
Other Objects	15,224.00	(7,664.77)	7,559.23	7,542.10	17.13
Total Support Services School Administration	<u>1,461,569.00</u>	<u>136,445.35</u>	<u>1,598,014.35</u>	<u>1,573,593.05</u>	<u>24,421.30</u>
Central Services:					
Salaries	438,441.00	3,021.00	441,462.00	441,460.44	1.56
Unused Vacation Payments to Terminated/Retired Staff -					
Normal Retirements		36,429.48	36,429.48	35,943.16	486.32
Miscellaneous Purchased Services (400 - 500 Series)	15,950.00	4,361.00	20,311.00	18,175.85	2,135.15
Supplies and Materials	3,750.00	306.00	4,056.00	3,781.73	274.27
Miscellaneous Expenditures	5,940.00	(106.66)	5,833.34	4,836.70	996.64
Total Central Services	<u>464,081.00</u>	<u>44,010.82</u>	<u>508,091.82</u>	<u>504,197.88</u>	<u>3,893.94</u>
Administrative Information Technology:					
Salaries	153,130.00	(3,450.00)	149,680.00	149,679.84	0.16
Purchased Technical Services	29,425.00	(1,298.00)	28,127.00	28,070.70	56.30
Other Purchased Services (400 - 500 Series)	33,435.00	6,562.91	39,997.91	37,270.65	2,727.26
Supplies and Materials	3,300.00	(2,250.00)	1,050.00	908.49	141.51
Other Objects	1,000.00	(305.00)	695.00	695.00	
Total Administrative Information Technology	<u>220,290.00</u>	<u>(740.09)</u>	<u>219,549.91</u>	<u>216,624.68</u>	<u>2,925.23</u>
Required Maintenance for School Facilities:					
Salaries	226,993.00	43,361.67	270,354.67	270,337.76	16.91
Cleaning, Repair and Maintenance Services	475,000.00	189,817.17	664,817.17	654,780.89	10,036.28
General Supplies	68,000.00	13,008.00	81,008.00	75,795.16	5,212.84
Other Objects	6,500.00	10,380.00	16,880.00	16,880.00	
Total Required Maintenance for School Facilities	<u>776,493.00</u>	<u>256,566.84</u>	<u>1,033,059.84</u>	<u>1,017,793.81</u>	<u>15,266.03</u>



MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
Sheet #7

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Positive (Negative)
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 1,139,137.00	\$ 76,872.00	\$ 1,216,009.00	\$ 1,212,090.41	\$ 3,918.59
Unused Vacation Payments to Terminated/Retired Staff		1,832.19	1,832.19	1,832.19	
Purchased Professional and Technical Services		5,472.00	5,472.00	5,472.00	
Cleaning, Repair and Maintenance Services	150,000.00	(47,577.85)	102,422.15	102,294.01	128.14
Rental of Land and Buildings Other than Lease	345,000.00	10,000.00	355,000.00	355,000.00	
Lease Purchase Payments - Energy Savings Improvement Program	165,000.00	180.00	165,180.00	165,179.14	0.86
Other Purchased Property Services	30,000.00	(4,900.00)	25,100.00	20,784.75	4,315.25
Insurance	52,744.00	(52,744.00)			
Miscellaneous Purchased Services		895.00	895.00	895.00	
General Supplies	110,000.00	(24,751.13)	85,248.87	76,781.36	8,467.51
Energy (Natural Gas)	228,480.00	16,520.00	245,000.00	229,281.29	15,718.71
Energy (Electricity)	216,240.00	127,285.00	343,525.00	279,588.90	63,936.10
Other Objects		8,505.00	8,505.00	3,785.00	4,720.00
Total Custodial Services	<u>2,436,601.00</u>	<u>117,588.21</u>	<u>2,554,189.21</u>	<u>2,452,984.05</u>	<u>101,205.16</u>
Care and Upkeep of Grounds:					
Salaries	100,942.00	(6,106.00)	94,836.00	94,456.71	379.29
Cleaning, Repair and Maintenance Services	179,100.00	(105,690.00)	73,410.00	63,350.65	10,059.35
General Supplies	50,000.00	(9,791.31)	40,208.69	36,189.70	4,018.99
Other Objects	3,000.00	885.16	3,885.16	2,510.20	1,374.96
Total Care and Upkeep of Grounds	<u>333,042.00</u>	<u>(120,702.15)</u>	<u>212,339.85</u>	<u>196,507.26</u>	<u>15,832.59</u>
Security:					
Purchased Professional and Technical Services		14,324.00	14,324.00	14,323.44	0.56
Cleaning, Repair and Maintenance Services	4,500.00	(4,500.00)			
General Supplies	7,000.00	(7,000.00)			
Total Security	<u>11,500.00</u>	<u>2,824.00</u>	<u>14,324.00</u>	<u>14,323.44</u>	<u>0.56</u>
Total Operation and Maintenance of Plant Services	<u>3,557,636.00</u>	<u>256,276.90</u>	<u>3,813,912.90</u>	<u>3,681,608.56</u>	<u>132,304.34</u>



MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
**Sheet #8**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Positive (Negative)
<b>Expenditures</b>					
Current Expense:					
Undistributed Expenditures:					
Student Transportation Services:					
Cleaning, Repair and Maintenance Services	\$ 8,000.00	\$ (487.00)	\$ 7,513.00	\$ 7,512.92	\$ 0.08
Contracted Services - Aid in Lieu of Payment for Nonpublic School Students	28,000.00	465.61	28,465.61	25,047.50	3,418.11
Contracted Services (Between Home and School) - Vendors	98,973.00		98,973.00	96,122.00	2,851.00
Contracted Services (Other Than Between Home and School) - Vendors	185,000.00	188,295.00	373,295.00	216,690.92	156,604.08
Contracted Services - Special Education Students - Vendors	30,500.00	(30,500.00)			
Contracted Services (Regular Students) - ECS and CTSA's	110,000.00	(4,700.00)	105,300.00	104,978.20	321.80
Contracted Services (Special Education Students) - ECS and CTSA's		291,100.00	291,100.00	289,524.57	1,575.43
Miscellaneous Purchased Services - Transportation	9,650.00	(9,400.00)	250.00	250.00	
Transportation Supplies	8,000.00	7,366.48	15,366.48	15,350.35	16.13
Other Objects	1,550.00	(700.00)	850.00	150.00	700.00
Total Student Transportation Services	<u>479,673.00</u>	<u>441,440.09</u>	<u>921,113.09</u>	<u>755,626.46</u>	<u>165,486.63</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	264,297.00	271,278.00	535,575.00	535,560.32	14.68
Other Retirement Contributions - PERS	639,150.00	(48,629.06)	590,520.94	570,776.00	19,744.94
Other Retirement Contributions - Regular	32,000.00	5,936.00	37,936.00	37,934.16	1.84
Workers' Compensation	197,336.00	(46,187.00)	151,149.00	150,066.28	1,082.72
Health Benefits	5,497,392.00	(715,961.00)	4,781,431.00	4,764,749.11	16,681.89
Tuition Reimbursement	70,000.00	24,094.68	94,094.68	92,702.26	1,392.42
Other Employee Benefits	70,000.00	55,729.06	125,729.06	125,662.42	66.64
Unused Sick Payment to Terminated/Retired Staff - Normal	55,000.00	50,408.00	105,408.00	105,320.00	88.00
Total Unallocated Benefits - Employee Benefits	<u>6,825,175.00</u>	<u>(403,331.32)</u>	<u>6,421,843.68</u>	<u>6,382,770.55</u>	<u>39,073.13</u>
Nonbudgeted:					
On-Behalf Contributions:					
TPAF - Pension Contributions				6,820,287.00	(6,820,287.00)
TPAF - Post-Retirement Medical Contributions				1,856,233.00	(1,856,233.00)
TPAF - Long-Term Disability Insurance Contributions				2,196.00	(2,196.00)
Reimbursed TPAF Social Security Contributions				1,421,442.59	(1,421,442.59)
Total Nonbudgeted				<u>10,100,158.59</u>	<u>(10,100,158.59)</u>
Total Undistributed Expenditures	<u>19,377,234.00</u>	<u>411,243.42</u>	<u>19,788,477.42</u>	<u>29,236,743.92</u>	<u>(9,448,266.50)</u>
Interest Earned on Maintenance Reserve	<u>50.00</u>	<u>(50.00)</u>			
Total Expenditures - Current Expense	<u>38,629,197.00</u>	<u>330,582.67</u>	<u>38,959,779.67</u>	<u>48,018,162.88</u>	<u>(9,058,383.21)</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
**Sheet #9**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Positive (Negative)
<b>Expenditures</b>					
Capital Outlay:					
Equipment:					
Regular Programs - Instruction:					
Equipment Grades 1 - 5	\$	\$ 45,000.00	\$ 45,000.00	\$ 44,553.00	\$ 447.00
Equipment Grades 6 - 8		45,000.00	45,000.00	44,025.60	974.40
Equipment Grades 9 - 12	181,632.00	(131,070.00)	50,562.00	50,334.00	228.00
Auditory Impairments	19,500.00	82,870.00	102,370.00	102,326.95	43.05
Undistributed Expenditures:					
Support Services - Related and Extraordinary		16,500.00	16,500.00	16,484.33	15.67
Required Maintenance for School Facilities		11,093.00	11,093.00	11,092.16	0.84
Custodial Services		11,007.85	11,007.85	11,007.85	
Care and Upkeep of Grounds		23,289.90	23,289.90	23,289.90	
Security		44,500.00	44,500.00		44,500.00
Total Equipment	<u>201,132.00</u>	<u>148,190.75</u>	<u>349,322.75</u>	<u>303,113.79</u>	<u>46,208.96</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		24,008.00	24,008.00	17,982.50	6,025.50
Construction Services	790,000.00	(213,618.00)	576,382.00	291,146.31	285,235.69
Assessment for Debt Service on SDA Funding	48,298.00		48,298.00	48,298.00	
Interest Deposit to Capital Reserve	100.00	(100.00)			
Capital Outlay - Transfer to Capital Projects		1,869,800.00	1,869,800.00	1,869,800.00	
Total Facilities Acquisition and Construction Services	<u>838,398.00</u>	<u>1,680,090.00</u>	<u>2,518,488.00</u>	<u>2,227,226.81</u>	<u>291,261.19</u>
Total Capital Outlay	<u>1,039,530.00</u>	<u>1,828,280.75</u>	<u>2,867,810.75</u>	<u>2,530,340.60</u>	<u>337,470.15</u>
Special Schools:					
Summer School:					
Instruction:					
Salaries of Teachers		163,002.00	163,002.00	163,001.14	0.86
Other Salaries for Instruction		110,421.00	110,421.00	110,420.09	0.91
Purchased Professional and Technical Services	15,000.00	(15,000.00)			
Total Instruction	<u>15,000.00</u>	<u>258,423.00</u>	<u>273,423.00</u>	<u>273,421.23</u>	<u>1.77</u>
Total Summer School	<u>15,000.00</u>	<u>258,423.00</u>	<u>273,423.00</u>	<u>273,421.23</u>	<u>1.77</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
**Sheet #10**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Positive (Negative)
<u>Expenditures</u>					
Special Schools:					
Instructional Alternative Education Programs:					
Instruction:					
Salaries of Teachers	\$ 35,193.00	\$ 1,010.00	\$ 36,203.00	\$ 36,203.00	\$
General Supplies	40,000.00	(29,607.00)	10,393.00	9,991.75	401.25
Total Instruction	<u>75,193.00</u>	<u>(28,597.00)</u>	<u>46,596.00</u>	<u>46,194.75</u>	<u>401.25</u>
Support Services:					
Other Purchased Services (400 - 500 Series)		800.00	800.00	800.00	
Total Support Services		<u>800.00</u>	<u>800.00</u>	<u>800.00</u>	
Total Instructional Alternative Education Programs	<u>75,193.00</u>	<u>(27,797.00)</u>	<u>47,396.00</u>	<u>46,994.75</u>	<u>401.25</u>
Other Supplemental/At-Risk Programs:					
Instruction:					
Salaries of Teachers	167,959.00	(32,000.00)	135,959.00	134,939.21	1,019.79
General Supplies	40,000.00	(32,800.00)	7,200.00	5,698.45	1,501.55
Total Instruction	<u>207,959.00</u>	<u>(64,800.00)</u>	<u>143,159.00</u>	<u>140,637.66</u>	<u>2,521.34</u>
Total Other Supplemental/At-Risk Programs	<u>207,959.00</u>	<u>(64,800.00)</u>	<u>143,159.00</u>	<u>140,637.66</u>	<u>2,521.34</u>
Total Special School	<u>298,152.00</u>	<u>165,826.00</u>	<u>463,978.00</u>	<u>461,053.64</u>	<u>2,924.36</u>
Transfer of Funds to Charter Schools	<u>17,216.00</u>		<u>17,216.00</u>	<u>15,777.00</u>	<u>1,439.00</u>
Total Expenditures	<u>39,984,095.00</u>	<u>2,324,689.42</u>	<u>42,308,784.42</u>	<u>51,025,334.12</u>	<u>(8,716,549.70)</u>
Other Financing Sources (Uses):					
Operating Transfer Out - Food Service	(41,620.00)	(6,094.00)	(47,714.00)	(46,509.32)	1,204.68
Total Other Financing Sources (Uses)	<u>(41,620.00)</u>	<u>(6,094.00)</u>	<u>(47,714.00)</u>	<u>(46,509.32)</u>	<u>1,204.68</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,296,698.00)	(2,330,783.42)	(4,627,481.42)	508,003.90	5,135,485.32
Fund Balances, July 1	<u>7,468,270.62</u>		<u>7,468,270.62</u>	<u>7,468,270.62</u>	
Fund Balances, June 30	<u>\$ 5,171,572.62</u>	<u>\$ (2,330,783.42)</u>	<u>\$ 2,840,789.20</u>	<u>\$ 7,976,274.52</u>	<u>\$ 5,135,485.32</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1  
Sheet #11

