

# **MOUNTAINSIDE SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2024**

# **Annual Comprehensive Financial Report**

**of the**

**MOUNTAINSIDE SCHOOL DISTRICT**

**Mountainside, New Jersey**

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

**Prepared by**

**Mountainside School District  
Board Office**

MOUNTAINSIDE SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2024

INTRODUCTORY SECTION (Unaudited)

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

FINANCIAL SECTION .....

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

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

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

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

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

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

Required Supplementary Schedules .....	76
----------------------------------------	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions.....	77
L-1 Schedule of District's Proportionate Share of the Net Pension Liability- Public Employees Retirement System .....	77
L-2 Schedule of District Contributions – Public Employees Retirement System.....	78
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Associated with the District – Teachers' Pension and Annuity Fund.....	79
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund.....	80
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios .....	81
Notes to Required Supplementary Information .....	82

C. Budgetary Comparison Schedules .....	83
C-1 Budgetary Comparison Schedule – General Fund .....	84
C-2 Budgetary Comparison Schedule – Special Revenue Fund .....	96
C-3 Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI .....	97

MOUNTAINSIDE SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable) .....	99
E. Special Revenue Fund.....	100
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund .....	101
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund.....	104
F-1 Schedule of Summary of Revenue, Expenditures and Changes in Fund Balance – Budgetary Basis.....	105
F-1A Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Preliminary Pre-Referendum Cost Improvements to the District School .....	106
F-1B Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Repairs, Renovations & Improvements to District Schools.....	107
G. Proprietary Funds.....	108
Food Service Enterprise Fund:	
G-1 Statement of Net Position.....	109
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position .....	110
G-3 Statement of Cash Flows.....	111
H. Fiduciary Activities (Not Applicable).....	112
I. Long-Term Liabilities .....	113
I-1 Schedule of Serial Bonds .....	114
I-2 Schedule of Obligations Under Financed Purchases .....	115
I-3 Schedule of Obligations Under Leases (Not Applicable)	
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	
I-5 Debt Service Fund Budgetary Comparison Schedule .....	116
J. STATISTICAL SECTION (Unaudited) .....	117
J-1 Net Position by Component .....	118
J-2 Changes in Net Position .....	119
J-3 Fund Balances - Governmental Funds .....	122
J-4 Changes in Fund Balances - Governmental Funds.....	123
J-5 General Fund Other Local Revenue by Source .....	125
J-6 Assessed Value and Actual Value of Taxable Property .....	126
J-7 Direct and Overlapping Property Tax Rates .....	127
J-8 Principal Property Taxpayers, Current Year and Nine Years Ago.....	128
J-9 Property Tax Levies and Collections .....	129
J-10 Ratios of Outstanding Debt by Type .....	130
J-11 Ratios of Net General Bonded Debt Outstanding .....	131
J-12 Ratios of Overlapping Governmental Activities Debt .....	132
J-13 Legal Debt Margin Information .....	133
J-14 Demographic and Economic Statistics .....	134
J-15 Principal Employers – County of Union, Current Year and Nine Years Ago.....	135
J-16 Full-time Equivalent District Employees by Function/Program .....	136
J-17 Operating Statistics.....	137
J-18 School Building Information.....	138
J-19 Schedule of Allowable Maintenance.....	139
J-20 Insurance Schedule.....	140



MOUNTAINSIDE SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

K.	SINGLE AUDIT SECTION .....	141
K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	142
K-2	Independent Auditors' Report on Compliance for Each Major State Program and on Internal Control over Compliance Required by NJOMB 15-08 .....	144
K-3	Schedule of Expenditures of Federal Awards .....	147
K-4	Schedule of Expenditures of State Awards .....	149
K-5	Notes to Schedules of Expenditures of Federal and State Awards.....	151
K-6	Schedule of Findings and Questioned Costs .....	153
K-7	Summary Schedule of Prior Audit Findings .....	155

INTRODUCTORY SECTION  
(UNAUDITED)

# MOUNTAINSIDE BOARD OF EDUCATION

1497 WOODACRES DR., MOUNTAINSIDE, NJ 07092

908-232-3232

WWW.MOUNTAINSIDESCHOOLS.ORG

October 11, 2024

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

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Mountainside School District (the “District”) for the fiscal year ended June 30, 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 Mountainside School District (the “District”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of the operations of the district. All disclosures necessary to enable the reader to gain an understanding of the district’s financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES: The Mountainside Public School District is an independent reporting entity within the criteria adopted by GASB (Governmental Accounting Standards Board) in codification section 200. All funds and account groups of the district are included in this report. The Mountainside Board of Education and all its schools constitute the district’s reporting entity.

The district provides a full range of educational services appropriate to grade levels Pre-K through 8.

These services include general as well as special education (grades Pre-K through 8) programs. The district completed the 2023-2024 fiscal year with an in district enrollment of 752 students, which is an increase of 16 student over the previous year's enrollment.

2. ECONOMIC CONDITONS AND OUTLOOK: The district's financial condition is sound, assessed property values are slightly ahead of where they were a year ago, and estimated true values also increased, The District anticipates steady enrollment.
3. MAJOR INITIATIVES: The District maintained an emphasis on student achievement, staff development, and safety during the 2023-2024 school year. Funding was applied to maintain class II officers, curricular programming, and embedded professional development to support instructional growth. During the 2023-2024 school year, the district maintained a commitment to increased staffing to maximize student growth. This allowed the district to maintain strict adherence to continued health and safety protocols and to address individual mental health and academic needs.
4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the district are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (G.A.A.P.). An internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the district is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control 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 a vote of the Board of Education. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

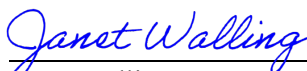
An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and/or assignments at June 30, 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. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. CASH MANAGEMENT: The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The district has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA").

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

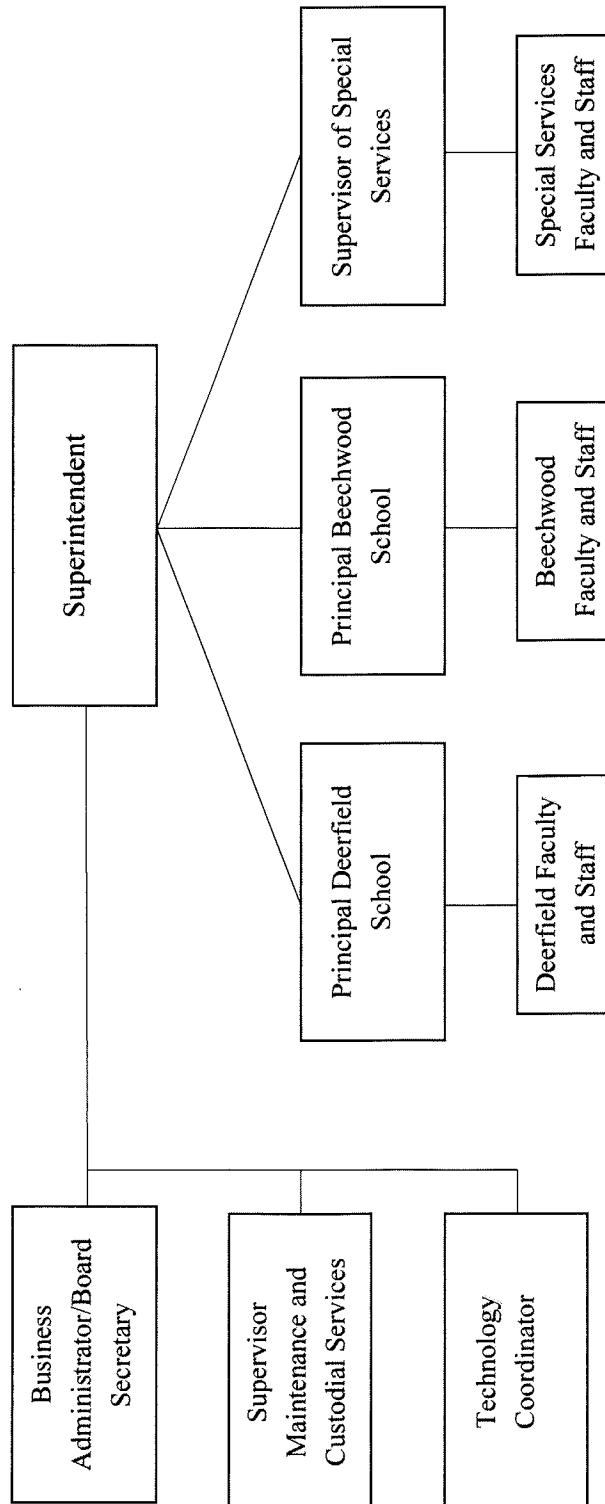
8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, auto liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation, and fidelity bonds. The district is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. A schedule of insurance coverage is found on Exhibit J-20.
9. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Board for their concern in providing fiscal accountability to the citizens and taxpayers of the district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

  
\_\_\_\_\_  
Janet Walling  
Superintendent of Schools

  
\_\_\_\_\_  
Dana Sullivan  
Interim Business Administrator/Board Secretary

# Mountainside School District Organizational Chart



**MOUNTAINSIDE SCHOOL DISTRICT**  
**ROSTER OF OFFICIALS**  
**JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Vivian Pupo, President	2026
Dana Guidici Pietro, Vice President	2026
Bill Dillion	2025
Jordan Hyman	2024
Michael Goodwin	2025
Candice Schiano	2024
Carmin Venes	2025

Other Officials

Janet Walling, Superintendent

Dana Sullivan, Interim School Business Administrator/Board Secretary

Paula Hatch, Treasurer of School Monies

**MOUNTAINSIDE SCHOOL DISTRICT**  
**Consultants and Advisors**  
**Fiscal Year Ended June 30, 2024**

**Audit Firm**

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

Lawrence Business Park  
11 Lawrence Road  
Newton, New Jersey 07860

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

**Attorney**

Machado Law Group  
1 Cleveland Place  
Springfield, New Jersey 07081

**Bond Counsel**

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

**Financial Advisor**

Acacia Financial Group, Inc.  
Mount Laurel, New Jersey

**Official Depository**

Valley National Bank  
882 Mountain Avenue  
Mountainside, New Jersey 07092



FINANCIAL SECTION

## Independent Auditors' Report

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

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Mountainside School District (the "District"), in the County of Union, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 11, 2024  
Mount Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA, LLP

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

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**MOUNTAINSIDE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

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

**Overview of the Financial Statements**

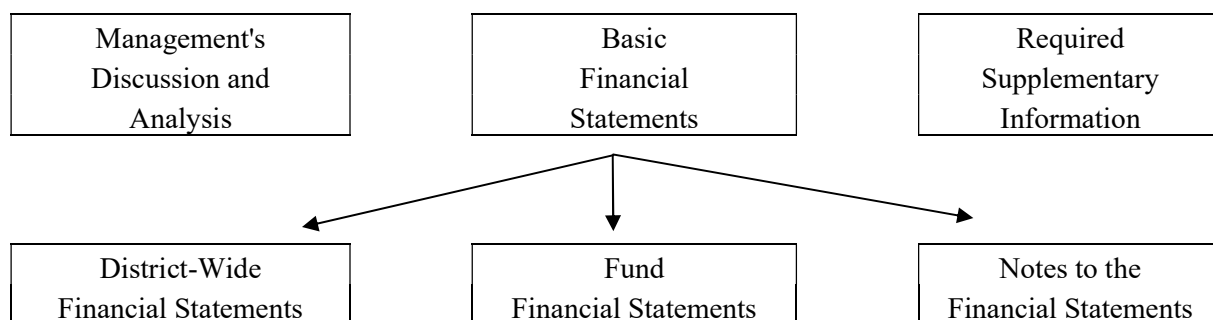
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

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

**Figure A-1**

**Organization of the School District’s Financial Report**



**MOUNTAINSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

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

**Figure A-2**

***Major Features of the District-Wide and Fund Financial Statements***

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

# **MOUNTAINSIDE SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDED JUNE 30, 2024**

## **District-wide Statements**

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

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

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

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

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

## **Fund Financial Statements**

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

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

The District has two kinds of funds:

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



**MOUNTAINSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

**Financial Analysis of the District as a Whole**

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

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

*Net Position.* The District's combined net position decreased by \$86,916. Net position from governmental activities decreased by \$136,330 and net position from business activities increased by \$49,414. Net investment in capital assets increased by \$272,574, restricted net position decreased by \$297,132, and unrestricted net position decreased by \$62,358.

The following tables present financial position and operating information for June 30, 2024 and the fiscal year then ended as compared with the prior fiscal year.

**Figure A-3**

**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023/2024
Current and Other Assets	\$ 2,508,101	\$ 4,610,214	\$ 253,301	\$ 275,627	\$ 2,761,402	\$ 4,885,841	
Capital Assets, Net	23,789,786	24,591,471	77,329	43,359	23,867,115	24,634,830	
Total Assets	26,297,887	29,201,685	330,630	318,986	26,628,517	29,520,671	-9.80%
Deferred Outflows of Resources	937,575	1,098,235			937,575	1,098,235	-14.63%
Other Liabilities	711,285	2,521,664	17,821	55,591	729,106	2,577,255	
Long-term Liabilities	15,201,482	16,126,921			15,201,482	16,126,921	
Total Liabilities	15,912,767	18,648,585	17,821	55,591	15,930,588	18,704,176	-14.83%
Deferred Inflows of Resources	129,166	321,476			129,166	321,476	-59.82%
Net Position:							
Net Investment in Capital Assets	11,053,602	10,814,998	77,329	43,359	11,130,931	10,858,357	
Restricted	1,754,698	2,051,830			1,754,698	2,051,830	
Unrestricted/(Deficit)	(1,614,771)	(1,536,969)	235,480	220,036	(1,379,291)	(1,316,933)	
Total Net Position	\$ 11,193,529	\$ 11,329,859	\$ 312,809	\$ 263,395	\$ 11,506,338	\$ 11,593,254	-0.75%

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

**MOUNTAINSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023/2024
Revenue:							
Program Revenue:							
Charges for Services	\$ 355,340	\$ 272,876	\$ 279,285	\$ 258,489	\$ 634,625	\$ 531,365	
Operating Grants and Contributions	4,363,020	4,325,363	102,756	75,710	4,465,776	4,401,073	
General Revenue:							
Property Taxes	18,827,994	18,783,013			18,827,994	18,783,013	
Unrestricted Federal and State Aid	478,004	506,063			478,004	506,063	
Other	631,413	450,081	12,321	7,489	643,734	457,570	
Total Revenue	<u>24,655,771</u>	<u>24,337,396</u>	<u>394,362</u>	<u>341,688</u>	<u>25,050,133</u>	<u>24,679,084</u>	1.50%
Expenses:							
Instruction	11,064,740	10,542,806			11,064,740	10,542,806	
Pupil and Instruction Services	9,123,291	9,368,021			9,123,291	9,368,021	
Administrative and Business	1,280,283	1,190,330			1,280,283	1,190,330	
Maintenance and Operations	1,499,606	1,294,856			1,499,606	1,294,856	
Transportation	1,439,762	1,335,205			1,439,762	1,335,205	
Capital Outlay	21,469	21,469			21,469	21,469	
Other	362,950	373,263	344,948	269,527	707,898	642,790	
Total Expenses	<u>24,792,101</u>	<u>24,125,950</u>	<u>344,948</u>	<u>269,527</u>	<u>25,137,049</u>	<u>24,395,477</u>	3.04%
Other Item		807				807	-100.00%
Increase/(Decrease) in Net Position	<u>\$ (136,330)</u>	<u>\$ 212,253</u>	<u>\$ 49,414</u>	<u>\$ 72,161</u>	<u>\$ (86,916)</u>	<u>\$ 284,414</u>	<u>-130.56%</u>

**Governmental Activities**

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

**MOUNTAINSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

**Governmental Activities (Cont'd)**

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

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	\$ 11,064,740	\$ 10,542,806	\$ 7,339,787	\$ 6,853,318
Pupil & Instruction Services	9,123,291	9,368,021	8,789,241	9,089,594
Administrative and Business	1,280,283	1,190,330	1,062,873	974,268
Maintenance & Operations	1,499,606	1,294,856	1,462,460	1,250,036
Transportation	1,439,762	1,335,205	1,034,961	965,763
Capital Outlay	21,469	21,469	21,469	21,469
Other	362,950	373,263	362,950	373,263
Total	<u>\$ 24,792,101</u>	<u>\$ 24,125,950</u>	<u>\$ 20,073,741</u>	<u>\$ 19,527,711</u>

**Business-Type Activities**

Net position from the District's business-type activities increased by \$49,414. (Refer to Figure A-4). The most significant factor contributing to these results was the increase in sales offset by an increase in expenses.

