

**SCHOOL DISTRICT OF THE
TOWNSHIP OF WEST MILFORD
COUNTY OF PASSAIC, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Township of West Milford School District

Board of Education

West Milford, New Jersey

For the Fiscal Year Ended June 30, 2013

WEST MILFORD BOARD OF EDUCATION

West Milford, New Jersey

TOWNSHIP OF WEST MILFORD

BOARD OF EDUCATION

INTRODUCTORY SECTION



WEST MILFORD PUBLIC SCHOOLS

46 Highlander Drive, West Milford, New Jersey 07480
Phone: 973-697-1700 www.wmtps.org Fax: 973-697-8351

James V. McLaughlin, Ed.D.
Superintendent

Barbara Francisco
Business Administrator/Board Secretary

Iris Wechling
Director of Education

Alice Steinheimer
Director of Special Services

November 26, 2013

Honorable President and
Members of the Board of Education
West Milford Township School District
County of Passaic, New Jersey

Dear Board Members/Citizens:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the West Milford Township School District (District) for the fiscal year ending June 30, 2013. This CAFR includes the District's Basic Financial Statements in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: Introductory, Financial, Statistical and Single Audit.

- ◆ The Introductory section includes this transmittal letter, the District's organizational chart and a list of Principal Officials;
- ◆ The Financial section includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information, as well as the auditor's report thereon;
- ◆ The Statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District generally presented on a multi-year basis;
- ◆ The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." 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, are included in the Single Audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Board of Education of the Township of West Milford is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 14. All funds and account groups of the District are included in this report. The West Milford Township 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 Kindergarten through 12. These include regular, vocational as well as special education for special needs youngsters. The District's instructional facilities includes six elementary schools (grades Kindergarten through grade 6), one middle school (grades 7 and 8), and one high school (grades 9 through 12). The District completed the 2012-13 fiscal year with an average daily enrollment of 3,685 students, which is 82 students lower than the previous year's enrollment, a decrease of 2.1 percent. The following details the changes in the student enrollment of the District over the last 18 years.

Student Enrollment Data

Fiscal Year	Student Enrollment	Percent Change
2012-13	3,814	-2.1%
2011-12	3,896	-1.2%
2010-11	3,944	-1.7%
2009-10	4,013	-2.77%
2008-09	4,124	-3.62%
2007-08	4,279	-2.55%
2006-07	4,391	-2.92%
2005-06	4,523	-2.75%
2004-05	4,651	-1.44%
2003-04	4,719	0.53%
2002-03	4,694	1.32%
2001-02	4,633	-0.81%
2000-01	4,671	0.78%
1999-00	4,635	1.78%
1998-99	4,554	0.52%
1997-98	4,530	4.53%
1996-97	4,425	2.10%
1995-96	4,334	1.15%

The Board of Education, comprised of nine members, each elected to three-year terms, meets on the third Tuesday of each month for the workshop Board meeting and the fourth Tuesday of each month for the regular Board meeting.

The Parent Teacher Groups are highly active in the District and provide community support for a variety of programs and activities for the children.

The New Jersey Department of Education posts its Comparative Spending Guide for all school districts in the state. The guide compares districts with similar enrollment and configuration. West Milford traditionally spends less than the state average in total per pupil spending, particularly in overhead areas like administration and operations.

2. ECONOMIC CONDITION AND OUTLOOK:

West Milford Township is a rural/suburban residential community with its working population primarily employed by the Board of Education, local businesses, and various businesses in the surrounding area. The Township's 2010 population of 25,850 has decreased by 560 people, or about -2.1%, since the corrected 2010 census. West Milford's current unemployment rate of 7.4% is below the Passaic County average of 10.8%. Per capita personal income in Passaic County has leveled off. Although the Township continues to attract new families, there is lower expectation for new development due to the implementation of the Highlands Act.

The Board of Education and Central Office Administration keep the lines of communication open with the community to listen to their suggestions and concerns. These efforts resulted in two consecutive successful budget votes in April 2011 and April 2012. Full Day Kindergarten was successfully implemented for the 2012-2013 school year along with additional support services for students. For 2013 the Board of Education moved its annual election to November and maintained their budget growth within the guidelines established by the State of New Jersey. A November election provides an opportunity to plan new educational initiatives without the worry of a budget defeat. The Board of Education and Central Office Administration will continue to contain expenses to maximize the dollars spent on education.

3. MAJOR INITIATIVES:

1) As of this year, all K-6 teachers will be trained in the Columbia Teacher's College, Reading, Writing Workshop model for English Language Arts instruction. The first and second grade teachers are receiving job embedded, ongoing professional support in the transition. 2) Supporting the goal of increasing student engagement to maximize academic achievement, the district has implemented the use of I-pads by students and teachers, as well as wireless connectivity. Associated professional development is provided to support the use of technology in order to realize this goal. 3) Full day kindergarten has been implemented, affording students more time and opportunity for learning. Teachers collaborated on how to maximize the instructional time to expand the curricula, affording our youngest learners a developmentally rich program. 4) Teachscape, the district's chosen teacher evaluation system, is being implemented. All teachers and administrators have been fully trained in the system, and a pilot was conducted at one school. Ongoing follow up will take place to ensure an informed and effective transition process. The SciPs and the DEAC will be active contributors to the process. All components of AchieveNJ will be included in the evaluation process. 5) The Multi-dimensional Principal & School Leader rubric evaluation system was selected for use in the district. All administrators are fully trained in the system, and this evaluation tool will be used for all administrators during this school year. 6) All district administrators will continue to work in partnership with teachers to embed practice with CCSS. All the curricula is aligned and the intense work of transition begins in earnest. The district has been selected to pilot the PARCC assessments in eight out of eight schools. This affords us the opportunity to apply the work being done to meet the CCSS, as well as to experience the new testing process.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Investment income is generated from interest on balances and certificate of deposits through Lakeland State Bank.

8. **RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Since the 1996-97 school year, the District has carried student and athletic accident and catastrophic injury insurance on every student enrolled in its schools. Through participation in a pooled insurance program, the District enjoys the benefits of distributed risks and reduced premium costs on all lines of insurance. The Board uses the pool to self-insure for workers' compensation, and continues to receive disbursements of surplus funds from prior years.

9. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Ferraioli, Wielkottz, Cerullo & Cuva. In addition to meeting the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB, the auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10. **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the West Milford Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administrative, financial, accounting, and secretarial staffs.

Respectfully submitted,

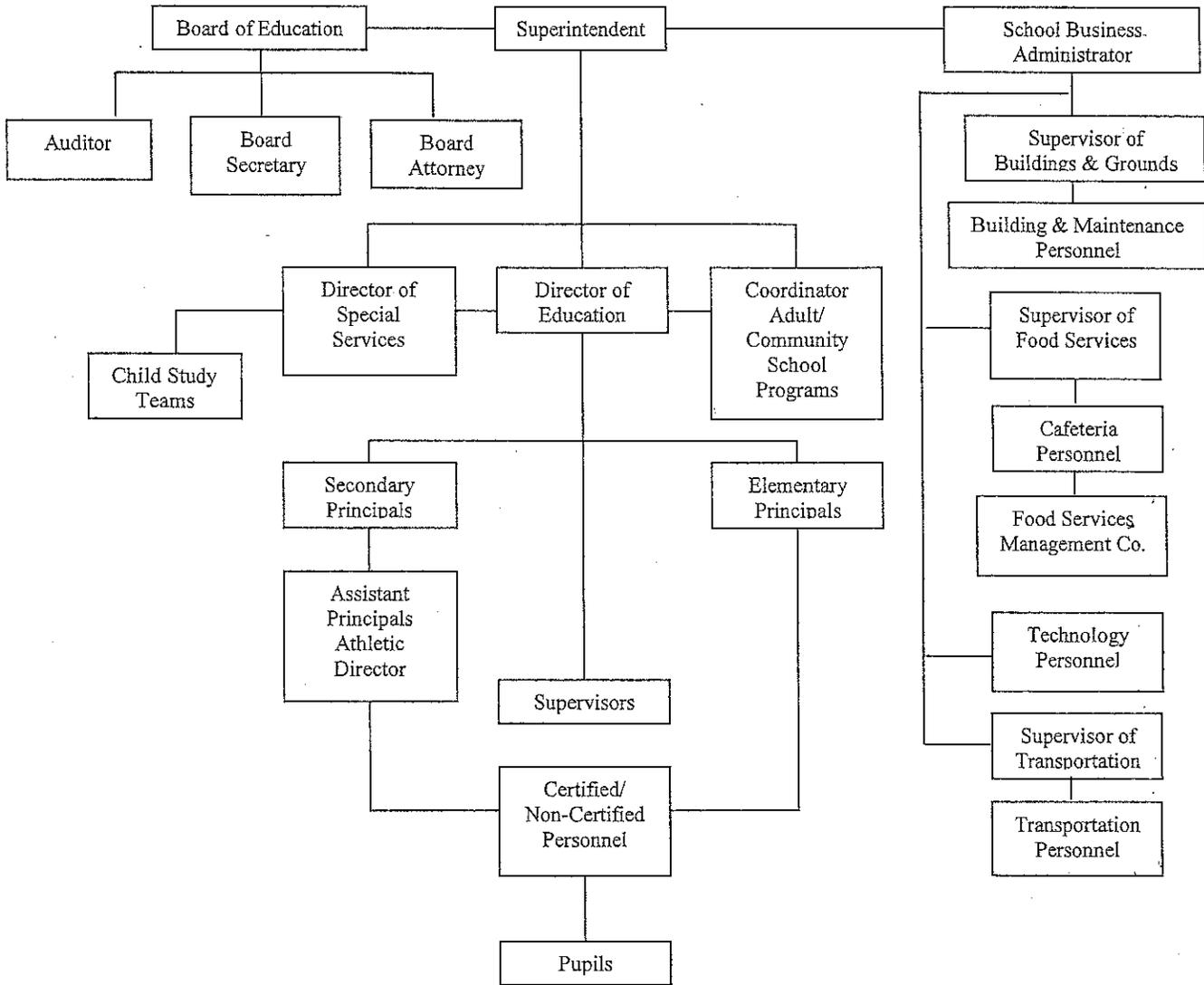


James V. McLaughlin, Ed.D.
Superintendent of Schools



Barbara Francisco
Business Administrator/Board Secretary

WEST MILFORD BOARD OF EDUCATION
 Organizational Chart
 (Unit Control)



**WEST MILFORD BOARD OF EDUCATION
WEST MILFORD, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
David Richards - President	2013
Wayne Gottlieb - Vice President	2014
Kevin Babbitt	2015
Gregory Bailey	2015
Matthew Conlon	2014
James Foody	2013
Inga Koepe	2015
Donna Richards	2013
Marilyn Schultz	2014
<u>Other Officials</u>	
James V. McLaughlin, Ed.D. – Superintendent	
Barbara Francisco – Business Administrator/Board Secretary	
Iris Wechling – Director of Education	
Alice Steinheimer – Director of Special Services	

WEST MILFORD BOARD OF EDUCATION

2012-2013

Consultants and Advisors

ARCHITECTS

LAN Associates
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AUDIT FIRM

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100 South Jefferson Road, Suite 200
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SPECIAL EDUCATION ATTORNEY

Schwartz, Simon, Edelstein, & Celso, LLC
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FISCAL AGENTS

J. P. Morgan Chase Bank, N.A.
Dallas, Texas

OFFICIAL DEPOSITORY

Lakeland Bank
West Milford, New Jersey

NJ Cash Management Fund
Jersey City, New Jersey

FINANCIAL SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of West Milford School District
County of Passaic, New Jersey

Report on the Financial Statements

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 Township of West Milford School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of West Milford Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and
Members of the Board of Education
Page 2.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of West Milford Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 13 - 21 and 60 - 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of West Milford Board of Education's basic financial statements. The other supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

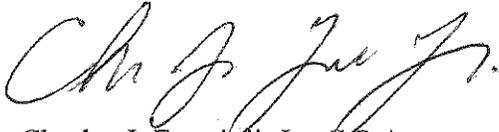
The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2013 on our consideration of the Township of West Milford Board of Education'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 to describe the scope of our testing

Honorable President and
Members of the Board of Education
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of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of West Milford Board of Education's internal control over financial reporting and compliance.



Charles J. Ferraioli, Jr., C.P.A.
Licensed Public School Accountant
No. 749

Ferraioli, Wielkocz, Cerullo, + Cuva, P.A.

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.
Certified Public Accountants

Pompton Lakes, New Jersey

November 26, 2013



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

WEST MILFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
WEST MILFORD TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(UNAUDITED)

The discussion and analysis of West Milford Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2013 are as follows:

- ◆ General revenues accounted for \$73,585,124 in revenue or 95.73% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,281,763 or 4.27% percent to total revenues of \$76,866,887.
- ◆ The School District had \$73,881,331 in expenses; \$3,281,763 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$73,585,124 were adequate to provide for these programs.
- ◆ The General Fund had \$73,267,638 in revenues and \$70,747,884 in expenditures. The General Fund's balance increased by \$2,399,043 over 2012. Revenues do not include funds used from fund balance resulting in expenses exceeding revenues.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand West Milford Township Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting the School District as a Whole

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of West Milford Township Public School District, the General Fund is by far the most significant fund.

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in activities. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Community School enterprise funds are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. Although the School District uses many funds to account for a multitude of financial transactions, these financial statements focus on the School district's most significant funds. These funds include the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2013 with comparative data.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 7,975,327	\$ 5,698,532	\$ (14,616)	\$ (78,691)	\$ 7,960,711	\$ 5,619,841
Capital Assets, net	14,258,602	14,756,372	273,393	298,436	14,531,995	15,054,808
Total Assets	<u>22,233,929</u>	<u>20,454,904</u>	<u>258,777</u>	<u>219,745</u>	<u>22,492,706</u>	<u>20,674,649</u>
Liabilities						
Long-Term Liabilities	6,542,433	7,643,222			6,542,433	7,643,222
Other Liabilities	123,129	199,850	12,343	2,332	135,472	202,182
Total Liabilities	<u>6,665,562</u>	<u>7,843,072</u>	<u>12,343</u>	<u>2,332</u>	<u>6,677,905</u>	<u>7,845,404</u>
Net Assets						
Invested in Capital Assets -						
Net of Debt	11,157,970	10,738,769	298,436	298,436	11,456,406	11,037,205
Restricted	7,995,387	5,053,260	38,950	38,950	8,034,337	5,092,210
Unrestricted	<u>(3,584,990)</u>	<u>(3,180,197)</u>	<u>(90,952)</u>	<u>(119,973)</u>	<u>(3,675,942)</u>	<u>(3,300,170)</u>
Total Net Position	<u>\$ 15,568,367</u>	<u>\$ 12,611,832</u>	<u>\$ 246,434</u>	<u>\$ 217,413</u>	<u>\$ 15,814,801</u>	<u>\$ 12,829,245</u>

The District's combined net position was \$15,814,801 on June 30, 2013.

Table 2 shows the changes in net position from fiscal year 2013, with a comparative analysis of district-wide data.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for services	\$ 161,057	\$ 385,869	\$ 1,245,392	\$ 1,360,876	\$ 1,406,449	\$ 1,746,745
Operating Grants and Contributions	1,578,803	1,649,917	296,511	280,669	1,875,314	1,930,586
Capital Grants and Contributions		40,504				40,504
General Revenues:						
Property taxes	51,725,764	50,883,737			51,725,764	50,883,737
Grants and entitlements	21,359,010	20,830,647			21,359,010	20,830,647
Other	499,600	362,856	750	1,626	500,350	364,482
Transfers			221,211	128,091	221,211	128,091
Total Revenues	<u>75,324,234</u>	<u>74,153,530</u>	<u>1,763,864</u>	<u>1,771,262</u>	<u>77,088,098</u>	<u>75,924,792</u>
Functions/Programs Expenses						
Instruction	39,838,948	39,140,448			39,838,948	39,140,448
Support Services:						
Pupils and instructional staff	13,512,196	12,792,730			13,512,196	12,792,730
General, central & school administration	6,386,741	6,456,809			6,386,741	6,456,809
Operations and maintenance of facilities	6,877,873	6,749,522			6,877,873	6,749,522
Pupil transportation	5,433,960	5,533,660			5,433,960	5,533,660
Interest on debt	80,093	94,337			80,093	94,337
Food service			1,339,027	1,330,478	1,339,027	1,330,478
Adult Community School			395,816	518,337	395,816	518,337
Other	16,678	312,762			16,678	312,762
Transfers	221,211	128,091			221,211	128,091
Total Expenses	<u>72,367,700</u>	<u>71,208,359</u>	<u>1,734,843</u>	<u>1,848,815</u>	<u>74,102,543</u>	<u>73,057,174</u>
(Decrease) Increase in Net Position	<u>\$ 2,956,534</u>	<u>\$ 2,945,171</u>	<u>\$ 29,021</u>	<u>\$ (77,553)</u>	<u>\$ 2,985,555</u>	<u>\$ 2,867,618</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 68.67% of revenues for governmental activities for the West Milford Township Public School District for fiscal year 2013. The District's total revenues were \$75,324,234 for the fiscal year ended June 30, 2013. Federal, state and local grants accounted for another 30.45%. The balance of the revenues is from other miscellaneous sources including interest, rentals, tuition, and budgeted fund balance.

Business-Type Activities

Revenues for the District's Food Service Program were comprised of charges for services and federal and state reimbursements.

- ◆ Food service expenses exceeded revenues by \$236,537.
- ◆ Charges for services represent \$805,601 of revenue. This represents amount paid by patrons for daily food services.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$296,511.

Revenues for the District's Community School Program were comprised of registration fees and tuition charges.

- ◆ The Adult Education Community School sustained an operating loss of \$15,682, while the SACC (School Aged Child Care) program exceeded their expenses by \$60,618.
- ◆ Charges for services represents \$439,791 of total revenue while non-operating revenues were \$373.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions with comparative data for 2012.