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Positive (Negative)</u>
<u>Recapitulation of Fund Balance</u>					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Years' Expenditures				\$ 465,063.66	
Legally Restricted - Designated for Subsequent Year's Expenditures				488,557.34	
Capital Reserve				3,133,817.52	
Maintenance Reserve				1,200,000.00	
Tuition Reserve				400,000.00	
Unemployment Compensation				372,388.34	
Committed Fund Balance:					
Year Ended Encumbrances				973,383.96	
Unassigned:					
General Fund				<u>943,063.70</u>	
				<u>7,976,274.52</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(122,809.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 7,853,465.52</u>	

MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-2  
Sheet #1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Revenues</u>					
Local Sources:					
Revenue from Local Sources	\$	\$ 77,678.85	\$ 77,678.85	\$ 738,161.11	\$ 660,482.26
Total - Local Sources		<u>77,678.85</u>	<u>77,678.85</u>	<u>738,161.11</u>	<u>660,482.26</u>
Federal Sources:					
Title I, Part A		21,395.00	21,395.00	6,244.20	(15,150.80)
Title II, Part A	13,638.00	3,800.00	17,438.00	10,423.66	(7,014.34)
I.D.E.A. Part B, Basic	255,709.00	65,745.00	321,454.00	316,960.00	(4,494.00)
ARP - I.D.E.A., Basic		42,805.00	42,805.00	42,805.00	
ARP ESSER	128,000.00	(48,210.00)	79,790.00	79,790.00	
ARP ESSER - Accelerated Learning Grant	42,000.00	(19,082.00)	22,918.00	22,918.00	
ARP ESSER - Evidence Based Summer Learning Grant	20,000.00	19,934.00	39,934.00	39,934.00	
ARP ESSER - Evidence Based Comprehensive Beyond the School Day		31,724.00	31,724.00	31,724.00	
Total - Federal Sources	<u>459,347.00</u>	<u>118,111.00</u>	<u>577,458.00</u>	<u>550,798.86</u>	<u>(26,659.14)</u>
State Sources:					
Nonpublic Aid		125,647.00	125,647.00	102,540.80	(23,106.20)
N.J. High Impact Tutoring Grant		37,968.20	37,968.20	37,738.20	(230.00)
Total - State Sources		<u>163,615.20</u>	<u>163,615.20</u>	<u>140,279.00</u>	<u>(23,336.20)</u>
Total Revenues	<u>459,347.00</u>	<u>359,405.05</u>	<u>818,752.05</u>	<u>1,429,238.97</u>	<u>610,486.92</u>
<u>Expenditures</u>					
Instruction:					
Salaries of Teachers	10,000.00	61,391.00	71,391.00	67,166.00	4,225.00
Other Purchased Services (400-500 Series)	239,300.00	6,680.85	245,980.85	245,980.85	
Supplies and Materials	50,000.00	29,196.20	79,196.20	79,196.20	
General Supplies		76,633.00	76,633.00	63,094.86	13,538.14
Total Instruction	<u>299,300.00</u>	<u>173,901.05</u>	<u>473,201.05</u>	<u>455,437.91</u>	<u>17,763.14</u>



MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-2  
Sheet #2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures</u>					
Support Services:					
Salaries	\$ 15,500.00	\$ (2,000.00)	\$ 13,500.00	\$ 12,925.00	\$ 575.00
Employee Benefits		230.00	230.00		230.00
Purchased Professional and Technical Services	99,909.00	87,953.00	187,862.00	177,848.00	10,014.00
Purchased Professional-Educational Services		92,289.00	92,289.00	66,934.57	25,354.43
Other Purchased Services (400-500 Series)	40,688.00	(1,625.00)	39,063.00	31,814.00	7,249.00
Supplies and Materials	3,950.00	8,657.00	12,607.00	10,259.09	2,347.91
Scholarship Awards				12,250.00	(12,250.00) *
Student Activity				660,514.25	(660,514.25) *
Total Support Services	<u>160,047.00</u>	<u>185,504.00</u>	<u>345,551.00</u>	<u>972,544.91</u>	<u>(626,993.91)</u>
Total Expenditures	<u>459,347.00</u>	<u>359,405.05</u>	<u>818,752.05</u>	<u>1,427,982.82</u>	<u>(609,230.77)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,256.15</u>	<u>\$ 1,256.15</u>
Fund Balance, July 1				<u>522,562.08</u>	
Fund Balance, June 30				<u>\$ 523,818.23</u>	
Recapitulation:					
Restricted:					
Scholarship Awards				\$ 62,642.01	
Student Activity				<u>461,176.22</u>	
Total Fund Balances				<u>\$ 523,818.23</u>	

\*Not required to budget for these funds.

MOUNTAIN LAKES SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-3

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	C-1 \$51,579,847.34	C-2 \$1,429,238.97
Difference - Budget-to-GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(9,912.64)
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	108,148.00	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(122,809.00)</u>	
Total revenue as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds.	B-2 <u>\$51,565,186.34</u>	B-2 <u>\$1,419,326.33</u>
Uses/Outflow of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$51,025,334.12	C-2 \$1,427,982.82
Difference - Budget-to-GAAP: Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(9,912.64)</u>
Total expenditures as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds.	B-2 <u>\$51,025,334.12</u>	B-2 <u>\$1,418,070.18</u>

### REQUIRED SUPPLEMENTARY INFORMATION - PART III

#### **L. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)**

**Note:** GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS  
(Unaudited)

L-1

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.4270%	0.4466%	0.4905%	0.4950%	0.0509%	0.0528%	0.0571%	0.0550%	0.0555%	0.0543%
District's proportionate share of the net pension liability (asset)	\$ 6,185,672	\$ 6,740,263	\$ 5,811,037	\$ 8,007,921	\$ 9,174,241	\$ 10,400,483	\$ 13,293,688	\$ 16,294,752	\$ 12,464,222	\$ 10,158,374
State's proportionate share of the net pension liability (asset) associated with the District	14,606,489,066	15,219,184,920	11,972,782,878	16,435,616,426	18,143,832,135	19,689,501,539	23,278,401,588	29,617,131,759	22,447,996,119	18,722,735,003
Total	<u>\$14,612,674,738</u>	<u>\$15,225,925,183</u>	<u>\$11,978,593,915</u>	<u>\$16,443,624,347</u>	<u>\$18,153,006,376</u>	<u>\$19,699,902,022</u>	<u>\$23,291,695,276</u>	<u>\$29,633,426,511</u>	<u>\$22,460,460,341</u>	<u>\$18,732,893,377</u>
District's covered-employee payroll	\$ 3,317,257	\$ 3,117,458	\$ 3,609,667	\$ 3,117,458	\$ 3,785,571	\$ 3,609,667	\$ 3,668,676	\$ 3,758,895	\$ 3,668,221	\$ 3,770,222
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	186.47%	216.21%	160.99%	256.87%	242.35%	288.13%	362.36%	433.50%	340.72%	269.44%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%



MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS  
(Unaudited)

L-2

	Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 570,775	\$ 563,222	\$ 574,465	\$ 537,196	\$ 497,012	\$ 536,505	\$ 538,505	\$ 491,396	\$ 477,365	\$ 447,286
Contributions in relation to the contractually required contribution	<u>(570,775)</u>	<u>(563,222)</u>	<u>(574,465)</u>	<u>(537,196)</u>	<u>(497,012)</u>	<u>(536,505)</u>	<u>(538,505)</u>	<u>(491,396)</u>	<u>(477,365)</u>	<u>(447,286)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$3,459,315	\$3,317,257	\$3,117,458	\$3,367,348	\$3,785,571	\$3,427,056	\$3,609,667	\$3,668,676	\$3,758,895	\$3,658,221
Contributions as a percentage of covered-employee payroll	16.50%	16.98%	18.43%	15.95%	13.13%	15.65%	14.92%	13.39%	12.70%	12.23%

MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TEN FISCAL YEARS  
(Unaudited)

L-3

	For the Fiscal Year Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.1644%	0.1671%	0.1675%	0.1716%	0.1675%	0.1664%	0.1715%	0.1672%	0.1756%
District's proportionate share of the net pension liability (asset)	\$ 83,898,610	\$ 86,235,596	\$ 80,523,883	\$ 113,259,145	\$ 102,777,619	\$ 105,865,857	\$ 115,598,964	\$ 131,496,887	\$ 110,967,658
State's proportionate share of the net pension liability (asset) associated with the District	51,032,669,551	51,594,415,806	48,075,188,642	65,848,796,740	61,370,943,870	63,617,852,031	67,423,605,859	78,666,367,052	63,204,270,305
Total	<u>\$51,116,568,161</u>	<u>\$51,680,651,402</u>	<u>\$48,155,712,525</u>	<u>\$65,962,055,885</u>	<u>\$61,473,721,489</u>	<u>\$63,723,717,888</u>	<u>\$67,539,204,823</u>	<u>\$78,797,863,939</u>	<u>\$63,315,237,963</u>
District's covered-employee payroll	18,248,504	18,587,414	18,748,206	20,284,832	20,348,119	\$ 17,987,261	\$ 17,624,187	\$ 17,071,700	\$ 17,363,355
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	459.76%	463.95%	429.50%	558.34%	505.10%	588.56%	655.91%	770.26%	639.09%
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**MOUNTAIN LAKES SCHOOL DISTRICT  
COUNTY OF MORRIS**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE YEAR ENDED JUNE 30, 2024**

**Changes of Benefit Terms and Changes of Assumptions**

Refer to Note 10 on the Notes to Financial Statements for benefits and assumptions.

**M. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Note:** GASB 75 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND  
LAST SEVEN FISCAL YEARS  
(Unaudited)

M-1

	Measurement Date Fiscal Year Ending June 30,						
	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>							
Service Cost	\$ 2,844,868	\$ 4,345,712	\$ 5,035,974	\$ 2,501,064	\$ 2,339,847	\$ 2,726,285	\$ 3,283,160
Interest Cost	2,794,304	2,105,219	2,436,698	2,273,764	2,732,421	2,941,885	2,531,093
Change in Benefit Term			(99,979)				
Difference Between Expected and Actual Experiences	(3,790,120)	2,194,645	(17,821,462)	17,633,493	(10,006,095)	(7,075,888)	-
Change in Assumptions	159,919	(21,310,205)	92,671	18,772,455	944,160	(7,940,990)	(10,104,352)
Contributions: Members*	71,608	66,897	62,294	54,229	57,621	63,952	68,516
Gross Benefit Payments*	(2,178,205)	(2,085,282)	(1,919,436)	(1,789,132)	(1,943,846)	(1,850,370)	(1,860,721)
<b>Net Change in Total OPEB Liability</b>	<b>\$ (97,626)</b>	<b>\$ (14,683,014)</b>	<b>\$ (12,213,240)</b>	<b>\$ 39,445,873</b>	<b>\$ (5,875,892)</b>	<b>\$ (11,135,126)</b>	<b>\$ (6,082,304)</b>
Total OPEB Liability (Beginning)	\$75,873,239	\$ 90,556,253	\$102,769,493	\$ 63,323,620	\$ 69,199,512	\$ 80,334,638	\$ 86,416,942
Prior Year Adjustment	3,565,687						
<b>Total OPEB Liability (Ending)</b>	<b>\$79,341,300</b>	<b>\$ 75,873,239</b>	<b>\$ 90,556,253</b>	<b>\$102,769,493</b>	<b>\$ 63,323,620</b>	<b>\$ 69,199,512</b>	<b>\$ 80,334,638</b>
<b>Plan Fiduciary Net Position:</b>							
Plan Fiduciary Net Position (Ending)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability (Ending)	\$79,341,300	\$ 75,873,239	\$ 90,556,253	\$102,769,493	\$ 63,323,620	\$ 69,199,512	\$ 80,334,638
Net Position as a Percentage of OPEB Liability	0%	0%	0%	0%	0%	0%	0%
Covered Employee Payroll	\$21,565,761	\$ 21,704,872	\$ 18,748,206	\$ 20,284,832	\$ 20,348,119	\$ 18,269,453	\$ 17,987,261
Net OPEB Liability as a Percentage of Payroll	368%	350%	483%	507%	311%	379%	447%

\*Data for Measurement Periods Ending June 30 were provided by the State.