**Financial Analysis of the District's Funds**

The District's fund balances decreased on the GAAP basis by \$279,016 during the fiscal year – General Fund Balance decreased by \$258,124, Special Revenue Fund Balance increased by \$12,512, and Debt Service Fund Balance decreased by \$33,404 during the fiscal year. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**General Fund Budgeting Highlights**

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

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

**MOUNTAINSIDE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

**Capital Assets**

At the end of the fiscal year 2024, the School District had \$23,867,115 invested in sites, buildings and building improvements and machinery and equipment. (See Figure A-6). (More detailed information about the District's Capital Assets is presented in Note 7 to the basic financial statements).

**Figure A-6**

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2024	2023	2024	2023	2024	2023	Change
							2023/2024
Sites	\$ 1,875,070	\$ 1,875,070			\$ 1,875,070	\$ 1,875,070	
Buildings & Building Improvements	21,781,679	22,566,028			21,781,679	22,566,028	
Machinery and Equipment	133,037	150,373	\$ 77,329	\$ 43,359	210,366	193,732	
Total Capital Assets (Net of Depreciation)	\$ 23,789,786	\$ 24,591,471	\$ 77,329	\$ 43,359	\$ 23,867,115	\$ 24,634,830	-3.12%

Overall, capital assets decreased by \$767,715 from fiscal year 2023 to fiscal year 2024. The net decrease in capital assets is due to \$897,480 of depreciation expense offset by \$129,765 of capital additions.

**Long – Term Liabilities**

At June 30, 2024, the School District had \$15,201,482 of long-term liabilities. (See Figure A-7). (More information about the District's long-term liabilities is presented in Note 9 to the basic financial statements).

**Figure A-7**

**Long-Term Liabilities**

	Total School District		Percentage
	2024	2023	Change
			2023/2024
General Obligation Bonds (Financed with Property Tax)	\$ 12,705,000	\$ 13,715,000	
Net Pension Liability	1,987,619	2,054,407	
Financed Purchases Payable	31,184	61,473	
Compensated Absences Payable	477,679	296,041	
Total Long-Term Liabilities	\$ 15,201,482	\$ 16,126,921	-5.74%

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

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Mountainside Board of Education Office, 1497 Woodacres Drive, Mountainside NJ 07092.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

MOUNTAINSIDE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,169,433	\$ 235,036	\$ 1,404,469
Receivables, net:			
Receivables from State Government	227,090	342	227,432
Receivables from Federal Government	107,960	2,079	110,039
Other Receivables		5,309	5,309
Inventories		10,535	10,535
Restricted Assets:			
Cash and Cash Equivalents	1,003,618		1,003,618
Capital Assets, Net:			
Sites (Land)	1,875,070		1,875,070
Depreciable Buildings and Building Improvements and Machinery and Equipment	21,914,716	77,329	21,992,045
Total Assets	26,297,887	330,630	26,628,517
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	574,041		574,041
Deferred Outflows Related to Pensions	363,534		363,534
Total Deferred Outflows of Resources	937,575		937,575
LIABILITIES			
Accounts Payable	528,234		528,234
Payable to Federal Government	3,522		3,522
Accrued Interest Payable	96,936		96,936
Unearned Revenue	82,593	17,821	100,414
Noncurrent Liabilities:			
Due Within One Year	1,066,184		1,066,184
Due Beyond One Year	14,135,298		14,135,298
Total Liabilities	15,912,767	17,821	15,930,588
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	129,166		129,166
Total Deferred Inflows of Resources	129,166		129,166

MOUNTAINSIDE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 11,053,602	\$ 77,329	\$ 11,130,931
Restricted for:			
Capital Projects	461,316		461,316
Maintenance	161,579		161,579
Tuition	130,629		130,629
Excess Surplus	750,000		750,000
Unemployment Compensation	18,607		18,607
Scholarships	168,441		168,441
Student Activities	63,046		63,046
Debt Service	1,080		1,080
Unrestricted/(Deficit)	<u>(1,614,771)</u>	<u>235,480</u>	<u>(1,379,291)</u>
Total Net Position	<u>\$ 11,193,529</u>	<u>\$ 312,809</u>	<u>\$ 11,506,338</u>

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



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

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 8,214,266	\$ 69,045	\$ 1,696,556		\$ (6,448,665)		\$ (6,448,665)
Special Education	2,386,443		1,868,652		(517,791)		(517,791)
Other Special Instruction	307,327		61,559		(245,768)		(245,768)
School-Sponsored/Other Instruction	156,704		29,141		(127,563)		(127,563)
Support Services:							
Tuition	6,764,360				(6,764,360)		(6,764,360)
Student & Instruction Related Services	2,358,931	230,099	103,951		(2,024,881)		(2,024,881)
General Administrative Services	240,477		202,565		(37,912)		(37,912)
School Administrative Services	728,618				(728,618)		(728,618)
Central Services	311,187		14,845		(296,342)		(296,342)
Plant Operations and Maintenance	1,499,606		37,145		(1,462,461)		(1,462,461)
Pupil Transportation	1,439,762	56,196	348,606		(1,034,960)		(1,034,960)
Interest on Long-Term Debt	314,153				(314,153)		(314,153)
Unallocated Depreciation	48,797				(48,797)		(48,797)
Capital Outlay	21,469				(21,469)		(21,469)
Total Governmental Activities	24,792,101	355,340	4,363,020		(20,073,741)		(20,073,741)
Business-Type Activities:							
Food Service	344,948	279,285	102,756			\$ 37,093	37,093
Total Business-Type Activities	344,948	279,285	102,756			37,093	37,093
Total Primary Government	\$ 25,137,049	\$ 634,625	\$ 4,465,776	\$ - 0 -	(20,073,741)	37,093	(20,036,648)

MOUNTAINSIDE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 17,993,293		\$ 17,993,293
Taxes Levied for Debt Service	834,701		834,701
Federal and State Aid not Restricted	478,004		478,004
Interest Income		\$ 12,321	12,321
Miscellaneous Income	631,413		631,413
Total General Revenue	<u>19,937,411</u>	<u>12,321</u>	<u>19,949,732</u>
Change in Net Position	(136,330)	49,414	(86,916)
Net Position - Beginning	<u>11,329,859</u>	<u>263,395</u>	<u>11,593,254</u>
Net Position - Ending	<u>\$ 11,193,529</u>	<u>\$ 312,809</u>	<u>\$ 11,506,338</u>

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

FUND FINANCIAL STATEMENTS

MOUNTAINSIDE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,168,353		\$ 1,080	\$ 1,169,433
Interfund Receivable	17,217			17,217
Intergovernmental Receivable:				
State	227,090			227,090
Federal		\$ 107,960		107,960
Restricted Assets:				
Cash and Cash Equivalents	772,131	231,487		1,003,618
Total Assets	<u>\$ 2,184,791</u>	<u>\$ 339,447</u>	<u>\$ 1,080</u>	<u>\$ 2,525,318</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 288,421	\$ 33,278		\$ 321,699
Payable to Federal Government		3,522		3,522
Interfund Payable		17,217		17,217
Unearned Revenue	28,650	53,943		82,593
Total Liabilities	<u>317,071</u>	<u>107,960</u>		<u>425,031</u>
Fund Balances:				
Restricted:				
Capital Reserve	461,316			461,316
Maintenance Reserve	161,579			161,579
Tuition Reserve - Restricted for 2024-2025	86,123			86,123
Tuition Reserve - Restricted for 2025-2026	44,506			44,506
Excess Surplus Restricted for 2024-2025	375,000			375,000
Excess Surplus Restricted for 2025-2026	375,000			375,000
Debt Service			\$ 1,080	1,080
Unemployment Compensation	18,607			18,607
Scholarships		168,441		168,441
Student Activities		63,046		63,046
Committed				
Assigned:				
Encumbrances	785			785
Designated for Subsequent Year's Expenditures	19,655			19,655
Unassigned	325,149			325,149
Total Fund Balances	<u>1,867,720</u>	<u>231,487</u>	<u>1,080</u>	<u>2,100,287</u>
Total Liabilities and Fund Balances	<u>\$ 2,184,791</u>	<u>\$ 339,447</u>	<u>\$ 1,080</u>	<u>\$ 2,525,318</u>

MOUNTAINSIDE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

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

Total Fund Balances - Governmental Funds	\$ 2,100,287
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the Funds.	23,789,786
Interest on long term debt is not accrued in government funds, but rather is recognized as an expenditure when due.	(96,936)
The Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	574,041
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,987,619)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	156,999
Deferred Outflows	(129,166)
Deferred Inflows	
Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(13,213,863)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 11,193,529</u></u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 17,993,293			\$ 834,701	\$18,827,994
Tuition from Individuals	69,045				69,045
Transportation Fees From Individuals	56,196				56,196
Restricted Miscellaneous Revenue		\$ 305,039			305,039
Unrestricted Miscellaneous Revenue	326,374				326,374
Total - Local Sources	18,444,908	305,039		834,701	19,584,648
State Sources	4,822,910	34,521		414,274	5,271,705
Federal Sources		746,336			746,336
Total Revenue	23,267,818	1,085,896		1,248,975	25,602,689
EXPENDITURES:					
Current:					
Regular Instruction	4,116,887	645,359			4,762,246
Special Education Instruction	1,317,130	168,448			1,485,578
Other Special Instruction	184,182				184,182
School Sponsored/Other Instruction	98,409				98,409
Support Services and Undistributed Costs:					
Tuition	6,730,627				6,730,627
Student & Instruction Related Services	1,478,924	226,299			1,705,223
General Administration	278,876				278,876
School Administration	429,617				429,617
Central Services	242,080				242,080
Plant Operations and Maintenance	1,238,689				1,238,689
Pupil Transportation	1,439,762				1,439,762
Unallocated Benefits	5,860,582				5,860,582
Debt Service:					
Redemption of Principal				1,010,000	1,010,000
Interest and Other Charges				272,379	272,379
Capital Outlay	110,177	33,278			143,455
Total Expenditures	23,525,942	1,073,384		1,282,379	25,881,705
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(258,124)	12,512		(33,404)	(279,016)
Other Financing Sources/(Uses):					
Transfers In	15,782			273	16,055
Transfers Out			(16,055)		(16,055)
Total Other Financing Sources/(Uses)	15,782		(16,055)	273	- 0 -
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(242,342)	12,512	(16,055)	(33,131)	(279,016)
Fund Balance—July 1	2,110,062	218,975	16,055	34,211	2,379,303
Fund Balance—June 30	\$ 1,867,720	\$ 231,487	\$ - 0 -	\$ 1,080	\$ 2,100,287

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (279,016)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation differs from capital outlays in the period.

Depreciation expense	\$	(893,193)
Capital outlays		91,508
		(801,685)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

(181,638)

Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)

30,289

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

10,412

Repayment of bonds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)

1,010,000

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

(52,186)

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

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

The net pension liability reported in the statement of activities does not require the use of  
current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	\$ 66,788
Change in Deferred Outflows	(131,604)
Change in Deferred Inflows	192,310
Change in Net Position - Governmental Activities (from A-2)	<u>\$ (136,330)</u>



MOUNTAINSIDE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	<u>Business-type Activities - Enterprise Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 235,036
Intergovernmental Accounts Receivable:	
State	342
Federal	2,079
Other Accounts Receivable	5,309
Inventories	10,535
	<hr/>
Total Current Assets	253,301
	<hr/>
Non-Current Assets:	
Capital Assets	168,884
Less: Accumulated Depreciation	(91,555)
	<hr/>
Total Non-Current Assets	77,329
	<hr/>
Total Assets	330,630
	<hr/>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	9,961
Unearned Revenue - Donated Commodities	2,093
Unearned Revenue - Supply Chain Assistance	5,767
	<hr/>
Total Current Liabilities	17,821
	<hr/>
NET POSITION:	
Investment in Capital Assets	77,329
Unrestricted	235,480
	<hr/>
Total Net Position	\$ 312,809
	<hr/> <hr/>

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

MOUNTAINSIDE SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Nonreimbursable Programs	\$ 169,178
Daily Sales - Non-Reimbursable Programs	106,054
Other Income	4,053
Total Operating Revenue	279,285
Operating Expenses:	
Cost of Sales - Reimbursable Programs	92,494
Cost of Sales - Nonreimbursable Programs	59,136
Salaries, Benefits & Payroll Taxes	106,047
Supplies, Insurance & Other Costs	72,422
Management Fee	10,562
Depreciation Expense	4,287
Total Operating Expenses	344,948
Operating Loss	(65,663)
Non-Operating Income:	
Local Sources:	
Interest Income	12,321
State Sources:	
State School Lunch Program	2,902
State Extended Income Eligibility - Lunch	2,322
Federal Sources:	
Supply Chain Assistance Funding	43,275
National School Lunch Program	28,186
Food Distribution Program	26,071
Total Non-Operating Income	115,077
Change in Net Position	49,414
Net Position - Beginning of Year	263,395
Net Position - End of Year	\$ 312,809

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

MOUNTAINSIDE SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 275,097
Payments to Food Service Contractor	(266,195)
Payments to Other Suppliers	<u>(68,531)</u>
Net Cash Provided by/(Used for) Operating Activities	<u>(59,629)</u>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	<u>12,321</u>
Net Cash Provided by/(Used for) Investing Activities	<u>12,321</u>
Cash flows from Capital and Related Financing Activities:	
Acquisition and Construction of Capital Assets	<u>(38,257)</u>
Net Cash Provided by/(Used for) Capital and Related Financing Activities	<u>(38,257)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources - Received in Food Service Fund	4,882
Federal Sources Received in Food Service Fund	<u>47,721</u>
Net Cash Provided by Noncapital Financing Activities	<u>52,603</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(32,962)
Cash and Cash Equivalents, July 1	<u>267,998</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 235,036</u></u>
Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities:	
Operating Loss	\$ (65,663)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	4,287
Food Distribution Program	26,071
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(2,906)
(Increase)/Decrease in Other Accounts Receivable	(5,309)
Increase/(Decrease) in Deferred Revenue - Donated Commodities	(829)
Increase/(Decrease) in Deferred Revenue - Prepaid Sales	1,121
Increase/(Decrease) in Accounts Payable	<u>(16,401)</u>
Net Cash Used by Operating Activities	<u><u>\$ (59,629)</u></u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$25,242 and utilized U.S.D.A. Commodities valued at \$26,071.