Table 3

	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2013</u>	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>
Instruction	\$ 39,838,948	\$ 38,377,013	\$ 39,140,448	\$ 37,324,002
Support services				
Pupils and Instructional Staff	13,512,196	13,297,138	12,792,730	\$ 12,568,594
General, Central & School Administration	6,386,741	6,386,741	6,456,809	6,444,259
Operation & Maintenance of Facilities	6,877,873	6,877,873	6,749,522	6,726,365
Pupil Transportation	5,433,960	5,371,092	5,533,660	5,533,660
Interest and Fiscal Charges	80,093	80,093	94,337	94,337
Unallocated Benefits	16,678	16,678	312,762	312,762
Total expenses	<u>\$ 72,146,489</u>	<u>\$ 70,406,628</u>	<u>\$ 71,080,268</u>	<u>\$ 69,003,979</u>

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$75,324,234 and expenditures of \$72,854,479.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2013, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	2013 Amount	Percent of Total	2012 Amount	Percent of Total
Local Sources	\$52,421,305	69.59%	\$51,641,663	69.68%
State Sources	21,278,620	28.25%	20,306,624	27.40%
Federal Sources	1,624,309	2.16%	2,164,739	2.92%
Total	<u>\$75,324,234</u>	<u>100.00%</u>	<u>\$74,113,026</u>	<u>100.00%</u>

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2013.

Expenditures	2013 Amount	Percent of Total	2012 Amount	Percent of Total
Current:				
Instruction	\$27,068,437	37.15%	\$26,812,450	36.91%
Undistributed Expenditures	44,619,007	61.24%	43,509,425	59.88%
Capital outlay	639,243	0.88%	1,812,231	2.49%
Debt service:				
Principal	443,227	0.61%	422,591	0.58%
Interest	84,565	0.12%	98,925	0.14%
Total	<u>\$72,854,479</u>	<u>100.00%</u>	<u>\$72,655,622</u>	<u>100.00%</u>

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 modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2013, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- ◆ Additional costs for student transportation both in regular education and special education.
- ◆ Changes in appropriations to prevent budget overruns.
- ◆ Property, liability, and medical insurances were renewed at higher rates than budgeted. This represents a national trend in all major areas of the insurance industry.
- ◆ TPAF, which is the state's contribution to the pension fund and social security, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

Capital Assets

At the end of the fiscal year 2013, the School District had \$14,258,602 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2013 balances compared to 2012.

	Governmental Activities		Business-Type Activities	
	2013	2012	2013	2012
Land	\$ 2,327,249	\$ 2,327,249		
Construction in Progress		476,477		
Building and Improvements	9,682,896	9,817,022		
Machinery and Equipment	2,248,457	2,135,624	273,393	298,436
	<u>\$ 14,258,602</u>	<u>\$ 14,756,372</u>	<u>\$ 273,393</u>	<u>\$ 298,436</u>

Overall capital assets decreased \$497,770 from fiscal year 2012 to fiscal year 2013. The capital asset decreases was due primarily to revised inventory to account for obsolete technology and additional depreciation expenses on for all assets.

Debt Administration

At June 30, 2013, the School District had total debt issued of \$4,789,954 with an outstanding balance of \$2,359,687. This debt was issued through serial bonds and loans for school construction and infrastructure. In January 2003 the voters of West Milford Township approved a referendum to improve district facilities in the amount of \$6,173,688 of which \$4,463,000 was issued as debt and the balance came from state grants. In December 2008, the district received an interest free loan from the School Development Authority to fund the remediation of two fuel tanks in the transportation depot.

The district maintains a low proportion of debt relative to its maximum overall legal debt margin of \$131,113,321 at June 30, 2013.

Debt Issue	Date of Issue	Amount of Issue	Balance Due
SDA UST Interest Free Loan	12/1/2008	\$ 45,585	\$ 27,351
Bond 2003	7/15/2003	4,463,000	2,313,000
Small Project Loan	7/15/1993	211,027	15,634
Low Interest Loan	7/15/1993	70,342	3,702
Total		<u>\$ 4,789,954</u>	<u>\$ 2,359,687</u>

For the Future

The West Milford Township Public School District is in very good financial condition presently. Major concerns facing the district include aging infrastructure, increased reliance on local property taxes, potential residential development, and increases in expenses which exceed the state imposed budget cap. However, future finances are not without challenges as costs increase and state funding lags.

West Milford Township is primarily a residential community, with very few ratables; thus the burden is focused on homeowners to shoulder the tax burden.

The West Milford Township Public School District has committed itself to financial and educational excellence. The School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at West Milford Township Board of Education, 46 Highlander Drive, West Milford, N.J. 07480; 973-697-1700 extension 5051.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	3,973,146.32	345,586.57	4,318,732.89
Receivables, net	1,337,966.11	21,798.89	1,359,765.00
Internal balances	391,298.06	(391,298.06)	
Inventory		9,296.18	9,296.18
Restricted assets:			
Capital reserve account - cash	1,772,916.62		1,772,916.62
Maintenance reserve account - cash	500,000.00		500,000.00
Capital assets:			
Land and Construction in Progress	2,327,249.42		2,327,249.42
Other capital assets, net	11,931,352.45	273,392.83	12,204,745.28
Total Assets	<u>22,233,928.98</u>	<u>258,776.41</u>	<u>22,492,705.39</u>
LIABILITIES			
Accounts payable	63,855.59	8,637.47	72,493.06
Accrued interest payable	22,881.47		22,881.47
Payable to state government	11.82		11.82
Unearned revenue	36,380.27	3,705.00	40,085.27
Noncurrent liabilities:			
Due within one year	828,269.78		828,269.78
Due beyond one year	5,714,163.19		5,714,163.19
Total liabilities	<u>6,665,562.12</u>	<u>12,342.47</u>	<u>6,677,904.59</u>
NET POSITION			
Invested in capital assets, net of related debt	11,157,969.45	298,435.94	11,456,405.39
Restricted for:			
Other purposes	7,878,485.91	38,950.00	7,917,435.91
Debt service	83,477.28		83,477.28
Capital projects	33,423.92		33,423.92
Unrestricted	(3,584,989.70)	(90,952.00)	(3,675,941.70)
Total net position	<u>15,568,366.86</u>	<u>246,433.94</u>	<u>15,814,800.80</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	19,785,750.25	9,305,447.00	98,189.39	1,363,744.81	(27,629,263.05)		(27,629,263.05)
Special education	5,766,818.99	3,466,170.96			(9,232,989.95)		(9,232,989.95)
Other special instruction	312,631.61	-			(312,631.61)		(312,631.61)
Other instruction	1,202,128.42	-			(1,202,128.42)		(1,202,128.42)
Support services:							
Tuition	5,077,970.69	-			(5,077,970.69)		(5,077,970.69)
Student & instruction related services	6,583,638.08	1,850,587.47		215,058.36	(8,219,167.19)		(8,219,167.19)
General administrative services	1,191,256.10	283,031.42			(1,474,287.52)		(1,474,287.52)
School administrative service	2,341,060.48	1,212,364.65			(3,553,425.13)		(3,553,425.13)
Central services and Admin. Infor. Tech.	967,380.33	391,647.70			(1,359,028.03)		(1,359,028.03)
Plant operations and maintenance	5,401,558.19	1,476,315.12			(6,877,873.31)		(6,877,873.31)
Pupil transportation	4,234,271.58	1,199,687.95	62,867.66		(5,371,091.87)		(5,371,091.87)
Capital Outlay - Non-depreciable	16,678.00	-			(16,678.00)		(16,678.00)
Interest on long-term debt	80,093.20	-			(80,093.20)		(80,093.20)
Total governmental activities	52,961,235.92	19,185,252.27	161,057.05	1,578,803.17	(70,406,627.97)	-	(70,406,627.97)
Business-type activities:							
Food Service	1,318,730.72	20,295.64	805,601.04	296,511.17	-	(236,914.15)	(236,914.15)
Adult Community School	386,098.81	9,717.47	439,790.57	-		43,974.29	43,974.29
Total business-type activities	1,704,829.53	30,013.11	1,245,391.61	296,511.17	-	(192,939.86)	(192,939.86)
Total primary government	54,666,065.45	19,215,265.38	1,406,448.66	1,875,314.34	(70,406,627.97)	(192,939.86)	(70,599,567.83)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					51,252,781.00		51,252,781.00
Taxes levied for debt service					472,983.00		472,983.00
Federal and State aid not restricted					21,354,200.82		21,354,200.82
State Aid - Restricted for Debt Service					4,809.00		4,809.00
Investment Earnings					1,012.04	750.02	1,762.06
Transferred to Enterprise Fund					(221,211.32)	221,211.32	-
Miscellaneous income					498,587.91		498,587.91
Total general revenues, special items, extraordinary items and transfers					73,363,162.45	221,961.34	73,585,123.79
Change in Net Position					2,956,534.48	29,021.48	2,985,555.96
Net Position—beginning					12,611,832.38	217,412.46	12,829,244.84
Net Position—ending					15,568,366.86	246,433.94	15,814,800.80

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**WEST MILFORD BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	3,834,580.53		55,088.51	83,477.28	3,973,146.32
Interfund Loan Receivable	127,013.38				127,013.38
Due from other funds	587,530.99				587,530.99
Receivables from other governments	912,289.50	187,670.80	158,013.58		1,257,973.88
Other Accounts Receivable	62,938.03	499.44			63,437.47
Restricted cash and cash equivalents	<u>2,272,916.62</u>				<u>2,272,916.62</u>
Total assets	<u>7,797,269.05</u>	<u>188,170.24</u>	<u>213,102.09</u>	<u>83,477.28</u>	<u>8,282,018.66</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Loan Payable		127,013.38			127,013.38
Accounts payable	5,545.82	58,309.77			63,855.59
Due to other funds			179,678.17		179,678.17
Payable to state government		11.82			11.82
Unearned revenue	<u>33,545.00</u>	<u>2,835.27</u>			<u>36,380.27</u>
Total liabilities	<u>39,090.82</u>	<u>188,170.24</u>	<u>179,678.17</u>	<u>-</u>	<u>406,939.23</u>
Fund Balances:					
Assigned to:					
Other Purposes	1,429,374.26				
Designated by the Board of Education For Subsequent Year's expenditures				40,000.00	40,000.00
Restricted for:					
Capital reserve account	1,772,916.62				1,772,916.62
Maintenance reserve account	500,000.00				500,000.00
Excess Surplus	2,383,340.03				2,383,340.03
Excess Surplus Designated for Subsequent Year's Expenditures	1,792,855.00				1,792,855.00
Debt Service Fund				43,477.28	43,477.28
Capital Projects Fund			33,423.92		33,423.92
Unassigned:					
General fund	<u>(120,307.68)</u>				<u>(120,307.68)</u>
Total fund balances (Deficit)	<u>7,758,178.23</u>	<u>-</u>	<u>33,423.92</u>	<u>83,477.28</u>	<u>6,445,705.17</u>
Total liabilities and fund balances	<u>7,797,269.05</u>	<u>188,170.24</u>	<u>213,102.09</u>	<u>83,477.28</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds. (22,881.47)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$36,856,176.52 and the accumulated depreciation is \$22,597,574.65 14,258,601.87

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. (6,542,432.97)

Net position of governmental activities 14,138,992.60

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	51,252,781.00			472,983.00	51,725,764.00
Tuition charges	98,189.39				98,189.39
Transportation Fees from Other LEA's	62,867.66				62,867.66
Interest Earned on Capital Reserve Funds	1,012.04				1,012.04
Local Grants		34,883.66			34,883.66
Miscellaneous	498,587.91				498,587.91
Total - Local Sources	51,913,438.00	34,883.66	-	472,983.00	52,421,304.66
State sources	21,265,082.88	8,728.18		4,809.00	21,278,620.06
Federal sources	89,117.94	1,535,191.33			1,624,309.27
Total revenues	73,267,638.82	1,578,803.17	-	477,792.00	75,324,233.99
EXPENDITURES					
Current:					
Regular instruction	18,423,113.56	1,363,744.81			19,786,858.37
Special education instruction	5,766,818.99				5,766,818.99
Other special instruction	312,631.61				312,631.61
Other instruction	1,202,128.42				1,202,128.42
Support services and undistributed costs:					
Tuition	5,077,970.69				5,077,970.69
Student & instruction related services	6,397,404.62	215,058.36			6,612,462.98
General administrative services	1,222,240.99				1,222,240.99
School administrative services	2,448,554.15				2,448,554.15
Central Services and Admin. Infor. Tech.	967,380.33				967,380.33
Plant operations and maintenance	5,462,354.56				5,462,354.56
Pupil transportation	4,579,307.11				4,579,307.11
Unallocated employee benefits	18,248,736.16				18,248,736.16
Capital outlay	639,242.82				639,242.82
Debt service:					
Principal				443,226.98	443,226.98
Interest and other charges				84,564.73	84,564.73
Total expenditures	70,747,884.01	1,578,803.17	-	527,791.71	72,854,478.89
Excess (Deficiency) of revenues over expenditures	2,519,754.81	-	-	(49,999.71)	2,469,755.10
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)	100,500.00				100,500.00
Transfer out to - Enterprise Fund	(221,211.32)				(221,211.32)
Total other financing sources and uses	(120,711.32)	-	-	-	(120,711.32)
Net change in fund balances	2,399,043.49	-	-	(49,999.71)	2,349,043.78
Fund balance—July 1	5,359,134.74		33,423.92	133,476.99	5,526,035.65
Fund balance—June 30	7,758,178.23	-	33,423.92	83,477.28	7,875,079.43

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**WEST MILFORD BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Total net change in fund balances - governmental funds (from B-2)	2,349,043.78
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>	
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>	
Depreciation expense	(763,492.78)
Capital outlay	622,564.82
	(140,927.96)
<p>Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>	
<p>In the current year, these amounts consist of:</p>	
Principal Payments on Capital Leases	574,243.48
Principal Payments on Bonds Payable	443,226.98
<p>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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>	
(Increase) Decrease in Compensated Absences Payable	183,818.80
<p>Proceeds from debt issues are a financing source in the government funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>	
Capital Lease Proceeds	(100,500.00)
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed.(-)</p>	
	(356,842.13)
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an increase in the reconciliation.</p>	
	4,471.53
Change in net position of governmental activities	2,956,534.48

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-type Activities - Enterprise Funds		Total Enterprise Fund
	Food Service	Adult School	
ASSETS			
Current assets:			
Cash and cash equivalents	321,018.29	24,568.28	345,586.57
Intergovernmental receivables:			
State	874.28		874.28
Federal	20,924.61		20,924.61
Inventories	9,296.18		9,296.18
Total current assets	<u>352,113.36</u>	<u>24,568.28</u>	<u>376,681.64</u>
Noncurrent assets:			
Furniture, machinery & equipment	500,878.82	284,704.78	785,583.60
Less accumulated depreciation	<u>(370,028.10)</u>	<u>(142,162.67)</u>	<u>(512,190.77)</u>
Total noncurrent assets	<u>130,850.72</u>	<u>142,542.11</u>	<u>273,392.83</u>
Total assets	<u><u>482,964.08</u></u>	<u><u>167,110.39</u></u>	<u><u>650,074.47</u></u>
LIABILITIES			
Current liabilities:			
Accounts Payable	8,637.47		8,637.47
Interfund Payable:			
General Fund	343,475.89	47,822.17	391,298.06
Deferred Revenue		3,705.00	3,705.00
Total current liabilities	<u>352,113.36</u>	<u>51,527.17</u>	<u>403,640.53</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt	130,850.72	142,542.11	273,392.83
Contributed Capital		38,950.00	38,950.00
Unreserved retained earnings	<u>-</u>	<u>(65,908.89)</u>	<u>(65,908.89)</u>
Total net position	<u><u>130,850.72</u></u>	<u><u>115,583.22</u></u>	<u><u>246,433.94</u></u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Business-type Activities - Enterprise Fund</u>		<u>Total Enterprise Fund</u>
	<u>Food Service</u>	<u>Adult School</u>	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable lunch programs	607,264.10		607,264.10
Daily sales - non-reimbursable programs	197,494.51		197,494.51
Special functions	842.43		842.43
Program Fees		439,790.57	439,790.57
Total operating revenues	<u>805,601.04</u>	<u>439,790.57</u>	<u>1,245,391.61</u>
Operating expenses:			
Cost of sales	497,469.70		497,469.70
Salaries	493,292.71	269,937.95	763,230.66
Employee benefits	226,005.00	41,820.44	267,825.44
Purchased professional / technical services	60,030.03	58,037.59	118,067.62
Repairs	6,396.85		6,396.85
General supplies	27,697.54	13,098.88	40,796.42
Depreciation	20,295.64	9,717.47	30,013.11
Miscellaneous	7,838.89	3,203.95	11,042.84
Total operating expenses	<u>1,339,026.36</u>	<u>395,816.28</u>	<u>1,734,842.64</u>
Operating Income (loss)	<u>(533,425.32)</u>	<u>43,974.29</u>	<u>(489,451.03)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	10,061.79		10,061.79
Federal sources:			
National school lunch program	235,021.89		235,021.89
School breakfast program	10,272.64		10,272.64
Food distribution program	41,154.85		41,154.85
Interest and investment revenue	377.19	372.83	750.02
Total non-operating revenues (expenses)	<u>296,888.36</u>	<u>372.83</u>	<u>297,261.19</u>
Income (loss) before contributions & transfers	<u>(236,536.96)</u>	<u>44,347.12</u>	<u>(192,189.84)</u>
Transfers In (Out)	<u>221,211.32</u>		<u>221,211.32</u>
Change in net position	<u>(15,325.64)</u>	<u>44,347.12</u>	<u>29,021.48</u>
Total Net Position - Beginning	<u>146,176.36</u>	<u>71,236.10</u>	<u>217,412.46</u>
Total Net Position—Ending	<u>130,850.72</u>	<u>115,583.22</u>	<u>246,433.94</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**WEST MILFORD BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Business-type Activities - Enterprise Funds		Total Enterprise Fund
	Food Service	Adult School	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	812,070.17	439,790.57	1,251,860.74
Receipts / (payments) for interfunds	246,179.71	(44,786.35)	201,393.36
Payments to employees	(493,292.71)	(269,937.95)	(763,230.66)
Payments to suppliers	(776,588.20)	(112,980.86)	(889,569.06)
Net cash provided by (used for) operating activities	<u>(211,631.03)</u>	<u>12,085.41</u>	<u>(199,545.62)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	10,061.79		10,061.79
Federal Sources	245,294.53		245,294.53
Operating subsidies	221,211.32		221,211.32
Net cash provided by (used for) non-capital financing activities	<u>476,567.64</u>	<u>-</u>	<u>476,567.64</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(4,970.00)		(4,970.00)
Net cash provided by (used for) capital and related financing activities	<u>(4,970.00)</u>	<u>-</u>	<u>(4,970.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	377.19	372.83	750.02
Net cash provided by (used for) investing activities	<u>377.19</u>	<u>372.83</u>	<u>750.02</u>
Net increase (decrease) in cash and cash equivalents	260,343.80	12,458.24	272,802.04
Balances—beginning of year	60,674.49	12,110.04	72,784.53
Balances—end of year	<u>321,018.29</u>	<u>24,568.28</u>	<u>345,586.57</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(533,425.32)	43,974.29	(489,451.03)
Adjustments to reconcile operating loss to net cash provided (used for) operating activities			
Depreciation	20,295.64	9,717.47	30,013.11
Food distribution program donated commodities	41,154.85		41,154.85
(Increase) / decrease in accounts receivable	6,469.13		6,469.13
(Increase) / decrease in inventories	865.08		865.08
Increase / (decrease) in accounts payable	6,829.88	-	6,829.88
Increase / (decrease) in interfund payable	246,179.71	(44,786.35)	201,393.36
Increase / (decrease) in deferred revenue		3,180.00	3,180.00
Total adjustments	<u>321,794.29</u>	<u>(31,888.88)</u>	<u>289,905.41</u>
Net cash provided by (used for) operating activities	<u>(211,631.03)</u>	<u>12,085.41</u>	<u>(199,545.62)</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**WEST MILFORD BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	928,546.44	391,698.70	350,800.64
Total assets	943,356.24	391,698.70	350,800.64
LIABILITIES			
Payable to State Government	1,599.87		
Interfund accounts payable:			
General Fund			31,064.60
Payable to student groups			326,321.97
Flexible Spending			(1,483.02)
Payroll deductions and withholdings			(5,102.91)
Total liabilities	1,599.87	-	350,800.64
NET POSITION			
Held in trust for unemployment claims and other purposes	941,756.37		
Reserved for scholarships		391,698.70	