Notes to Schedule:

Source: GASB 75 report on State of New Jersey State Health Benefits Program; Districts records

Benefit Changes: None

Changes in Assumptions: Assumptions used in calculating the OPEB liability are presented in Note 10.

This schedule is required by GASB 75 to show information for a 10 year period. However, information is currently only available for seven years, additional years will be presented as they become available.



**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**MOUNTAIN LAKES SCHOOL DISTRICT  
COUNTY OF MORRIS**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE YEAR ENDED JUNE 30, 2024**

**Changes of Benefit Terms and Changes of Assumptions**

Refer to Notes 11 and 12 on the Notes to Financial Statements for benefits and assumptions.

## OTHER SUPPLEMENTARY INFORMATION

**D. SCHOOL-BASED BUDGET SCHEDULES (IF APPLICABLE)**

**E. SPECIAL REVENUE FUND**

**MOUNTAIN LAKES SHOOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30 2024**

**E-1  
Sheet #1**

	Total Brought Forward <u>Exhibit E-1A</u>	Title I, <u>Part A</u>	Title II, <u>Part A</u>	I.D.E.A. <u>Part B, Basic</u>	ARP IDEA <u>Basic</u>	ARP <u>ESSER</u>	ARP ESSER <u>Accelerated Learning</u>	ARP ESSER <u>Summer Learning</u>	Final <u>Total</u>
<b>REVENUES</b>									
Federal Sources	\$ 31,724.00	\$ 6,244.20	\$ 10,423.66	\$ 316,960.00	\$ 42,805.00	\$ 79,790.00	\$ 22,918.00	\$ 39,934.00	\$ 550,798.86
State Sources	140,278.95								140,278.95
Local Sources	738,161.11								738,161.11
<b>Total Revenues</b>	<b>910,164.06</b>	<b>6,244.20</b>	<b>10,423.66</b>	<b>316,960.00</b>	<b>42,805.00</b>	<b>79,790.00</b>	<b>22,918.00</b>	<b>39,934.00</b>	<b>1,429,238.92</b>
<b>EXPENDITURES</b>									
Instruction:									
Salaries of Teachers		5,375.00			42,591.00			19,200.00	67,166.00
Other Purchased Services (400-500 Series)	6,680.85			239,300.00					245,980.85
Supplies and Materials	34,738.20					23,724.00		20,734.00	79,196.20
General Supplies	63,094.86								63,094.86
<b>Total Instruction</b>	<b>104,513.91</b>	<b>5,375.00</b>		<b>239,300.00</b>	<b>42,591.00</b>	<b>23,724.00</b>		<b>39,934.00</b>	<b>455,437.91</b>
Support Services:									
Salaries	3,000.00		1,925.00			8,000.00			12,925.00
Purchased Professional and Technical Services	31,724.00	480.00		77,660.00		45,066.00	22,918.00		177,848.00
Purchased Professional-Educational Services	66,934.52								66,934.52
Other Purchased Services (400-500 Series)	23,325.00		5,489.00			3,000.00			31,814.00
Supplies and Materials	6,646.23	389.20	3,009.66		214.00				10,259.09
Scholarships Awarded	12,250.00								12,250.00
Student Activities	660,514.25								660,514.25
<b>Total Support Services</b>	<b>804,394.00</b>	<b>869.20</b>	<b>10,423.66</b>	<b>77,660.00</b>	<b>214.00</b>	<b>56,066.00</b>	<b>22,918.00</b>		<b>972,544.86</b>
<b>Total Expenditures</b>	<b>908,907.91</b>	<b>6,244.20</b>	<b>10,423.66</b>	<b>316,960.00</b>	<b>42,805.00</b>	<b>79,790.00</b>	<b>22,918.00</b>	<b>39,934.00</b>	<b>1,427,982.77</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,256.15	-	-	-	-	-	-	-	1,256.15
Fund Balance, July 1	522,562.08								522,562.08
Fund Balance, June 30	\$ 523,818.23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 523,818.23



**MOUNTAIN LAKES SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30 2024**

**E-1  
Sheet #2**

	Total Brought Forward Exhibit E-1B	ARP ESSER Beyond the School Day	Nonpublic Textbooks	Chapter 193		Nonpublic Nursing Services	Nonpublic Technology	Nonpublic Security	Total Carried Forward
				Exam and Classification	Corrective Speech				
<b>REVENUES</b>									
Federal Sources	\$	\$ 31,724.00	\$	\$	\$	\$	\$	\$	\$ 31,724.00
State Sources	37,738.20		6,646.23	29,134.52	24,000.00	13,800.00	5,635.00	23,325.00	140,278.95
Local Sources	738,161.11								738,161.11
<b>Total Revenues</b>	<u>775,899.31</u>	<u>31,724.00</u>	<u>6,646.23</u>	<u>29,134.52</u>	<u>24,000.00</u>	<u>13,800.00</u>	<u>5,635.00</u>	<u>23,325.00</u>	<u>910,164.06</u>
<b>EXPENDITURES</b>									
Instruction:									
Other Purchased Services (400-500 Series)	6,680.85								6,680.85
Supplies and Materials	34,738.20								34,738.20
General Supplies	57,459.86						5,635.00		63,094.86
<b>Total Instruction</b>	<u>98,878.91</u>						<u>5,635.00</u>		<u>104,513.91</u>
Support Services:									
Salaries	3,000.00								3,000.00
Purchased Professional and Technical Services		31,724.00							31,724.00
Purchased Professional-Educational Services				29,134.52	24,000.00	13,800.00			66,934.52
Other Purchased Services (400-500 Series)								23,325.00	23,325.00
Supplies and Materials			6,646.23						6,646.23
Scholarships Awarded	12,250.00								12,250.00
Student Activities	660,514.25								660,514.25
<b>Total Support Services</b>	<u>675,764.25</u>	<u>31,724.00</u>	<u>6,646.23</u>	<u>29,134.52</u>	<u>24,000.00</u>	<u>13,800.00</u>		<u>23,325.00</u>	<u>804,394.00</u>
<b>Total Expenditures</b>	<u>774,643.16</u>	<u>31,724.00</u>	<u>6,646.23</u>	<u>29,134.52</u>	<u>24,000.00</u>	<u>13,800.00</u>	<u>5,635.00</u>	<u>23,325.00</u>	<u>908,907.91</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,256.15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,256.15</u>
Fund Balance, July 1	<u>522,562.08</u>								<u>522,562.08</u>
Fund Balance, June 30	<u>\$ 523,818.23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523,818.23</u>

**MOUNTAIN LAKES SHOOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30 2024**

**E-1  
Sheet #3**

	N.J. High Impact Tutoring Grant	Mountain Lakes Education Foundation				Grants and Donations	Scholarship Awards	Student Activity Funds	Total Carried Forward
		HS Services	Lake Drive Supplies	Wildwood Supplies	Briarcliff Supplies				
<b>REVENUES</b>									
Federal Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$
State Sources	37,738.20								37,738.20
Local Sources		41,415.18	4,992.09	5,328.00	1,645.46	10,759.98	5,719.94	668,300.46	738,161.11
<b>Total Revenues</b>	<u>37,738.20</u>	<u>41,415.18</u>	<u>4,992.09</u>	<u>5,328.00</u>	<u>1,645.46</u>	<u>10,759.98</u>	<u>5,719.94</u>	<u>668,300.46</u>	<u>775,899.31</u>
<b>EXPENDITURES</b>									
Instruction:									
Other Purchased Services (400-500 Series)		2,300.00				4,380.85			6,680.85
Supplies and Materials	34,738.20								34,738.20
General Supplies		39,115.18	4,992.09	5,328.00	1,645.46	6,379.13			57,459.86
<b>Total Instruction</b>	<u>34,738.20</u>	<u>41,415.18</u>	<u>4,992.09</u>	<u>5,328.00</u>	<u>1,645.46</u>	<u>10,759.98</u>			<u>98,878.91</u>
Support Services:									
Salaries	3,000.00								3,000.00
Scholarships Awarded							12,250.00		12,250.00
Student Activities								660,514.25	660,514.25
<b>Total Support Services</b>	<u>3,000.00</u>						<u>12,250.00</u>	<u>660,514.25</u>	<u>675,764.25</u>
<b>Total Expenditures</b>	<u>37,738.20</u>	<u>41,415.18</u>	<u>4,992.09</u>	<u>5,328.00</u>	<u>1,645.46</u>	<u>10,759.98</u>	<u>12,250.00</u>	<u>660,514.25</u>	<u>774,643.16</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,530.06)</u>	<u>7,786.21</u>	<u>1,256.15</u>
Fund Balance, July 1							69,172.07	453,390.01	522,562.08
<b>Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,642.01</u>	<u>\$ 461,176.22</u>	<u>\$ 523,818.23</u>

## F. CAPITAL PROJECTS FUND

MOUNTAIN LAKES SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

F-1

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Balance June 30, 2024</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Various Improvements to Schools	9-26-2017	\$17,216,215.00	\$16,840,797.00	\$149,206.79	\$ 226,211.21
Mountain Lakes High School HVAC Project	2-05-2024	2,539,000.00		485,890.56	2,053,109.44
Mountain Lakes High School Kitchen	5-20-2024	<u>235,000.00</u>		<u>80,505.06</u>	<u>154,494.94</u>
		<u>\$19,990,215.00</u>	<u>\$16,840,797.00</u>	<u>\$715,602.41</u>	<u>\$2,433,815.59</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

F-2

Revenues and Other Financing Sources

State Sources - SDA Grant	\$ 904,200.00
Transfer from Capital Outlay	<u>1,869,800.00</u>
Total Revenues	<u>2,774,000.00</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	\$ 149,884.43
Construction Services	<u>565,717.98</u>
Total Expenditures	<u>715,602.41</u>

Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,058,397.59
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Fund Balance - Beginning	<u>375,203.00</u>
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Fund Balance - Ending	<u><u>\$2,433,600.59</u></u>
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MOUNTAIN LAKES SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS IMPROVEMENTS TO SCHOOLS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

F-2a

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Bond Proceeds	\$17,216,000.00	\$	\$17,216,000.00	\$17,216,215.00
Total Revenues	<u>17,216,000.00</u>		<u>17,216,000.00</u>	<u>17,216,215.00</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	1,946,274.27	13,838.19	1,960,112.46	1,490,000.00
Facilities Acquisition and Construction Services	14,894,522.73	135,368.60	15,029,891.33	15,726,215.00
Total Expenditures	<u>16,840,797.00</u>	<u>149,206.79</u>	<u>16,990,003.79</u>	<u>17,216,215.00</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 375,203.00</u>	<u>\$(149,206.79)</u>	<u>\$ 225,996.21</u>	<u>\$ -</u>
<u>Additional Project Information</u>				
Bond Authorization Date	9/26/2017			
Bonds Authorized	\$17,216,215.00			
Bonds Issued	\$17,216,000.00			
Original Authorized Cost	\$17,216,215.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$17,216,215.00			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	98.69%			
Original Target Completion Date	9/1/2019			
Revised Target Completion Date	6/30/2025			



MOUNTAIN LAKES SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MOUNTAIN LAKES HIGH SCHOOL HVAC PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