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting:

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

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue and Other Financing Sources" from the Budgetary Comparison Schedule	\$ 23,287,060	\$ 1,033,012
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Prior Year Encumbrances		52,884
Prior Year State Aid Payments Recognized for GAAP Statements	127,071	
Current Year State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(146,313)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 23,267,818</u>	<u>\$ 1,085,896</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,525,942	\$ 1,020,500
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		52,884
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,525,942</u>	<u>\$ 1,073,384</u>

E. Cash and Cash Equivalents, and Investments:

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



MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

K. Capital Assets:

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

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line.

The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

K. Capital Assets: (Cont'd)

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 Years
Machinery and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

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

L. Lease Assets:

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

M. Subscription Assets:

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

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The district allows employees who provide services to the District over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year. As of June 30, 2024, the amount earned by these employees but not disbursed was \$162,988.

P. Compensated Absences:

The district accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

P. Compensated Absences: (Cont'd)

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

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

Q. Leases Payable:

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

R. Subscriptions Payable:

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

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$1,867,720 General Fund balance at June 30, 2024, \$461,316 is restricted in the capital reserve account; \$161,579 is restricted in the maintenance reserve account; \$86,123 is restricted in the tuition reserve account for the fiscal year ending June 30, 2025; \$44,506 is restricted in the tuition reserve account for the fiscal year ending June 30, 2026; \$375,000 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2025; \$375,000 is current year excess surplus and will be anticipated and included as anticipated revenue for the fiscal year ending June 30, 2026; \$18,607 is restricted for unemployment compensation; \$785 is assigned for encumbrances; \$19,655 is assigned and designated for subsequent year's expenditures and \$325,149 is unassigned which is \$146,313 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2025.

Special Revenue Fund: Of the \$231,487 Special Revenue Fund balance at June 30, 2024, \$63,046 is restricted for student activities and \$168,441 is restricted for scholarships.

Capital Projects Fund: The Capital Projects Fund balance at June 30, 2024 \$273 is \$ - 0 -.

Debt Service Fund: The \$1,080 of Debt Service Fund balance at June 30, 2024 is restricted.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The district has excess surplus as noted above.

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

U. Deficit Net Position:

The district has deficits in unrestricted net position of \$1,614,771 in its governmental activities and \$1,379,291 in its total unrestricted net position. These deficits in unrestricted governmental activities and total unrestricted net position are primarily due to the net pension liability and related deferred inflows and outflows, and compensated absences payable offset by the assigned and unassigned governmental fund balances at June 30, 2024. These deficits do not indicate that the district is experiencing financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The district had deferred outflows of resources at June 30, 2024 related to pensions and the deferred amount on refunding.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The district had deferred inflows of resources related to pensions at June 30, 2024.

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

V. Net Position: (Cont'd)

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

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established in the General Fund for a capital reserve, a maintenance reserve, a tuition reserve, excess surplus and unemployment compensation. Fund balance restrictions have been established in the Special Revenue Fund for scholarships and student activities, and in the Capital Projects and Debt Service Funds.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion, or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body to remove or change the commitment of resources. The district has no committed resources at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the district to assign resources through policies adopted by the Board of Education. The district has assigned resources at June 30, 2024 in the General Fund for encumbrances and the amount designated for subsequent years expenditures.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions:

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

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Custodial Credit Risk - The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

Deposits:

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

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

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

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



MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

Investments:

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

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

Investments:

(9) Deposit of funds in accordance with the following conditions:

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

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

	Cash and Cash Equivalents		
	Unrestricted	Restricted	Total
Checking Accounts	\$ 1,404,469	\$ 1,003,618	\$ 2,408,087

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the district's cash and cash equivalents at June 30, 2024, was \$2,408,087 and the bank balance was \$2,882,865.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Mountainside School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023	\$ 534,242
Increased by:	
Unexpended Money Returned from Capital Outlay	55,601
Transfer from Capital Projects Fund - Unexpended Project Funds	<u>15,782</u>
	605,625
Decreased by:	
Budgeted Withdrawal	<u>144,309</u>
Balance at June 30, 2024	<u><u>\$ 461,316</u></u>

The balance in the capital reserve at June 30, 2024 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan. The withdrawal during the fiscal year from the capital reserve was for use in DOE approved facilities projects consistent with the District's LRFP.

The District budgeted a withdrawal of \$85,000 from the capital reserve in its 2024-2025 approved budget.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes.

Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the district's school facilities.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023	\$ 161,579
Balance at June 30, 2024	<u>\$ 161,579</u>

NOTE 6. TUITION RESERVE ACCOUNT

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

The activity of the tuition reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023	\$ 286,123
Deposits:	
June 2024 Board Resolution	<u>44,506</u>
	330,629
Decreased by:	
Budgeted Withdrawal	<u>200,000</u>
Balance at June 30, 2024	<u>\$ 130,629</u>

The District established a tuition reserve in the amount of \$86,123 during the fiscal year ended June 30, 2023 which has been appropriated in the District's 2024-2025 approved budget to provide for any tuition adjustments in the fiscal year ending June 30, 2025.

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 1,875,070			\$ 1,875,070
Total Capital Assets not Being Depreciated	1,875,070			1,875,070
Capital Assets Being Depreciated:				
Buildings and Building Improvements	31,320,085	\$ 88,708		31,408,793
Machinery and Equipment	423,785	2,800		426,585
Total Capital Assets Being Depreciated	31,743,870	91,508		31,835,378
Governmental Activities Capital Assets	33,618,940	91,508		33,710,448
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(8,754,057)	(873,057)		(9,627,114)
Machinery and Equipment	(273,412)	(20,136)		(293,548)
Total Accumulated Depreciation	(9,027,469)	(893,193)		(9,920,662)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$24,591,471</u>	<u>\$ (801,685)</u>	<u>\$ - 0 -</u>	<u>\$23,789,786</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 130,627	\$ 38,257		\$ 168,884
Less Accumulated Depreciation	(87,268)	(4,287)		(91,555)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 43,359</u>	<u>\$ 33,970</u>	<u>\$ - 0 -</u>	<u>\$ 77,329</u>
GRAND TOTAL	<u>\$24,634,830</u>	<u>\$ (767,715)</u>	<u>\$ - 0 -</u>	<u>\$23,867,115</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 560,704
Special Education	68,005
Student and Instruction Related Services	108,394
General Administration	15,752
School Administration	21,014
Operations and Maintenance of Plant	70,527
Student Transportaion	48,797
	<u>\$ 893,193</u>

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 8. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2024, the district made no transfers to the capital outlay accounts.

NOTE 9. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Accrued	Retired	Balance 6/30/2024	Amount Due Within one One Year
Bonds Payable	\$13,715,000		\$1,010,000	\$12,705,000	\$1,035,000
Financed Purchases Payable	61,473		30,289	31,184	31,184
Compensated Absences Payab	296,041	\$ 181,638		477,679	
Net Pension Liability	2,054,407		66,788	1,987,619	
	<u>\$16,126,921</u>	<u>\$ 181,638</u>	<u>\$1,107,077</u>	<u>\$15,201,482</u>	<u>\$1,066,184</u>

A. Bonds Payable:

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

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

The District had bonds outstanding as of June 30, 2024 as follows:

Purpose	Final Maturity Date	Interest Rate	Principal Amount
Refunding School Bonds, Series 2021	8/15/34	1.122% - 2.633%	\$ 12,705,000

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 9. LONG TERM LIABILITIES

A. Bonds Payable: (Cont'd)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,035,000	\$ 252,689	\$ 1,287,689
2026	1,045,000	239,547	1,284,547
2027	1,065,000	223,616	1,288,616
2028	1,095,000	205,205	1,300,205
2029	1,115,000	184,389	1,299,389
2030-2034	6,040,000	542,036	6,582,036
2035	1,310,000	17,246	1,327,246
	<u>\$ 12,705,000</u>	<u>\$ 1,664,728</u>	<u>\$ 14,369,728</u>

The Debt Service Fund will be used to liquidate the Serial Bonds

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the District has no bonds authorized but not issued.

C. Financed Purchases Payable:

The District's financed purchases related to financing the purchase of Chrome Books and tablets for students and teachers. The financed purchases totaled \$158,391 of which \$127,207 has been liquidated as of June 30, 2024. The financed purchases are each for a term of five years. The schedule of the future minimum financed purchase payments under the district's financed purchases, and the present value of the net minimum financed purchase payments at June 30, 2024 is as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2025	<u>\$ 31,679</u>
Total future minimum lease payments	31,679
Less: amount representing interest	<u>495</u>
Present value of minimum representing interest	<u>\$ 31,184</u>

The current portion of the financed purchase payable as June 30, 2024 in the governmental activities is \$31,184 and the long-term portion is \$ - 0 -. The General Fund will be used to liquidate the financed purchase payable in the governmental activities.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 9. LONG TERM LIABILITIES (Cont'd)

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in current and long-term portions. There is no current portion of the compensated absences liability at June 30, 2024. Thus, the entire balance of compensated absences of \$477,679 is a long-term portion.

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 Food Service Fund.

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

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0-, and the long-term portion is \$1,987,619. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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



MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for PERS:

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

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

Contributions

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

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

District contributions to PERS amounted to \$192,593 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$6,199 to the PERS for normal pension benefits on behalf of the district.

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

Special Funding Situation

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

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

At June 30, 2024, the District reported a liability of \$1,987,619 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 used 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 district's proportion of the net pension liability was based on a projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.013723%, which was an increase of 0.0001% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the district recognized an actual pension benefit of \$55,909 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$6,199 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:	2019	5.21		\$ (10,796)
	2020	5.16		(98,240)
	2021	5.13	\$ 4,366	
	2022	5.04		(11,422)
Subtotal			4,366	(120,458)
Changes in Proportion:	2019	5.21	2,273	
	2020	5.16	18,712	
	2021	5.13	88,847	
	2022	5.04		(583)
	2023	5.08	14,644	
Subtotal			124,476	(583)
Difference Between Expected and Actual Experience:	2019	5.21	825	
	2020	5.16	5,473	
	2021	5.13		(3,473)
	2022	5.04		(4,652)
	2023	5.00	12,706	
Subtotal			19,004	(8,125)
Net Difference Between Projected and Actual Investment Earnings or Pension Plan Investments:	2020	5.00	30,780	
	2021	5.00	(255,988)	
	2022	5.00	304,564	
	2023	5.08	(70,203)	
Subtotal			9,153	
District Contribution Subsequent to the Measurement Date	2023	1.00	206,535	
			<u>\$ 363,534</u>	<u>\$ (129,166)</u>

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (41,427)
2025	(10,886)
2026	90,667
2027	(11,069)
2028	548
	<u>\$ 27,833</u>

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 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

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.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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 real rates of return for each major asset class included in PERS' 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>
U.S. 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 upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the district's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
District's proportionate share of the			
Net Pension Liability	\$ 2,587,457	\$ 1,987,619	\$ 1,477,077

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the district. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$2,125,078 to the TPAF for normal pension benefits on behalf of the district, which is more than the contractually required contribution of \$636,872.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$25,923,790. The net pension liability was measured as of June 30, 2023, and the total pension liability used 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 district's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the district's proportion was 0.0508%, which was a decrease of 0.0003% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>25,923,790</u>
Total	<u><u>\$ 25,923,790</u></u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the district in the amount of \$636,872 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.



MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience:	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$2,413,548,676</u>	<u>\$14,741,373,312</u>

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u><u>\$ (12,327,824,636)</u></u>

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 – 4.25% based on years of service
Investment Rate of Return	7.00%

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

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market 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 – TPAF

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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 30,568,852	\$ 25,923,790	\$ 22,011,543

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$9,188 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$21,364 for the fiscal year ended June 30, 2024.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 11. DEFERRED COMPENSATION

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

The plan administrators are as follows:

AXA Equivest	Equitable
Valic	MetLife

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

NOTE 12. 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, Liability and Health Benefits

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

The SAIF is a risk-sharing fund that is an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

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

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

The June 30, 2024 audit report for the SAIF is not available as of the date of this report. Selected summarized financial information for the SAIF as of June 30, 2023 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	<u>\$ 55,099,784</u>
Net Position	<u>\$ 19,896,776</u>
Total Revenue	<u>\$ 53,694,497</u>
Total Expenses	<u>\$ 54,788,356</u>
Change in Net Position	<u>\$ (1,093,859)</u>
Members Dividends	<u>\$ - 0 -</u>

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

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

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

The following is a summary of the District's contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance for the current and prior year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ - 0 -	\$ 15,900	\$ 2,721	\$ 66,441	\$ 18,607
2022-2023	- 0 -	44,376	2,150	21,785	66,427

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 13. ECONOMIC DEPENDENCY

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

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 17,217	
Special Revenue Fund		\$ 17,217
	<u>\$ 17,217</u>	<u>\$ 17,217</u>

The interfund receivable in the General Fund is due from the Special Revenue Fund for a cash deficit due to a timing lag between request and receipt of federal grant reimbursements. During the fiscal year, the Capital Projects Fund transferred \$15,782 to the General Fund and \$273 to the Debt Service Fund for the unexpended balances of capital projects that were financed by a Transfer from Capital Reserve and Bond Proceeds.

NOTE 15. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES

Grant Programs

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

Litigation

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

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 785	\$ - 0 -	\$ - 0 -	\$ 785

The District has \$785 assigned in the General Fund and \$- 0 - in the Special Revenue and Capital Projects Funds for year-end encumbrances as of June 30, 2024.