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Plan Member Contributions	62,461.43	-
Total Contributions	<u>62,461.43</u>	<u>-</u>
Investment earnings:		
Interest	2,279.55	767.61
Net investment earnings	<u>2,279.55</u>	<u>767.61</u>
Total additions	<u>64,740.98</u>	<u>767.61</u>
DEDUCTIONS		
Unemployment claims	91,161.10	
Scholarships awarded		10,250.00
Total deductions	<u>91,161.10</u>	<u>10,250.00</u>
Change in net position	(26,420.12)	(9,482.39)
Net position—beginning of the year	<u>968,176.49</u>	<u>401,181.09</u>
Net position—end of the year	<u><u>941,756.37</u></u>	<u><u>391,698.70</u></u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education (“Board”) of the Township of West Milford School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Township of West Milford School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

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

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation:

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

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

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

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, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - 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 various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GOVERNMENTAL FUNDS

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

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service. The following is a description of the Proprietary Funds of the Board:

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

The Board's Enterprise Fund is comprised of the Food Service Fund and the Adult/Community School.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include the Unemployment Compensation Insurance Fund, the John Walsh Scholarship Trust Fund, the Vogel Scholarship Trust Fund and the Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

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

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange 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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, 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,

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

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 year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education increased the original budget for Extraordinary Aid , Non-Public School Transportation Fund, and the Education Jobs Fund during the fiscal year in the amount of \$256,012.90. The appropriations increased were for various tuition line items, supply line items, other objects for the Child Study Team and various aid in lieu.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets/Budgetary Control: (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

E. Encumbrances:

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

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues 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.

F. Cash, Cash Equivalents and Investments:

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash, Cash Equivalents and Investments: (continued)

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board 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 public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Revenues/Receivable:

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

H. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

I. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

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

L. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 29, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital Assets (continued):

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

M. Compensated Absences:

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Accrued Liabilities and Long-term Obligations:

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

P. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Fund Balances (continued):

- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Q. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

R. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service and program fees. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

S. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensating absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

U. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

V. Recent Accounting Pronouncements:

In August 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In October 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which is effective for fiscal periods beginning after December 15, 2012, amends and supersedes previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any impact on the District's financial reporting.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

V. Recent Accounting Pronouncements (continued):

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

In January 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In April 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the District's financial statements.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2013, \$-0- of the District's bank balance of \$9,836,891.29 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2013 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$1,068,920.08	\$ 874.28	\$1,069,794.36
Federal Aid	189,053.80	20,924.61	209,978.41
Interfunds	714,544.37		16,554.76
Other	<u>63,437.47</u>	-	<u>63,437.47</u>
Gross Receivables	2,035,955.72	21,798.89	1,359,765.00
Less:			
Allowance for Uncollectables	<u>-</u>	<u>-</u>	<u>-</u>
Total Receivables Net	<u>\$2,035,955.72</u>	<u>\$21,798.89</u>	<u>\$1,359,765.00</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balance due to/from other funds at June 30, 2013 consist of the following:

Due to the General Fund from the Payroll Agency Account for interest earned on account and to set up Flexible Spending Account.	\$ 16,058.32
Due to the General Fund from the Payroll Account for interest earned on account.	496.44
Due to the General Fund from the Enterprise Fund for Salaries, Health Benefits, Budget amount to Cover the Deficit and State Aid receipts.	343,475.89
Due to the General Fund from the Capital Projects Fund for interest earned, cancellation of projects and cash receipts.	179,678.17
Due to the General Fund from the Adult Community School for salaries and health benefits.	<u>47,822.17</u>
	<u>\$587,530.99</u>

It is anticipated that all interfunds will be liquidated within the fiscal year.

Interfund transfers for the year ended June 30, 2012 consisted of the following: \$221,211.32 from the general fund to the enterprise fund to provide resources to fund the food service operations.

NOTE 6. INTERFUND LOAN RECEIVABLE

The Special Revenue Account owes the General Fund for a cash advance to cover the expenses made in the Special Revenue Fund not received in cash from the State.

\$127,013.38

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Balance <u>6/30/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Adjustments</u>	Balance <u>6/30/13</u>
Governmental Activities:					
Capital Assets that are Not Being Depreciated:					
Land	2,327,249.42				2,327,249.42
Construction in Progress	<u>476,476.50</u>			(476,476.50)	
Total Capital Assets Not Being Depreciated	<u>2,803,725.92</u>			(476,476.50)	<u>2,327,249.42</u>
Capital Assets Being Depreciated:					
Building and Building improvements	25,109,708.23	56,088.75		305,439.46	25,471,236.44
Equipment	<u>8,678,222.37</u>	<u>379,468.29</u>			<u>9,057,690.66</u>
Total Capital Assets, Being Depreciated	<u>33,787,930.60</u>	<u>435,557.04</u>		<u>305,439.46</u>	<u>34,528,927.10</u>
Less Accumulated Depreciation:					
Building and Improvements	(15,292,686.17)	(495,654.63)			(15,788,340.80)
Equipment	<u>(6,542,598.39)</u>	<u>(267,838.15)</u>	<u>1,202.69</u>		<u>(6,809,233.85)</u>
Total Accumulated Depreciation	<u>(21,835,284.56)</u>	<u>(763,492.78)</u>	<u>1,202.69</u>		<u>(22,597,574.65)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>11,952,646.04</u>	<u>(327,935.74)</u>	<u>1,202.69</u>	<u>305,439.46</u>	<u>11,931,352.45</u>
Governmental Activities					
Capital Assets, Net	<u>14,756,371.96</u>	<u>(327,935.74)</u>	<u>1,202.69</u>	<u>(171,037.04)</u>	<u>14,258,601.87</u>
Business Type Activities:					
Equipment:					
Food Services	495,908.82	4,970.00			500,878.82
Community School	<u>284,704.78</u>				<u>284,704.78</u>
Total	<u>780,613.60</u>	<u>4,970.00</u>			<u>785,583.60</u>
Less Accumulated Depreciation:					
Equipment:					
Food Services	(349,732.46)	(20,295.64)			(370,028.10)
Community School	<u>(132,445.20)</u>	<u>(9,717.47)</u>			<u>(142,162.67)</u>
	<u>(482,177.66)</u>	<u>(30,013.11)</u>			<u>(512,190.77)</u>
Business Type Activities Capital Assets, Net	<u>298,435.94</u>	<u>(25,043.11)</u>			<u>273,392.83</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 7. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Instruction:

Regular Education	\$457,536.57
Special Education	33,782.33
Student & Instruction Related Services	61,833.59
School Administration	22,480.43
General Administration	12,170.69
Plant Operations & Maintenance	48,622.22
Pupil Transportation	114,896.25
Central Services & Admin. Info. Tech.	<u>12,170.70</u>
 Total Depreciation Expense	 <u>\$763,492.78</u>

NOTE 8. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the fiscal year ended June 30, 2013, were as follows:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due Within</u> <u>One Year</u>
Capital Lease Payable	\$1,214,688.76	\$100,500.00	\$574,243.48	\$740,945.28	\$359,375.14
Compensated Absences	3,625,619.35	470,297.67	654,116.47	3,441,800.55	
Bonds Payable	2,733,000.00		420,000.00	2,313,000.00	445,000.00
Public School Facilities Loan Payable	38,004.62		18,668.48	19,336.14	19,336.14
Petroleum UST Remediation Upgrade and Closure Fund Payable	<u>31,909.50</u>	<u> </u>	<u>4,558.50</u>	<u>27,351.00</u>	<u>4,558.50</u>
	<u>\$7,643,222.23</u>	<u>\$570,797.67</u>	<u>\$1,671,586.93</u>	<u>\$6,542,432.97</u>	<u>\$828,269.78</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 8. LONG-TERM OBLIGATION ACTIVITY (continued)

A. Bonds Payable:

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

Outstanding Bonds Payable at June 30, 2013 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2013</u>
School Bonds of 2003	7/15/03	2.25-3.30%	9/15/17	\$2,313,000.00

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

<u>Outstanding Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	445,000.00	68,986.50	513,986.50
2015	480,000.00	53,724.00	533,724.00
2016	500,000.00	37,554.00	537,554.00
2017	500,000.00	21,054.00	521,054.00
2018	<u>388,000.00</u>	<u>6,402.00</u>	<u>394,402.00</u>
	<u>2,313,000.00</u>	<u>187,720.50</u>	<u>2,500,720.50</u>

B. Public School Facilities Loan Payable:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	<u>19,336.14</u>	<u>441.13</u>	<u>19,777.27</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 8. LONG-TERM OBLIGATION ACTIVITY (continued)

C. Petroleum UST Remediation, Upgrade and Closure Fund Payable:

In March of 2000 and December of 2008, the Board of Education accepted a loan from the New Jersey Economic Development Authority for the remediation, upgrade and/or closure of underground storage tanks. Repayments are to start on April 10, 2002. This is an interest free loan. The details for the remaining years are shown below:

<u>Year Ending June 30,</u>	<u>Principal</u>
2014	\$ 4,558.50
2015	4,558.50
2016	4,558.50
2017	4,558.50
2018	4,558.50
2019	<u>4,558.50</u>
	<u>\$27,351.00</u>

D. Capital Leases Payable:

The District is leasing transportation equipment, maintenance equipment and classroom equipment under capital leases. All capital leases are for terms of three to eight years.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2013.

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 391,163.30
2015	283,076.91
2016	91,201.01
2017	<u>29,268.64</u>
Total Minimum Lease Payments	794,709.86
Less: Amount representing interest	<u>(53,764.58)</u>
Present Value of net minimum lease	<u>\$740,945.28</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 8. LONG-TERM OBLIGATION ACTIVITY (continued)

D. Capital Leases Payable: (continued)

Maturities of capital leases payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 359,375.14
2015	266,989.38
2016	86,405.96
2017	<u>28,174.80</u>
Total	<u>\$740,945.28</u>

NOTE 9. PENSION PLANS

Description of Plans - Substantially all employees of the District are covered by either the Public Employees' Retirement System (PERS), the Teachers' Pension and Annuity Fund (TPAF) or the Defined Contribution Retirement Program (DCRP), which have been established by state statute. PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the Internet at: <http://www.state.nj.us/treasury/pensions/annrptsarchive.htm>.

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 9. PENSION PLANS (continued)

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJSA 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% of PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. This phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

<u>Year Ending</u>	
6/30/13	\$1,026,916.00
6/30/12	1,026,538.00
6/30/11	993,731.00

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 9. PENSION PLANS (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>
6/30/13	\$1,780,924.00	\$2,119,727.00	\$93,701.00
6/30/12	861,770.00	1,918,293.00	92,480.00
6/30/11	-	2,008,535.00	94,564.00

During the year ended June 30, 2013, the State of New Jersey contributed \$3,994,352.00 the TPAF for pension contributions, NCGI premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,143,765.95 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). 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:

Equitable	Vanguard
Lincoln Investment Planning	Vanguard Retirement Annuity
Metlife	

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. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

Property and Liability Insurance - The District is currently a member of the Pooled Insurance Program of New Jersey (the "Pool"). The Pool provides their members with General Liability, Auto, Crime, Pollution, Excess Liability, Educators Legal Liability, Public Official Bonds and Student Job Training Insurance. The Pools risk-sharing public entity risk pool is both an insured and self administered group of School Districts established for the purpose of providing low-cost insurance coverage for their respective members in order to keep insurance costs at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Pool are elected.

As a member of the Pool, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Pool were to be exhausted, members would become responsible for their respective shares of the Pool's liabilities. However, this Pool has fully reinsured the exposures above all limits subscribed to by its members.

The Pool can declare and distribute dividends to members upon arrival of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Pool are available at the office of the Pool's administrator, 44 Bergen Street, P.O. Box 270, Westwood, New Jersey 07675.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 12. RISK MANAGEMENT (continued)

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Contributions</u>	<u>State of NJ Reimbursement</u>	<u>Reimbursed</u>	<u>Balance</u>
2012-2013	\$2,279.55	\$62,461.43	\$91,161.10	\$ -	\$941,756.37
2011-2012	5,861.84	57,966.89	79,095.27	-	968,176.49
2010-2011	10,264.64	59,306.89	157,624.72	-	983,443.03

NOTE 13. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of West Milford Board of Education by inclusion of \$10,000.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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 unappropriated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. Pursuant to N.J.A.C. 6A:23A-2.14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 13. CAPITAL RESERVE ACCOUNT (continued)

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	\$ 935,699.78
Interest earnings	1,012.04
Deposit - Board resolution June 18, 2013	750,000.00
Transfer from Capital Projects	<u>86,204.80</u>
Ending balance, June 30, 2013	<u>\$1,772,916.62</u>

The balance in the capital reserve account at June 30, 2013, does not exceed the balance of local support costs of uncompleted capital projects in its LRFP. Withdrawals from the capital reserve were for use in a DDE approved facilities project, consistent with the District's long-range facilities plan.

NOTE 14. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Board of Education resolution adopted on June 26, 2012 in the amount of \$500,000.00. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

The activity of the maintenance reserve account for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	<u>\$500,000.00</u>
Ending balance, June 30, 2013	<u>\$500,000.00</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 15. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$7,758,178.23 General Fund fund balance at June 30, 2013, \$1,429,374.26 is reserved for encumbrances; \$4,176,195.03 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$(1,792,855.00) of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014; \$1,772,916.62 has been reserved in the Capital Reserve Account; \$500,000.00 has been reserved in the Maintenance Reserve Account; and \$(120,307.68) is unreserved and undesignated.

Debt Service Fund - Of the \$83,477.28 Debt Service Fund fund balance at June 30, 2013 of \$40,000.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2013; and \$43,477.28 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$4,176,195.03 of which \$2,383,340.03 is the result of current year operations.

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$6,941.65
Supplies	<u>2,354.53</u>
	<u>\$9,296.18</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as unearned revenue.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2013**

NOTE 18. CONTINGENT LIABILITIES

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

Litigation - The District's Counsel advises us there is one matter for which they have been engaged. The matter was referred to the Board's Insurance Company.

Special Counsel of the Board has advised us they have been engaged in a matter which is in the early stages of fact discovery, therefore no judgement as to the outcome can be rendered.