F-2b

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$	\$ 904,200.00	\$ 904,200.00	\$ 904,200.00
Transfer from Capital Outlay		1,634,800.00	1,634,800.00	1,634,800.00
Total Revenues	<u>-</u>	<u>2,539,000.00</u>	<u>2,539,000.00</u>	<u>2,539,000.00</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services		136,046.24	136,046.24	278,500.00
Construction Services		349,844.32	349,844.32	2,260,500.00
Total Expenditures	<u>-</u>	<u>485,890.56</u>	<u>485,890.56</u>	<u>2,539,000.00</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ -</u>	<u>\$2,053,109.44</u>	<u>\$2,053,109.44</u>	<u>\$ -</u>
<u>Additional Project Information</u>				
Project Number				
Grant Date/Letter of Notification				
Bond Authorization/Referendum Date				
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$2,260,500.00			
Additional Authorized Cost	\$ 278,500.00			
Revised Authorized Cost	\$2,539,000.00			
Percentage Increase Over Original Authorized Cost	12%			
Percentage Completion	19.14%			
Original Target Completion Date	6/30/2025			
Revised Target Completion Date				

MOUNTAIN LAKES SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MOUNTAIN LAKES HIGH SCHOOL KITCHEN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

F-2c

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from Capital Outlay	\$	\$235,000.00	\$235,000.00	\$235,000.00
Total Revenues	-	235,000.00	235,000.00	235,000.00
<u>Expenditures and Other Financing Uses</u>				
Construction Services		80,505.06	80,505.06	235,000.00
Total Expenditures	-	80,505.06	80,505.06	235,000.00
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$154,494.94	\$154,494.94	\$ -
<u>Additional Project Information</u>				
Project Number				
Grant Date/Letter of Notification				
Bond Authorization/Referendum Date				
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$235,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$235,000.00			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	34.26%			
Original Target Completion Date	6/30/2025			
Revised Target Completion Date				

## G. PROPRIETARY FUNDS

## ENTERPRISE FUND

MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

G-1

Business-Type  
Activities  
Enterprise Fund  
Food  
Service

ASSETS

Current Assets:

Cash and Cash Equivalents

\$ 180,018.82

Inventories:

Food

8,514.07

Total Current Assets

188,532.89

Noncurrent Assets:

Furniture, Machinery and Equipment

53,890.30

Less Accumulated Depreciation

(28,469.30)

Total Noncurrent Assets

25,421.00

Total Assets

\$ 213,953.89

LIABILITIES

Accounts Payable

\$ 2,218.91

Total Liabilities

\$ 2,218.91

NET POSITION

Invested in Capital Assets, Net of Related Debt

\$ 25,421.00

Unrestricted

186,313.98

Total Net Position

\$ 211,734.98

MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

G-2

Business-Type  
Activities  
Enterprise Fund  
Food  
Service

Operating Revenues:	
Charges for Services:	
Daily Sales - Nonprogram (Nonreimbursable Program) Meals	\$ 816,853.22
Miscellaneous	25,741.13
Total Operating Revenues	<u>842,594.35</u>
Operating Expenses:	
Cost of Sales - Nonreimbursable Programs	351,555.07
Salaries	266,399.02
Personnel Services - Employee Benefits	61,489.08
Purchased Services (Including Fixed Price Contract)	44,038.32
Other Purchased and Technical Service	14,617.55
Cleaning, Repairs and Maintenance Services	6,129.72
Insurance	34,954.18
General Supplies	27,386.26
Miscellaneous	14,867.15
Total Operating Expenses	<u>821,436.35</u>
Operating Income	<u>21,158.00</u>
Nonoperating Revenues (Expenses):	
Interest Income	10,018.17
Total Nonoperating Revenues (Expenses)	<u>10,018.17</u>
Income before Contributions and Transfers	<u>31,176.17</u>
Capital Contributions:	
Change in Capital Assets	<u>(25,421.00)</u>
Other Financing Sources (Uses):	
Operating Transfer In:	
Transfer of Funds	46,509.32
Total Other Financing Sources (Uses)	<u>46,509.32</u>
Change in Net Position	52,264.49
Total Net Position - Beginning	<u>134,049.49</u>
Total Net Position - Ending	<u>\$ 186,313.98</u>



MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF CASH FLOWS  
PROPRIETARY FUNDS  
JUNE 30, 2024

G-3

Business-Type  
Activities  
Enterprise Fund  
Food  
Service

<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Other Funds	\$ 816,853.22
Payments to Employees	(266,399.02)
Payments to Vendor	(449,075.93)
Payments for Employee Benefits	(61,489.08)
Payments to Suppliers	(42,634.61)
Net Cash Provided by (Used for) Operating Activities	<u>(2,745.42)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating Subsidies and Transfers to Other Funds	46,509.32
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>46,509.32</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchases of Capital Assets	(25,421.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(25,421.00)</u>
<u>Cash Flows from Investing Activities</u>	
Interest and Dividends	10,018.17
Net Cash Provided by (Used for) Investing Activities	<u>10,018.17</u>
Net Increase (Decrease) in Cash and Cash Equivalents	28,361.07
Balance - Beginning of Year	<u>151,657.75</u>
Balance - End of Year	<u>\$ 180,018.82</u>
Reconciliation of Operating Income (Loss) to Net	
<u>Cash Provided (Used) by Operating Activities</u>	
Operating Income (Loss)	<u>\$ 21,158.00</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used for) Operating Activities:	
Change in Assets and Liabilities:	
(Increase)/Decrease in Inventories	(381.20)
Increase/(Decrease) in Accounts Payable	2,218.91
(Increase)/Decrease in Deferred Inflows	(25,741.13)
Total Adjustments	<u>(23,903.42)</u>
Net Cash Provided by (Used for) Operating	
Activities	<u>\$ (2,745.42)</u>

## INTERNAL SERVICE FUND

#### H. FIDUCIARY FUNDS (IF APPLICABLE)

## I. LONG-TERM DEBT

MOUNTAIN LAKES SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF BONDS PAYABLE  
FOR THE YEAR ENDED JUNE 30, 2024

I-1

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2023</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	3-12-2012	\$ 7,600,000.00	9/15/2024	\$ 510,000.00	2.375%			
			9/15/2025	500,000.00	2.500%			
			9/15/2026	515,000.00	3.000%			
			9/15/2027	505,000.00	3.000%			
			9/15/2028	510,000.00	2.750%	\$ 3,040,000.00	\$ 500,000.00	\$ 2,540,000.00
School District Bonds	8-01-2019	17,216,000.00	8/01/2024	750,000.00	2.000%			
			8/01/2025	700,000.00	2.000%			
			8/01/2026	650,000.00	2.000%			
			8/01/2027	625,000.00	2.000%			
			8/01/2028	600,000.00	2.000%			
			8/01/2029	700,000.00	2.000%			
			8/01/2030	725,000.00	2.125%			
			8/01/2031	740,000.00	2.250%			
			8/01/2032	750,000.00	2.375%			
			8/01/2033	760,000.00	2.500%			
			8/01/2034	775,000.00	2.750%			
			8/01/2035	790,000.00	3.000%			
			8/01/2036-2038	800,000.00	3.000%			
			8/01/2039-2044	775,000.00	3.000%	16,415,000.00	800,000.00	15,615,000.00
						<u>\$19,455,000.00</u>	<u>\$1,300,000.00</u>	<u>\$18,155,000.00</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASES  
FOR THE YEAR ENDED JUNE 30, 2024

I-2

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Term of Lease</u>	<u>Amount of Original Lease</u>		<u>Interest Rate</u>	<u>Issued</u>	<u>Prior Year Adjustment</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
			<u>Principal</u>	<u>Interest</u>					
Copiers	9-01-2022	5 Years	\$170,718.24	\$15,117.36	3.39%	\$	\$144,233.49	\$32,783.87	\$111,449.62
Postage Meter	9-01-2023	63 Months	8,165.79	968.58	4.29%	<u>8,165.79</u>		<u>1,176.78</u>	<u>6,989.01</u>
						<u>\$8,165.79</u>	<u>\$144,233.49</u>	<u>\$33,960.65</u>	<u>\$118,438.63</u>



MOUNTAIN LAKES SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

1-3

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) Final to Actual
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 1,653,853.00	\$	\$ 1,653,853.00	\$ 1,653,853.00	\$
State Sources:					
Debt Service Aid Type II	<u>134,891.00</u>		<u>134,891.00</u>	<u>134,891.00</u>	
Total Revenues	<u>1,788,744.00</u>		<u>1,788,744.00</u>	<u>1,788,744.00</u>	
<u>Expenditures</u>					
Regular Debt Service:					
Redemption of Principal	1,300,000.00		1,300,000.00	1,300,000.00	
Interest	<u>488,744.00</u>		<u>488,744.00</u>	<u>488,743.76</u>	<u>0.24</u>
Total Expenditures	<u>1,788,744.00</u>		<u>1,788,744.00</u>	<u>1,788,743.76</u>	<u>0.24</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures				0.24	0.24
Fund Balance, July 1	<u>(87.82)</u>	<u>          </u>	<u>(87.82)</u>	<u>(87.82)</u>	<u>          </u>
Fund Balance, June 30	<u>\$ (87.82)</u>	<u>\$ -</u>	<u>\$ (87.82)</u>	<u>\$ (87.58)</u>	<u>\$ 0.24</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS  
LONG-TERM DEBT  
FOR THE YEAR ENDED JUNE 30, 2024

1-4

<u>Purpose</u>	<u>Term of Lease</u>	<u>Amount of Original Lease</u>		<u>Interest Rate</u>	<u>Balance June 30, 2023</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
		<u>Principal</u>	<u>Interest</u>				
Energy Conservation Measures	11 Years	\$ 1,709,270.16	\$ 239,528.94	%	<u>\$ 1,323,145.55</u>	<u>\$ 135,949.33</u>	<u>\$ 1,187,196.22</u>
					<u>\$ 1,323,145.55</u>	<u>\$ 135,949.33</u>	<u>\$ 1,187,196.22</u>

MOUNTAIN LAKES SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

I-5

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Term of Subscription</u>	<u>Amount of Original Subscription</u>		<u>Interest Rate</u>	<u>Issued Current year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2024</u>
			<u>Principal</u>	<u>Interest</u>				
Curriculum Management System	7-01-2023	3 Years	\$18,800.40	\$1,329.72	4.49%	<u>\$18,800.40</u>	<u>\$5,988.13</u>	<u>\$ 12,812.27</u>
						<u>\$18,800.40</u>	<u>\$5,988.13</u>	<u>\$ 12,812.27</u>

**STATISTICAL SECTION (UNAUDITED)**

## INTRODUCTION TO THE STATISTICAL SECTION

## FINANCIAL TRENDS



**MOUNTAIN LAKES SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 12,676,217	\$ 13,141,991	\$ 13,324,475	\$ 14,445,347	\$ 15,180,790	\$ 6,087,163	\$ 12,123,106	\$ 38,039,249	\$ 19,369,117	\$ 21,246,651
Restricted	1,682,162	1,065,893	1,301,170	708,181	93,062	10,488,485	6,534,500	5,090,903	7,520,316	9,990,542
Unrestricted	(9,470,439)	(9,931,963)	(10,523,023)	(11,173,458)	(10,519,371)	(12,479,671)	(10,894,227)	(30,334,208)	(9,012,901)	(6,178,929)
<b>Total Governmental Activities Net Position</b>	<b>\$ 4,887,940</b>	<b>\$ 4,275,921</b>	<b>\$ 4,102,621</b>	<b>\$ 3,980,070</b>	<b>\$ 4,754,481</b>	<b>\$ 4,095,977</b>	<b>\$ 7,763,379</b>	<b>\$ 12,795,944</b>	<b>\$ 17,876,532</b>	<b>\$ 25,058,264</b>
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 10,573	\$ 8,694	\$ 6,816	\$ 5,237	\$ 3,658	\$ 2,079	\$ 501	\$ -	\$ -	\$ 25,421
Unrestricted	39,450	14,388	63,615	70,051	105,890	94,967	34,302	50,888	134,049	186,314
<b>Total Business-Type Activities Net Position</b>	<b>\$ 50,023</b>	<b>\$ 23,082</b>	<b>\$ 70,431</b>	<b>\$ 75,288</b>	<b>\$ 109,548</b>	<b>\$ 97,046</b>	<b>\$ 34,803</b>	<b>\$ 50,888</b>	<b>\$ 134,049</b>	<b>\$ 211,735</b>
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 12,686,790	\$ 13,150,686	\$ 13,331,291	\$ 14,450,584	\$ 15,184,448	\$ 6,089,242	\$ 12,123,607	\$ 38,039,249	\$ 19,369,117	\$ 21,272,072
Restricted	1,682,162	1,065,893	1,301,170	708,181	93,062	10,488,485	6,534,500	5,090,903	7,520,316	9,990,542
Unrestricted	(9,430,989)	(9,917,576)	(10,459,409)	(11,103,408)	(10,413,481)	(12,384,704)	(10,859,925)	(30,283,320)	(8,878,852)	(5,992,615)
<b>Total District Net Position</b>	<b>\$ 4,937,963</b>	<b>\$ 4,299,003</b>	<b>\$ 4,173,052</b>	<b>\$ 4,055,357</b>	<b>\$ 4,864,029</b>	<b>\$ 4,193,023</b>	<b>\$ 7,798,182</b>	<b>\$ 12,846,832</b>	<b>\$ 18,010,581</b>	<b>\$ 25,269,999</b>

Source: ACFR Schedule A-1.