NOTE 17. ACCOUNTS PAYABLE

Accounts Payable, as of June 30, 2024, consisted of the following:

	Governmental Funds		District Contribution Subsequent to Measurement Date	Total Governmental Activities
	General Fund	Special Revenue Fund	Total Government Funds	
Vendors	\$ 105,091	\$ 33,278	\$ 138,369	\$ 138,369
Payroll Deductions and Withholdings	20,343		20,343	20,343
Accrued Salaries and Wages	162,988		162,988	162,988
Due to:				
State of New Jersey	\$ 288,422	\$ 33,278	\$ 321,700	\$ 528,235
	\$ 288,422	\$ 33,278	\$ 321,700	\$ 528,235



MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	217,212
Total	<u>369,595</u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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

Mortality Rates

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 20,998,459
Changes for Year:	
Service Cost	1,105,741
Interest on the Total OPEB Liability	801,551
Changes of Assumptions	441,838
Difference between Actual and Expected Experience	45,873
Contributions from Members	20,541
Gross Benefit Payments by the State	<u>(624,822)</u>
Net Changes	<u>1,790,722</u>
Balance at June 30, 2023	<u><u>\$ 22,789,181</u></u>

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 26,716,402	\$ 22,789,181	\$ 19,636,078

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

The following presents the total nonemployer OPEB Liability attributable to the district as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the district would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 18,918,534	\$ 22,789,181	\$ 27,853,933

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

For the fiscal year ended June 30, 2024 the District recognized OPEB expense of \$1,127,252 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the district's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 821,180
	2018	9.51		849,995
	2019	9.29	\$ 125,048	
	2020	9.24	3,057,208	
	2021	9.24	17,401	
	2022	9.13		4,617,824
	2023	9.30	40,994	
			<u>3,240,651</u>	<u>6,288,999</u>
Differences between Expected and Actual Experience	2018	9.51		803,510
	2019	9.29		1,471,818
	2020	9.24	2,849,437	
	2021	9.24		3,346,290
	2022	9.13	475,570	
	2023	9.30		380,824
			<u>3,325,007</u>	<u>6,002,442</u>
Changes in Proportion	N/A	N/A	2,424,909	400,994
			<u>\$ 8,990,567</u>	<u>\$ 12,692,435</u>

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

Fiscal Year Ending June 30,	Total
2024	\$ (1,136,474)
2025	(1,136,474)
2026	(987,757)
2027	(582,344)
2028	(119,199)
Thereafter	<u>(1,763,536)</u>
	<u>\$ (5,725,784)</u>

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's Proportionat Share of the Net Pension Liability	0.0121242540%	0.0133247350%	0.0149830170%	0.0118650500%	0.0120180750%	0.0122673320%	0.0122673320%	0.0136182040%	0.0136675081%	0.0137746038%
District's Proportionate Share of the Net Pension Liability	\$ 2,269,592	\$ 2,991,136	\$ 4,437,540	\$ 2,761,994	\$ 2,366,299	\$ 2,210,387	\$ 2,060,773	\$ 1,613,280	\$ 2,054,407	\$ 1,987,619
District's Covered Employee Payroll	\$ 889,382	\$ 1,255,418	\$ 803,347	\$ 863,294	\$ 913,837	\$ 957,762	\$ 1,014,975	\$ 1,038,548	\$ 1,059,319	\$ 929,318
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	255.19%	238.26%	552.38%	319.94%	258.94%	230.79%	203.04%	155.34%	193.94%	213.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 99,933	\$ 114,557	\$ 133,107	\$ 109,917	\$ 120,197	\$ 119,325	\$ 138,243	\$ 159,485	\$ 171,668	\$ 183,405
Contributions in Relation to the Contractually Required Contribution	(99,933)	(114,557)	(133,107)	(109,917)	(120,197)	(119,325)	(138,243)	(159,485)	(171,668)	(183,405)
Contribution Deficiency/(Excess)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
District's Covered Employee Payroll	\$ 889,382	\$ 1,255,418	\$ 803,347	\$ 863,294	\$ 913,837	\$ 957,762	\$ 1,014,975	\$ 1,038,548	\$ 929,318	\$ 1,029,522
Contributions as a Percentage of Covered Employee Payroll	11.24%	9.13%	16.57%	12.73%	13.15%	12.46%	13.62%	15.36%	18.47%	17.81%



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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's Proportionate of the Net Pension Liability Attributable to the District	0.0412357996%	0.0462460365%	0.0461256310%	0.0440637910%	0.0487949000%	0.0455134403%	0.0459915400%	0.0499742616%	0.0511171937%	0.0507984200%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 22,039,193	\$ 29,229,470	\$ 36,285,358	\$ 29,709,397	\$ 31,042,309	\$ 27,932,028	\$ 30,284,876	\$ 24,025,221	\$ 26,373,617	\$ 25,923,790
District's Covered Employee Payroll	\$ 4,532,156	\$ 4,875,421	\$ 4,746,097	\$ 4,898,914	\$ 5,230,583	\$ 5,532,815	\$ 5,636,859	\$ 5,943,056	\$ 6,061,917	\$ 5,839,218
State's Proportionate Share of the Net Pension Liability Attributable to the District as a Percentage of its Covered Employee Payroll	486.28%	599.53%	764.53%	606.45%	593.48%	504.84%	537.27%	404.26%	435.07%	443.96%
Plan fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 175,165	\$ 248,539	\$ 367,344	\$ 494,797	\$ 737,610	\$ 915,112	\$ 1,042,181	\$ 565,324	\$ 709,788	\$ 636,872
Contributions in Relation to the Contractually Required Contribution	(174,443)	(250,023)	(369,299)	(495,631)	(913,877)	(1,026,852)	(1,480,331)	(2,134,008)	(2,076,670)	(2,125,078)
Contribution Deficiency/(Excess)	\$ 722	\$ (1,484)	\$ (1,955)	\$ (834)	\$ (176,267)	\$ (111,740)	\$ (438,150)	\$ (1,568,684)	\$ (1,366,882)	\$ (1,488,206)
District's Covered Employee Payroll	\$ 4,532,156	\$ 4,875,421	\$ 4,746,097	\$ 4,898,914	\$ 5,230,583	\$ 5,532,815	\$ 5,636,859	\$ 5,943,056	\$ 5,839,218	\$ 5,761,965
Contributions as a Percentage of Covered Employee Payroll	3.85%	5.13%	7.78%	10.12%	17.47%	18.56%	26.26%	35.91%	35.56%	36.88%

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

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 1,031,795	\$ 852,212	\$ 794,911	\$ 884,370	\$ 1,628,198	\$ 1,434,474
Interest	651,138	758,574	750,343	624,527	648,022	556,482
Change of Benefit Terms					(26,589)	
Changes in Assumptions	(2,688,790)	(2,162,828)	256,271	4,988,873	(4,111,330)	(5,633,025)
Differences between Expected and Actual Experience		(692,190)	(2,949,107)	4,087,001	24,645	193,499
Member Contributions	17,551	17,418	15,640	14,412	16,567	17,683
Gross Benefit Payments	(476,633)	(503,971)	(527,614)	(475,471)	(510,460)	(551,212)
Net Change in Total OPEB Liability	(1,464,939)	(1,730,785)	(1,659,556)	10,123,712	(2,330,947)	(3,982,099)
Total OPEB Liability - Beginning	22,043,073	20,578,134	18,847,349	17,187,793	27,311,505	24,980,558
Total OPEB Liability - Ending	<u>\$ 20,578,134</u>	<u>\$ 18,847,349</u>	<u>\$ 17,187,793</u>	<u>\$ 27,311,505</u>	<u>\$ 24,980,558</u>	<u>\$ 20,998,459</u>
District's Covered Employee Payroll *	\$ 5,762,208	\$ 6,144,420	\$ 6,490,577	\$ 6,651,834	\$ 6,981,604	\$ 7,121,236
Total OPEB Liability as a Percentage of Covered Employee Payroll	357%	307%	265%	411%	358%	295%
						337%

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

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

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

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

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

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

MOUNTAINSIDE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 17,993,293		\$ 17,993,293	\$ 17,993,293	
Tuition From Individuals	55,000		55,000	69,045	\$ 14,045
Transportation Fees From Individuals	45,000		45,000	56,196	11,196
Unrestricted Miscellaneous Revenues	53,000	\$ 120,000	173,000	326,374	153,374
Total Revenues from Local Sources	18,146,293	120,000	18,266,293	18,444,908	178,615
Revenues from State Sources:					
Categorical Transportation Aid	307,722		307,722	307,722	
Extraordinary Aid	142,305		142,305	165,324	23,019
Categorical Special Education Aid	1,108,326		1,108,326	1,108,326	
Categorical Security Aid	68,546		68,546	68,546	
Non Public Transportation Aid				40,950	40,950
TPAF Post Retirement Contributions (Non-Budgeted)				584,964	584,964
TPAF Pension Contributions (Non-Budgeted)				2,125,078	2,125,078
TPAF Non-Contributory Insurance (Non-Budgeted)				24,235	24,235
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,268	1,268
Reimbursed TPAF Social Security Contributions				415,739	415,739
Total Revenues from State Sources	1,626,899		1,626,899	4,842,152	3,215,253
TOTAL REVENUE	19,773,192	120,000	19,893,192	23,287,060	3,393,868

MOUNTAINSIDE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 60,556		\$ 60,556	\$ 60,079	\$ 477
Kindergarten - Salaries of Teachers	379,252	\$ (69,188)	310,064	310,063	1
Grades 1-5 - Salaries of Teachers	2,154,675	(55,097)	2,099,578	2,099,575	3
Grades 6-8 - Salaries of Teachers	1,372,698	39,986	1,412,684	1,412,683	1
Regular Programs - Home Instruction:					
Salaries of Teachers	8,000	(3,000)	5,000	63	4,937
Purchased Professional-Educational Services	4,000		4,000	2,426	1,574
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	75,330	1,662	76,992	76,981	11
Purchased Technical Services	5,000	(1,117)	3,883	3,731	152
Other Purchased Services (400-500 series)	16,311	(8,155)	8,156	7,785	371
General Supplies	135,338	(16,405)	118,933	99,596	19,337
Textbooks	54,000	(5,420)	48,580	42,730	5,850
Other Objects	2,036	(777)	1,259	1,175	84
Total Regular Programs - Instruction	4,267,196	(117,511)	4,149,685	4,116,887	32,798
Special Education - Instruction:					
Learning and/or Language Disabilities-Mild to Moderate:					
Salaries of Teachers	120,638	(53,874)	66,764	66,764	
General Supplies	1,000		1,000	215	785
Total Learning and/or Language Disabilities-Mild to Moderate	121,638	(53,874)	67,764	66,979	785

MOUNTAINSIDE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 961,871	\$ 475	\$ 962,346	\$ 962,332	\$ 14
Other Salaries for Instruction	289,354	(4,444)	284,910	284,908	2
General Supplies	4,000	(1,087)	2,913	2,911	2
Total Resource Room/Resource Center	1,255,225	(5,056)	1,250,169	1,250,151	18
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,376,863	(58,930)	1,317,933	1,317,130	803
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	226,662	(43,207)	183,455	183,455	
General Supplies	2,000	(1,272)	728	727	1
Total Basic Skills/Remedial - Instruction	228,662	(44,479)	184,183	184,182	1
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	50,000	722	50,722	50,722	
Supplies and Materials	4,000	(2,187)	1,813		1,813
Other Objects	10,000	(1,000)	9,000	9,000	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	64,000	(2,465)	61,535	59,722	1,813
School-Sponsored Athletics - Instruction:					
Salaries	37,000	(239)	36,761	36,123	638
Supplies and Materials	10,000	(3)	9,997	2,564	7,433
Other Objects	1,000		1,000		1,000
Total School-Sponsored Athletics - Instruction	48,000	(242)	47,758	38,687	9,071



MOUNTAINSIDE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teachers	\$ 11,000	\$ (10,193)	\$ 807		\$ 807
Other Salaries of Instruction	6,000		6,000		6,000
Total Other Suppl/at-risk Prog - Instruction	17,000	(10,193)	6,807		6,807
Total Other Supplemental/at-risk Programs	17,000	(10,193)	6,807		6,807
TOTAL INSTRUCTION	6,001,721	(233,820)	5,767,901	\$ 5,716,608	51,293
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	4,464,285	12	4,464,297	4,464,297	
Tuition to Other LEAs Within the State-Special	595,348	55,047	650,395	650,395	
Tuition to County Voc. School Dist.-Regular	276,000	70,000	346,000	346,000	
Tuition to Priv. Sch. for the Handicap. W/I State	1,246,541	28,826	1,275,367	1,269,935	5,432
Total Undistributed Expenditures - Instruction	6,582,174	153,885	6,736,059	6,730,627	5,432
Undistributed Expenditures - Health Services:					
Salaries	159,668		159,668	157,684	1,984
Purchased Professional and Technical Services	3,500	4,123	7,623	7,252	371
Supplies and Materials	6,000	(3,723)	2,277	2,276	1
Other Objects	400	(400)			
Total Undist. Expenditures - Health Services	169,568		169,568	167,212	2,356
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	148,390		148,390	148,390	
Purchased Professional - Educational Services	24,000	39,536	63,536	40,763	22,773
Supplies and Materials	1,000	(250)	750	714	36
Total Undist. Expend. - Speech, OT, PT, Related Svcs	173,390	39,286	212,676	189,867	22,809

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Purchased Professional - Educational Services	\$ 70,000	\$ (4,000)	\$ 66,000	\$ 57,055	\$ 8,945
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	70,000	(4,000)	66,000	57,055	8,945
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	122,661	3,973	126,634	126,632	2
Other Purchased Services (400-500 series)	1,500	(1,500)			
Supplies and Materials	700	15	715	468	247
Total Undist Expend. - Guidance	124,861	2,488	127,349	127,100	249
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	342,043	(3,900)	338,143	337,420	723
Salaries of Secretarial and Clerical Assistants	50,000	21,924	71,924	71,923	1
Purchased Professional - Educational Services	7,000	13,819	20,819	20,819	
Other Purchased Prof. and Tech. Services	3,500	1,583	5,083	5,000	83
Other Purchased Services (400-500 series)	500	387	887	886	1
Supplies and Materials	21,000	(3,956)	17,044	17,044	
Other Objects	450	593	1,043	910	133
Total Undist Expend. - Child Study Team	424,493	30,450	454,943	454,002	941
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	163,935	(37,924)	126,011	126,011	
Salaries of Secretarial and Clerical Assistants	25,878	(9,073)	16,805	10,336	6,469
Sal of Facilitators, Math Coaches & Literacy Coaches		4,247	4,247	4,247	
Other Purchased Services (400-500 series)	6,000	(5,000)	1,000		1,000
Supplies and Materials	12,000	(6,878)	5,122	3,138	1,984
Total Undist. Expend.-Improv. of Inst. Serv.	207,813	(54,628)	153,185	143,732	9,453

MOUNTAINSIDE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 171,195	\$ 692	\$ 171,887	\$ 171,059	\$ 828
Salaries of Technology Coordinators	93,015	(848)	92,167	90,000	2,167
Other Purchased Services (400-500 series)	66,000	(3,164)	62,836	60,315	2,521
Supplies and Materials	18,198	(2,336)	15,862	14,439	1,423
Total Undist Expend-Edu. Media Serv./Sch. Library	348,408	(5,656)	342,752	335,813	6,939
Undist.Expend.-Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	5,000		5,000	4,143	857
Total Undist.Expend.-Instructional Staff Training Services	5,000		5,000	4,143	857
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	105,496	(11,362)	94,134	93,191	943
Legal Services	40,000	(24,206)	15,794	13,718	2,076
Audit Fees	32,000	13,000	45,000	45,000	
Architectural/Engineering Services	3,000	(3,000)			
Purchased Technical Services	12,600	6,112	18,712	18,712	
Communications / Telephone	33,000	6,616	39,616	39,611	5
BOE Other Purchased Services	3,000	(1,893)	1,107	1,036	71
Other Purch. Serv. (400-500 series other than 530 & 585)	15,000	7,278	22,278	21,627	651
General Supplies	25,000	6,852	31,852	31,850	2
Miscellaneous Expenditures	5,000	(2,188)	2,812	2,812	
BOE Membership Dues and Fees	8,500	2,819	11,319	11,319	
Total Undist. Expend.-Support Serv.-Gen. Admin.	282,596	28	282,624	278,876	3,748