NOTE 19: SUBSEQUENT EVENT

The District has evaluated subsequent events through November 26, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY STATEMENTS
PART II**

BUDGETARY COMPARISON SCHEDULE

**WEST MILFORD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	51,252,781.00		51,252,781.00	51,252,781.00	-
Tuition - Individuals				7,102.00	7,102.00
Tuition From Other LEAS Within the State	230,831.00		230,831.00	91,087.39	(139,743.61)
Transportation Fees from Other LEA's	45,000.00		45,000.00	62,867.66	17,867.66
Interest Earned on Capital Reserve Funds	300.00		300.00	1,012.04	712.04
Other Restricted Miscellaneous Revenues	198,000.00		198,000.00	498,587.91	300,587.91
Total - Local Sources	51,726,912.00		51,726,912.00	51,913,438.00	186,526.00
State Sources:					
Equalization Aid	10,109,309.00		10,109,309.00	10,109,309.00	-
Categorical Special Education Aid	2,224,407.00		2,224,407.00	2,224,407.00	-
Categorical Security Aid	302,845.00		302,845.00	302,845.00	-
Categorical Transportation Aid	1,672,365.00		1,672,365.00	1,672,365.00	-
Nonpublic School Transportation Aid	46,484.00	61,272.90	107,756.90	35,514.93	(72,241.97)
Extraordinary Aid	750,000.00	194,740.00	944,740.00	768,707.00	(176,033.00)
Adjustment Aid	20,389.00		20,389.00	20,389.00	-
On-behalf TPAF Pension (non-budgeted)				1,780,924.00	1,780,924.00
On-behalf TPAF NCGI Premium (non-budgeted)				93,701.00	93,701.00
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,119,727.00	2,119,727.00
TPAF Social Security (Reimbursed - Non-Budgeted)				2,143,765.95	2,143,765.95
Total State Sources	15,125,799.00	256,012.90	15,381,811.90	21,271,654.88	5,889,842.98
Federal Sources:					
Medicaid Reimbursement	49,488.00		49,488.00	87,734.94	38,246.94
Education Jobs Fund		1,383.00	1,383.00	1,383.00	-
Total Federal Sources	49,488.00	1,383.00	50,871.00	89,117.94	38,246.94
Total Revenues	66,902,199.00	257,395.90	67,159,594.90	73,274,210.82	6,114,615.92
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	766,785.00	87,532.00	854,317.00	830,003.85	24,313.15
Grades 1-5 - Salaries of Teachers	6,605,152.00	(279,225.00)	6,325,927.00	6,093,116.70	232,810.30
Grades 6-8 - Salaries of Teachers	3,891,364.00	120,282.00	4,011,646.00	3,891,470.36	120,175.64
Grades 9-12 - Salaries of Teachers	6,634,887.00	(222,226.00)	6,412,661.00	6,116,583.33	296,077.67
Regular Programs - Home Instruction:					
Salaries of Teachers	45,879.00	17,036.00	62,915.00	52,022.50	10,892.50
Purchased Professional-Educational Services	41,912.00		41,912.00	6,629.09	35,282.91
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	313,629.00	135,751.72	449,380.72	436,707.86	12,672.86
Purchased Professional-Educational Services	9,500.00	14,750.00	24,250.00	21,000.00	3,250.00
Purchased Technical Services	7,400.00		7,400.00	4,505.00	2,895.00
Other Purchased Services (400-500 series)	42,234.00	31.00	42,265.00	40,510.46	1,754.54
General Supplies	953,086.70	(10,673.83)	942,412.87	809,195.42	133,217.45
Textbooks	124,296.50	1,492.25	125,788.75	115,565.34	10,223.41
Other Objects	9,700.00		9,700.00	5,803.65	3,896.35
TOTAL REGULAR PROGRAMS - INSTRUCTION	19,445,825.20	(135,249.86)	19,310,575.34	18,423,113.56	887,461.78
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Moderate					
General Supplies	1,000.00		1,000.00	758.00	242.00
Total Cognitive - Moderate	1,000.00		1,000.00	758.00	242.00
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	268,320.00	89,863.00	358,183.00	350,130.00	8,053.00
Other Salaries for Instruction	244,989.00	3,552.00	248,541.00	198,692.60	49,848.40
General Supplies	4,200.00	15.00	4,215.00	4,003.65	211.35
Textbooks	900.00		900.00	431.59	468.41
Total Learning and/or Language Disabilities	518,409.00	93,430.00	611,839.00	553,257.84	58,581.16
Behavioral Disabilities:					
Salaries of Teachers	335,380.00		335,380.00	320,750.00	14,630.00
Other Salaries for Instruction	237,540.00	(42,000.00)	195,540.00	186,944.20	8,595.80
General Supplies	8,065.00		8,065.00	7,393.29	671.71
Total Behavioral Disabilities	580,985.00	(42,000.00)	538,985.00	515,087.49	23,897.51
Multiple Disabilities:					
Salaries of Teachers	60,649.00	23,536.00	84,185.00	82,291.34	1,893.66
Other Salaries for Instruction	131,270.00	45,299.00	176,569.00	172,598.77	3,970.23
Purchased Professional-Educational Services	1,500.00		1,500.00	770.00	730.00
Total Multiple Disabilities	193,419.00	68,835.00	262,254.00	255,660.11	6,593.89
Resource Room/Resource Center:					
Salaries of Teachers	3,741,720.00	(190,451.00)	3,551,269.00	3,471,403.50	79,865.50
Other Salaries for Instruction	666,312.00	(13,000.00)	653,312.00	630,341.81	22,970.19
General Supplies	31,000.00	98.37	31,098.37	28,175.52	2,922.85
Textbooks	4,325.00	(125.00)	4,200.00	3,810.57	389.43
Total Resource Room/Resource Center	4,443,357.00	(203,477.63)	4,239,879.37	4,133,731.40	106,147.97

**WEST MILFORD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit C-1
Page 2 of 5**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	170,375.00	258.00	170,633.00	159,895.00	10,738.00
Other Salaries for Instruction	137,543.00	14,452.00	151,995.00	138,832.57	13,162.43
General Supplies	4,575.00	-	4,575.00	1,449.10	3,125.90
Total Preschool Disabilities - Part-Time	<u>312,493.00</u>	<u>14,710.00</u>	<u>327,203.00</u>	<u>300,176.67</u>	<u>27,026.33</u>
Home Instruction					
Purchased Professional - Educational Services	11,587.45	-	11,587.45	8,147.48	3,439.97
Total Home Instruction	<u>11,587.45</u>	<u>-</u>	<u>11,587.45</u>	<u>8,147.48</u>	<u>3,439.97</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>6,061,250.45</u>	<u>(68,502.63)</u>	<u>5,992,747.82</u>	<u>5,766,818.99</u>	<u>225,928.83</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	123,811.00	108,229.00	232,040.00	221,910.17	10,129.83
General Supplies	1,975.00	-	1,975.00	1,670.26	304.74
Textbooks	220.00	-	220.00	100.00	120.00
Total Basic Skills/Remedial - Instruction	<u>126,006.00</u>	<u>108,229.00</u>	<u>234,235.00</u>	<u>223,680.43</u>	<u>10,554.57</u>
Bilingual Education - Instruction					
Salaries of Teachers	91,400.00	-	91,400.00	88,007.00	3,393.00
Other Purchased Services (400-500 series)	600.00	-	600.00	563.58	36.42
General Supplies	200.00	97.54	297.54	287.10	10.44
Textbooks	100.00	-	100.00	76.38	23.62
Other Objects	200.00	(97.54)	102.46	17.12	85.34
Total Bilingual Education - Instruction	<u>92,500.00</u>	<u>-</u>	<u>92,500.00</u>	<u>88,951.18</u>	<u>3,548.82</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	142,585.00	-	142,585.00	129,173.29	13,411.71
Supplies and Materials	11,241.58	-	11,241.58	11,241.58	-
Other Objects	400.00	-	400.00	172.74	227.26
Total School-Spon. Cocurricular Activities - Instruction	<u>154,226.58</u>	<u>-</u>	<u>154,226.58</u>	<u>140,587.61</u>	<u>13,638.97</u>
School-Sponsored Athletics - Instruction					
Salaries	504,682.00	-	504,682.00	432,661.26	72,020.74
Purchased Services (300-500 Series)	120,537.00	(2,500.00)	118,037.00	94,206.47	23,830.53
Supplies and Materials	67,600.00	2,500.00	70,100.00	64,235.92	5,864.08
Other Objects	33,825.00	-	33,825.00	29,186.16	4,638.84
Total School-Sponsored Athletics - Instruction	<u>726,644.00</u>	<u>-</u>	<u>726,644.00</u>	<u>620,289.81</u>	<u>106,354.19</u>
Other Supplemental/At Risk Programs - Instruction					
Salaries of Reading Specialists	454,660.00	-	454,660.00	441,251.00	13,409.00
Total Other Supplemental/At Risk Programs - Instruction	<u>454,660.00</u>	<u>-</u>	<u>454,660.00</u>	<u>441,251.00</u>	<u>13,409.00</u>
Total Instruction	<u>27,061,112.23</u>	<u>(95,523.49)</u>	<u>26,965,588.74</u>	<u>25,704,692.58</u>	<u>1,260,896.16</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAS Within the State - Regular	-	17,700.00	17,700.00	17,696.00	4.00
Tuition to Other LEAS Within the State - Special	331,195.00	84,440.00	415,635.00	375,130.61	40,504.39
Tuition to County Voc. School Dist. - Regular	244,939.00	23,228.00	268,167.00	268,167.00	-
Tuition to County Voc. School Dist. - Special	48,529.00	36,171.00	84,700.00	69,118.00	15,582.00
Tuition to CSSD & Reg. Day Schools	77,260.00	3,351.00	80,611.00	80,611.00	-
Tuition to Private School for Disabled w/in State	4,485,479.66	(2,120.00)	4,483,359.66	4,235,883.08	247,476.58
Tuition - State Facilities	31,365.00	-	31,365.00	31,365.00	-
Total Undistributed Expenditures - Instruction:	<u>5,218,767.66</u>	<u>162,770.00</u>	<u>5,381,537.66</u>	<u>5,077,970.69</u>	<u>303,566.97</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	94,320.00	2,169.00	96,489.00	94,320.00	2,169.00
Total Undistributed Expend. - Attend. & Social Work	<u>94,320.00</u>	<u>2,169.00</u>	<u>96,489.00</u>	<u>94,320.00</u>	<u>2,169.00</u>
Undist. Expend. - Health Services					
Salaries	668,812.00	-	668,812.00	624,777.40	44,034.60
Purchased Professional and Technical Services	71,529.00	(5,000.00)	66,529.00	52,052.26	14,476.74
Supplies and Materials	11,510.00	1,683.57	13,193.57	13,025.59	167.98
Total Undistributed Expenditures - Health Services	<u>751,851.00</u>	<u>(3,316.43)</u>	<u>748,534.57</u>	<u>689,855.25</u>	<u>58,679.32</u>
Undist. Expend.-Speech, OT, PT & Related Serv.					
Salaries	855,415.00	301.00	855,716.00	799,518.12	56,197.88
Purchased Professional - Educational Services	324,275.00	(20,055.00)	304,220.00	303,019.86	1,200.14
Supplies and Materials	22,859.00	2,725.33	25,584.33	16,747.66	8,836.67
Total Undist. Expend.-Speech, OT, PT & Related Serv.	<u>1,202,549.00</u>	<u>(17,028.67)</u>	<u>1,185,520.33</u>	<u>1,119,285.64</u>	<u>66,234.69</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	829,285.00	-	829,285.00	778,023.87	51,261.13
Salaries of Secretarial and Clerical Assistants	106,070.00	2,195.00	108,265.00	102,737.70	5,527.30
Purchased Professional - Educational Services	27,757.00	(6,314.00)	21,443.00	5,434.81	16,008.19
Supplies and Materials	22,925.42	4,109.00	27,034.42	17,392.64	9,641.78
Total Undist. Expend. - Guidance	<u>986,037.42</u>	<u>(10.00)</u>	<u>986,027.42</u>	<u>903,589.02</u>	<u>82,438.40</u>
Undist. Expend.-Child Study Teams					
Salaries of Other Professional Staff	1,712,078.00	-	1,712,078.00	1,657,480.15	54,597.85
Salaries of Secretarial and Clerical Assistants	265,750.00	-	265,750.00	240,810.19	24,939.81
Purchased Professional - Educational Services	15,215.00	-	15,215.00	540.00	14,675.00
Misc. Purchase Service (400-500 series other than resid costs)	2,020.00	-	2,020.00	2,020.00	-
Supplies and Materials	20,750.00	18,837.00	39,587.00	28,406.12	11,180.88
Other Objects	925.00	4,000.00	4,925.00	3,811.00	1,114.00
Total Undist. Expend.-Child Study Teams	<u>2,016,738.00</u>	<u>22,837.00</u>	<u>2,039,575.00</u>	<u>1,933,067.46</u>	<u>106,507.54</u>

**WEST MILFORD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	966,115.00	(86,149.00)	879,966.00	839,298.28	40,667.72
Salaries of Secr and Clerical Assist.	2,270.00	-	2,270.00	-	2,270.00
Purchased Prof - Educational Services	1,500.00	(1,000.00)	500.00	-	500.00
Other Purch Prof. and Tech. Services	200.00	545.00	745.00	572.78	172.22
Supplies and Materials	444.00	5,000.00	5,444.00	5,414.00	30.00
Other Objects	495.00	2,205.00	2,700.00	2,258.54	441.46
Total Undist. Expend. - Improvement of Inst. Serv.	971,024.00	(79,399.00)	891,625.00	847,543.60	44,081.40
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	554,396.00	60,468.00	614,864.00	601,040.00	13,824.00
Supplies and Materials	107,767.00	884.68	108,651.68	106,220.22	2,431.46
Other Objects	355.00	-	355.00	355.00	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	662,518.00	61,352.68	723,870.68	707,615.22	16,255.46
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	44,029.00	20,000.00	64,029.00	60,386.68	3,642.32
Other Purchased Services (400-500 series)	150.00	240.00	390.00	211.23	178.77
Supplies and Materials	405.00	-	405.00	183.94	221.06
Other Objects	73,757.00	(12,634.14)	61,122.86	41,346.58	19,776.28
Total Undist. Expend. - Instructional Staff Training Serv.	118,341.00	7,605.86	125,946.86	102,128.43	23,818.43
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	610,135.00	32,632.00	642,767.00	626,405.04	16,361.96
Legal Services	96,250.00	102,621.00	198,871.00	164,395.37	34,475.63
Audit Fees	66,250.00	(8,900.00)	57,350.00	28,450.00	28,900.00
Architectural / Engineering Services	6,500.00	53,882.00	60,382.00	45,235.27	15,146.73
Other Purchased Professional Services	9,323.00	11,708.00	21,031.00	21,030.94	0.06
Purchased Technical Services	21,070.00	(300.00)	20,770.00	18,925.15	1,844.85
Communications/Telephone	212,811.00	976.00	213,787.00	206,252.95	7,534.05
BOE Other Purchased Services	3,200.00	-	3,200.00	380.00	2,820.00
Misc. Purchased Services (400-500)	42,400.00	(13,490.00)	28,910.00	26,386.21	2,523.79
General Supplies	27,710.00	(5,050.00)	22,660.00	22,190.57	469.43
Judgment Against School District	20,000.00	(18,500.00)	1,500.00	-	-
Miscellaneous Expenditures	64,350.00	(28,565.00)	35,785.00	34,582.26	1,202.74
BOE Membership Dues and Fees	33,200.00	(6,650.00)	26,550.00	26,507.23	42.77
Total Undist. Expend. - Supp. Serv. - General Admin.	1,213,199.00	120,364.00	1,333,563.00	1,222,240.99	111,322.01
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,606,335.00	8,540.00	1,614,875.00	1,581,041.49	33,833.51
Salaries of Secretarial and Clerical Assistants	856,954.00	12,272.00	869,226.00	832,651.92	36,574.08
Purchased Professional and Technical Services	17,418.00	1,720.00	19,138.00	10,848.82	8,289.18
Other Purchased Services (400-500 series)	13,790.00	-	13,790.00	9,228.80	4,561.20
Supplies and Materials	18,635.00	(435.29)	18,199.71	12,801.41	5,398.30
Other Objects	4,308.00	(1,019.67)	3,288.33	1,981.71	1,306.62
Total Undist. Expend. - Support Serv. - School Admin.	2,517,440.00	21,077.04	2,538,517.04	2,448,554.15	89,962.89
Undist. Expend. - Central Services					
Salaries	405,058.00	43,496.00	448,554.00	440,437.01	8,116.99
Purchased Technical Services	22,050.00	-	22,050.00	17,766.00	4,284.00
Misc. Purchased Services (400-500 series)	900.00	-	900.00	249.12	650.88
Supplies and Materials	13,443.08	1,126.00	14,569.08	13,869.04	700.04
Miscellaneous Expenditures	6,546.72	(2,865.00)	3,681.72	3,152.55	529.17
Total Undist. Expend. - Central Services	447,997.80	41,757.00	489,754.80	475,473.72	14,281.08
Undist. Expend. - Admin. Info. Tech.					
Salaries	431,499.00	(34,000.00)	397,499.00	377,175.26	20,323.74
Purchased Technical Services	88,741.00	26,000.00	114,741.00	111,324.15	3,416.85
Other Purchased Services (400-500 series)	2,518.00	-	2,518.00	1,531.09	986.91
Supplies and Materials	4,175.00	-	4,175.00	1,876.11	2,298.89
Other Objects	500.00	-	500.00	-	500.00
Total Undist. Expend. - Admin. Info. Tech.	527,433.00	(8,000.00)	519,433.00	491,906.61	27,526.39
Undist. Expend. - Required Maint. For School Facilities					
Salaries	354,250.00	8,803.00	363,053.00	354,046.00	9,007.00
Cleaning, Repair and Maintenance Services	316,944.65	30,858.47	347,803.12	329,520.02	18,283.10
General Supplies	89,400.00	9,296.00	98,696.00	98,695.33	0.67
Total Undist. Expend. - Required Maint. For School Facilities	760,594.65	48,957.47	809,552.12	782,261.35	27,290.77
Undist. Expend. - Custodial Services					
Salaries	2,535,275.00	7,679.00	2,542,954.00	2,411,144.95	131,809.05
Purchased Professional and Technical Services	19,500.00	(7,000.00)	12,500.00	8,060.06	4,439.94
Cleaning, Repair and Maintenance Services	180,131.83	2,728.18	182,860.01	120,514.59	62,345.42
Other Purchased Property Services	113,037.00	6,090.00	119,127.00	118,228.62	898.38
Insurance	664,470.00	(24,320.58)	640,149.42	588,040.32	52,109.10
General Supplies	221,205.05	14,628.00	235,833.05	230,005.76	5,827.29
Energy (Electricity)	729,600.00	(78,811.34)	650,788.66	533,922.23	116,866.43
Other Objects	18,850.00	-	18,850.00	13,000.98	5,849.02
Energy (Natural Gas)	552,000.00	(50,000.00)	502,000.00	288,645.55	213,354.45
Energy (Oil)	111,500.00	-	111,500.00	87,741.10	23,758.90
Total Undist. Expend. - Custodial Services	5,145,568.88	(129,006.74)	5,016,562.14	4,399,303.96	617,258.18
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	190,850.00	4,391.00	195,241.00	190,850.16	4,390.84
Total Care & Upkeep of Grounds	190,850.00	4,391.00	195,241.00	190,850.16	4,390.84