**MOUNTAIN LAKES SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 13,420,468	\$ 13,878,850	\$ 14,322,609	\$ 18,673,350	\$ 17,643,183	\$ 18,033,834	\$ 18,567,673	\$ 19,242,028	\$ 17,617,076	\$ 17,509,412
Other Special Education	7,843,678	7,912,680	8,091,790	10,659,810	8,928,285	9,438,025	11,381,233	11,035,679	10,849,624	10,687,049
Vocational						94,494	637,482	748,892		
Other Instruction	1,353,115	1,405,526	1,586,622	1,997,514	1,766,752	1,549,650	1,016,625	1,085,797	1,758,668	1,656,041
Support Services:										
Tuition	759,225.86	983,299.94	984,259.44	902,498.72	705,469.34	817,961	1,144,741	820,018	815,570.97	797,786
Student and Instruction Related Services	5,928,242	6,137,788	6,235,017	8,357,945	7,040,085	6,465,956	7,997,375	8,399,735	7,324,229	7,658,555
School Administrative Services	2,174,495	2,155,164	2,124,464	2,899,647	2,508,055	2,427,032	1,849,748	2,686,300	2,674,178	2,440,448
General and Business Administrative Services	979,134	953,397	1,017,842	1,284,884	1,076,135	885,077	893,702	1,013,801	1,117,519	1,108,425
Central Services						438,463	825,947	709,725	782,697	765,479
Administration of Information Technology						210		232,346	293,463	305,213
Plant Operations and Maintenance	3,699,776	3,737,666	3,941,452	4,640,435	4,479,223	3,707,318	3,465,635	3,732,778	4,250,049	4,390,067
Care and Upkeep of Grounds						89,172	83,285	391,263		
Security								8,219	147,806	14,323
Pupil Transportation	440,794	572,346	357,988	460,156	639,028	588,556	520,585	966,426	809,496	755,626
Other Support Services										7,650
Special Schools	819,816	805,415	900,849	1,278,137	1,163,897	627,507	228,676	361,040	461,621	724,171
Charter Schools						28,327	12,368	18,223	16,173	15,777
Capital Outlay - Non-depreciable					130,593					74,276
SDA Debt Service Assessment	48,298	48,298	48,298	48,298					48,298	
Interest on Long-Term Debt	353,153	304,204	272,103	250,107	281,423	339,799	818,117	605,660	555,709	549,724
Unallocated depreciation						1,093,031	512,452	680,518	680,518	676,035
Unallocated amortization expense-Leases								155,388	155,388	195,616
Total Governmental Activities Expenses	37,820,196	38,894,634	39,883,294	51,452,782	46,362,129	46,624,412	49,955,644	52,893,836	50,358,082	50,331,672
Business-Type Activities:										
Food Service	696,682	714,485	715,901	708,266	770,806	451,435	96,298	721,986	820,024	821,436
Total Business-Type Activities Expenses	696,682	714,485	715,901	708,266	770,806	451,435	96,298	721,986	820,024	821,436
Total District Expenses	\$ 38,516,878	\$ 39,609,119	\$ 40,599,194	\$ 52,161,048	\$ 47,132,934	\$ 47,075,847	\$ 50,051,942	\$ 53,615,822	\$ 51,178,106	\$ 51,153,109
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Special Schools	\$ 701,886	\$ 662,978	\$ 693,389	\$ 945,661	\$ 188,136	\$	\$ 483,109	\$ 684,474	\$	\$ 674,020
Interest on Long-Term Debt	244,780	163,851	225,890	151,186						
Operating Grants and Contributions	4,515,431	4,604,244	4,814,404	15,907,764	10,073,226	9,118,665	13,686,339	16,752,246	13,156,729	12,648,869
Total Governmental Activities Program Revenues	5,462,097	5,431,072	5,733,684	17,004,612	10,261,362	9,118,665	14,169,448	17,436,720	13,156,729	13,322,889
Business-Type Activities:										
Charges for Services:										
Food Service	657,036	633,283	720,917	667,976	752,454	414,365	34,009	737,745	861,429	842,594
Operating Grants and Contributions	7,384	4,259	5,910	5,571						
Total Business-Type Activities Program Revenues	664,419	637,522	726,827	673,547	752,454	414,365	34,009	737,745	861,429	842,594
Total District Program Revenues	\$ 6,126,516	\$ 6,068,594	\$ 6,460,511	\$ 17,678,159	\$ 11,013,815	\$ 9,533,030	\$ 14,203,457	\$ 18,174,465	\$ 14,018,158	\$ 14,165,483
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (32,358,100)	\$ (33,463,562)	\$ (34,149,610)	\$ (34,448,170)	\$ (36,100,767)	\$ (37,505,747)	\$ (35,786,196)	\$ (35,457,116)	\$ (37,201,353)	\$ (37,008,784)
Business-Type Activities	(32,262)	(76,963)	10,927	(34,718)	(18,352)	(37,070)	(62,289)	15,759	41,405	21,158
Total District Wide Net Expense	\$ (32,390,362)	\$ (33,540,525)	\$ (34,138,684)	\$ (34,482,889)	\$ (36,119,119)	\$ (37,542,817)	\$ (35,848,485)	\$ (35,441,357)	\$ (37,159,948)	\$ (36,987,626)

**MOUNTAIN LAKES SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>General Revenues and Other Changes in Net Assets</u></b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 18,928,914	\$ 19,307,492	\$ 19,810,179	\$ 20,320,489	\$ 20,872,466	\$ 22,420,836	\$ 22,114,825	\$ 22,557,119	\$ 23,008,261	\$ 23,768,426
Property Taxes Levied for Debt Service Principal	772,161	906,596	886,522	872,442	1,048,384		1,617,941	1,757,185	1,731,789	1,653,853
Federal and State Aid - Unrestricted	46,206	41,639	54,125	93,615	1,071,564	1,036,973	1,163,365	1,257,925	1,804,968	2,462,528
Payments in Lieu of taxes - State Aid Restricted						99,321	173,541	193,471	193,089	
Tuition (Other than Special Schools)	12,351,081	12,217,727	13,071,877	12,748,296	13,351,783	13,048,955	13,854,015	13,048,516	15,086,325	15,587,280
Investment Earnings	15,648		5,594	34,769						
Miscellaneous Income	434,166	223,111	184,549	144,470	501,320	264,623	50,305	121,858	479,182	685,885
Proceeds of Long-Term Debt (Refunding Bonds)		205,000								
Capital Lease Principal Cancelled				150,374						
NJ Schools Development Authority Grants	126,140									
Transfers	(27,535)	(50,023)	(36,303)	(38,837)	29,662	(23,463)	(24,259)	(25,774)	(33,538)	(46,509)
Adjustment to Capital Assets							(307,054)			
Total Governmental Activities	<u>32,646,781</u>	<u>32,851,542</u>	<u>33,976,544</u>	<u>34,325,619</u>	<u>36,875,179</u>	<u>36,847,245</u>	<u>38,642,679</u>	<u>38,910,300</u>	<u>42,270,076</u>	<u>44,111,462</u>
Business-Type Activities:										
Investment Earnings			119	739	1,681	1,105	45		8,218	10,018
Transfers	27,535	50,023	36,303	38,837	50,931	23,463			33,538	46,509
Total Business-Type Activities	<u>27,535</u>	<u>50,023</u>	<u>36,422</u>	<u>39,576</u>	<u>52,612</u>	<u>24,568</u>	<u>45</u>	<u>-</u>	<u>41,756</u>	<u>56,527</u>
Total District-Wide	<u>\$ 32,674,316</u>	<u>\$ 32,901,565</u>	<u>\$ 34,012,965</u>	<u>\$ 34,365,194</u>	<u>\$ 36,927,791</u>	<u>\$ 36,871,813</u>	<u>\$ 38,642,724</u>	<u>\$ 38,910,300</u>	<u>\$ 42,311,832</u>	<u>\$ 44,167,990</u>
<b><u>Change in Net Position</u></b>										
Governmental Activities	\$ 288,681	\$ (612,019)	\$ (173,067)	\$ (122,552)	\$ 774,412	\$ (658,502)	\$ 2,856,483	\$ 3,453,184	\$ 5,068,722	\$ 7,102,679
Business-Type Activities	(4,728)	(26,941)	47,348	4,857	34,260	(12,502)	(62,244)	15,759	83,161	77,685
Total District	<u>\$ 283,954</u>	<u>\$ (638,960)</u>	<u>\$ (125,718)</u>	<u>\$ (117,694)</u>	<u>\$ 808,672</u>	<u>\$ (671,004)</u>	<u>\$ 2,794,239</u>	<u>\$ 3,468,943</u>	<u>\$ 5,151,884</u>	<u>\$ 7,180,364</u>

Source: ACFR Schedule A-2.

**MOUNTAIN LAKES SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

	<u>2015</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>
General Fund:										
Reserved	\$2,228,812	\$1,546,687	\$2,079,731	\$2,063,994	\$ 2,473,747	\$ 2,250,255	\$2,548,314	\$3,490,583	\$6,701,692	\$ 7,033,211
Unreserved (deficit)	666,105	593,036	788,315	758,578	774,020	805,709	1,367,500	1,444,492	658,430	820,255
Total General Fund	<u>\$2,894,917</u>	<u>\$2,139,723</u>	<u>\$2,868,046</u>	<u>\$2,822,572</u>	<u>\$ 3,247,767</u>	<u>\$ 3,055,964</u>	<u>\$3,915,814</u>	<u>\$4,935,075</u>	<u>\$7,360,123</u>	<u>\$ 7,853,466</u>
All Other Governmental Funds:										
Restricted:										
Reserved	\$ 1,478	\$ 16,754	\$ 15,276	\$ (816,622)	\$ (1,667,440)	\$ 8,238,230	\$3,986,186	\$1,600,320	\$ 818,624	\$ 2,957,331
Permanent Fund	(1,145)	(1,245)								
Total All Other Governmental Funds	<u>\$ 333</u>	<u>\$ 15,509</u>	<u>\$ 15,276</u>	<u>\$ (816,622)</u>	<u>\$ (1,667,440)</u>	<u>\$ 8,238,230</u>	<u>\$3,986,186</u>	<u>\$1,600,320</u>	<u>\$ 818,624</u>	<u>\$ 2,957,331</u>
Total Fund Balances	<u>\$2,895,250</u>	<u>\$2,155,232</u>	<u>\$2,883,322</u>	<u>\$2,005,950</u>	<u>\$ 1,580,327</u>	<u>\$11,294,194</u>	<u>\$7,902,000</u>	<u>\$6,535,395</u>	<u>\$8,178,746</u>	<u>\$10,810,797</u>

Source: ACFR Schedule B-1.