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 200,048	\$ 41,154	\$ 241,202	\$ 241,201	\$ 1
Salaries of Secretarial and Clerical Assistants	161,514	12,112	173,626	173,625	1
Other Purchased Services (400-500 series)	5,580	3,072	8,652	8,646	6
Supplies and Materials	3,000	533	3,533	3,532	1
Other Objects	2,200	414	2,614	2,613	1
Total Undist. Expend.-Support Serv.-School Adm.	372,342	57,285	429,627	429,617	10
Undist. Expend. - Central Services:					
Salaries	214,387	6,949	221,336	221,335	1
Purchased Technical Services	14,500	706	15,206	15,206	
Miscellaneous Purchased Services (400-500 series other than 594)	1,000	(230)	770	769	1
Supplies and Materials	13,000	(10,851)	2,149	2,149	
Other Objects	2,500	122	2,622	2,621	1
Total Undist. Expend. - Central Services	245,387	(3,304)	242,083	242,080	3
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	90,348	713	91,061	91,060	1
Cleaning, Repair, and Maintenance Services	89,000	12,389	101,389	97,487	3,902
General Supplies	21,125	4,365	25,490	24,894	596
Total Undist. Expend.- Required Maint. for School Facilities	200,473	17,467	217,940	213,441	4,499

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 413,093	\$ 18,950	\$ 432,043	\$ 430,733	\$ 1,310
Salaries of Non-Instructional Aides	32,040		32,040	32,040	
Purchased Professional and Technical Services	7,500	3,533	11,033	10,731	302
Cleaning, Repair, and Maintenance Services	13,000	4,422	17,422	16,436	986
Other Purchased Property Services	16,000	(1,828)	14,172	13,263	909
Insurance	83,500	15,870	99,370	98,866	504
General Supplies	42,500	(13,392)	29,108	29,014	94
Energy (Natural Gas)	66,000	(66,000)			
Energy (Electricity)	175,000	91,991	266,991	266,991	
Total Undist. Expend.-Custodial Services	848,633	53,546	902,179	898,074	4,105
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	25,562	(978)	24,584	23,244	1,340
Total Care And Upkeep Of Grounds	25,562	(978)	24,584	23,244	1,340
Security:					
Purchased Professional and Technical Services	100,000	3,930	103,930	103,930	
Total Security	100,000	3,930	103,930	103,930	
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,174,668	73,965	1,248,633	1,238,689	9,944

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	\$ 20,000	\$ (20,000)			
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	87,200	21,091	\$ 108,291	\$ 108,226	\$ 65
Contract. Serv.(Bet. Home & Sch.)-Vendors	376,110	72,695	448,805	448,805	
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	20,000	14,188	34,188	34,187	1
Contract. Serv.(Spl. Ed. Students)-Vendors	700,000	148,545	848,545	848,544	1
Transportation Supplies	10,000	(10,000)			
Total Undist. Expend.-Student Trans. Serv.	1,213,310	226,519	1,439,829	1,439,762	67
UNALLOCATED BENEFITS					
Social Security Contributions	160,000	20,312	180,312	180,312	
Other Retirement Contributions - PERS	180,000	(5,783)	183,405	183,405	
Other Retirement Contributions - Other		9,188	9,188	9,188	
Workers Compensation	65,000	(12,225)	52,775	52,774	1
Health Benefits	2,447,035	(132,884)	2,314,151	2,248,240	65,911
Tuition Reimbursement	16,000	(2,380)	13,620	13,620	
Other Employee Benefits	72,000	(39,227)	32,773	21,759	11,014
TOTAL UNALLOCATED BENEFITS	2,940,035	(153,811)	2,786,224	2,709,298	76,926

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				\$ 584,964	\$ (584,964)
TPAF Pension Contributions (Non-Budgeted)				2,125,078	(2,125,078)
TPAF Non-Contributory Insurance (Non-Budgeted)				24,235	(24,235)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,268	(1,268)
Reimbursed TPAF Social Security Contributions				415,739	(415,739)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				3,151,284	(3,151,284)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 2,940,035	\$ (153,811)	\$ 2,786,224	5,860,582	(3,074,358)
TOTAL UNDISTRIBUTED EXPENDITURES	14,334,045	362,507	14,696,552	17,699,157	(3,002,605)
TOTAL GENERAL CURRENT EXPENSE	20,335,766	128,687	20,464,453	23,415,765	(2,951,312)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Serv.:					
Construction Services	\$ 144,309		\$ 144,309	\$ 88,708	\$ 55,601
Assessment for Debt Service on SDA Funding	21,469		21,469	21,469	
Total Facilities Acquisition and Const. Serv.	<u>165,778</u>		<u>165,778</u>	<u>110,177</u>	<u>55,601</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>165,778</u>		<u>165,778</u>	<u>110,177</u>	<u>55,601</u>
<b>TOTAL EXPENDITURES</b>	<u>20,501,544</u>	<u>\$ 128,687</u>	<u>20,630,231</u>	<u>23,525,942</u>	<u>(2,895,711)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(728,352)	(8,687)	(737,039)	(238,882)	498,157
Other Financing Sources/(Uses):					
Capital Reserve - Transfer from Capital Projects Fund				15,782	(15,782)
				<u>15,782</u>	<u>(15,782)</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(728,352)	(8,687)	(737,039)	(223,100)	(513,939)
Fund Balance, July 1	<u>2,237,133</u>		<u>2,237,133</u>	<u>2,237,133</u>	
Fund Balance, June 30	<u>\$ 1,508,781</u>	<u>\$ (8,687)</u>	<u>\$ 1,500,094</u>	<u>\$ 2,014,033</u>	<u>\$ 513,939</u>



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

Recapitulation:  
Restricted Fund Balance:  
    Excess Surplus - Restricted For 2024-2025  
    Excess Surplus - Restricted For 2025-2026  
    Capital Reserve  
    Maintenance Reserve  
    Tuition Reserve - Restricted for 2024-2025  
    Tuition Reserve - Restricted for 2025-2026  
    Unemployment Compensation  
Assigned Fund Balance:  
    Year End Encumbrances  
    Designated for Subsequent Year's Expenditures  
Unassigned Fund Balance  
  
Reconciliation to Governmental Funds Statement (GAAP):  
    Last State Aid Payments not Recognized on GAAP basis  
  
Fund Balance per Governmental Funds (GAAP)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
				\$ 375,000	
				375,000	
				461,316	
				161,579	
				86,123	
				44,506	
				18,607	
				785	
				19,655	
				471,462	
				<u>2,014,033</u>	
				<u>(146,313)</u>	
				<u>\$ 1,867,720</u>	

MOUNTAINSIDE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources		\$ 322,829	\$ 322,829	\$ 304,702	\$ (18,127)
Federal Sources	\$ 158,954	713,070	872,024	695,032	(176,992)
State Sources		33,278	33,278	33,278	
Total Revenue	158,954	1,069,177	1,228,131	1,033,012	(195,119)
Expenditures:					
Instruction:					
Salaries of Teachers		79,673	79,673	62,269	17,404
Purchased Professional and Educational Services		42,785	42,785	25,756	17,029
Other Purchased Services	137,523	241,767	379,290	364,286	15,004
General Supplies	500	354,315	354,815	209,135	145,680
Total Instruction	138,023	718,540	856,563	661,446	195,117
Support Services:					
Salaries of Other Professional Staff		5,881	5,881	5,881	
Purchased Professional and Technical Services	20,931	72,665	93,596	93,596	
Scholarships Awarded		8,712	8,712	725	7,987
Student Activities		230,099	230,099	225,574	4,525
Total Support Services	20,931	317,357	338,288	325,776	12,512
Facilities Acquisition:					
Instructional Equipment		33,280	33,280	33,278	2
Total Facilities Acquisition		33,280	33,280	33,278	2
Total Expenditures	158,954	1,069,177	1,228,131	1,020,500	207,631
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 12,512	\$ 12,512

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue and Other Financing Sources" from the Budgetary Comparison Schedule	\$ 23,287,060	\$ 1,033,012
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not:		
Prior Year Encumbrances		52,884
Prior Year State Aid Payments Recognized for GAAP Statements	127,071	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(146,313)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 23,267,818</u>	<u>\$ 1,085,896</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,525,942	\$ 1,020,500
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		52,884
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,525,942</u>	<u>\$ 1,073,384</u>

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

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying and the amended budget supplementary information reflect the original budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

MOUNTAINSIDE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act				IDEA Part B	
	Title I	Title II Part A	Title IV		Basic	Preschool
REVENUE:						
Local Sources						
Federal Sources	\$ 44,675	\$ 10,595	\$ 10,000	\$	166,326	\$ 8,562
State Sources						
Total Revenue	44,675	10,595	10,000		166,326	8,562
EXPENDITURES:						
Instruction:						
Salaries of Teachers	14,580					8,562
Purchased Professional/Educational Services					166,326	
Other Purchased Services	20,095		500			
General Supplies						
Total Instruction	34,675		500		166,326	8,562
Support Services:						
Salaries of Other Professional Staff						
Purchased Professional and Technical Services	10,000	10,595	9,500			
Scholarships Awarded						
Student Activities						
Total Support Services	10,000	10,595	9,500			
Equipment:						
Instructional Equipment						
Total Equipment						
Total Expenditures	\$ 44,675	\$ 10,595	\$ 10,000	\$	166,326	\$ 8,562

MOUNTAINSIDE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ARP - Education Stabilization Fund				
	Accelerated Learning Coach and Educator Support	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day	NJTSS Mental Health Support	Staffing
REVENUE:					
Local Sources					
Federal Sources					
State Sources					
Total Revenue					
EXPENDITURES:					
Instruction:					
Salaries of Teachers	11,392	34,929	1,368		
Purchased Professional/Educational Services	17,194				
Other Purchased Services		192	126		
General Supplies	122,331				
Total Instruction	133,723	35,121	1,494		
Support Services:					
Salaries of Other Professional Staff	5,881				
Purchased Professional and Technical Services	34,725	12,376			16,400
Scholarships Awarded					
Student Activities					
Total Support Services	34,725	18,257			16,400
Equipment:					
Instructional Equipment					
Total Equipment					
Total Expenditures	\$ 168,448	\$ 35,451	\$ 35,121	\$ 1,494	\$ 16,400



MOUNTAINSIDE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ACRSERS	SDA Emergent and Capital Maintenance Needs	Student Activities	Scholarships	Local Donations	Totals
REVENUE:						
Local Sources						
Federal Sources						
State Sources	\$ 197,960	\$ 33,278	\$ 230,099	\$ 8,712	\$ 65,891	\$ 304,702
						695,032
						33,278
Total Revenue	197,960	33,278	230,099	8,712	65,891	1,033,012
EXPENDITURES:						
Instruction:						
Salaries of Teachers						62,269
Purchased Professional/Educational Services						25,756
Other Purchased Services	197,960					364,286
General Supplies					65,891	209,135
Total Instruction	197,960				65,891	661,446
Support Services:						
Salaries of Other Professional Staff						5,881
Purchased Professional and Technical Services						93,596
Scholarships Awarded				725		725
Student Activities			225,574			225,574
Total Support Services			225,574	725		325,776
Equipment:						
Instructional Equipment		33,278				33,278
Total Equipment		33,278				33,278
Total Expenditures	\$ 197,960	\$ 33,278	\$ 225,574	\$ 725	\$ 65,891	\$ 1,020,500

CAPITAL PROJECTS FUND

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

## Expenditures and Other Financing Uses:

Legal Services

Construction Services

Transfer to General Fund:

Unexpended Funds Returned to Capital Reserve	\$ (15,782)
----------------------------------------------	-------------

Transfer to Debt Service Fund:

Unexpended Bond Proceeds	(273)
--------------------------	-------

Total Expenditures and Other Financing Uses	(16,055)
---------------------------------------------	----------

Fund Balance - Beginning of Year	16,055
----------------------------------	--------

Fund Balance - End of Year	\$ - 0 -
----------------------------	----------

MOUNTAINSIDE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
PRELIMINARY PRE-REFERENDUM COST IMPROVEMENTS TO DISTRICT SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Final Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 54,500	\$ (15,782)	\$ 38,718	\$ 38,718
Total Revenue and Other Financing Sources	54,500	(15,782)	38,718	38,718
Expenditures:				
Purchase Professional and Technical Services	25,051		25,051	25,051
Other Administrative Services	13,667		13,667	13,667
Total Expenditures	38,718		38,718	38,718
Excess/(Deficit) of Revenue and Other Financing Sources Over Expenditures	\$ 15,782	\$ (15,782)	\$ - 0 -	\$ - 0 -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 54,500
Unexpended Balance Cancelled	\$ (15,782)
Revised Authorized Cost	\$ 38,718
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	3/14/2014
Revised Target Completion Date	Unavailable

MOUNTAINSIDE SCHOOL DISTRICTCAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -BUDGETARY BASISREPAIRS, RENOVATIONS & IMPROVEMENTS TO DISTRICT SCHOOLSFROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Final Project Authorization
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 19,484,000		\$ 19,484,000	\$ 19,484,000
Total Revenue and Other Financing Sources	19,484,000		19,484,000	19,484,000
Expenditures and Other Financing Uses:				
Architect Services	1,839,229		1,839,229	1,839,229
Legal Services	98,134		98,134	98,134
Other Administrative Services	147,568		147,568	147,568
Construction Services	17,398,796		17,398,796	17,398,796
Transfer to Debt Service Fund		\$ 273	273	273
Total Expenditures and Other Financing Uses	19,483,727	273	19,484,000	19,484,000
Excess/(Deficit) of Revenue and Other Financing Sources Over Expenditures	\$ 273	\$ (273)	\$ - 0 -	\$ - 0 -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	3/14/2014
Bonds Authorized	\$ 19,484,000
Original Authorized Cost	\$ 19,484,000
Revised Authorized Cost	\$ 19,484,000
Percentage Increase Over Original Authorized Cost	\$ - 0 -
Percentage Completion	100%
Original Target Completion Date	Unavailable
Revised Target Completion Date	Unavailable

PROPRIETARY FUNDS

MOUNTAINSIDE SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2024

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 235,036
Intergovernmental Accounts Receivable:	
State	342
Federal	2,079
Other Accounts Receivable	5,309
Inventories	10,535

Total Current Assets	253,301
----------------------	---------

## Non-Current Assets:

Capital Assets	168,884
Less: Accumulated Depreciation	(91,555)

Total Non-Current Assets	77,329
--------------------------	--------

Total Assets	330,630
--------------	---------

## LIABILITIES:

## Current Liabilities:

Unearned Revenue - Prepaid Sales	9,961
Unearned Revenue - Donated Commodities	2,093
Unearned Revenue - Supply Chain Assistance	5,767

Total Current Liabilities	17,821
---------------------------	--------

## NET POSITION:

Investment in Capital Assets	77,329
Unrestricted	235,480

Total Net Position	\$ 312,809
--------------------	------------

MOUNTAINSIDE SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

## Operating Revenue:

## Local Sources:

Daily Sales - Reimbursable Programs	\$ 169,178
Daily Sales - Non-Reimbursable Programs	106,054
Other Income	4,053

## Total Operating Revenue

279,285

## Operating Expenses:

Cost of Sales - Reimbursable Programs	92,494
Cost of Sales - Nonreimbursable Programs	59,136
Salaries, Benefits & Payroll Taxes	106,047
Supplies, Insurance & Other Costs	72,422
Management Fee	10,562
Depreciation Expense	4,287

## Total Operating Expenses

344,948

## Operating Loss

(65,663)

## Non-Operating Income:

## Local Sources:

Interest Income	12,321
-----------------	--------

## State Sources:

State School Lunch Program	2,902
State Extended Income Eligibility - Lunch	2,322

## Federal Sources:

Supply Chain Assistance Funding	43,275
National School Lunch Program	28,186
Food Distribution Program	26,071

## Total Non-Operating Income

115,077

## Change in Net Position

49,414

## Net Position - Beginning of Year

263,395

## Net Position - End of Year

\$ 312,809



MOUNTAINSIDE SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 275,097
Payments to Food Service Contractor	(266,195)
Payments to Other Suppliers	(68,531)
	<hr/>
Net Cash Provided by/(Used for) Operating Activities	(59,629)
	<hr/>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	12,321
	<hr/>
Net Cash Provided by/(Used for) Investing Activities	12,321
	<hr/>
Cash flows from Capital and Related Financing Activities:	
Acquisition and Construction of Capital Assets	(38,257)
	<hr/>
Net Cash Provided by/(Used for) Capital and Related Financing Activities	(38,257)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
State Sources	4,882
Federal Sources	47,721
	<hr/>
Net Cash Provided by Noncapital Financing Activities	52,603
	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalents	(32,962)
	<hr/>
Cash and Cash Equivalents, July 1	267,998
	<hr/>
Cash and Cash Equivalents, June 30	\$ 235,036
	<hr/>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (65,663)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	4,287
Food Distribution Program	26,071
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(2,906)
(Increase)/Decrease in Other Accounts Receivable	(5,309)
Increase/(Decrease) in Deferred Revenue - Donated Commodities	(829)
Increase/(Decrease) in Deferred Revenue - Prepaid Sales	1,121
Increase/(Decrease) in Accounts Payable	(16,401)
	<hr/>
Net Cash Used for Operating Activities	\$ (59,629)
	<hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$25,242 and utilized U.S.D.A. Commodities valued at \$26,071.