**WEST MILFORD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit C-1
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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Security					
Salaries	81,255.00	11,164.00	92,419.00	89,939.09	2,479.91
Purchased Professional and Technical Services	2,000.00	-	2,000.00	-	2,000.00
Total Security	<u>83,255.00</u>	<u>11,164.00</u>	<u>94,419.00</u>	<u>89,939.09</u>	<u>4,479.91</u>
Total Undist. Expend. - Oper. & Maint. Plant Services	<u>6,180,268.53</u>	<u>(64,494.27)</u>	<u>6,115,774.26</u>	<u>5,462,354.56</u>	<u>653,419.70</u>
Undist. Expend. - Student Transportation Serv.					
Sal. For Pupil Trans. (between home and school) - Regular	1,637,674.00	(11,970.00)	1,625,704.00	1,323,299.56	302,404.44
Sal. For Pupil Trans. (between home and school) - Spec. Ed.	787,020.00	1,190.00	788,210.00	716,088.41	72,121.59
Sal. For Pupil Trans. (other than between home and school)	142,346.00	17,414.00	159,760.00	139,478.30	20,281.70
Sal. For Pupil Trans. (bet. home and school) - Nonpublic Sch	37,190.00	-	37,190.00	33,790.34	3,399.66
Management Fee - ESC & CTSA Trans. Program	32,000.00	-	32,000.00	25,949.57	6,050.43
Other Purchased Professional and Technical Services	23,900.00	16,145.00	40,045.00	40,044.04	0.96
Cleaning, Repair, & Maint. Services	45,500.00	(18,542.00)	26,958.00	17,121.99	9,836.01
Lease Purchase Payments - School Buses	359,724.00	(42,147.00)	317,577.00	317,490.55	86.45
Contracted Services - (Bet. Home and Sch) - Vendors	647,840.00	-	647,840.00	640,330.49	7,509.51
Contracted Services - (Other than Bet. Home & Sch) - Vendors	22,970.00	-	22,970.00	8,038.25	14,931.75
Contracted Services - (Sp Ed Stds) - Vendors	18,259.43	(18,259.43)	-	-	-
Contract Services - (Spl. Ed. Students) - ESCS & CTSA	528,000.00	100,057.43	628,057.43	625,360.91	2,696.52
Contract Services - Aid in Lieu of Payments - Nonpub. Students	214,032.00	(25,621.10)	188,410.90	183,626.53	4,784.37
Miscellaneous Purchased Services - Transportation	3,180.00	-	3,180.00	1,486.10	1,693.90
General Supplies	1,500.00	(1,500.00)	-	-	-
Transportation Supplies	558,582.00	(51,928.00)	506,654.00	505,360.96	1,293.04
Other Objects	4,700.00	(19.00)	4,681.00	1,841.11	2,839.89
Total Undist. Expend. - Student Transportation Serv.	<u>5,064,417.43</u>	<u>(35,180.10)</u>	<u>5,029,237.33</u>	<u>4,579,307.11</u>	<u>449,930.22</u>
UNALLOCATED BENEFITS					
Social Security Contributions	876,500.00	100,809.28	977,309.28	894,605.92	82,703.36
Other Retirement Contributions - PERS	1,133,038.00	(2,420.00)	1,130,618.00	1,043,595.65	87,022.35
Workmen's Compensation	641,814.00	(77,605.00)	564,209.00	548,868.00	15,341.00
Health Benefits	10,461,980.00	(739,430.32)	9,722,549.68	8,901,919.29	820,630.39
Tuition Reimbursement	117,351.99	1,080.00	118,431.99	64,844.32	53,587.67
Other Employee Benefits	224,868.90	436,845.00	661,713.90	656,785.03	4,928.87
TOTAL UNALLOCATED BENEFITS	<u>13,455,552.89</u>	<u>(280,721.04)</u>	<u>13,174,831.85</u>	<u>12,110,618.21</u>	<u>1,064,213.64</u>
On-behalf TPAF Pension (non-budgeted)				1,780,924.00	(1,780,924.00)
On-behalf TPAF NCGI Premium (non-budgeted)				93,701.00	(93,701.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,119,727.00	(2,119,727.00)
TPAF Social Security (Reimbursed - Non-Budgeted)				2,143,765.95	(2,143,765.95)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>6,138,117.95</u>	<u>(6,138,117.95)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>13,455,552.89</u>	<u>(280,721.04)</u>	<u>13,174,831.85</u>	<u>18,248,736.16</u>	<u>(5,073,904.31)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>41,428,454.73</u>	<u>(48,216.93)</u>	<u>41,380,237.80</u>	<u>44,403,948.61</u>	<u>(3,023,710.81)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>68,489,566.96</u>	<u>(143,740.42)</u>	<u>68,345,826.54</u>	<u>70,108,641.19</u>	<u>(1,762,814.65)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5	94,349.12	-	94,349.12	94,349.12	-
Grades 9-12	39,575.29	-	39,575.29	39,575.29	-
Undistributed Expenditures - Instruction	183,500.00	7,974.00	191,474.00	164,919.34	26,554.66
Undistributed Expenditures - Custodial Services	5,820.00	30.00	5,850.00	5,850.00	-
Undistributed Expenditures - Security	50,000.00	(295.00)	49,705.00	13,640.95	36,064.05
Undistributed Expenditures - Care and Upkeep of Grounds	-	28,500.00	28,500.00	28,486.00	14.00
School Buses - Regular	-	103,087.00	103,087.00	103,086.12	0.88
Undistributed Expenditures - Non-Inst. Serv.	-	12,263.00	12,263.00	12,263.00	-
Total Equipment	<u>373,244.41</u>	<u>151,559.00</u>	<u>524,803.41</u>	<u>462,169.82</u>	<u>62,633.59</u>
Facilities Acquisition and Construction Services					
Construction Services	59,600.00	295.00	59,895.00	59,895.00	-
Assessment for Debt Service on SDA Funding	16,678.00	-	16,678.00	16,678.00	-
Total Facilities Acquisition and Construction Services	<u>76,278.00</u>	<u>295.00</u>	<u>76,573.00</u>	<u>76,573.00</u>	<u>-</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Custodial Equipment				50,250.00	(50,250.00)
Required Maintenance for School Facilities				50,250.00	(50,250.00)
Total Assets Acquired Under Capital Leases (non-budgeted)				<u>100,500.00</u>	<u>(100,500.00)</u>
TOTAL CAPITAL OUTLAY	<u>449,522.41</u>	<u>151,854.00</u>	<u>601,376.41</u>	<u>639,242.82</u>	<u>(37,866.41)</u>
Transfer to Charter School	-	28,071.00	28,071.00	-	28,071.00
TOTAL EXPENDITURES	<u>68,939,089.37</u>	<u>36,184.58</u>	<u>68,975,273.95</u>	<u>70,747,884.01</u>	<u>(1,772,610.06)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,036,890.37)</u>	<u>221,211.32</u>	<u>(1,815,679.05)</u>	<u>2,526,326.81</u>	<u>4,342,005.86</u>
Other Financing Sources (Uses):					
Capital Leases (non-budgeted)				100,500.00	100,500.00
Transfer to - Enterprise Fund	-	(221,211.32)	(221,211.32)	(221,211.32)	-
Total Other Financing Sources:	<u>-</u>	<u>(221,211.32)</u>	<u>(221,211.32)</u>	<u>(120,711.32)</u>	<u>100,500.00</u>

WEST MILFORD BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

Exhibit C-1
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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(2,036,890.37)	-	(2,036,890.37)	2,405,615.49	4,442,505.86
Fund Balance, July 1	6,763,055.74		6,763,055.74	6,763,055.74	
Fund Balance, June 30	4,726,165.37	-	4,726,165.37	9,168,671.23	4,442,505.86
Recapitulation of excess (deficiency) of revenues under expenditures:					
Adjustment for prior year encumbrances	(379,385.37)		(379,385.37)	(379,385.37)	
Budgeted Fund Balance	(1,657,805.00)		(1,657,805.00)	1,947,784.02	3,605,589.02
Increase in capital reserve:					
Principal	300.00		300.00	836,204.80	836,204.80
Interest	(2,036,890.37)	-	(2,036,890.37)	2,405,615.49	4,442,505.86
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				1,772,916.62	
Maintenance Reserve				500,000.00	
Excess Surplus				2,383,340.03	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,792,855.00	
Assigned Fund Balance:					
Year End Encumbrances				1,429,374.26	
Unassigned Fund Balance				1,290,185.32	
				9,168,671.23	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(1,410,493.00)	
				7,758,178.23	

**WEST MILFORD BOARD OF EDUCATION
EDUCATION JOBS FUND - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Education Jobs Fund:					
Federal Sources:					
Education Jobs Fund		1,383.00	1,383.00	1,383.00	-
Total Federal Sources	-	1,383.00	1,383.00	1,383.00	-
Total Revenues	-	1,383.00	1,383.00	1,383.00	-
EXPENDITURES:					
Education Jobs Fund:					
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		1,284.72	1,284.72	1,284.72	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	-	1,284.72	1,284.72	1,284.72	-
Unallocated Benefits					
Social Security Contributions		98.28	98.28	98.28	-
Health Benefits		-			-
TOTAL UNALLOCATED BENEFITS	-	98.28	98.28	98.28	-
TOTAL UNDISTRIBUTED EXPENDITURES	-	98.28	98.28	98.28	-
Total Expenditures	-	1,383.00	1,383.00	1,383.00	-

WEST MILFORD BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	38,240.40		38,240.40	35,404.57	(2,835.83)
State Sources	8,740.00		8,740.00	8,728.18	(11.82)
Federal Sources	1,473,554.00	194,670.61	1,668,224.61	1,524,276.48	(143,948.13)
Total Revenues	1,473,554.00	241,651.01	1,715,205.01	1,568,409.23	(146,795.78)
EXPENDITURES:					
Instruction					
Salaries of Teachers	503,111.00	(149,527.50)	353,583.50	320,276.48	33,307.02
Purchased Professional and Educational Services		1,564.00	1,564.00	1,164.84	399.16
Other Purchased Services	965,600.00	(1,482.00)	964,118.00	902,613.50	61,504.50
General Supplies		134,081.09	134,081.09	130,118.35	3,962.74
Textbooks	1,994.00	1,176.00	3,170.00	3,170.00	-
Total Instruction	1,470,705.00	(14,188.41)	1,456,516.59	1,357,343.17	99,173.42
Support Services					
Salaries of Other Professional Staff	4,475.10		4,475.10	4,475.10	-
Salaries of Secretarial & Clerical Assistants	10,000.00		10,000.00	10,000.00	-
Purchased Professional - Educational Services	2,849.00	48,434.89	51,283.89	18,911.00	32,372.89
Employee Benefits		117,046.85	117,046.85	114,472.80	2,574.05
Cleaning Repair and Maintenance Services		2,500.00	2,500.00		2,500.00
Travel		2,833.81	2,833.81	2,636.49	197.32
Other Purchased Services		60,743.32	60,743.32	51,277.15	9,466.17
Supplies and Materials		9,805.45	9,805.45	9,293.52	511.93
Total Support Services	2,849.00	255,839.42	258,688.42	211,066.06	47,622.36
Total Expenditures	1,473,554.00	241,651.01	1,715,205.01	1,568,409.23	146,795.78
Total Outflows	1,473,554.00	241,651.01	1,715,205.01	1,568,409.23	146,795.78
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

**WEST MILFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	73,274,210.82	[C-2]	1,568,409.23
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Add: Prior Year Encumbrances		N/A		13,674.97
Less: Current Year Encumbrances		N/A		(3,281.03)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognized the related expense (GASB 33).				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,410,493.00)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,403,921.00		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	73,267,638.82	[B-2]	1,578,803.17
 Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	70,747,884.01	[C-2]	1,568,409.23
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
Add: Prior Year Encumbrances		N/A		13,674.97
Less: Current Year Encumbrances		N/A		(3,281.03)
Total revenues as reported on the statement of revenues expenditures, and changes in fund balances - governmental funds	[B-2]	70,747,884.01	[B-2]	1,578,803.17

OTHER SUPPLEMENTARY INFORMATION

**WEST MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

	Title I Part - A Improving Basic Programs	Title I Part - A Improving Basic Programs Carryover	Title II Part - A Teacher/Principal Training & Recruiting	Title II Part - A Teacher/Principal Training & Recruiting Carryover	Title III Lang. Inst. For Limited English Proficient & Immigrant Students	Race To The Top Phase III ARRA	Total 2013
REVENUES:							
Federal sources	903,800.98	348,321.42	111,486.47	11,310.89	3,393.00	18,732.00	1,524,276.48
State sources	8,728.18						8,728.18
Local sources	35,404.57						35,404.57
Total Revenues	947,933.73	348,321.42	111,486.47	11,310.89	3,393.00	18,732.00	1,568,409.23
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-	222,642.98	63,387.60	780.90	3,393.00		320,276.48
Purchased professional and technical services	-	1,104.84					1,164.84
Other purchased services	902,613.50	11,723.21					902,613.50
General supplies	32,256.05	86,139.09					130,118.35
Textbooks	3,170.00						3,170.00
Total instruction	938,039.55	235,471.03	63,387.60	780.90	3,393.00		1,557,343.17
Support Services:							
Salaries of Other Professional Staff	-	10,000.00		4,475.10			4,475.10
Salaries of Secretarial & Clerical Assistants	-	86,077.67		397.42			10,000.00
Employee benefits	-	15,600.00	25,697.20	1,421.00			114,472.80
Purchased professional - Ed. Services	4,400.00	872.83	21,113.03	2,888.62		15,400.00	18,911.00
Other purchased services	-		1,288.64	1,347.85			51,277.15
Travel	5,494.18	299.89				3,332.00	2,636.49
Supplies and materials	-						9,293.52
Total support services	9,894.18	112,850.39	48,098.87	10,529.99		18,732.00	211,066.06
Total Expenditures	947,933.73	348,321.42	111,486.47	11,310.89	3,393.00	18,732.00	1,568,409.23
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

**WEST MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

	Total Brought Forward from (Ex. E-1b)	I.D.E.A. Part B				Preschool Carryover	Non-Public Nursing Aid	Non-Public Technology Aid	Non-Public Textbook Aid	Total Carried Forward to (Ex. E-1)
		Basic	Basic Carryover	Preschool	Preschool Carryover					
REVENUES:										
Federal sources	-	861,034.50	11,579.00	31,117.48	70.00	4,400.00	1,158.18	3,170.00	903,800.98	
State sources	-	-	-	-	-	-	-	-	8,728.18	
Local sources	35,404.57	-	-	-	-	-	-	-	35,404.57	
Total Revenues	35,404.57	861,034.50	11,579.00	31,117.48	70.00	4,400.00	1,158.18	3,170.00	947,933.73	
EXPENDITURES:										
Instruction:										
Personal services - salaries	-	-	-	-	-	-	-	-	-	-
Purchased professional and technical services	-	861,034.50	11,579.00	29,930.00	70.00	-	-	-	902,613.50	
Other purchased services	31,068.57	-	-	1,187.48	-	-	-	-	32,256.05	
General supplies	-	-	-	-	-	-	-	-	-	
Textbooks	-	-	-	-	-	-	-	3,170.00	3,170.00	
Total instruction	31,068.57	861,034.50	11,579.00	31,117.48	70.00	-	-	3,170.00	938,039.55	
Support Services:										
Salaries of Other Professional Staff	-	-	-	-	-	-	-	-	-	
Salaries of Secretarial & Clerical Assistants	-	-	-	-	-	-	-	-	-	
Employee benefits	-	-	-	-	-	-	-	-	-	
Purchased professional - Ed. Services	-	-	-	-	-	4,400.00	-	-	4,400.00	
Other purchased services	-	-	-	-	-	-	-	-	-	
Travel	-	-	-	-	-	-	-	-	-	
Supplies and materials	4,336.00	-	-	-	-	-	1,158.18	-	5,494.18	
Total support services	4,336.00	-	-	-	-	4,400.00	1,158.18	-	9,894.18	
Total Expenditures	35,404.57	861,034.50	11,579.00	31,117.48	70.00	4,400.00	1,158.18	3,170.00	947,933.73	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	

**WEST MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

	Target Literacy	Education Foundation Mini-Grant	Lightpath Grant	PSE&G Environmental Education	MS&S Dephills Foundation	Un-sung Hero Award	Walmart Local Giving Grant	NEA Student Achievement	Total Carried Forward to (Ex. E-1a)
REVENUES:									
Federal sources									
State sources	41.16	15,958.06	10,000.00	3.74	62.17	4.00	4,336.00	4,999.44	35,404.57
Local sources	41.16	15,958.06	10,000.00	3.74	62.17	4.00	4,336.00	4,999.44	35,404.57
Total Revenues									
	41.16	15,958.06	10,000.00	3.74	62.17	4.00	4,336.00	4,999.44	31,068.57
EXPENDITURES:									
Instruction:									
Personal services - salaries									
Purchased professional and technical services									
Other purchased services									
General supplies									
Textbooks									
Total instruction									
	41.16	15,958.06	10,000.00	3.74	62.17	4.00	-	4,999.44	31,068.57
Support Services:									
Salaries of Other Professional Staff									
Salaries of Secretarial & Clerical Assistants									
Employee benefits									
Purchased professional - Ed. Services									
Other purchased services									
Travel									
Supplies and materials							4,336.00		4,336.00
Total support services									
	-	-	-	-	-	-	4,336.00	-	4,336.00
Total Expenditures									
	41.16	15,958.06	10,000.00	3.74	62.17	4.00	4,336.00	4,999.44	35,404.57
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)									
	-	-	-	-	-	-	-	-	-