MOUNTAIN LAKES SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	\$19,945,855	\$ 20,377,939	\$20,922,591	\$ 21,344,117	\$ 21,920,850	\$ 22,420,836	\$ 23,732,766	\$ 24,314,304	\$ 24,740,050	\$ 25,422,279
Tuition Charges	13,052,967	12,880,705	13,765,267	13,693,958	13,351,783	13,048,955	13,854,015	13,048,516	15,086,325	15,587,280
Interest Earnings	15,648		5,594	34,769						
Miscellaneous	718,195	523,399	531,932	460,782	501,320	264,623	50,305	121,858	307,849	685,885
State Sources	3,948,194	4,040,885	4,229,337	6,763,323	7,648,380	8,031,462	9,322,362	11,481,574	11,552,200	12,693,263
Federal Sources	329,414	304,708	291,810	310,968	310,522	342,992	409,725	504,157	432,567	550,589
Private Sources					392,724	483,968	794,290	830,159	171,333	738,161
<b>Total Revenue</b>	<b>38,010,272</b>	<b>38,127,637</b>	<b>39,746,530</b>	<b>42,607,917</b>	<b>44,125,579</b>	<b>44,592,836</b>	<b>48,163,463</b>	<b>50,300,568</b>	<b>52,290,323</b>	<b>55,677,457</b>
<b>Expenditures</b>										
Instruction:										
Regular Instruction	9,718,636	9,912,453	9,973,199	10,381,534	10,977,489	11,672,070	11,094,223	10,982,761	11,318,563	11,385,880
Special Education Instruction	5,706,632	5,678,702	5,675,156	5,743,785	5,424,366	5,831,147	6,471,827	6,147,639	6,355,885	6,735,979
Other Special Instruction						58,293				
Other Instruction	1,012,606	1,046,062	1,155,399	1,157,146	1,167,749	1,066,147	1,016,625	1,085,797	1,072,078	1,114,918
Support Services:										
Tuition	759,226	983,300	984,259	902,499	705,469	817,961	1,144,741	820,018	815,571	797,786
Student and Instruction Related Services	4,465,769	4,569,703	4,551,604	4,787,118	4,594,232	4,173,283	4,965,010	5,290,219	4,514,215	5,325,104
School Administrative Services	1,587,942	1,557,096	1,504,745	1,565,857	1,552,037	1,868,024	1,365,470	1,468,267	1,519,622	1,573,593
General and Business Administrative Services	766,411	737,830	786,287	816,677	882,677	702,776	591,470	702,387	798,726	861,987
Central Services						277,569	474,672	449,995	450,083	504,198
Administration of Information Technology						210		127,482	179,626	216,625
Plant Operations and Maintenance	3,061,331	3,074,671	3,197,175	3,430,281	3,414,579	3,225,230	2,853,503	2,858,697	3,192,106	3,667,285
Care and Upkeep of Grounds						89,172	83,285	324,131		
Security								8,219	83,099	14,323
Pupil Transportation	418,250	550,573	462,555	426,967	605,830	588,556	520,585	968,426	803,679	755,626
Employee Benefits	8,267,332	8,385,282	8,550,030	11,177,058	11,934,296	12,264,766	13,991,960	15,248,895	15,605,599	16,482,929
Special Schools	636,986	647,066	693,389	838,319	857,265	627,507	228,676	361,040	461,621	461,054
Charter School						28,327	12,368	18,223	16,173	15,777
Capital Outlay	1,190,849	3,047,530	289,480	1,081,387	1,316,748	7,654,679	5,429,366	2,830,458	1,501,818	1,376,143
Debt Service:										
Principal	825,000	850,000	880,000	880,000	915,000	915,000	955,000	1,366,000	1,385,000	1,300,000
Interest	364,030	327,365	278,625	257,825	233,125	210,788	836,482	584,745	539,969	488,744
<b>Total Expenditures</b>	<b>38,781,000</b>	<b>41,367,633</b>	<b>38,981,904</b>	<b>43,446,453</b>	<b>44,580,863</b>	<b>52,071,506</b>	<b>52,035,263</b>	<b>51,641,399</b>	<b>50,613,433</b>	<b>53,077,950</b>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(770,727)	(3,239,996)	764,626	(838,535)	(455,284)	(7,478,669)	(3,871,800)	(1,340,831)	1,676,890	2,599,506

MOUNTAIN LAKES SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses):										
Capital Leases (Nonbudgeted)	\$ 249,543	\$ 2,550,000	\$	\$	\$ 80,593	\$	\$	\$	\$	\$
NJ Economic Development Authority Grants	126,140					17,216,000				
Bond/Refunding Bond Proceeds							(307,054)			1,869,800
Cancellation of Accounts Receivable - Prior Year										(1,916,309)
Transfers In										
Transfers Out	(27,535)	(50,023)	(36,303)	(38,837)	(50,931)	(23,463)	(24,259)	(25,774)	(33,538)	
Total Other Financing Sources (Uses)	348,148	2,499,977	(36,303)	(38,837)	29,662	17,192,537	(331,313)	(25,774)	(33,538)	(46,509)
Net Change in Fund Balances	\$ (422,579)	\$ (740,019)	\$ 728,323	\$ (877,372)	\$ (425,621)	\$ 9,713,868	\$ (4,203,113)	\$ (1,366,605)	\$ 1,643,351	\$ 2,552,997
Debt Service as a Percentage of Noncapital Expenditures	3.16%	3.07%	2.99%	2.69%	2.65%	2.53%	3.84%	4.00%	3.92%	3.46%

Source: School District Financial Statements.

Note: Noncapital expenditures are total expenditures less capital outlay.

**MOUNTAIN LAKES SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*(Unaudited)*

<u>Fiscal Year Ended June 30,</u>	<u>Miscellaneous</u>	<u>Rentals</u>	<u>Interest</u>	<u>Hearing Impaired School Tuition</u>	<u>Tuition</u>	<u>Annual Totals</u>
2015	\$ 32,306	\$140,000	\$15,648	\$8,826,917	\$ 4,226,170	\$13,241,042
2016	70,075	140,000		8,391,079	4,166,884	12,768,038
2017	44,549	140,000	29,744	8,984,091	4,769,196	13,967,580
2018	6,018	140,000	34,769	8,851,108	4,843,046	13,874,941
2019	299,758	140,000	61,562	8,471,644	4,880,138	13,853,103
2020	211,023		53,600	8,127,921	5,921,034	14,313,578
2021	561,294		8,575	8,047,628	5,286,824	13,904,321
2022	121,858				13,048,516	13,170,374
2023	259,578	41,131			15,086,325	15,387,034
2024	657,629	20,259			15,587,280	16,265,168

Source: District Records



REVENUE CAPACITY

**MOUNTAIN LAKES SCHOOL DISTRICT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
*(Unaudited)*

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Assessed Value</u>	<u>Utilities</u>	<u>Net Valuation Taxable</u>	<u>Estimate Actual (County Equalized) Valuation</u>	<u>Total Direct School Tax Rate*</u>
2015	\$16,352,300	\$1,075,076,800	\$2,700	\$ 94,294,700	\$3,226,100	\$ 1,188,952,600	\$803,200	\$1,189,755,800	\$ 1,319,415,553	\$ 1.697
2016	14,105,200	1,081,603,000	2,700	94,161,900	3,226,100	1,193,098,900	803,200	1,193,902,100	1,330,295,840	1.730
2017	10,745,400	1,089,417,800	2,700	93,676,200	3,226,100	1,197,068,200	803,200	1,197,871,400	1,324,676,089	1.765
2018	9,869,400	1,093,227,900	2,700	93,587,200	3,226,100	1,199,913,300	803,200	1,200,716,500	1,353,122,934	1.802
2019	11,969,400	1,088,312,200	1,500	87,913,100	3,226,100	1,191,422,300	803,200	1,192,225,500	1,343,655,471	1.859
2020	11,634,500	1,083,844,800	1,500	85,543,300	3,226,100	1,184,250,200	803,200	1,185,053,400	1,270,912,810	1.947
2021	9,197,100	1,110,953,200	1,400	94,351,900	3,226,100	1,217,662,400	803,200	1,218,465,600	1,315,205,618	1.972
2022	4,474,000	1,166,208,000	1,400	104,817,000	3,393,000	1,278,893,400	803,200	1,279,696,600	1,326,326,175	1.917
2023	4,279,100	1,283,703,500	1,400	121,181,900	3,748,000	1,412,913,900	803,200	1,413,717,100	1,445,988,204	1.774
2024	4,681,700	1,393,062,900	1,400	123,036,500	4,594,900	1,525,377,400	803,200	1,526,180,600	1,598,674,903	1.680

(1) Revaluation effective

Source: Municipal Tax Assessor; Abstract of Ratables

\*Tax rates per \$100

**MOUNTAIN LAKES SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)  
(Unaudited)**

Calendar Year	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	County	
2015	\$ 1.597	\$0.100	\$ 1.697	\$ 0.490	\$ 0.280	\$ 2.467
2016	1.630	0.100	1.730	0.510	0.280	2.520
2017	1.668	0.097	1.765	0.520	0.290	2.575
2018	1.707	0.095	1.802	0.530	0.300	2.632
2019			1.859	0.560	0.290	2.709
2020	1.840	0.110	1.950	0.570	0.280	2.800
2021	1.880	0.090	1.970	0.560	0.270	2.800
2022	1.780	0.136	1.917	0.527	0.267	2.711
2023	1.654	0.120	1.774	0.494	0.260	2.528
2024	1.571	0.109	1.680	0.452	0.256	2.388

Source: Municipal Tax Assessor

**MOUNTAIN LAKES SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

	2024			2015	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
<u>Taxpayer</u>			<u>Taxpayer</u>		
Sunrise of Mountain Lakes Propco LL	\$ 20,537,500	1.45%	**		0.00%
Blue 701 LLC	14,495,800	1.03%	**		0.00%
Euroimmun US Real Estate, LLC	6,908,700	0.49%	**		0.00%
ETLSLN-US LLC	6,800,000	0.48%	**		0.00%
Mtn Lakes RTYLLC	5,000,000	0.35%	**		0.00%
Deluxe Manufacturing Operations Inc	4,932,000	0.35%	**		0.00%
ML Mansion on 46 LLC	4,758,500	0.34%	**		0.00%
Highview Commercial ML3 LLC	4,508,300	0.32%	**		0.00%
Zeris Brothers	3,523,600	0.25%	**		0.00%
Individual Taxpayer 1	3,268,200	0.23%	**		0.00%
	<u>\$ 74,732,600</u>	<u>5.29%</u>		<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

\*\*Data not available

**MOUNTAIN LAKES SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for the <u>Fiscal Year</u>	Collected Within the Fiscal of the Levy	
		<u>Amount</u>	<u>Percentage of Levy</u>
2015	\$ 20,190,214	\$ 20,161,897	99.86%
2016	20,650,265	20,650,265	100.00%
2017	21,139,353	21,133,353	99.97%
2018	21,626,484	21,626,484	100.00%
2019	22,170,843	22,170,843	100.00%
2020	23,076,801	23,076,801	100.00%
2021	24,023,533	24,023,533	100.00%
2022	24,527,177	24,527,177	100.00%
2023	25,081,164	25,081,164	100.00%
2024	25,422,279	25,422,279	100.00%

Source: District Records

DEBT CAPACITY

**MOUNTAIN LAKES 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	Per Capita
	General Obligation Bonds	Certificates Participation	Capital Leases	Bond/Grant Anticipation Notes			
2015	\$ 10,590,000	\$	\$ 199,634	\$	\$ 10,789,634	3.20%	\$ 2,532
2016	9,535,000		2,675,148		12,210,148	3.61%	2,848
2017	8,655,000		2,493,186		11,148,186	3.00%	2,573
2018	7,775,000		2,157,439		9,932,439	2.78%	2,286
2019	6,860,000		1,890,646		8,750,646	2.40%	2,014
2020	23,161,000		1,736,098		24,897,098	2.37%	5,896
2021	22,206,000		1,572,068		23,778,068	2.38%	5,665
2022	20,840,000		1,451,342		22,291,342	4.53%	4,883
2023	19,455,000		1,323,146		20,778,146	4.05%	4,519
2024	18,155,000		1,187,196		19,342,196	**	4,198

Source: District Records

\*\*Data not available



**MOUNTAIN LAKES SCHOOL DISTRICT**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value of Property	Per Capita
	<u>General Obligation Bonds</u>	<u>Deductions</u>		
2015	\$10,590,000	\$	0.89%	\$ 2,470
2016	9,535,000		0.80%	2,201
2017	8,655,000		0.72%	1,992
2018	7,775,000		0.65%	1,789
2019	6,860,000		0.58%	1,624
2020	23,161,000		1.95%	5,518
2021	22,206,000		1.82%	4,864
2022	20,840,000		1.63%	4,532
2023	19,455,000		1.38%	4,222
2024	18,155,000		1.19%	3,940

Source: District Records

**MOUNTAIN LAKES SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 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 Mountain Lakes	\$ 16,693,938	100.00%	\$ 16,693,938
Morris County General Obligation Debt	326,425,422	1.34%	<u>4,374,101</u>
Sub-Total Overlapping Debt			18,068,039
Mountain Lakes School District Direct Debt			<u>18,155,000</u>
Total Direct and Overlapping Debt			<u>\$ 39,223,039</u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Mountain Lakes. 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 payment.