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM LIABILITIES
-----------------------

MOUNTAINSIDE SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2023	Retired or Matured	Balance June 30, 2024
			Date	Amount				
School Bonds, Series 2014	07/17/14	\$ 19,484,000				\$ 895,000	\$ 895,000	
Refunding School Bonds, Series 2021	12/29/21	13,075,000	08/15/24	\$ 1,035,000	1.122%			
			08/15/25	1,045,000	1.404%			
			08/15/26	1,065,000	1.614%			
			08/15/27	1,095,000	1.793%			
			08/15/28	1,115,000	1.973%			
			08/15/29	1,145,000	2.053%			
			08/15/30	1,175,000	2.163%			
			08/15/31	1,205,000	2.283%			
			08/15/32	1,240,000	2.433%			
			08/15/33	1,275,000	2.533%			
			08/15/34	1,310,000	2.633%	12,820,000	115,000	\$ 12,705,000
						<u>\$ 13,715,000</u>	<u>\$ 1,010,000</u>	<u>\$ 12,705,000</u>

MOUNTAINSIDE SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2024</u>
Student Chromebooks	3.15%	\$ 37,137	\$ 14,378	\$ 7,076	\$ 7,302
Student Tablets	2.75%	9,362	3,640	1,795	1,845
Teacher Tablets	2.85%	111,892	43,455	21,418	22,037
			<u>\$ 61,473</u>	<u>\$ 30,289</u>	<u>\$ 31,184</u>

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 834,701	\$ 834,701	\$ 834,701	
State Sources:				
Debt Service State Aid Support	414,274	414,274	414,274	
Total Revenue	<u>1,248,975</u>	<u>1,248,975</u>	<u>1,248,975</u>	
EXPENDITURES:				
Regular Debt Service:				
Interest	272,379	272,379	272,379	
Redemption of Principal	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,010,000</u>	
Total Regular Debt Service	<u>1,282,379</u>	<u>1,282,379</u>	<u>1,282,379</u>	
Total Expenditures	<u>1,282,379</u>	<u>1,282,379</u>	<u>1,282,379</u>	
Other Financing Sources:				
Transfer from Capital Projects Fund				
Unexpended Bond Proceeds			273	\$ 273
Total Other Financing Sources			<u>273</u>	<u>273</u>
Excess/(Deficit) of Revenues				
Over/(Under) Expenditures	<u>(33,404)</u>	<u>(33,404)</u>	<u>(33,131)</u>	<u>273</u>
Fund Balance, July 1	<u>34,211</u>	<u>34,211</u>	<u>34,211</u>	
Fund Balance, June 30	<u>\$ 807</u>	<u>\$ 807</u>	<u>\$ 1,080</u>	<u>\$ 273</u>
<u>Recapitulation:</u>				
Restricted - For Subsequent Year's Expenditures			<u>\$ 1,080</u>	

**STATISTICAL SECTION**  
(UNAUDITED)

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

**Contents**

**Exhibit**

**Financial Trends**

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

J-1 thru J-5

**Revenue Capacity**

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

J-6 thru J-9

**Debt Capacity**

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

J-10 thru J-13

**Demographic and Economic Information**

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

J-14 thru J-15

**Operating Information**

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

J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

MOUNTAINSIDE SCHOOL DISTRICT  
NET POSITION BY COMPONENT,  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

June 30,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ (7,565,354)	\$ (2,757,658)	\$ 3,022,572	\$ 7,167,658	\$ 7,542,000	\$ 8,459,986	\$ 8,643,393	\$ 11,018,173	\$ 10,814,998	\$ 11,053,602
Restricted	14,750,207	10,654,724	5,495,272	1,707,722	1,950,212	1,987,113	1,961,337	2,152,531	2,051,830	1,754,698
Unrestricted/(Deficit)	(3,998,001)	(3,706,696)	(3,928,497)	(3,416,998)	(2,306,496)	(2,893,817)	(2,526,221)	(2,053,098)	(1,536,969)	(1,614,771)
Total Governmental Activities Net Position	\$ 3,186,852	\$ 4,190,370	\$ 4,589,347	\$ 5,458,382	\$ 7,185,716	\$ 7,553,282	\$ 8,078,509	\$ 11,117,606	\$ 11,329,859	\$ 11,193,529
Business-Type Activities										
Net Investment in Capital Assets	\$ 22,369	\$ 16,281	\$ 10,193	\$ 4,105	\$ 18,059	\$ 18,662	\$ 25,469	\$ 47,074	\$ 43,359	\$ 77,329
Unrestricted	36,420	29,864	33,060	50,201	54,414	71,557	42,782	144,160	220,036	235,480
Total Business-Type Activities Net Position	\$ 58,789	\$ 46,145	\$ 43,253	\$ 54,306	\$ 72,473	\$ 90,219	\$ 68,251	\$ 191,234	\$ 263,395	\$ 312,809
District-Wide										
Net Investment in Capital Assets	\$ (7,542,985)	\$ (2,741,377)	\$ 3,032,765	\$ 7,171,763	\$ 7,560,059	\$ 8,478,648	\$ 8,668,862	\$ 11,065,247	\$ 10,858,357	\$ 11,130,931
Restricted	14,750,207	10,654,724	5,495,272	1,707,722	1,950,212	1,987,113	1,961,337	2,152,531	2,051,830	1,754,698
Unrestricted/(Deficit)	(3,961,581)	(3,676,832)	(3,895,437)	(3,366,797)	(2,252,082)	(2,822,260)	(2,483,439)	(1,908,938)	(1,316,933)	(1,379,291)
Total District Net Position	\$ 3,245,641	\$ 4,236,515	\$ 4,632,600	\$ 5,512,688	\$ 7,258,189	\$ 7,643,501	\$ 8,146,760	\$ 11,308,840	\$ 11,593,254	\$ 11,506,338

Source: Mountainside School District Financial Reports.



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

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 3,864,994	\$ 3,841,919	\$ 3,869,637	\$ 3,901,424	\$ 4,189,376	\$ 6,493,063	\$ 7,470,134	\$ 6,908,317	\$ 8,001,756	\$ 8,214,266
Special Education	621,742	454,465	833,168	871,258	1,009,032	2,014,117	2,199,302	2,058,013	2,127,371	2,386,443
Other Special Instruction	80,558	84,298	105,098	438,104	478,946	828,223	724,725	720,984	571,828	307,327
School Sponsored/Other Instruction									181,175	156,704
Support Services:										
Tuition	5,882,562	5,822,983	6,479,704	6,042,250	5,443,120	6,434,452	6,621,378	6,605,031	6,812,308	6,764,360
Student & Instruction Related Services	1,246,282	1,233,119	1,161,265	1,232,650	1,288,926	1,873,868	1,961,551	1,830,396	2,216,388	2,358,931
General Administrative Services	548,945	513,930	501,208	537,786	615,653	181,011	1,014,877	986,008	243,873	240,477
School Administrative Services	375,607	373,708	389,048	383,891	410,515	751,255	872,034	743,755	663,363	728,618
Central Services									283,095	311,187
Plant Operations And Maintenance	978,127	898,776	933,888	932,895	914,446	1,401,990	1,689,257	1,864,803	1,294,856	1,499,606
Pupil Transportation	518,252	612,067	706,245	671,609	615,923	710,107	668,880	945,809	1,335,205	1,439,762
Capital Outlay									21,469	21,469
Interest On Long-Term Debt	719,079	723,447	692,338	655,311	613,730	556,778	520,755	313,425	324,672	314,153
Unallocated Depreciation	75,342	75,242	140,902	303,066	314,566				48,591	48,797
Total Governmental Activities Expenses	14,911,490	14,633,954	15,812,501	15,970,244	15,894,233	21,244,864	23,742,893	22,976,541	24,125,950	24,792,101
Business-type activities:										
Food Service	164,707	209,319	193,533	180,088	196,258	155,651	376,679	274,572	269,527	344,948
Total Business-Type Activities Expense	164,707	209,319	193,533	180,088	196,258	155,651	376,679	274,572	269,527	344,948
Total District Expenses	\$ 15,076,197	\$ 14,843,273	\$ 16,006,034	\$ 16,150,332	\$ 16,090,491	\$ 21,400,515	\$ 24,119,572	\$ 23,251,113	\$ 24,395,477	\$ 25,137,049

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

UNAUDITED  
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 5,882,562	\$ 5,822,963	\$ 6,479,704	\$ 6,042,250	\$ 5,443,120	\$ 6,434,452	\$ 6,621,378	\$ 6,605,031	\$ 272,876	\$ 355,340
Student & Instruction Related Services							53,080	110,848		
Operating Grants and Contributions	1,951,390	2,134,260	5,752,435	6,310,226	3,840,201	356,951	524,906	526,701	4,325,363	4,363,020
Capital Grants and Contributions		561,150	458,569	455,892	454,736					
Total Governmental Activities Program Revenues	7,833,952	8,518,373	12,690,708	12,808,368	9,738,057	6,791,403	7,199,364	7,242,580	4,598,239	4,718,360
Business-Type Activities:										
Charges For Services:										
Food Service	154,216	167,168	161,466	164,180	183,910	143,125	168,508	62,843	258,489	279,285
Operating Grants and Contributions	29,459	29,359	28,811	25,346	28,772	28,868	186,141	306,061	75,710	102,756
Total Business Type Activities Program Revenues	183,675	196,527	190,277	189,526	212,682	171,993	354,649	368,904	334,199	382,041
Total District Program Revenues	\$ 8,017,627	\$ 8,714,900	\$ 12,880,985	\$ 12,997,894	\$ 9,950,739	\$ 6,963,396	\$ 7,554,013	\$ 7,611,484	\$ 4,932,438	\$ 5,100,401
Net (Expense)/Revenue:										
Governmental Activities	\$ (7,077,538)	\$ (6,115,581)	\$ (3,121,793)	\$ (3,161,876)	\$ (6,156,176)	\$ (14,453,461)	\$ (16,543,529)	\$ (15,733,961)	\$ (19,527,711)	\$ (20,073,741)
Business-Type Activities	18,968	(12,792)	(3,256)	9,438	16,424	16,342	(22,030)	94,332	64,672	37,093
Total District-Wide Net (Expense)/Revenue	\$ (7,058,570)	\$ (6,128,373)	\$ (3,125,049)	\$ (3,152,438)	\$ (6,139,752)	\$ (14,437,119)	\$ (16,565,559)	\$ (15,639,629)	\$ (19,463,039)	\$ (20,036,648)

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

UNAUDITED  
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,457,484	\$ 15,108,033	\$ 15,410,193	\$ 15,718,396	\$ 16,032,764	\$ 16,353,419	\$ 16,778,899	\$ 17,261,649	\$ 17,640,483	\$ 17,993,293
Taxes Levied for Debt Service	649,800	897,219	1,258,365	1,237,201	1,237,201	1,233,439	1,215,916	1,192,928	1,142,530	834,701
Unrestricted Grants and Contributions									506,063	478,004
Investment Earnings									23,389	
Miscellaneous Income	151,567	170,468	205,316	313,917	354,592	257,870	191,224	207,618	426,692	631,413
Other Item - Cancellation of Prior Year Accounts Payable									807	
Total Governmental Activities	15,258,851	16,175,720	4,523,374	17,269,514	17,624,557	17,844,728	18,186,039	18,662,195	19,739,964	19,937,411
Business-Type Activities:										
Investment Earnings	85	149	364	1,615	1,773	1,404	63		7,489	12,321
Total Business-Type Activities	85	149	(579)	1,615	1,773	1,404	63		7,489	12,321
Total District-Wide General Revenues and Other Changes in Net Position	\$ 15,258,936	\$ 16,175,869	\$ 4,522,795	\$ 17,271,129	\$ 17,626,330	\$ 17,846,132	\$ 18,186,102	\$ 18,662,195	\$ 19,747,453	\$ 19,949,732
Change in Net Position:										
Governmental Activities	\$ (435,318)	\$ 1,003,518	\$ 1,681,102	\$ 2,334,553	\$ 1,727,333	\$ 124,460	\$ 525,227	\$ 951,727	\$ 212,253	\$ (136,330)
Business-Type Activities	19,053	(12,643)	7,482	11,053	18,197	17,746	(21,967)	94,332	72,161	49,414
Total District	\$ (416,265)	\$ 990,875	\$ (62,267)	\$ 2,345,606	\$ 1,745,530	\$ 142,206	\$ 503,260	\$ 1,046,059	\$ 284,414	\$ (86,916)

Source: Mountainside School District Financial Reports.