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE -BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

REVENUE AND OTHER	
FINANCING SOURCES:	
Interest Income	179.81
Total Revenues	179.81
Excess (deficiency) of Revenues Over (under) Expenditures	179.81
Other Financing Sources (Uses)	
Operating Transfer Out:	
Interest transferred to General Fund	(179.81)
	(179.81)
Fund Balance - beginning of year	33,423.92
Fund Balance - ending	33,423.92

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
UNDERGROUND STORAGE TANK REMEDIATION
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	45,585.00		45,585.00	45,585.00
Total Revenues	45,585.00	-	45,585.00	45,585.00
EXPENDITURES AND OTHER FINANCING SOURCES:				
Purchased Professional and Technical Services	36,161.08		36,161.08	45,585.00
Total Expenditures	36,161.08	-	36,161.08	45,585.00
Excess (Deficiency) or Revenues Over (under) Expenditures	9,423.92	-	9,423.92	-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Loans Authorization Date	12/1/2008
Loans Authorized	45,585.00
Loans Issued	45,585.00
Original Authorized Costs	45,585.00
Additional Authorized Costs	-
Revised Authorized Costs	45,585.00
Percentage Increase over Original Authorized Costs	0.00%
Percentage of Completion	79.33%
Original Target Completion Date	June 2012
Revised Target Completion Date	June 2013

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS SCHOOLS-NEW DOORS, WINDOWS, UV'S, GENERATOR AND SECURITY SYSTEM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	91,833.50		91,833.50	1,963,436.00
Transfer from Capital Outlay	100,000.00		100,000.00	100,000.00
Transfer from Capital Reserve	439,000.00		439,000.00	2,777,652.00
Total Revenues	630,833.50	-	630,833.50	4,841,088.00
EXPENDITURES AND OTHER FINANCING SOURCES:				
Purchased Professional and Technical Services	43,334.50		43,334.50	946,408.00
Construction Services	563,499.00		563,499.00	3,894,680.00
Total Expenditures	606,833.50	-	606,833.50	4,841,088.00
Excess (Deficiency) or Revenues Over (under) Expenditures	24,000.00	-	24,000.00	-

Additional Project Information:

Project Numbers	Apshawa	5650-042-09-1004
	Macopin	5650-055-09-1006
	Maple Road	5650-060-09-1007
	Marshall Hill	5650-070-09-1010
	Paradise Knoll	5650-080-09-1011
	Upper Greenwood Lake	5650-090-09-1014
	West Milford High School	5650-040-09-1003

Grant Date	N/A
Loans Authorization Date	
Loans Authorized	
Loans Issued	
Original Authorized Costs	4,868,008.00
Additional Authorized Costs	
Revised Authorized Costs	4,868,008.00
Percentage Increase (Decrease) over Original Authorized Costs	0.000%
Percentage of Completion	12.47%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2013

WEST MILFORD BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2013

PROJECT DESCRIPTION	APPROPRIATION	EXPENDITURES		UNEXPENDED BALANCE
		PRIOR YEARS	CURRENT YEAR	
Underground Storage Tank Remediation	45,585.00	36,161.08		9,423.92
Various Schools-New Doors, Windows, UV's, Generators and Security System	630,833.50	606,833.50		24,000.00
	<u>676,418.50</u>	<u>642,994.58</u>	-	<u>33,423.92</u>

**WEST MILFORD BOARD OF EDUCATION
COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2013**

ASSETS	<u>Food Service Program</u>	<u>Adult School Community</u>	<u>Totals</u>
CURRENT ASSETS:			
Cash and cash equivalents	321,018.29	24,568.28	345,586.57
Accounts receivable:			
State lunch	874.28		874.28
Federal lunch	19,981.91		19,981.91
Federal breakfast	942.70		942.70
Inventories	9,296.18		9,296.18
	<u>352,113.36</u>	<u>24,568.28</u>	<u>376,681.64</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	500,878.82	284,704.78	785,583.60
Less Accumulated Depreciation	<u>(370,028.10)</u>	<u>(142,162.67)</u>	<u>(512,190.77)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>130,850.72</u>	<u>142,542.11</u>	<u>273,392.83</u>
Total Assets	<u><u>482,964.08</u></u>	<u><u>167,110.39</u></u>	<u><u>650,074.47</u></u>
LIABILITIES			
CURRENT LIABILITIES:			
Accounts Payable	8,637.47		8,637.47
Deferred Revenue		3,705.00	3,705.00
Interfund Payable:			
General Fund	<u>343,475.89</u>	<u>47,822.17</u>	<u>391,298.06</u>
Total Current Liabilities	<u>352,113.36</u>	<u>51,527.17</u>	<u>403,640.53</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt	130,850.72	142,542.11	273,392.83
Contributed Capital		38,950.00	38,950.00
Unrestricted		<u>(65,908.89)</u>	<u>(65,908.89)</u>
Total Net Position	<u><u>130,850.72</u></u>	<u><u>115,583.22</u></u>	<u><u>246,433.94</u></u>

**WEST MILFORD BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Food Service Program	Adult School Community	Totals
OPERATING REVENUES:			
Local sources:			
Daily sales - reimbursable programs:			
School lunch and breakfast program	607,264.10		607,264.10
Daily sales - non-reimbursable programs	197,494.51		197,494.51
Special functions	842.43		842.43
Program Fees		439,790.57	439,790.57
Total operating revenues	<u>805,601.04</u>	<u>439,790.57</u>	<u>1,245,391.61</u>
OPERATING EXPENSES:			
Salaries	493,292.71	269,937.95	763,230.66
Cost of food	497,469.70		497,469.70
Employee benefits	226,005.00	41,820.44	267,825.44
Purchased professional services	60,030.03	58,037.59	118,067.62
Supplies and materials	27,697.54	13,098.88	40,796.42
Repairs	6,396.85		6,396.85
Depreciation	20,295.64	9,717.47	30,013.11
Miscellaneous	7,838.89	3,203.95	11,042.84
Total operating expenses	<u>1,339,026.36</u>	<u>395,816.28</u>	<u>1,734,842.64</u>
Operating Income (Loss)	<u>(533,425.32)</u>	<u>43,974.29</u>	<u>(489,451.03)</u>
NON-OPERATING REVENUES (EXPENSES):			
State sources:			
State school lunch program	10,061.79		10,061.79
Federal sources:			
School breakfast program	10,272.64		10,272.64
National school lunch program	235,021.89		235,021.89
Food distribution program	41,154.85		41,154.85
Interest and investment revenue	377.19	372.83	750.02
Total non-operating revenues (expenses)	<u>296,888.36</u>	<u>372.83</u>	<u>297,261.19</u>
Income (Loss) Before Contribution & Transfers	<u>(236,536.96)</u>	<u>44,347.12</u>	<u>(192,189.84)</u>
Operating transfer in (out)	<u>221,211.32</u>		<u>221,211.32</u>
Change in Net Position	<u>(15,325.64)</u>	<u>44,347.12</u>	<u>29,021.48</u>
Total Net Position - Beginning	<u>146,176.36</u>	<u>71,236.10</u>	<u>217,412.46</u>
Total Net Position - Ending	<u>130,850.72</u>	<u>115,583.22</u>	<u>246,433.94</u>

**WEST MILFORD BOARD OF EDUCATION
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Food Service Program	Adult School Community	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	812,070.17	439,790.57	1,251,860.74
Receipts / (payments) for interfunds	246,179.71	(44,786.35)	201,393.36
Payments to employees for services	(493,292.71)	(269,937.95)	(763,230.66)
Payments to suppliers	(776,588.20)	(112,980.86)	(889,569.06)
Net cash provided by (used for) Operating Activities	<u>(211,631.03)</u>	<u>12,085.41</u>	<u>(199,545.62)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	10,061.79		10,061.79
Federal Sources	245,294.53		245,294.53
Operating subsidies	221,211.32		221,211.32
Net cash provided by (used for) non-capital financing activities	<u>476,567.64</u>	<u>-</u>	<u>476,567.64</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(4,970.00)		(4,970.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(4,970.00)</u>	<u>-</u>	<u>(4,970.00)</u>
CASH FLOW FROM INVESTING ACTIVITIES:			
Interest on cash equivalents	377.19	372.83	750.02
Net Cash Provided by (used for) Investing Activities	<u>377.19</u>	<u>372.83</u>	<u>750.02</u>
Net Increase (Decrease) in Cash and Cash Equivalents	260,343.80	12,458.24	272,802.04
Balances-Beginning of Year	60,674.49	12,110.04	72,784.53
Balances-End of Year	<u>321,018.29</u>	<u>24,568.28</u>	<u>345,586.57</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	(533,425.32)	43,974.29	(489,451.03)
Adjustments to reconcile operating income (loss) to cash provided (used for) operating activities:			
Depreciation	20,295.64	9,717.47	30,013.11
Food distribution program donated commodities	41,154.85		41,154.85
(Increase)/decrease in accounts receivable	6,469.13		6,469.13
(Increase)/decrease in inventory	865.08		865.08
Increase/(decrease) in accounts payable	6,829.88		6,829.88
Increase/(decrease) in interfund payable	246,179.71	(44,786.35)	201,393.36
Increase/(decrease) in deferred revenue		3,180.00	3,180.00
Total adjustments	<u>321,794.29</u>	<u>(31,888.88)</u>	<u>289,905.41</u>
Net cash provided by (used for) operating activities	<u>(211,631.03)</u>	<u>12,085.41</u>	<u>(199,545.62)</u>

**WEST MILFORD BOARD OF EDUCATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

	Unemployment Compensation Trust Fund	John Walsh Scholarship	Vogel Scholarship	Agency Fund
ASSETS:				
Cash and cash equivalents	928,546.44	383,900.52	7,798.18	350,800.64
Interest Receivable on Investments	299.96			
Interfund Accounts Receivable	<u>14,509.84</u>			
TOTAL ASSETS	<u>943,356.24</u>	<u>383,900.52</u>	<u>7,798.18</u>	<u>350,800.64</u>
LIABILITIES:				
Payable to Student Groups				326,321.97
Payable to State Government	1,599.87			(5,102.91)
Payroll Deductions and Withholdings				(1,483.02)
Flexible Spending				31,064.60
Interfund Accounts Payable				
Total liabilities	<u>1,599.87</u>	<u>-</u>	<u>-</u>	<u>350,800.64</u>
NET POSITION:				
Held in Trust for unemployment				
Claims and Other Purposes	<u>941,756.37</u>	<u>383,900.52</u>	<u>7,798.18</u>	
Reserved for Other Purposes				

WEST MILFORD BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Trust Fund</u>	<u>John Walsh Scholarship</u>	<u>Edward Vogel Scholarship</u>
OPERATING REVENUES:			
Local sources:			
Interest on Investments	2,279.55	766.31	1.30
Contributions	<u>62,461.43</u>		
Total operating revenues	<u>64,740.98</u>	<u>766.31</u>	<u>1.30</u>
OPERATING EXPENSES:			
Scholarships		10,000.00	250.00
Unemployment Claims	<u>91,161.10</u>		
Total operating expenses	<u>91,161.10</u>	<u>10,000.00</u>	<u>250.00</u>
OPERATING INCOME (LOSS)	(26,420.12)	(9,233.69)	(248.70)
Net Position, July 1	<u>968,176.49</u>	<u>393,134.21</u>	<u>8,046.88</u>
Net Position, June 30	<u><u>941,756.37</u></u>	<u><u>383,900.52</u></u>	<u><u>7,798.18</u></u>

**WEST MILFORD BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2013</u>
ELEMENTARY SCHOOLS:				
Apshawa	4,574.20	11,813.22	9,822.68	6,564.74
Maple Road	3,209.01	6,478.71	7,176.94	2,510.78
Marshall Hill	10,999.43	7,898.66	7,025.61	11,872.48
Paradise Knoll	844.86	8,142.34	7,811.00	1,176.20
Upper Greenwood Lake	2,062.71	10,859.05	12,194.55	727.21
Westbrook	1,579.51	10,127.17	10,068.41	1,638.27
MIDDLE SCHOOL:				
Macopin Middle School	107,786.10	332,334.09	310,454.23	129,665.96
SENIOR HIGH SCHOOL:				
West Milford Athletics	75,780.93	147,941.85	187,949.91	35,772.87
West Milford High School	143,126.64	305,424.11	312,347.32	136,203.43
OTHER STUDENT ACTIVITY ACCOUNTS:				
SACC and Preschool	298.87	679.05	916.34	61.58
Learning Unlimited	7.45	2,946.42	2,825.42	128.45
	<u>350,269.71</u>	<u>844,644.67</u>	<u>868,592.41</u>	<u>326,321.97</u>

**WEST MILFORD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Assets:				
Cash and Cash Equivalents	11,627.95	45,866,965.17	45,854,114.45	24,478.67
Total Assets	<u>11,627.95</u>	<u>45,866,965.17</u>	<u>45,854,114.45</u>	<u>24,478.67</u>
Net Payroll	-	26,290,522.38	26,290,522.38	-
Payroll Deductions and Withholdings	3,143.37	19,286,167.23	19,290,793.62	(1,483.02)
Flexible Spending Account	(15.00)	27,619.36	32,707.27	(5,102.91)
Interfund Accounts Payable	8,499.58	283,166.04	260,601.02	31,064.60
	<u>11,627.95</u>	<u>45,887,475.01</u>	<u>45,874,624.29</u>	<u>24,478.67</u>

WEST MILFORD BOARD OF EDUCATION
GENERAL LONG TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
JUNE 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2012	Retired	Balance June 30, 2013
School Bonds of 2003	07/15/03	4,463,000	09/15/13	445,000.00	3.30%			
			09/15/14	480,000.00	3.30%			
			09/15/15	500,000.00	3.30%			
			09/15/16	500,000.00	3.30%			
			09/15/17	388,000.00	3.30%	2,733,000.00	420,000.00	2,313,000.00

WEST MILFORD BOARD OF EDUCATION
GENERAL LONG TERM DEBT ACCOUNT GROUP
SCHEDULE OF PUBLIC SCHOOL FACILITIES LOAN ASSISTANCE PROGRAM
JUNE 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2012	Retired	Balance June 30, 2013
			Date	Amount				
Safe School Program	7/15/1993	70,342.00	7/15/13	3,702.22	1.50%	7,404.44	3,702.22	3,702.22
Small Projects Program	7/15/1993	211,027.00	07/15/13	15,633.92		30,600.18	14,966.26	15,633.92
NJ Economic Authority Underground Storage Tank Loan # LO4215	12/1/2008	45,585.00	12/01/13-12/01/18	4,558.50		31,909.50	4,558.50	27,351.00
						<u>69,914.12</u>	<u>23,226.98</u>	<u>46,687.14</u>

**WEST MILFORD BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SERIES	Interest Rate Payables	Amount of Original Issue	Amount Outstanding on July 1, 2012	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2013
4 - 54 Passenger 2009 Buses	3.220%	335,932.00	69,528.07		69,528.07	-
2008 Chrysler Minivan	3.220%	22,328.00	4,621.24		4,621.24	-
Nortel Phone System	3.220%	128,110.00	26,597.80		26,597.80	-
Digital Duplicator	3.220%	5,354.00	1,108.12		1,108.12	-
2008 Ford Econoline Van	3.220%	8,236.00	1,704.61		1,704.61	-
2009 ford F-550 Platform	3.220%	49,640.00	10,274.02		10,274.02	-
3-2009 54 Passenger Buses	3.710%	266,125.00	69,269.20		69,269.20	-
2009 Dodge Caravan	3.710%	22,406.00	5,820.98		5,820.98	-
2-2010 16 Passenger Buses	3.710%	68,250.00	17,762.06		17,762.06	-
Cafeteria Tables - Paradise Knoll	3.710%	17,611.16	4,578.97		4,578.97	-
Softball - Scoreboard	3.710%	5,607.84	1,463.69		1,463.69	-
Cafeteria Mailing Machine	3.310%	22,590.00	13,592.06		4,387.09	9,204.97
4 - 2011 54 Passenger Buses	3.310%	330,172.00	198,722.40		64,090.27	134,632.13
2 - 2010 Dodge Caravans	3.310%	47,238.00	28,429.91		9,170.17	19,259.74
Upgrade District Telecommunications	5.600%	220,914.50	143,429.45		69,667.12	73,762.33
Computer Workstations and Monitors	4.900%	85,584.61	55,596.49		27,361.21	28,235.28
5 - 2013 54 Passenger Busses	3.900%	404,092.40	304,092.40		104,773.54	199,318.86
2012 International Dump Truck	5.500%	114,201.00	89,328.96		22,348.13	66,980.83
29 Digital Copiers		199,087.42	168,768.33		37,826.55	130,941.78
2 - 2012 Ford F-450 Trucks	4.900%	100,500.00		100,500.00	21,890.64	78,609.36
TOTAL			<u>1,214,688.76</u>	<u>100,500.00</u>	<u>574,243.48</u>	<u>740,945.28</u>

WEST MILFORD BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:				
Local sources:				
Local tax levy	472,983.00	472,983.00	472,983.00	-
Total revenues - local sources	472,983.00	472,983.00	472,983.00	-
State sources:				
Debt service aid type II	4,809.00	4,809.00	4,809.00	-
Total state sources	4,809.00	4,809.00	4,809.00	-
Total Revenues	477,792.00	477,792.00	477,792.00	-
EXPENDITURES				
Regular debt service:				
Interest	84,565.00	84,565.00	84,564.73	0.27
Redemption of principal	443,227.00	443,227.00	443,226.98	0.02
Total regular debt service	527,792.00	527,792.00	527,791.71	0.29
Total Expenditures	527,792.00	527,792.00	527,791.71	0.29
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000.00)	(50,000.00)	(49,999.71)	0.29
Fund Balances, July 1	133,476.47	133,476.47	133,476.99	
Fund Balances, June 30	83,476.47	83,476.47	83,477.28	0.29
Recapitulation of excess (deficiency) of revenues under expenditures:				
Budgeted Fund Balance	50,000.00	\$ 50,000.00	\$ 49,999.71	\$ 0.29
Recapitulation:				
Assigned Fund Balance:				
Designated for Subsequent Year's Expenditures			40,000.00	
Unassigned Fund Balance			43,477.28	
			83,477.28	