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

**MOUNTAIN LAKES SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	Fiscal Year Ending June 30,									
	<u>2014</u>	<u>2016</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>
Debt Limit	\$ 51,934,036	\$52,297,612	\$52,687,105	\$52,752,352	\$53,658,316	\$53,373,917	\$52,253,384	\$51,747,820	\$53,557,385	\$ 57,866,221
Total Net Debt Applicable to Limit	<u>11,415,000</u>	<u>10,590,000</u>	<u>9,535,000</u>	<u>8,655,000</u>	<u>7,775,000</u>	<u>6,860,000</u>	<u>23,161,000</u>	<u>22,206,000</u>	<u>20,840,000</u>	<u>19,455,000</u>
Legal Debt Margin	<u>\$ 40,519,036</u>	<u>\$41,707,612</u>	<u>\$43,152,105</u>	<u>\$44,097,352</u>	<u>\$45,883,316</u>	<u>\$46,513,917</u>	<u>\$29,092,384</u>	<u>\$29,541,820</u>	<u>\$32,717,385</u>	<u>\$ 38,411,221</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.98%	20.25%	18.10%	16.41%	14.49%	12.85%	44.32%	42.91%	38.91%	33.62%

**Legal Debt Margin Calculation for Fiscal Year 2023\***

Equalized Valuation Basis:

2021	\$ 1,314,402,418	
2022	1,432,291,858	
2023	<u>1,593,272,327</u>	
	<u>\$ 4,339,966,603</u>	[A]
Average Equalized Valuation of Taxable Property	<u>\$ 1,446,655,534</u>	[A/3]
Debt Limit (4% of Average Equalization Value) (a)	\$ 57,866,221	[B]
Total Net Debt Applicable to Limit	<u>19,455,000</u>	[C]
Legal Debt Margin	<u>\$ 38,411,221</u>	[B-C]

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

(a) Limit set by N.J.S.A.18A:24-19 for a K through 12 District; other % limits would be applicable for other districts.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

**MOUNTAIN LAKES SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>a</u> <u>Population</u>	<u>b</u> <u>Personal</u> <u>Income</u>	<u>c</u> <u>County</u> <u>Per Capita</u> <u>Personal</u> <u>Income</u>	<u>d</u> <u>Unemployment</u> <u>Rate</u>
2015	4,245	\$ 374,825,010	\$ 88,298	3.40%
2016	4,286	391,106,072	91,252	3.00%
2017	4,290	401,303,760	93,544	3.00%
2018	4,261	414,356,684	97,244	3.00%
2019	4,216	417,974,240	99,140	2.40%
2020	4,197	429,046,719	102,227	5.30%
2021	4,565	491,956,355	107,767	3.80%
2022	4,598	513,123,006	111,597	2.70%
2023	4,608	**	**	3.60%
2024	**	**	**	**

**Source:**

- a Population information provided by the NJ Department of Labor and Workplace 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 source is U.S. Census Data.
- d Unemployment information provided by the NJ Department of Labor and Workplace Development.

\*\*Data not available

MOUNTAIN LAKES SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Employees</u>	<u>Rank (Optional)</u>
	*	*	*	*

Source: Mountain Lakes Borough

\* Data not available

## OPERATING INFORMATION



**MOUNTAIN LAKES SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Function/Program</u>	Fiscal Year Ending June 30,									
	<u>2015</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>
Instruction:										
Regular	115	115	118	118	160	113	130	117	113	108
Special Education	125	125	127	127	22	99	87	80	84	92
Other Instruction					50	2				
Support Services:										
Student and Instruction Related Services	81	83	85	85	29	59	80	52	46	53
School Administrative Services	19	19	19	19	28	14	13	12	13	14
General and Business Administrative Services	9	8	8	9	8	19	15	9	10	18
Plant Operations and Maintenance	<u>26</u>	<u>26</u>	<u>26</u>	<u>27</u>	<u>23</u>	<u>25</u>	<u>24</u>	<u>23</u>	<u>24</u>	<u>26</u>
Total	<u>375</u>	<u>376</u>	<u>383</u>	<u>385</u>	<u>320</u>	<u>331</u>	<u>349</u>	<u>293</u>	<u>290</u>	<u>311</u>

Source: District Personnel Records

**MOUNTAIN LAKES SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year	Enrollment	a./b. Operating Expenditures	c. Cost Per Pupil	Percentag Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment	Average Daily Attendance	Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2015	1,556	\$ 34,894,272	\$ 22,426	-3.01%	240	1:14	1:11	1:10	1,556	1,488	-1.8%	95.6%
2016	1,534	37,142,739	24,213	7.97%	240	1:14	1:11	1:10	1,534	1,466	-1.4%	95.6%
2017	1,594	37,533,800	23,547	-2.75%	245	1:14	1:11	1:10	1,594	1,525	3.9%	95.7%
2018	1,531	38,717,153	25,289	7.40%	246	1:14	1:11	1:10	1,531	1,457	-4.0%	95.2%
2019	1,587	41,498,671	26,149	3.40%	182	1:11	1:13	1:13	1,574	1,502	2.8%	95.4%
2020	1,454	43,291,040	29,774	13.86%	165	1:10	1:19	1:10	1,549	1,491	-1.6%	96.3%
2021	1,478	44,814,416	30,321	1.84%	160	1:12	1:10	1:10	1,477	1,434	-4.6%	97.1%
2022	1,479	46,860,196	31,684	4.49%	160	1:11	1:9	1:10	1,413	1,329	-4.3%	94.0%
2023	1,413	46,474,879	32,891	3.81%	170	1:12	1:11	1:09	1,395	1,330	-1.3%	95.4%
2024	1,371	51,299,119	37,417	13.76%	200	**	**	**	1,354	1,294	-2.9%	95.6%

Sources: District Records and NJDOE

**Note:** a. Enrollment based on annual October district count.  
b. Operating expenditures equal total expenditures less debt service and capital outlay.  
c. Cost per pupil represents operating expenditures divided by enrollment.

\*\*Data not available

**MOUNTAIN LAKES SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	Fiscal Year Ending June 30,									
	<u>2015</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>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<u>Wildwood Elementary</u>										
Square Feet	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000
Capacity (Students)	625	625	625	625	625	625	625	625	625	625
Enrollment	456	455	450	465	454	454	441	448	449	440
<b><u>Middle School</u></b>										
<u>Briarcliff Middle School</u>										
Square Feet	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Capacity (Students)	269	269	269	269	269	269	269	269	269	269
Enrollment	304	317	315	307	292	292	273	262	273	276
<b><u>High School</u></b>										
<u>Mountain Lakes High School</u>										
Square Feet	150,000	150,000	150,000	150,000	160,000	160,000	160,000	160,000	160,000	160,000
Capacity (Students)	750	750	750	750	750	750	750	750	750	750
Enrollment	672	672	675	721	726	726	674	622	593	569
<b><u>Lake Drive School for Deaf and Hard of Hearing Children</u></b>										
Square Feet	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
Capacity (Students)	194	194	194	194	194	194	194	194	194	194
Enrollment	123	118	116	115	103	103	91	81	80	86
<b><u>Other</u></b>										
Central Administration:										
Square Feet	1,186	1,186	1,186	1,186	1,186	1,186	2,040	2,040	2,040	2,040
Number of Schools at June 30, 2024										
Elementary = 1										
Middle = 1										
High School = 1										
Special Ed School = 1										

MOUNTAIN LAKES SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXX

	Pending Projects (w/DOE Project #)	Gross Building Area (SF)	Ten Year Total	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>School Facilities:</b>													
Wildwood Elementary		43,000	\$ 1,421,672	\$125,295	\$137,391	\$ 148,714	\$ 151,544	\$185,013	\$208,697	\$ 91,831	\$102,061	\$118,930	\$ 152,196
Briarcliff Middle	SP3460-060-04-1000	21,800	1,445,196	80,719	80,783	104,359	105,076	237,391	193,282	120,350	137,782	169,080	216,374
Lake Drive School		14,500	1,367,398	90,512	121,260	112,107	141,627	221,149	216,316	81,991	96,915	125,244	160,277
M. L. High School		160,000	3,400,736	352,239	387,523	421,874	472,293	243,902	31,170	280,373	318,984	391,443	500,935
Total School Facilities		239,100	\$7,635,002	\$648,765	\$726,957	\$787,054	\$870,540	\$887,455	\$649,465	\$574,545	\$655,742	\$804,697	\$1,029,782

Source: District Records

**MOUNTAIN LAKES SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2024  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Utica National Insurance Group:		
School Package Policy:		
Property - Blanket Building and Contents	\$ 72,911,169	\$ 5,000
General Liability Coverage:		
Products Completed Operations Aggregate Limit	3,000,000	-
Personal and Advertising Injury Limit	1,000,000	5,000
Each Occurrence Liability	1,000,000	1,000
Damage to Premises Rented to you Limit	1,000,000	-
Medical Expense Limit	10,000	-
School Leaders Errors and Omissions Liability		5,000 *
Annual Aggregate	3,000,000	-
Employment-Related Practices		5,000 *
Employee Benefit Programs		1,000 *
Cyber Suite		10,000 *
Crime Coverage - Public Employee Dishonesty	100,000	-
Electronic Data Processing	1,450,000	1,000
Automobile	1,000,000	250
Commercial Liability Umbrella	15,000,000	10,000
Berkeley Life and Health Insurance Company		
Student Accident Insurance - Compulsory Coverage	1,000,000	-
Firemen's Fund Indemnity Corporation:		
Excess Umbrella Liability	50,000,000	-
Morris Essex Worker's Compensation Joint Insurance Fund:		
Worker's Compensation Insurance	100,000/500,000/100,000	
Utica National Insurance Group:		
Surety Bonds:		
Treasurer	252,000	500
School Business Administrator	252,000	500

\*Coverage is included in the General Liability Coverage

Source: District records

## SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR'S 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**

The Honorable President and Members  
of the Board of Education  
Mountain Lakes School District  
County of Morris  
Mountain Lakes, New Jersey 07046

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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mountain Lakes School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Mountain Lakes School District's basic financial statements, and have issued our report thereon dated January 7, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Mountain Lakes School 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 Mountain Lakes School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mountain Lakes School 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 entity'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.



## **Report on Compliance and Other Matters**

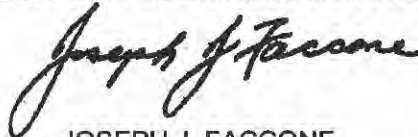
As part of obtaining reasonable assurance about whether the Mountain Lakes School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*.

## **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI  
Licensed Public School Accountant #194

Newark, New Jersey  
January 7, 2025

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
NEW JERSEY OMB CIRCULAR 15-08**

The Honorable President and Members  
of the Board of Education  
Mountain Lakes School District  
County of Morris  
Mountain Lakes, New Jersey 07046

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Mountain Lakes School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Mountain Lakes School District's major state programs for the year ended June 30, 2024. The Mountain Lakes School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Mountain Lakes School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

**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 as prescribed by the Office of School Finance, Department of Education, State of New Jersey*; 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 Mountain Lakes School 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 Mountain Lakes School District's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

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

### **Auditor's 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 Mountain Lakes School 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 generally accepted auditing standards, *Government Auditing Standards*, the *Office of School Finance, Department of Education, State of New Jersey*, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Mountain Lakes School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey 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 Mountain Lakes School 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 Mountain Lakes School 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Mountain Lakes School 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 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 state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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.