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

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 2,471,677	\$ 2,954,975	\$ 2,567,564	\$ 2,644,430	\$ 3,223,740	\$ 2,974,982	\$ 3,121,410	\$ 4,314,078	\$ 1,798,371	\$ 1,522,131
Assigned	427,209	168,030	314,104	342,475	318,382	533,226	287,445	237,459	9,043	20,440
Unassigned	246,366	440,582	488,567	538,780	507,526	533,321	885,486	888,643	302,648	325,149
Total General Fund	\$ 3,145,252	\$ 3,563,587	\$ 3,370,235	\$ 3,525,685	\$ 4,049,648	\$ 4,041,529	\$ 4,294,341	\$ 5,440,180	\$ 2,110,062	\$ 1,867,720
All Other Governmental Funds										
Restricted	\$ 32,500	\$ 23,722	\$ 5,428,167	\$ 2,120,766	\$ 903,190	\$ 706,470	\$ 724,805	\$ 459,466	\$ 269,241	\$ 232,567
Committed										
Total All Other Governmental Funds	\$ 32,500	\$ 23,722	\$ 5,428,167	\$ 2,120,766	\$ 903,190	\$ 706,470	\$ 724,805	\$ 459,466	\$ 269,241	\$ 232,567
Total Governmental Funds:										
Restricted	\$ 2,471,677	\$ 2,954,975	\$ 7,995,731	\$ 4,765,196	\$ 4,126,930	\$ 3,681,452	\$ 3,846,215	\$ 4,773,544	\$ 2,067,612	\$ 1,754,698
Committed	32,500	23,722								
Assigned	427,209	168,030	314,104	342,475	318,382	533,226	287,445	237,459	9,043	20,440
Unassigned	246,366	440,582	488,567	538,780	507,526	533,321	885,486	888,643	302,648	325,149
Total Governmental Funds	\$ 3,177,752	\$ 3,587,309	\$ 8,798,402	\$ 5,646,451	\$ 4,952,838	\$ 4,747,999	\$ 5,019,146	\$ 5,899,646	\$ 2,379,303	\$ 2,100,287

Source: Mountainside School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	\$15,107,284	\$16,005,251	\$16,668,558	\$16,955,597	\$17,269,965	\$17,586,858	\$17,994,815	\$18,454,577	\$18,783,013	\$18,827,994
Tuition Charges									65,600	69,045
Transportation Fees from Individuals									41,036	56,196
Interest Earned on Capital Reserve Funds									17,233	
Interest Earned on Maintenance Reserve Funds									6,156	
Miscellaneous	225,416	281,236	205,316	380,746	393,173	363,250	300,111	347,162	426,692	631,413
State Sources	1,639,892	2,360,201	2,406,787	2,776,007	3,180,874	3,236,806	3,925,046	4,785,061	5,159,654	5,271,705
Federal Sources	262,221	251,601	244,513	258,387	256,807	251,572	469,147	491,030	597,996	746,336
<b>Total Revenue</b>	<b>17,234,813</b>	<b>18,898,289</b>	<b>19,525,174</b>	<b>20,370,737</b>	<b>21,100,819</b>	<b>21,438,486</b>	<b>22,689,119</b>	<b>24,077,830</b>	<b>25,097,380</b>	<b>25,602,689</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	3,750,450	3,763,412	3,672,337	3,481,333	3,755,028	3,708,801	3,777,687	4,011,055	4,651,552	4,762,246
Special Education Instruction	621,742	754,465	833,168	803,845	948,032	1,083,025	988,495	1,059,118	1,270,774	1,485,578
School Sponsored/Other Instruction	80,558	84,298	105,096	438,104	478,946	464,384	366,408	420,667	446,187	282,591
<b>Support Services:</b>										
Tuition	5,124,050	5,963,932	6,597,553	6,324,090	5,487,680	5,928,393	6,101,526	6,079,644	6,812,308	6,730,627
Student & Instruction Related Services	1,069,329	1,043,988	1,045,153	1,141,928	1,222,482	1,377,975	1,359,999	1,356,866	1,618,864	1,705,223
General And Business Administrative Services	318,300	293,612	267,800	214,018	285,889	230,059	265,676	289,514	231,312	278,876
School Administrative Services	379,177	379,254	383,374	388,105	410,515	379,281	393,893	385,995	395,845	429,617
Central Services	195,052	190,926	169,592	194,356	219,767	215,088	241,430	252,038	235,257	242,080
Plant Operations And Maintenance	978,127	897,763	927,987	932,895	914,446	970,422	1,032,617	1,043,420	1,075,547	1,238,689
Pupil Transportation	618,252	612,067	706,245	671,609	615,923	670,809	632,709	896,283	1,335,206	1,439,762
Allocated and Unallocated Benefits	2,657,770	2,854,509	3,022,763	3,470,351	3,794,501	4,205,671	4,908,299	5,776,222	5,913,190	5,860,582
<b>Debt Service:</b>										
Principal	471,072	714,369	681,934	646,821	609,921	1,115,000	1,135,000	1,290,000	1,285,000	1,010,000
Interest And Other Charges	260,000	944,000	1,035,000	1,065,000	1,095,000	571,815	532,728	443,331	305,602	272,379
<b>Special Revenue:</b>										
Federal	262,221	274,067	244,513	258,387	256,807	251,572	469,147	491,030		
State								6,975		
Other	73,849	88,302	37,719	66,829	38,581	105,379	89,491	134,285		
Capital Outlay	6,413,031	4,106,828	5,161,612	3,944,826	154,297	677,094	91,228	29,508	95,821	143,455
<b>Total Expenditures</b>	<b>23,272,980</b>	<b>22,965,792</b>	<b>24,891,846</b>	<b>24,042,497</b>	<b>20,287,815</b>	<b>21,954,768</b>	<b>22,386,333</b>	<b>23,965,951</b>	<b>25,672,465</b>	<b>25,881,705</b>
<b>Excess/(Deficiency) Of Revenues Over/(Under) Expenditures</b>	<b>(6,038,167)</b>	<b>(4,067,503)</b>	<b>(5,366,672)</b>	<b>(3,671,760)</b>	<b>813,004</b>	<b>(516,282)</b>	<b>302,786</b>	<b>111,879</b>	<b>(575,085)</b>	<b>(279,016)</b>

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses)										
Financed Purchases (Non-Budgeted)										
Bond Proceeds	\$ 94,816							\$13,075,000		
Payment to Refunded Bond Escrow Agent	19,484,000							(12,954,044)		
Cost Recovery from Capital Projects			\$ 83,402						\$ 807	
Cancellation of Prior Year Accounts Payable										
Transfers In	137,766	\$ 227,674	15,051	\$ 3,203	\$ 12,984					\$ 16,055
Transfers Out	(137,766)	(227,674)	(15,051)	(3,203)	(12,984)					(16,055)
Total Other Financing Sources (Uses)	19,578,816		83,402					120,956	807	
Net Change In Fund Balances	\$13,540,649	\$ (4,067,503)	\$ (5,283,270)	\$ (3,671,760)	\$ 813,004	\$ (516,282)	\$ 302,786	\$ 232,835	\$ (574,278)	\$ (279,016)
Debt Service As A Percentage Of										
Noncapital Expenditures	4.34%	8.79%	8.70%	8.52%	8.47%	7.93%	7.48%	7.24%	6.22%	4.98%

Source: Mountainside School District Financial Reports.

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Prior Year Refunds	Other	Total
2015			\$ 203	\$ 113,599	\$ 113,801
2016		\$ 9,284	211	133,300	142,795
2017		45,300	3,045	104,202	152,546
2018		122,580		188,134	310,714
2019	\$ 34,638	111,660		208,295	354,592
2020	66,353	119,180		72,337	257,870
2021	3,255	39,950		148,067	191,272
2022	4,447	49,400		150,963	204,810
2023	157,109	65,600		113,246	335,955
2024	127,926	69,045		254,644	451,615

Source: Mountainside School District Financial Records.

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

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

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> Tax rates are \$100 per assessed valuation.

\* Revaluation became effective in this year.

Source: Municipal Tax Assessors.



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

Year Ended December 31,	Mountainside School District					
	Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General		Total Direct	Municipality	Union County	
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>				
2015	\$ 3.22	\$ 0.15	\$ 3.37	\$ 1.89	\$ 1.91	\$ 7.16
2016	3.218	0.191	3.409	1.909	1.985	7.303
2017	3.251	0.265	3.516	1.947	2.010	7.473
2018	3.322	0.256	3.579	1.960	1.991	7.530
2019	3.347	0.258	3.605	1.969	1.939	7.513
2020	3.390	0.249	3.639	1.976	1.859	7.474
2021	* 0.898 *	0.065 *	0.963 *	0.512 *	0.489 *	1.964
2022	0.922	0.065	0.987	0.523	0.487	1.997
2023	0.948	0.044	0.992	0.534	0.471	1.997

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

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

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

\* Revaluation became effective in this year.

Source: Municipal Tax Collector and School Business Administrator

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

	2023			2014		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
	SHP VI Mountainside LLC	\$ 24,967,400	5.11%			
	Prime Care One LLC	21,558,200	4.41%			
	Alpine at Mountainside LLC	12,747,700	2.61%			
	1180 Route 22 NJ Owner LLC	11,705,700	2.40%			
	Bear Mountainside Realty	10,992,000	2.25%			
	253 Sheffield, Inc.	10,290,000	2.11%			
	FYL Real Estate LLC	9,610,000	1.97%			
	SH727 LLC	9,197,300	1.88%			
	Trepfill LOSB Sheffield LLC	8,756,500	1.79%			
	Safeguard Mountainside LP	8,750,000	1.79%			
	Total	\$ 128,574,800	26.31%			

Information is not Available

Source: Municipal Tax Assessor

MOUNTAINSIDE SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 15,107,284	\$ 15,107,284	100.00%	\$ - 0 -
2016	16,005,251	16,005,251	100.00%	- 0 -
2017	16,668,558	16,668,558	100.00%	- 0 -
2018	16,955,597	16,955,597	100.00%	- 0 -
2019	17,269,965	17,269,965	100.00%	- 0 -
2020	17,586,858	17,586,858	100.00%	- 0 -
2021	17,994,815	17,994,815	100.00%	- 0 -
2022	18,454,577	18,454,577	100.00%	- 0 -
2023	18,783,013	18,783,013	100.00%	- 0 -
2024	18,827,994	18,827,994	100.00%	- 0 -

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

Source: Mountainside School District records including the Certificate and Report of School Taxes (A4F Form)

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Obligation Bonds	Financed Purchases			
2015	\$ 21,844,000	\$ 83,300	\$ 21,927,300	5.27%	\$ 3,231
2016	20,900,000	65,407	20,965,407	4.91%	3,072
2017	19,865,000	46,742	19,911,742	4.48%	2,911
2018	18,800,000	27,272	18,827,272	4.07%	2,742
2019	17,705,000	6,963	17,711,963	3.73%	2,571
2020	16,590,000		16,590,000	3.33%	2,413
2021	15,455,000	126,713	15,581,713	2.88%	2,222
2022	15,000,000	95,035	15,095,035	2.83%	2,170
2023	13,715,000	61,473	13,776,473	2.60%	1,990
2024	12,705,000	31,184	12,736,184	2.40%	1,839

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

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

Source: Mountainside School District Financial Reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of	
	General		Net General	Actual Taxable	
	Obligation		Bonded Debt	Value <sup>a</sup>	
	Bonds	Deductions	Outstanding	of Property	Per Capita <sup>b</sup>
2015	\$ 21,844,000	\$ - 0 -	\$ 21,844,000	4.57%	\$ 3,190
2016	20,900,000	- 0 -	20,900,000	4.37%	3,063
2017	19,865,000	- 0 -	19,865,000	4.15%	2,904
2018	18,800,000	- 0 -	18,800,000	3.93%	2,738
2019	17,705,000	- 0 -	17,705,000	3.66%	2,579
2020	16,590,000	- 0 -	16,590,000	3.39%	2,409
2021	15,455,000	- 0 -	15,455,000	0.82%	2,248
2022	15,000,000	- 0 -	15,000,000	0.79%	2,182
2023	13,715,000	- 0 -	13,715,000	0.72%	1,981
2024	12,705,000	- 0 -	12,705,000	0.67%	1,835

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

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

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

Source: Mountainside School District Financial Reports.

MOUNTAINSIDE SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2023  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Borough of Mountainside	\$ 6,168,000	100.00%	\$ 6,168,000
Union County General Obligation Debt	526,861,768	2.348% <sup>a</sup>	<u>12,369,103</u>
Subtotal, Overlapping Debt			18,537,103
Mountainside School District Direct Debt			<u>12,705,000</u>
Total Direct And Overlapping Debt			<u>\$ 31,242,103</u>

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

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Mountainside taxable equalized property values. Applicable percentages were estimated by determining the portion of Mountainside Borough's equalized property value that is within the Union County boundaries and dividing it by Union County's total equalized property value.

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

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 67,544,891	\$ 68,517,383	\$ 69,722,183	\$ 70,891,754	\$ 71,305,054	\$ 72,016,520	\$ 73,546,244	\$ 80,859,333	\$ 60,609,776	\$ 65,938,859
Total Net Debt Applicable to Limit	21,844,000	20,900,000	19,865,000	18,800,000	17,705,000	16,590,000	15,455,000	15,000,000	13,715,000	12,705,000
Legal Debt Margin	\$ 45,700,891	\$ 47,617,383	\$ 49,857,183	\$ 52,091,754	\$ 53,600,054	\$ 55,426,520	\$ 58,091,244	\$ 65,859,333	\$ 46,894,776	\$ 53,233,859
Total Net Debt Applicable to the Limit	32.34%	30.50%	28.49%	26.52%	24.83%	23.04%	21.01%	18.55%	22.63%	19.27%
As a Percentage of Debt Limit										

Legal Debt Margin Calculation for Fiscal Year 2024		
Equalized valuation basis	Mountainside	
	Borough	
	2023	\$ 2,415,187,420
	2022	2,160,396,347
	2021	2,018,302,167
		\$ 6,593,885,934
Average Equalized Valuation of Taxable Property		
		\$ 2,197,961,978
Debt Limit (3% of average equalization value) <sup>a</sup>		
		\$ 65,938,859
Net Bonded School Debt as of June 30, 2024		
		12,705,000
Legal Debt Margin		
		\$ 53,233,859

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

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

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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Union County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2015	6,786	\$ 415,778,220	\$ 61,270	3.50%
2016	6,824	426,677,424	62,526	3.50%
2017	6,841	444,911,276	65,036	3.40%
2018	6,866	462,397,636	67,346	2.90%
2019	6,888	474,355,896	68,867	2.40%
2020	6,876	498,805,668	72,543	6.60%
2021	7,014	540,127,098	77,007	6.60%
2022	6,957	533,017,512	76,616	2.60%
2023	6,924	530,489,184 *	76,616 **	3.30%
2024	6,924 *	530,489,184 *	76,616 **	N/A

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

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

N/A - Not Available

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development.

Source: Mountainside School District Reports.



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

2024			2015		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
APM Terminals Elizabeth, LLC	2,343	0.83%	Trinitas Hospital	1,674	1.86%
Trinitas Hospital	1,823	0.65%	Maier Terminals	945	1.05%
Maier Terminals, LLC	1,312	0.47%	Actavis	602	0.67%
Wakefern Food Corporation	968	0.34%	Wakefern Food Corporation	563	0.63%
Allied Beverage Group LLC	947	0.34%	AFI Food Services	536	0.60%
Amazon, Corn Services, Inc.	577	0.20%	Olympia Trail Bus Co.	442	0.49%
Fedway Associates, Inc.	487	0.17%	New England Motor Freight	358	0.40%
AFI Food Service	439	0.16%	Federal Express	300	0.33%
Actavis	265	0.09%	Duro Bag Company	240	0.27%
Atlanta Food Corporation	230	0.08%	Atlanta	191	0.21%
Total	9,391	3.33%	Total	5,851	6.50%
Total County Employment	281,793		Total County Employment	90,000	

\* - Employment data provided by the NJ Department of Labor and Workforce Development

Source: Union County Treasurer's Office.