STATISTICAL SECTION

OUTLINE OF NJ DOE STATISTICAL TABLES SECTION (GASB 44)

Exhibit #

Financial Trends Information/Schedules

J-1	Net Position by Component
J-2	Changes in Net Position
J-3	Fund Balances-Governmental Funds
J-4	Changes in Fund Balances, Governmental Funds
J-5	General Fund Other Local Revenue by Source

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WEST MILFORD BOARD OF EDUCATION

Net Assets/Net Position** by Component,
Last Ten Fiscal Years *
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Governmental activities										
Invested in capital assets, net of related debt	10,952,633	11,024,850	10,949,290	9,176,136	8,795,665	8,902,363	10,125,208	10,738,769	11,157,970	
Restricted	1,338,134	811,257	658,452	1,490,121	2,038,403	1,997,474	3,188,664	5,053,261	7,995,387	
Unrestricted	(2,275,984)	(1,981,459)	(2,633,966)	(2,878,590)	(4,046,037)	(3,499,861)	(3,647,211)	(3,180,197)	(3,584,990)	
Total governmental activities net position	10,014,783	9,854,648	8,973,776	7,787,666	6,788,031	7,399,976	9,666,662	12,611,832	15,568,367	
Business-type activities										
Invested in capital assets, net of related debt	481,061	452,530	423,999	395,468	366,937	338,406	309,875	298,436	298,436	
Restricted	38,950	38,950	38,950	38,950	38,950	38,950	38,950	38,950	38,950	
Unrestricted	(7,485)	125,485	155,797	118,047	46,859	5,665	(53,859)	(119,973)	(90,952)	
Total business-type activities net position	512,527	616,965	618,746	552,465	452,745	383,021	294,965	217,412	246,434	
District-wide										
Invested in capital assets, net of related debt	11,433,694	11,477,380	11,373,289	9,571,604	9,162,602	9,240,769	10,435,083	11,037,205	11,456,405	
Restricted	1,377,084	850,207	697,402	1,529,071	2,077,353	2,036,424	3,227,614	5,092,211	8,034,337	
Unrestricted	(2,283,469)	(1,855,974)	(2,478,169)	(2,760,543)	(3,999,178)	(3,494,196)	(3,701,070)	(3,300,171)	(3,675,942)	
Total district net position	10,527,309	10,471,612	9,592,522	8,340,131	7,240,776	7,782,997	9,961,627	12,829,245	15,814,800	

Source: CAFR Schedule A-1

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented.

** GASB Statement No. 63 became effective for the Fiscal Year Ended June 30, 2013 which changed Net Assets to Net Position.

WEST MILFORD BOARD OF EDUCATION

Changes in Net Assets/Net Position**, Last Ten Fiscal Years*
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Expenses										
Governmental activities:										
Instruction										
Regular	27,716,478	28,642,293	30,071,478	30,163,185	29,516,709	28,309,740	27,864,663	28,465,802	29,091,197	
Special education	6,283,988	7,007,112	8,282,818	8,948,132	8,944,668	8,866,736	8,666,728	9,217,726	9,232,990	
Other special education	695,742	742,552	705,029	726,267	726,528	702,040	380,544	207,229	312,632	
Other instruction	783,184	706,558	748,479	746,874	779,251	1,208,269	1,218,450	1,249,692	1,202,128	
Support Services:										
Tuition										
Student & instruction related services	2,147,358	2,411,418	2,802,993	3,127,907	3,588,139	4,058,939	3,449,330	4,516,967	5,077,971	
General administrative services	6,844,408	7,312,836	7,784,347	8,321,687	8,255,422	8,622,575	8,506,512	8,275,763	8,434,225	
School administrative services	1,223,171	1,252,948	1,227,474	1,279,089	1,286,359	1,333,057	1,394,335	1,460,440	1,474,288	
Central Services and Admin. Info. Tech.	3,135,246	3,250,453	3,314,535	3,559,923	3,657,762	3,715,249	3,718,570	3,680,436	3,563,428	
Plant operations and maintenance	1,057,763	1,087,743	1,155,707	1,185,059	1,189,371	1,224,589	1,279,707	1,315,933	1,359,028	
Pupil transportation	5,701,180	6,049,062	6,486,398	7,028,292	6,926,124	6,987,060	6,734,278	6,749,522	6,877,873	
Charter Schools	4,179,839	4,868,472	5,207,082	5,353,082	5,349,136	5,272,089	5,238,761	5,533,660	5,433,960	
Interest on Long term debt	185,391	179,102	160,608	149,214	132,764	123,634	105,318	94,337	80,093	
Capital Outlay - Non-depreciable					(3,695)		19,610	11,889	16,678	
Unallocated Benefits		48,112	45,662	1,352,044	(3,695)	56,662	622,847	300,873		
Total governmental activities expenses	59,953,748	63,572,368	68,107,117	71,957,367	70,249,537	70,480,639	69,199,652	71,080,269	72,146,488	
Business-type activities:										
Food service	1,289,141	1,357,425	1,356,971	1,393,714	1,387,663	1,272,593	1,262,573	1,330,478	1,399,026	
Adult Community School	564,554	576,791	565,407	570,212	569,673	552,112	541,640	518,337	395,816	
Total business-type activities expense	1,853,695	1,934,216	1,922,377	1,963,926	1,957,356	1,824,704	1,804,213	1,848,815	1,734,842	
Total district expenses	61,807,443	65,506,584	70,029,494	73,921,293	72,206,893	72,305,343	71,003,864	72,929,083	73,881,330	
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	220,295	359,505	261,506	200,630	240,881	408,801	309,027	385,669	98,189	
Support Services (Student & Inst. Related services)	3,519									
Support Services (General Admin. Services)	93,474									
Plant operations and maintenance	45,432	24,525	59,345	60,912	82,327					
Pupil transportation	35,058	13,487	74,253	68,191	76,942					
Operating grants and contributions	1,779,078	1,621,517	1,537,227	1,791,396	1,568,499	1,816,634	2,317,854	1,649,917	1,578,803	
Capital grants and contributions		9,703	12,520	84,081	86,500			40,504		
Total governmental activities program revenues	2,176,854	2,028,737	1,944,852	2,205,211	2,055,150	2,225,435	2,753,037	2,076,290	1,739,860	
Business-type activities:										
Charges for services										
Food service	1,058,849	1,107,862	1,051,728	1,086,716	1,044,001	961,768	868,069	919,117	805,601	
Adult Community School	553,882	621,812	633,100	566,618	560,139	486,903	481,414	441,759	439,791	
Operating grants and contributions	221,733	249,078	217,437	244,383	235,765	255,781	246,204	280,689	296,511	
Total business type activities program revenues	1,834,463	1,978,752	1,902,265	1,877,718	1,839,905	1,704,452	1,615,688	1,641,545	1,541,903	
Total district program revenues	4,011,318	4,007,489	3,847,116	4,082,929	3,895,055	3,929,888	4,368,725	3,717,835	3,281,763	

WEST MILFORD BOARD OF EDUCATION

Changes in Net Assets/Net Position**, Last Ten Fiscal Years*
(accrual basis of accounting)

	Fiscal Year Ending June 30									
	2006	2007	2008	2009	2010	2011	2012	2013		
Net (Expense)/Revenue										
Governmental activities	(57,776,893)	(61,543,630)	(66,162,265)	(68,752,156)	(68,193,387)	(66,446,615)	(69,003,979)	(70,406,628)		
Business-type activities	(19,232)	44,536	(20,113)	(86,208)	(117,451)	(188,525)	(207,270)	192,939		
Total district-wide net expense	(57,796,126)	(61,499,094)	(66,182,378)	(69,838,364)	(68,310,838)	(66,635,140)	(69,211,248)	(70,599,567)		
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	38,906,326	40,697,586	42,868,997	44,904,812	45,830,611	47,613,275	49,379,479	50,367,069	51,252,781	
Taxes levied for debt service	516,080	516,080	476,080	461,728	400,118	539,427	529,103	516,668	472,963	
Unrestricted grants and contributions	18,960,937	19,740,356	21,869,428	22,422,612	20,442,256	20,260,882	18,357,737	20,819,342	21,354,201	
Restricted State Aid	89,932	84,119	83,076	59,332	9,644	215,305	307,846	11,305	4,809	
Miscellaneous income	121,029	334,267	255,030	718,526	523,110	283,261	234,293	362,856	489,600	
Transfers	(36,600)	(37,880)	(96,600)	(964)	(11,988)	(95,148)	(128,091)	(221,211)	(221,211)	
Total governmental activities	58,577,704	61,334,528	65,572,611	68,566,047	67,193,752	68,867,149	71,949,149	73,363,163		
Business-type activities:										
Investment earnings	15,544	22,022	21,894	19,927	5,744	5,528	5,322	1,626	750	
Transfers	36,600	37,880	11,988	11,988	45,000	95,148	128,091	221,211	221,211	
Total business-type activities	52,144	59,902	21,894	19,927	17,732	100,470	129,717	221,961	221,961	
Total district-wide	58,629,848	61,394,430	65,594,505	68,585,973	67,211,483	68,813,769	72,078,866	73,585,124		
Change in Net Position										
Governmental activities	800,810	(209,102)	(589,654)	(1,186,109)	(999,636)	611,946	2,286,685	2,945,171	2,956,535	
Business-type activities	32,912	104,438	1,782	(66,281)	(99,719)	(69,724)	(77,553)	29,022	29,022	
Total district	833,722	(104,664)	(587,873)	(1,252,391)	(1,099,355)	542,221	2,178,630	2,867,618	2,985,557	

Source: CAFR Schedule A-2

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented.

** GASB Statement No. 63 became effective for the Fiscal Year Ended June 30, 2013 which changed Net Assets to Net Position.

WEST MILFORD BOARD OF EDUCATION

Fund Balances, Governmental Funds,
Last Ten Fiscal Years*
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	
General Fund										
Reserved	841,693	313,505	499,425	1,356,615	1,864,727	1,792,611				
Unreserved	1,063,052	1,582,841	1,312,176	974,455	(73,481)	415,586				
Restricted							1,811,336	4,886,360	6,449,112	
Assigned							1,148,511	379,385	1,429,374	
Unassigned							(15,822)	93,389	(120,308)	
Total general fund	1,904,745	1,896,345	1,811,601	2,331,070	1,791,246	2,208,197	2,944,025	5,359,134	7,758,178	
All Other Governmental Funds										
Unreserved, reported in:										
Capital projects fund	349,558	320,740	25,522		40,168	71,350	95,350	33,424	213,102	
Debt service fund	146,883	177,012	133,504	133,506	133,507	133,514	133,477	133,477	83,477	
Total all other governmental funds	496,441	497,752	159,026	133,506	173,675	204,864	228,827	166,901	296,579	

Source: CAFR Schedule B-1

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented.

WEST MILFORD BOARD OF EDUCATION

Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years*
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2005	2006	2007	2008	2009
Revenues					
Tax levy	\$ 39,422,406	\$ 41,213,666	\$ 43,345,077	\$ 45,366,540	\$ 46,230,729
Tuition charges	219,387	359,505	261,506	200,630	240,881
Miscellaneous	302,999	303,714	388,628	867,629	693,166
State sources	19,242,021	20,020,348	22,083,947	22,587,474	20,573,182
Federal sources	1,604,345	1,494,210	1,425,784	1,665,867	1,482,017
Total revenue	60,791,158	63,391,443	67,504,942	70,688,140	69,219,974
Expenditures					
Instruction					
Regular Instruction	20,889,243	20,863,410	20,750,689	20,615,167	20,795,687
Special education instruction	4,415,734	4,720,214	5,280,922	5,636,187	5,828,684
Other special instruction	695,742	742,552	705,029	728,267	726,528
Other instruction	783,184	706,558	748,479	746,874	779,251
Support Services:					
Tuition	2,147,358	2,411,418	2,902,993	3,127,907	3,588,139
Student & instruction related services	5,723,010	5,923,469	6,096,544	6,479,688	6,584,963
General administrative services	1,023,167	1,020,924	960,304	997,914	1,062,968
School Administrative services	2,363,423	2,376,914	2,302,125	2,448,583	2,518,888
Central Services	803,196	794,960	817,532	807,170	853,317
Business administrative services					
Plant operations and maintenance	4,874,943	5,076,643	5,297,699	5,715,129	5,706,855
Pupil transportation	3,726,833	4,070,019	4,136,330	4,415,864	4,522,632
Unallocated employee benefits	12,137,090	13,670,144	16,637,182	17,620,127	16,135,861
Charter Schools		13,706	14,706	14,632	
Capital outlay	2,449,980	883,316	1,013,995	715,163	1,124,107
Debt Service:					
Principal	368,928	385,908	436,375	371,860	272,373
Interest and Other Charges	196,921	184,162	166,289	149,198	137,387
Total expenditures	62,598,753	63,844,317	68,267,194	70,589,732	70,637,640
Excess (Deficiency) of revenues over (under) expenditures	(1,807,594)	(452,874)	(762,252)	98,408	(1,417,666)
Other Financing sources (uses)					
Capital leases (non-budgeted)	86,760	483,666	630,000	396,504	930,000
Bond proceeds					
Transfers in		240,000			
Transfers out	(36,600)	(277,880)		(964)	(11,988)
Total other financing sources (uses)	50,160	445,786	630,000	395,540	918,012
Net change in fund balances	\$ (1,757,434)	\$ (7,088)	\$ (132,252)	\$ 493,948	\$ (499,654)
Debt service as a percentage of noncapital expenditures	0.941%	0.905%	0.896%	0.746%	0.589%

Source: District Records

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented.

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Services and Administrative information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Services and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

WEST MILFORD BOARD OF EDUCATION

Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues				
Tax levy	\$ 48,152,702	\$ 49,908,582	\$ 50,883,737	\$ 51,725,764
Tuition charges	408,801	255,472	385,869	98,189
Miscellaneous	291,106	299,489	372,057	597,352
State sources	18,437,155	18,543,693	20,306,624	21,278,620
Federal sources	3,847,820	2,428,092	2,164,739	1,624,309
Total revenue	71,137,585	71,435,328	74,113,026	75,324,234
Expenditures				
Instruction				
Regular Instruction	20,347,000	19,699,743	19,555,480	19,786,858
Special education instruction	5,723,652	5,497,356	5,800,049	5,766,819
Other special instruction	702,040	380,544	207,229	312,632
Other instruction	1,208,269	1,218,450	1,249,692	1,202,128
Support Services:				
Tuition	4,058,939	3,449,330	4,516,967	5,077,971
Student & instruction related services	6,902,795	6,836,582	6,569,916	6,612,463
General administrative services	1,108,044	1,168,446	1,212,227	1,222,241
School Administrative services	2,627,667	2,613,394	2,487,571	2,448,554
Central Services	876,929	920,894	927,077	967,380
Business administrative services				
Plant operations and maintenance	5,699,575	5,456,611	5,348,346	5,462,355
Pupil transportation	4,533,433	4,474,641	4,702,925	4,579,307
Unallocated employee benefits	15,901,286	16,782,270	17,744,396	18,248,736
Charter Schools				
Capital outlay	405,802	1,947,214	1,812,231	639,243
Debt Service:				
Principal	422,453	422,000	422,591	443,227
Interest and Other Charges	126,560	112,923	98,925	84,565
Total expenditures	70,644,446	70,980,399	72,655,622	72,854,479
Excess (Deficiency) of revenues over (under) expenditures	493,139	454,929	1,457,405	2,469,755
Other Financing sources (uses)				
Capital leases (non-budgeted)		400,000	1,023,880	100,500
Bond proceeds				
Transfers in	150,000	1,044,420	33,160	
Transfers out	(195,000)	(1,139,567)	(161,250)	(221,211)
Total other financing sources (uses)	(45,000)	304,852	895,789	(120,711)
Net change in fund balances	\$ 448,139	\$ 759,782	\$ 2,353,194	2,349,044
Debt service as a percentage of noncapital expenditures	0.782%	0.775%	0.736%	0.731%

WEST MILFORD BOARD OF EDUCATION

General Fund - Other Local Revenue by Source
Last Ten Fiscal Years*(modified accrual basis of accounting)*

Fiscal Year Ended June 30,	Interest on Investments	Rentals	Refunds	Transportation	Misc.	Total
2004	180			48,408	223,833	272,421
2005	121,029	44,641	94,706	35,058	7,565	302,999
2006	171,127	24,525		13,487	94,575	303,714
2007	207,831	59,345		74,253	47,199	388,628
2008	232,660	60,912		68,191	414,850	776,614
2009	133,421	82,327		76,942	306,155	598,846
2010	63,809	77,899		71,826	63,501	277,035
2011	60,499	81,719		53,556	92,064	287,838
2012	46,986	88,709			224,197	359,891
2013	19,159	109,034		62,868	307,527	498,588

Source: District Records

WEST MILFORD BOARD OF EDUCATION
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2004	58,984,300	1,283,320,800	24,429,600	708,900	85,692,300	10,665,100	798,900	1,484,599,900		6,856,529	1,477,146,429	2,550	2,514,822,103
2005	56,186,200	1,302,757,100	24,526,200	706,700	86,010,600	10,267,800	798,900	1,481,253,400		6,353,032	1,487,606,432	2,650	2,876,529,429
2006	54,309,100	1,313,342,900	25,650,300	690,400	88,664,800	10,267,800	590,000	1,493,375,000		5,581,607	1,498,956,607	2,750	3,240,045,212
2007	53,119,700	1,325,390,400	25,342,100	680,400	89,266,900	10,267,800	550,000	1,504,617,900		4,906,228	1,509,523,528	2,870	3,616,264,649
2008	52,613,700	1,328,724,000	27,901,100	648,700	90,219,000	9,966,200	550,000	1,511,822,700		4,217,482	1,515,840,182	3,051	3,808,167,208
2009	50,170,900	1,338,144,200	27,339,200	627,200	87,695,100	9,632,400	550,000	1,514,158,600		4,206,117	1,518,364,717	3,171	3,861,659,428
2010	49,109,000	1,319,511,100	28,708,100	614,700	87,182,100	9,662,900	550,000	1,495,337,900		4,044,415	1,499,382,315	3,329	3,677,260,684
2011	48,452,100	1,315,575,500	26,443,900	602,800	87,243,300	9,704,500	550,000	1,488,871,700		3,915,095	1,492,786,795	3,409	3,433,239,806
2012	59,623,200	2,438,581,300	46,780,300	637,900	213,512,900	21,006,400	1,863,100	2,782,005,100		1,854,099	2,783,859,199	1,859	3,039,933,537
2013	81,400,000	2,424,966,800	49,039,000	649,300	208,093,500	18,993,600	1,863,100	2,785,005,900		1,648,987	2,786,654,287	1,884	3,103,608,706

Source: Passaic County, Abstract of Rates & Municipal Tax Assessor

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 County Board of Taxation requests Treasury to order reassessment.