**Report on Internal Control over Compliance (Continued)**

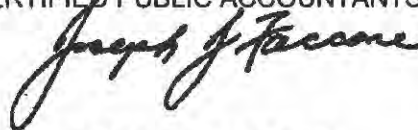
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI  
Licensed Public School Accountant #194

Newark, New Jersey  
January 7, 2025

MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule A

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2024		
					From	To							(Accounts Receivable)	Deferred Inflows	Due to Grantor
U.S. Department of Education: Pass-Through State Department of Education:															
Special Revenue Fund:															
Title I, Part A	84 010	S010A240030	NCLB-3460-24	\$ 21,395.00	7/01/2023	9/30/2024	\$ -	\$ -	\$ -	\$ (6,244.20)	\$ -	\$ -	\$ (6,244.20)	\$ -	\$ -
Title II, Part A	84 367A	S367A240029	NCLB-3460-24	17,438.00	7/01/2023	9/30/2024				(10,423.66)			(10,423.66)		
Title II, Part A	84 367A	S367A230029	NCLB-3460-23	18,045.00	7/1/2022	6/30/2023	(1,155.83)		4,394.00		(3,238.17)				
Title II, Part A	84 367A	S367A210029	NCLB-3460-22	10,757.00	7/1/2021	6/30/2022	(4,750.00)				4,750.00				
Title II, Part A	84 367A	S367A190029	NCLB-3460-20	15,674.00	7/1/2019	6/30/2020	(1,134.00)				1,134.00				
I.D.E.A. Part B, Basic Regular	84 027A	H027A240100	IDEA-3460-24	321,454.00	7/01/2023	9/30/2024				(318,960.00)			(318,960.00)		
I.D.E.A. Part B, Basic Regular	84 027A	H027A230100	IDEA-3460-23		7/1/2022	6/30/2023	(178,223.00)		178,223.00						
I.D.E.A. Part B, Basic Regular	84 027A	H027A220100	IDEA-3460-22	307,028.00	7/1/2021	6/30/2022	(1,238.00)				1,238.00				
I.D.E.A. Part B, Basic Regular	84 027A	H027A200100	IDEA-3460-20	326,982.00	7/1/2019	6/30/2020	(7,536.00)				7,536.00				
ARP - I.D.E.A. Basic Regular	84 027X	H027X240100		42,805.00	7/01/2023	9/30/2024			42,805.00	(42,805.00)					
ARP - I.D.E.A. Basic Regular	84 027X	H027X220100			7/01/2021	9/30/2022	(25,252.00)		23,252.00						
CRRSA Act-ESSER II Grant Program	84 425D	S425D210027		75,682.00	3/13/2020	9/30/2023	(23,935.00)	6,250.00	17,686.00						
CRRSA Act-ESSER II Grant Program	84 425D	S425D220027			3/13/2020	9/30/2023	6,250.00	(6,250.00)							
CRRSA Act - Learning Acceleration Grant Program	84 425D	S425D200027			7/1/2021	6/30/2022	(11,653.00)						(11,653.00)		
ARP ESSER - Accelerated Learning Grant	84 425U	S425U210027		84,360.00	3/13/2020	9/30/2024	(61,462.00)		42,136.00	(22,916.00)			42,244.00		
ARP ESSER - Summer Learning	84 425U	S425U240027		40,000.00	3/13/2020	9/30/2024				(39,934.00)	(65.96)		(39,999.96)		
ARP ESSER - Evidence Based Comprehensive Beyond the School Day	84 425U	S425U210027		40,000.00	3/13/2020	9/30/2024	(5,138.26)			(31,724.00)	(3,137.74)		(40,000.00)		
CRRSA Act - Mental Health Grant	84 425D	S425D200027		45,000.00	3/13/2020	9/30/2023	(24,066.00)				2,094.10		(21,971.90)		
ARP - ESSER Grant	84 425U	S425U210027		170,990.00	3/13/2020	9/30/2024	(79,226.07)		64,553.00	(79,790.00)			(94,463.07)		
ARP ESSER - NJTSS Mental Health Support Staffing Grant	84 425U	S425U210027		45,000.00	3/13/2020	9/30/2024	(50,503.80)				5,503.60		(45,000.00)		
Total Special Revenue Fund							(467,223.76)	-	373,049.00	(550,798.86)	15,813.83	-	(629,159.79)	-	-
Total Federal Financial Awards							\$ (467,223.76)	\$ -	\$ 373,049.00	\$ (550,798.86)	\$ 15,813.83	\$ -	\$ (629,159.79)	\$ -	\$ -

The accompanying Notes to the Schedules of Awards and Financial Assistance are an integral part of this schedule.



**MOUNTAIN LAKES SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Schedule B

Balance June 30, 2023										Balance June 30, 2024					Memo	
State Grant/Program Title	Grant or State Project Number	Award Amount	Grant Period		Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass-Through Funds	Adjustments	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Deferred Inflows/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
			From	To												
State Department of Education:																
General Fund:																
Transportation Aid	24-495-034-5120-014	\$ 78,377.00	7/01/2023	6/30/2024	\$	\$	\$	\$ 78,377.00	\$ (78,377.00)	\$	\$	\$	\$	\$	\$ 7,637.70	\$ 78,377.00
Special Education Aid	24-495-034-5120-089	1,157,088.00	7/01/2023	6/30/2024				1,157,088.00	(1,157,088.00)						108,254.00	1,157,088.00
Security Aid	24-495-034-5120-084	87,173.00	7/01/2023	6/30/2024				87,173.00	(87,173.00)						8,717.30	87,173.00
Extraordinary Aid	24-495-034-5120-044	123,630.00	7/01/2023	6/30/2024					(123,630.00)			(123,630.00)				123,630.00
Extraordinary Aid	23-495-034-5120-044	99,338.00	7/01/2022	6/30/2023	(99,338.00)			99,338.00								
Non-Public Transportation Aid	24-495-034-5120-014	11,830.00	7/01/2023	6/30/2024					(11,830.00)			(11,830.00)				11,830.00
On-Behalf Contributions:																
TPAF - Pension Contributions	24-495-034-5094-002	6,820,287.00	7/01/2023	6/30/2024				6,820,287.00	(6,820,287.00)							6,820,287.00
TPAF - Post Retirement Medical Contribution	24-495-034-5094-001	1,856,233.00	7/01/2023	6/30/2024				1,856,233.00	(1,856,233.00)							1,856,233.00
TPAF - Long-Term Disability Contribution	24-495-034-5094-004	2,198.00	7/01/2023	6/30/2024				2,198.00	(2,198.00)							2,198.00
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	1,421,442.59	7/01/2023	6/30/2024				1,350,735.55	(1,421,442.59)			(70,707.04)				1,421,442.59
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	1,380,468.06	7/01/2022	6/30/2023	(111,912.17)			111,912.17								
Total General Fund					(211,250.17)			11,543,339.72	(11,630,258.59)			(208,167.04)			122,809.00	11,538,258.59
Special Revenue Fund:																
New Jersey Nonpublic Aid:																
Textbook Aid	24-100-034-5120-064	6,648.00	7/01/2023	6/30/2024				6,648.00	(6,648.23)					1.77		6,648.23
Textbook Aid	23-100-034-5120-064	7,326.00	7/01/2022	6/30/2023		79.55					(79.55)					
Textbook Aid	22-100-034-5120-064	4,948.00	7/01/2021	6/30/2022		54.78				(54.78)						
Textbook Aid	21-100-034-5120-064	4,948.00	7/01/2020	6/30/2021		3.20				(3.20)						
Handicapped Services:																
Examination and Classification	24-100-034-5120-066	50,380.07	7/01/2023	6/30/2024				50,380.07	(28,134.52)					21,245.55		29,134.52
Examination and Classification - Annual	23-100-034-5120-066	58,073.06	7/01/2022	6/30/2023		22,492.85										
Examination and Classification - Annual	22-100-034-5120-066	48,160.00	7/01/2021	6/30/2022		2,457.16										
Examination and Classification - Annual	21-100-034-5120-066	15,641.00	7/01/2020	6/30/2021	(2,253.15)											
Examination and Classification - Initial	21-100-034-5120-066	14,296.00	7/01/2020	6/30/2021		10,300.48						(10,300.48)				
Examination and Classification	20-100-034-5120-066	31,404.00	7/01/2019	6/30/2020		4,374.14						(4,374.14)				
Corrective Speech	24-100-034-5120-068	25,606.93	7/01/2023	6/30/2024				25,606.93	(24,000.00)					1,606.93		24,000.00
Corrective Speech	23-100-034-5120-068	26,016.00	7/01/2022	6/30/2023		955.94						(955.94)				
Corrective Speech	22-100-034-5120-068	23,520.00	7/01/2021	6/30/2022		1,287.90				(1,287.90)						
Corrective Speech	21-100-034-5120-068	24,760.00	7/01/2020	6/30/2021		4,565.98				(4,565.98)		(297.00)				
Corrective Speech	20-100-034-5120-068	20,982.00	7/01/2019	6/30/2020		4,297.20				(4,297.20)						
Nursing Services	24-100-034-5120-070	13,800.00	7/01/2023	6/30/2024				13,800.00	(13,800.00)							13,800.00
Technology Initiative	24-100-034-5120-373	5,635.00	7/01/2023	6/30/2024				5,635.00	(5,635.00)							5,635.00
Technology Initiative	23-100-034-5120-373	4,682.00	7/01/2022	6/30/2023		58.15										
Technology Initiative	21-100-034-5120-373	5,480.00	7/01/2021	6/30/2022		318.90				(318.90)						
Security Aid	24-100-034-5120-509	23,575.00	7/01/2023	6/30/2024				23,575.00	(23,325.00)					250.00		23,325.00
Security Aid	22-100-034-5120-509	22,750.00	7/01/2021	6/30/2022		545.00				(545.00)						
N.J. High Impact Tutoring Grant		37,988.00	10/1/2023	8/31/2024					(37,738.20)			(37,738.20)				37,738.20
Total Special Revenue Fund					(2,253.15)	51,787.21		125,647.00	(140,278.95)	(25,652.57)	(23,881.49)	(37,738.20)		23,108.25		140,278.95
Capital Projects Fund:																
SDA Grant		904,200.00	7/01/2023	6/30/2024					(170,081.89)			(170,081.89)				170,081.89
Total Capital Projects Fund									(170,081.89)			(170,081.89)				170,081.89
Debt Service Fund																
Type II State Aid	24-495-034-5120-075	134,891.00	7/01/2023	6/30/2024				134,891.00	(134,891.00)							134,891.00
Total Debt Service Fund								134,891.00	(134,891.00)							134,891.00
Total State Financial Assistance					\$ (213,503.32)	\$ 51,787.21	\$ -	\$ 11,803,677.72	\$ (11,983,488.23)	\$ (25,652.57)	\$ (23,881.49)	\$ (413,066.63)	\$ -	\$ 23,108.25	\$ 122,809.00	\$ 11,983,488.23
Less: On-Behalf Pension System Contributions:																
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	6,820,287.00	7/01/2023	6/30/2024				\$ 6,820,287.00	\$ (6,820,287.00)							
On-Behalf TPAF Post-Retirement Medical Contributions	24-495-034-5094-001	1,856,233.00	7/01/2023	6/30/2024				1,856,233.00	(1,856,233.00)							
On-Behalf TPAF Long-Term Disability Contributions	24-495-034-5094-004	2,198.00	7/01/2023	6/30/2024				2,198.00	(2,198.00)							
Total for State Financial Assistance Subject to Single Audit Major Program Determination								\$ 3,125,181.72	\$ (3,304,772.23)							

The accompanying Notes to the Schedules of Awards and Financial Assistance are an integral part of this schedule.

**MOUNTAIN LAKES SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2024**

**1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Mountain Lakes School District. The School District is defined in Note 1(A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed-through other government agencies is included on the Schedule of Federal Awards and State Financial Assistance.

**2. BASIS OF ACCOUNTING**

presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of Title 2 CFR Part 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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



### 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(14,661.00) for the general fund and \$(9,912.64) for the special revenue fund. See Note 2 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 11,523,595.59	\$ 11,523,595.59
Special Revenue Fund	550,798.86	140,279.00	691,077.86
Capital Projects Fund		904,200.00	904,200.00
Debt Service		134,891.00	134,891.00
Totals	<u>\$ 550,798.86</u>	<u>\$ 12,702,965.59</u>	<u>\$ 13,253,764.45</u>

### 4. 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.

### 5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2024.

### 6. OTHER

The amount reported as TPAF Post-Retirement Medical Benefit Contributions, Teacher's Pension Contributions and Noncontributory Insurance Contributions represents the amounts paid directly by the State On-Behalf of the District for the year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

### 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-Behalf State Programs for TPAF Pensions, Noncontributory Insurance and Post-Retirement Medical Benefits Contributions are not subject to a State single audit. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

### 8. DE MINIMIS INDIRECT COST RATE

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

**MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***Section I - Summary of Auditor's Results***

**Section I – Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified

\_\_\_\_\_ Yes √ No

2) Significant deficiencies identified?

\_\_\_\_\_ Yes √ None Reported

Noncompliance material to basis financial statements noted?

\_\_\_\_\_ Yes √ No

**Federal Awards**

Not Applicable.

**State Financial Assistance**

Internal control over major programs:

1) Material weakness(es) identified

\_\_\_\_\_ Yes √ No

2) Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes √ None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?

\_\_\_\_\_ Yes √ No

Identification of major programs:

State Grant Number(s)

Name of State Program

24-495-034-5120-089

Special Education Aid

24-495-034-5094-003

Reimbursed TPAF Social Security

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000.00

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes √ No

**MOUNTAIN LAKES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Section II - Financial Statement Findings:**

No financial statement findings are required to be reported under *Government Auditing Standards*.

**Section III - State Financial Assistance Findings and Questioned Costs:**

There were no findings or questioned costs for state financial assistance.

**MOUNTAIN LAKES SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FISCAL YEAR ENDED JUNE 30, 2024**

There were no prior years' findings.