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

<u>Function/Program</u>	<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	58.7	61.0	61.0	61.0	62.1	68.8	71.0	68.7	63.1	63.2
Special Education	7.0	9.8	12.0	11.0	11.0	12.0	17.0	8.1	22.4	22.1
Support Services:										
Student & Instruction Related Services	10.0	11.0	12.0	11.4	11.4	11.4	13.0	12.3	10.0	12.0
School Administration Services	4.6	4.6	4.6	4.6	4.6	4.6	4.0	5.0	4.7	5.1
General Administration Services	1.4	2.4	2.0	2.0	2.0	2.0	3.0	3.0	4.0	4.1
Other Administrative Services	2.7	2.7	2.5	4.0	4.0	4.9	4.0	4.0	2.0	2.0
Plant Operations and Maintenance	8.0	8.0	8.0	8.0	7.0	8.0	8.0	8.0	7.0	7.0
Total	<u>92.4</u>	<u>99.5</u>	<u>102.1</u>	<u>102.0</u>	<u>102.1</u>	<u>111.7</u>	<u>120.0</u>	<u>109.1</u>	<u>113.1</u>	<u>115.5</u>

Source: Mountainside School District Personnel Records.

MOUNTAINSIDE SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>u</sup>	Percentage Change	Teaching Staff <sup>v</sup>	Pupil/Teacher Ratio	Average Daily		% Change in Average Daily Enrollment	Student Attendance Percentage
							Enrollment (ADE) <sup>v</sup>	Attendance (ADA) <sup>v</sup>		
2015	761.0	\$ 16,128,880	\$ 21,194	1.58%	58.7	1:13	741.3	712.6	-2.16%	96.13%
2016	734.0	17,200,596	23,434	10.57%	61.0	1:12	729.2	701.5	-1.63%	96.20%
2017	718.0	18,013,300	25,088	7.06%	61.0	1:12	715.9	687.9	-1.82%	96.09%
2018	727.0	18,385,851	25,290	0.80%	61.0	1:12	724.9	696.5	1.25%	96.08%
2019	727.0	18,428,654	25,349	0.23%	62.1	1:12	729.0	698.1	0.57%	95.76%
2020	746.0	19,590,858	26,261	3.60%	68.8	1:11	764.9	726.9	4.92%	95.03%
2021	728.0	20,627,377	28,334	7.89%	71.0	1:11	725.3	707.1	-5.17%	97.49%
2022	729.0	22,203,112	30,457	7.49%	68.7	1:11	735.0	707.5	1.34%	96.26%
2023	736.0	23,986,042	32,590	7.00%	63.1	1:11	740.5	703.9	0.75%	95.06%
2024	752.0	24,455,871	32,521	-0.21%	63.2	1:12	758.9	724.9	2.48%	95.52%

Note: Enrollment based on annual October district count.

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

Source: Mountainside School District records.

MOUNTAINSIDE SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>District Building</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beechwood										
Square Feet	35,810	35,810	35,810	35,810	35,810	35,810	35,810	35,810	35,810	35,810
Capacity (Students)	235	235	235	235	235	235	235	235	235	235
Enrollment	233	236	237	237	252	268	265	265	271	263
Deerfield										
Square Feet	83,258	83,258	83,258	83,258	83,258	83,258	83,258	83,258	83,258	83,258
Capacity (Students)	546	546	546	546	546	546	546	546	546	546
Enrollment	528	498	481	490	475	478	463	463	465	489

Number of Schools at June 30, 2024

Elementary = 1

Middle School = 1

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

Source: Mountainside School District Facilities Office.

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

## Undistributed Expenditures:

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

<u>School Facilities</u>	<u>Project #</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Deerfield School	N/A	\$ 79,104	\$ 165,072	\$ 133,819	\$ 144,601	\$ 122,543
Beechwood School	N/A	29,990	65,324	54,217	68,857	58,354
		<u>\$ 109,094</u>	<u>\$ 230,396</u>	<u>\$ 188,036</u>	<u>\$ 213,458</u>	<u>\$ 180,897</u>

<u>School Facilities</u>	<u>Project #</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Deerfield School	N/A	\$ 136,673	\$ 143,514	\$ 136,215	\$ 140,993	\$ 110,767
Beechwood School	N/A	52,264	60,659	549,986	63,882	102,674
		<u>\$ 188,937</u>	<u>\$ 204,173</u>	<u>\$ 686,201</u>	<u>\$ 267,397</u>	<u>\$ 213,441</u>

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

N/A - Not Applicable

Source: Mountainside School District records.

MOUNTAINSIDE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2024  
UNAUDITED

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

Source: Mountainside School District records

SINGLE AUDIT SECTION



Mount Arlington, NJ  
Newton, NJ  
Bridgewater, NJ  
  
973.298.8500  
nisivoccia.com  
  
Independent Member  
BKR International

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mountainside School District (the "District"), in the County of Union as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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



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

## Report on Compliance and Other Matters

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

## Purpose of this Report

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

October 11, 2024  
Mount Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA LLP

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



Mount Arlington, NJ  
Newton, NJ  
Bridgewater, NJ  
  
973.298.8500  
nisivoccia.com  
  
Independent Member  
BKR International

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

Independent Auditors' Report

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

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

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

We have audited the Mountainside School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 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 of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

October 11, 2024  
Mount Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA LLP

*Kathryn L. Mantell*  
\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

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

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue
U.S. Department of Education Passed-through State Department of Education:										
Special Revenue Fund:										
Elementary and Secondary Education Act:										
Title I	84.010A	ESEA-3470-24	7/1/23-9/30/24	\$ 44,675			\$ 37,512	\$ (44,675)	\$ (7,163)	
Title I	84.010A	ESEA-3470-23	7/1/22-9/30/23	53,193	\$ (25,011)		25,011			
Total Title I					(25,011)		62,523	(44,675)	(7,163)	
Title II, Part A	84.367A	ESEA-3470-24	7/1/23-9/30/24	10,595			10,595	(10,595)		\$ 3,505
Title II, Part A	84.367A	ESEA-3470-23	7/1/22-9/30/23	16,234	(3,170)		6,675			
Total Title II, Part A					(3,170)		17,270	(10,595)		3,505
Title IV, Part A	84.424	ESEA-3470-24	7/1/23-9/30/24	10,000			10,000	(10,000)		
Title IV, Part A	84.424	ESEA-3470-23	7/1/22-9/30/23	10,000	(1,054)		1,054			
Total Title IV, Part A					(1,054)		11,054	(10,000)		
Total Elementary and Secondary Education Act					(29,235)		90,847	(65,270)	(7,163)	3,505
Education Stabilization Fund:										
COVID 19 - CRRSA:										
ESSER II	84.425D	S425D210023	3/13/20-9/30/23	247,027	(50,362)		50,378			17
Learning Acceleration	84.425D	S425D210023	3/13/20-9/30/23	25,000	(6,250)		6,250			
Mental Health	84.425D	S425D210023	3/13/20-9/30/23	45,000	(20,100)		20,100			
COVID 19 - ARP:										
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	555,178	(156,653)		327,658	(168,448)	\$ 2,557	
Learning Acceleration	84.425U	S425U210027	3/13/20-9/30/24	50,000	(28,685)		75,486	(35,451)	11,350	
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000			35,121	(35,121)		
Comprehensive Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(26,642)		27,380	(1,494)	(756)	
Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000	(28,600)		45,000	(16,400)		
Total Education Stabilization Fund					(317,292)		587,373	(256,914)	(756)	17
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA-3470-24	7/1/23-9/30/24	166,326			166,326	(166,326)		
I.D.E.A. Part B, Basic	84.027	IDEA-3470-23	7/1/22-9/30/23	154,334	(21,536)		21,536			
I.D.E.A. Part B, Preschool	84.173	IDEA-3470-24	7/1/23-9/30/24	8,562				(8,562)		
I.D.E.A. Part B, Preschool	84.173	IDEA-3470-23	7/1/22-9/30/23	8,554	(8,554)		8,554			
Total Special Education Cluster					(30,090)		196,416	(174,888)	(8,562)	
Total U.S. Department of Education					(376,617)		874,636	(497,072)	(16,481)	3,522

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

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024			Amounts Paid to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Due to Grantor	
U.S. Department of the Treasury: Passed-through State Department of Education: COVID-19 Additional or Compensatory Special Education and Related Services	21.027	N/A	7/1/23-6/30/24	\$197,960			\$ 106,481	\$ (197,960)	\$ (91,479)		
Total U.S. Department of Treasury							106,481	(197,960)	(91,479)		
Total Special Revenue Fund					(376,617)		981,117	(695,032)	(107,960)	\$ 3,522	
U.S. Department of Agriculture: Passed-through State Department of Agriculture: Child Nutrition Cluster:											
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	26,071			25,242	(23,149)			
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	180,199		\$ 2,922		(2,922)		2,093	
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	28,186			26,107	(28,186)	(2,079)		
National School Lunch Program	10.555	N/A	7/1/21-6/30/22	276,516							
COVID 19 - Supply Chain Assistance	10.555	N/A	7/1/22-6/30/24	47,443			21,614	(43,275)		5,767	
Total Child Nutrition Cluster/ U.S. Department of Agriculture						30,350	72,963	(97,532)	(2,079)	7,860	
Total Food Service Enterprise Fund						30,350	72,963	(97,532)	(2,079)	7,860	
Total Federal Awards					\$ (376,617)	\$ 30,350	\$ 1,054,080	\$ (792,564)	\$ (110,039)	\$ 3,522	\$ - 0 -

N/A - Not Applicable

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

MOUNTAINSIDE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024			MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education											
General Fund:											
Special Education Categorical Aid	23-495-034-5120-089	7/1/22 - 6/30/23	964,731	\$ (94,870)		\$ 94,870					\$ 964,731
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	19,731	(1,940)		1,940					19,731
Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	307,722	(30,261)		30,261					307,722
Additional Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	25,896	(25,896)		25,896					25,896
Extraordinary Aid	23-100-034-5120-044	7/1/22 - 6/30/23	296,079	(296,079)		296,079					296,079
Reimbursed TPAF Social Security Contributions	23-495-034-5120-003	7/1/22 - 6/30/23	415,423	(20,120)		20,120					415,423
Special Education Categorical Aid	24-495-034-5120-089	7/1/23 - 6/30/24	1,108,326			999,096	\$ (1,108,326)	\$ (109,230)			1,108,326
Security Aid	24-495-034-5120-084	7/1/23 - 6/30/24	68,546			61,790	(68,546)	(6,756)			68,546
Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	307,722			277,395	(307,722)	(30,327)			307,722
Additional Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	40,950				(40,950)	(40,950)			40,950
Extraordinary Aid	24-100-034-5120-044	7/1/23 - 6/30/24	165,324				(165,324)	(165,324)			165,324
Reimbursed TPAF Social Security Contributions	24-495-034-5120-003	7/1/23 - 6/30/24	415,739			394,923	(415,739)	(20,816)			415,739
On-Behalf TPAF Post-Retirement Contribution	24-495-034-5094-001	7/1/23 - 6/30/24	584,964			584,964	(584,964)				584,964
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23 - 6/30/24	2,125,078			2,125,078	(2,125,078)				2,125,078
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23 - 6/30/24	24,235			24,235	(24,235)				24,235
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23 - 6/30/24	1,268			1,268	(1,268)				1,268
Total General Fund State Aid				(469,166)		4,937,915	(4,842,152)	(227,090)		(373,403)	6,871,734
Schools Development Authority:											
Special Revenue Fund:											
SDA Emergent and Capital Maintenance Needs	N/A	7/1/21-6/30/23	16,524		\$ 9,549				\$ 9,549		6,975
SDA Emergent and Capital Maintenance Needs	N/A	7/1/23-6/30/24	40,253			33,278	(33,278)				33,278
Total Special Revenue Fund					9,549	33,278	(33,278)		9,549		40,253
Debt Service Fund:											
Debt Service Aid II	23-495-034-5120-017	7/1/22-6/30/23	414,274			414,274	(414,274)				414,274
Total Debt Service Fund						414,274	(414,274)				414,274

MOUNTAINSIDE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024			MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Agriculture Enterprise Fund:											
State School Lunch Program	24-100-010-3350-023	7/1/23 - 6/30/24	\$ 5,224			\$ 4,882	\$ (342)				\$ 5,224
Total State School Lunch Program						4,882	(342)				5,224
Total Enterprise Fund						4,882	(342)				5,224
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION											
				\$ (469,166)	\$ 9,549	\$ 5,390,349	\$ (227,432)	\$ 9,549	\$ (373,403)	\$ 7,331,485	
Less - State Awards Not Subject to Single Audit Major Program Determination:											
On-Behalf TPAF Pension System Contributions:											
Post-Retirement Medical	24-495-034-5094-001	7/1/23 - 6/30/24	\$ 584,964								\$ 584,964
Pension	24-495-034-5094-002	7/1/23 - 6/30/24	2,125,078								2,125,078
Non-Contributory Insurance	24-495-034-5094-004	7/1/23 - 6/30/24	24,235								24,235
Long-Term Disability Insurance	24-495-034-5094-004	7/1/23 - 6/30/24	1,268								1,268
Subtotal On-Behalf TPAF Pension System Contributions											2,735,545
											\$ (2,559,383)
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION											

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



MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Mountainside School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the district, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is (\$19,242) for the General Fund and \$52,884 for the Special Revenue Fund (of which \$52,547 relates to federal and state awards). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

MOUNTAINSIDE SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,822,910	\$ 4,822,910
Special Revenue Fund	\$ 746,336	34,521	780,857
Debt Service Fund		414,274	414,274
Food Service Fund	<u>97,532</u>	<u>5,224</u>	<u>102,756</u>
Total Awards	<u>\$ 843,868</u>	<u>\$ 5,276,929</u>	<u>\$ 6,120,797</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

Mountainside School District had no loan balances at June 30, 2024.

NOTE 7. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024.

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

**Section I - Summary of Auditors' Results**

**Financial Statements**

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

Unmodified

Internal control over financial reporting:

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

**Federal Awards**

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

Unmodified

Internal control over major programs:

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

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Education Stabilization Fund:					
COVID-19 ARP:					
ESSER III	84.425U	03/13/20	09/30/24	\$ 555,178	\$ 168,448
Learning Acceleration	84.425U	03/13/20	09/30/24	50,000	35,451
Summer Learning and Enrichment	84.425U	03/13/20	09/30/24	40,000	35,121
Comprehensive Beyond the School Day	84.425U	03/13/20	09/30/24	40,000	1,494
Mental Health	84.425U	03/13/20	09/30/24	45,000	16,400
COVID-19 Additional or Compensatory Special					
Education and Related Services (ACSERS)	21.027	07/01/23	06/30/24	197,960	197,960

MOUNTAINSIDE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

**Federal Awards (Cont'd)**

Dollar threshold used to distinguish between Type A and B programs \$ 750,000

Auditee qualified as low-risk auditee?            Yes       X       No

**State Awards**

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

Internal control over major programs:

1.) Material weakness identified?            Yes       X       No

2.) Significant deficiencies identified?            Yes       X       None reported

Noncompliance material to basic financial statements noted?            Yes       X       No

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

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Categorical Aid	24-495-034-5120-089	07/01/23	06/30/24	\$ 1,108,326	\$ 1,108,326
Security Aid	24-495-034-5120-084	07/01/23	06/30/24	68,546	68,546

Dollar threshold used to distinguish between Type A and B programs \$ 750,000

Auditee qualified as low-risk auditee?            Yes       X       No

MOUNTAINSIDE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no prior year audit findings.