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

b Tax rates are per \$100 of assessed value

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented.

WEST MILFORD BOARD OF EDUCATION

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	West Milford Board of Education					Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of West Milford	Passaic County	
2003	1.592	0.958	2.55	1.05	0.87	4.47
2004	2.275	0.375	2.65	1.07	0.93	4.65
2005	2.401	0.349	2.75	1.12	1.01	4.88
2006	2.549	0.323	2.87	1.19	1.13	5.19
2007	2.697	0.296	2.99	1.26	1.19	5.44
2008	2.778	0.273	3.051	1.331	1.265	5.647
2009	2.914	0.257	3.171	1.409	1.279	5.859
2010	3.065	0.264	3.329	1.478	1.310	6.117
2011	1.929	1.480	3.409	1.502	1.321	6.232
2012	1.842	0.017	1.859	0.832	0.691	3.382

Source: District Records and Municipal Tax Collector

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 calcu

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

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

WEST MILFORD BOARD OF EDUCATION

Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	2013				2004			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		
City of Newark	\$ 24,444,700	1	0.88%	\$ 25,488,100	1	1.71%		
Tenneco Pipeline	22,525,700	2	0.81%					
Inserra/WMLLC	17,096,800	3	0.61%	6,850,000	2	0.46%		
West Milford Shopping Plaza	16,864,400	4	0.61%	6,102,900	3	0.41%		
Bald Eagle Senior Living	9,995,500	5	0.36%					
Sprint - Overland Park	7,413,300	6	0.27%					
Lakeland State Bank	5,970,600	7	0.21%	4,617,200	5	0.31%		
Bald Eagle Square	4,950,000	8	0.18%					
LGP Realty Of West Milford LLC	4,693,700	9	0.17%					
69 Maple Ave. Associates	4,650,000	10	0.17%					
Bald Eagle Inc.				3,045,000	6	0.20%		
Scala				6,081,000	4	0.41%		
Castranova				2,003,100	7	0.13%		
Wesstor, LLC				1,732,600	8	0.12%		
Paradise Space Center				1,582,200	9	0.11%		
Total	\$ 118,604,700		4.26%	\$ 58,990,500		3.96%		

Source: Municipal Tax Assessor's Office

WEST MILFORD BOARD OF EDUCATION

Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	37,466,637	37,466,637	100.00%	-
2005	39,422,406	39,422,406	100.00%	-
2006	41,213,666	41,213,666	100.00%	-
2007	43,345,077	43,345,077	100.00%	-
2008	45,366,540	45,366,540	100.00%	-
2009	46,230,729	46,230,729	100.00%	-
2010	48,152,702	48,152,702	100.00%	-
2011	49,908,582	49,908,582	100.00%	-
2012	50,896,172	50,896,172	100.00%	-
2013	51,725,764	51,725,764	100.00%	-

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

- a School taxes are collected by the Municipal Tax Collector. Under New Jersey State 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.

WEST MILFORD BOARD OF EDUCATION

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans Payable	Capital Leases			
2005	5,233,000	257,891	795,567	6,286,458	0.0030%	190
2006	4,883,000	221,982	759,718	5,864,700	0.0030%	177
2007	4,483,000	185,607	956,710	5,625,317	0.0029%	163
2008	4,148,000	148,748	968,118	5,264,866	0.0036%	191
2009	3,913,000	156,959	1,422,161	5,492,120	0.0036%	198
2010	3,533,000	114,506	916,644	4,564,150	0.0039%	176
2011	3,133,000	92,505	816,590	4,042,095	0.0039%	156
2012	2,733,000	69,914	1,214,688	4,017,602	0.0038%	154
2013	2,313,000	46,687	740,945	3,100,632	N/A	N/A

Source: District CAFR Schedules I-1, I-2

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

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

*GASB 34 requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

WEST MILFORD BOARD OF EDUCATION

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2005	5,233,000	-	5,233,000	0.35%	190
2006	4,883,000	-	4,883,000	0.33%	177
2007	4,483,000	-	4,483,000	0.30%	163
2008	4,148,000	-	4,148,000	0.27%	150
2009	3,913,000	-	3,913,000	0.26%	141
2010	3,533,000	-	3,533,000	0.24%	137
2011	3,133,000	-	3,133,000	0.21%	121
2012	2,733,000	-	2,733,000	0.10%	105
2013	2,313,000	-	2,313,000	N/A	N/A

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

*GASB 34 requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

WEST MILFORD BOARD OF EDUCATION

Direct and Overlapping Governmental Activities Debt
Year Ended June 30, 2013

<u>Governmental Unit</u>	<u>(1) Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of West Milford	31,292,664	100.000%	31,292,664
Other debt			
Passaic County	376,643,401	6.100%	22,975,247
Passaic County Utility Authority	60,700,000	4.376%	2,656,007
Utilities Authority	7,804,472	100.000%	7,804,472
Subtotal, overlapping debt			64,728,390
West Milford Township School District Direct Debt			<u>2,802,914</u>
Total direct and overlapping debt			<u>\$ 67,531,304</u>

Sources: Township of West Milford Finance Officer, Passaic County Finance Office and Utility Authorities

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

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

(1) Debt information as of December 31, 2012

WEST MILFORD BOARD OF EDUCATION

Legal Debt Margin Information,
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis	
2010	\$ 3,439,139,604
2011	3,299,804,300
2012	3,094,555,172
[A]	<u>\$ 9,833,499,076</u>

Average equalized valuation of taxable property	[A/3]	\$ 3,277,833,025
Debt limit (4 % of average equalization value)	[B]	131,113,321
Net bonded school debt	[C]	2,359,687
Legal debt margin	[B-C]	<u>\$ 128,753,634</u>

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Debt limit	\$ 87,952,814	\$ 99,897,374	\$ 113,669,569	\$ 128,523,405	\$ 141,268,802	\$ 149,786,778	\$ 151,437,293	\$ 146,639,134	\$ 131,113,321	
Total net debt applicable to limit	5,573,000	5,233,000	4,883,000	4,483,000	4,148,000	3,913,000	3,533,000	3,133,000	2,359,687	
Legal debt margin	<u>\$ 82,379,814</u>	<u>\$ 94,664,374</u>	<u>\$ 108,786,569</u>	<u>\$ 128,523,405</u>	<u>\$ 137,120,802</u>	<u>\$ 145,873,778</u>	<u>\$ 147,904,293</u>	<u>\$ 143,506,134</u>	<u>\$ 128,753,634</u>	
Total net debt applicable to the limit as a percentage of debt limit	1.80%	6.34%	5.24%	4.30%	3.49%	2.94%	2.33%	2.14%	1.80%	

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

WEST MILFORD BOARD OF EDUCATION

Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2003	27,572	898,433,620	32,585	4.9%
2004	27,635	922,179,950	33,370	3.7%
2005	27,599	973,389,131	35,269	4.0%
2006	27,574	1,044,089,510	37,865	4.5%
2007	27,528	1,107,258,744	40,223	4.2%
2008	27,568	1,145,615,808	41,556	5.7%
2009	27,746	1,121,659,796	40,426	8.4%
2010	25,871	1,092,480,588	42,228	8.5%
2011	25,892	1,118,767,428	43,209	9.0%
2012	26,010	N/A	N/A	8.6%

Source:

- (1) U.S. Bureau of the Census, Population Division, (Estimates July 1, 2003-2012)
- (2) Personal Income of the District is based on the County information.
- (3) U.S. Department of Commerce, County information 2002-2011.
- (4) N.J. Department of Labor.

WEST MILFORD BOARD OF EDUCATION

Principal Employers,
Current Year and ten Years Ago

Employer	2013			2004		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
West Milford Township Board of Education	N/A	N/A	N/A	N/A	N/A	N/A
Shop-Rite of West Milford	N/A	N/A	N/A	N/A	N/A	N/A
West Milford Township Board of Education	N/A	N/A	N/A	N/A	N/A	N/A
Milford Manor Convalescent Center	N/A	N/A	N/A	N/A	N/A	N/A
Lakeland State Bank Corp.	N/A	N/A	N/A	N/A	N/A	N/A
United States Postal Service	N/A	N/A	N/A	N/A	N/A	N/A
McDonald's	N/A	N/A	N/A	N/A	N/A	N/A
Five Star Values, Inc.	N/A	N/A	N/A	N/A	N/A	N/A
Esco Products Corporation	N/A	N/A	N/A	N/A	N/A	N/A
KLAE Construction Inc.	N/A	N/A	N/A	N/A	N/A	N/A
Fredericks Freeland Heating Service	N/A	N/A	N/A	N/A	N/A	N/A
Kemp Industries	N/A	N/A	N/A	N/A	N/A	N/A
Service Concrete Corporation	N/A	N/A	N/A	N/A	N/A	N/A

WEST MILFORD BOARD OF EDUCATION
Full-time Equivalent District Employees by Function/Program,

Function/Program	Last Ten Fiscal Years*									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Instruction										
Regular	273.10	268.60	243.70	252.80	243.50	240.75	239.00	235.76	248.00	
Special education	59.00	63.10	115.10	118.10	105.10	104.10	116.60	101.60	111.50	
Other special education	11.50	11.00	15.00	11.50	10.00	10.00	9.00	10.50	12.00	
Other instruction	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	
Support Services:										
Tuition										
Student & instruction related services	58.70	58.70	64.05	71.30	68.20	68.00	54.80	53.65	52.50	
General administrative services	8.00	8.00	7.55	7.00	7.05	7.05	8.05	8.29	10.50	
School administrative services	42.00	42.00	39.00	35.75	38.75	38.75	39.50	38.75	42.00	
Central services and Admin.Infor. Tech.	12.00	12.00	11.45	12.45	11.85	11.85	12.00	13.70	12.00	
Plant operations and maintenance	53.00	52.00	61.75	67.25	84.75	84.40	80.00	55.25	47.00	
Pupil transportation	63.25	63.25	61.50	67.50	65.50	65.00	63.00	56.95	58.50	
Food Service	32.00	33.00	31.00	26.50	32.00	32.00	32.00	29.00	29.00	
Adult Community School	25.00	25.00	27.00	22.00	22.00	22.00	22.00	22.00	22.00	
Total	638.55	637.65	678.10	693.15	689.70	684.90	676.95	626.45	647.00	

Source: District Budget Records

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented.

WEST MILFORD BOARD OF EDUCATION

Operating Statistics

Last Ten Fiscal Years*

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	4,656	59,682,924	12,797	6.17%	394	1:15	1:12	1:12	4,651.0	4,422.0	-1.43%	95.10%
2006	4,518	62,390,931	13,809	7.91%	393	1:12	1:10	1:13	4,527.0	4,305.0	-2.67%	95.10%
2007	4,444	66,650,535	14,998	8.61%	384	1:12	1:10	1:13	4,390.7	4,172.7	-3.10%	95.03%
2008	4,385	69,353,511	15,816	5.46%	382	1:13	1:11	1:12.5	4,278.7	4,063.2	-2.69%	94.96%
2009	4,209	69,103,773	16,418	3.81%	375	1:12.8	1:9.7	1:11.4	4,124.1	3,904.1	-3.61%	94.67%
2010	4,013	69,689,631	17,366	5.77%	356	1:13	1:22	1:13	4,001.0	3,808.0	-2.40%	97.60%
2011	4,009	68,498,262	17,086	-1.61%	335	1:18	1:08	1:09	3,944.5	3,752.2	-1.40%	95.10%
2012	3,896	70,321,875	18,050	5.64%	307	1:12	1:14	1:12	3,797.3	3,615.9	-3.87%	95.20%
2013	3,814	71,687,444	18,796	4.13%	302	1:23	1:11	1:26	3,685.5	3,494.4	-2.94%	94.80%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- 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).

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented.

WEST MILFORD BOARD OF EDUCATION

School Building Information

Last Ten Fiscal Years*

District Building	2005	2006	2007	2008	2009	2010	2011	2012	2013
Elementary									
Aphawa (1996)									
Square Feet	37,172	37,172	37,172	37,172	37,172	37,172	37,172	37,172	37,172
Capacity (students)	367	367	367	367	367	367	367	367	367
Enrollment	331	320	320	323	323	306	290	269	264
Maple Road (1968)									
Square Feet	46,947	46,947	46,947	46,947	46,947	46,947	46,947	46,947	46,947
Capacity (students)	373	373	373	373	373	373	373	373	373
Enrollment	370	360	360	365	365	334	336	329	327
Marshall Hill (1959)									
Square Feet	37,546	37,546	37,546	37,546	37,546	37,546	37,546	37,546	37,546
Capacity (students)	486	486	486	486	486	486	486	486	486
Enrollment	441	419	419	382	382	342	338	325	307
Paradise Knoll (1955)									
Square Feet	30,547	30,547	30,547	30,547	30,547	30,547	30,547	30,547	30,547
Capacity (students)	350	350	350	350	350	350	350	350	350
Enrollment	360	347	347	300	300	302	303	302	302
Upper Greenwood Lake (1966)									
Square Feet	36,155	36,155	36,155	36,155	36,155	36,155	36,155	36,155	36,155
Capacity (students)	456	456	456	456	456	456	456	456	456
Enrollment	398	375	375	362	362	317	313	313	283
Westbrook(1973)									
Square Feet	42,339	42,339	42,339	42,339	42,339	42,339	42,339	42,339	42,339
Capacity (students)	508	508	508	508	508	508	508	508	508
Enrollment	495	480	480	463	463	427	410	399	395

WEST MILFORD BOARD OF EDUCATION

School Building Information

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Middle School</u>									
Macopin (1959)	105,066	105,066	105,066	105,066	105,066	105,066	105,066	105,066	105,066
Square Feet	869	869	869	869	869	869	869	869	869
Capacity (students)	766	755	755	677	677	651	665	627	604
Enrollment									
<u>High School</u>									
West Milford (1976)	182,514	182,514	182,514	182,514	182,514	182,514	182,514	182,514	182,514
Square Feet	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840
Capacity (students)	1,495	1,462	1,462	1,439	1,439	1,334	1,294	1,242	1,220
Enrollment									
<u>Other</u>									
Administration Building (1976)	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Square Feet									
Transportation Office (1976)	980	980	980	980	980	980	980	980	980
Square Feet									
Transportation Garage (1976)	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Square Feet									
Transportation Garage (2005)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Square Feet									
Maintenance Pole Barn (1985)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Square Feet									
Hillcrest Community Center (1925)	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005
Square Feet									

Number of Schools at June 30, 2012

- Elementary = 6
- Middle School = 1
- High School = 1
- Other = 6

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented.

WEST MILFORD BOARD OF EDUCATION

GENERAL FUND
SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITY
LAST TEN FISCAL YEARS
UNAUDITED

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

*School Facilities	Project # (s)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
WEST MILFORD HIGH SCHOOL	N/A	191,318	178,467	239,311	220,842	174,358	\$ 164,948	\$ 162,601	\$ 234,115	\$ 227,557	\$ 201,729
APSHAWA	N/A	52,637	65,872	45,143	31,514	49,061	162,735	39,095	25,242	23,504	41,176
MACOPIN	N/A	144,038	125,260	130,533	97,611	78,430	90,362	99,387	117,449	63,448	131,779
MAPLE ROAD	N/A	24,319	67,017	49,342	30,680	92,761	26,451	22,269	40,006	44,472	33,616
MARSHALL HILL	N/A	86,234	24,524	45,387	36,486	89,533	32,050	24,092	31,586	32,370	27,174
PARADISE KNOLL	N/A	42,999	51,938	6,940	37,404	34,380	45,207	76,159	39,931	109,956	36,504
UPPER GREENWOOD LAKE	N/A	47,783	34,252	47,367	78,659	49,287	35,566	45,144	26,112	29,598	52,843
WEST BROOK	N/A	69,634	31,903	47,685	68,528	56,618	45,568	73,139	34,464	49,749	78,552
ADMINISTRATION	N/A	65,360	47,971	8,158	4,953	8,351	2,995	29,856	1,433	18,749	9,410
HILLCREST	N/A	5,231	-	-	-	52	-	-	35	344	1,237
MAINTENANCE POLE BARN	N/A	45,634	12,098	5,116	32,403	14,836	26,033	18,515	17,099	11,884	12,636
TRANSPORTATION GARAGE	N/A	17,074	14,901	1,651	29,112	39,986	76,887	83,365	77,859	127,399	30,441
TOTAL SCHOOL FACILITIES		792,261	654,203	626,633	668,192	687,653	708,802	673,642	645,331	739,031	657,097

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

Source: District Records

WEST MILFORD BOARD OF EDUCATION

Insurance Schedule
June 30, 2013
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property & Casualty		
Building & Contents including Equipment Breakdown	91,282,602	5,000
Commercial General Liability	1,000,000	N/A
Personal and Advertising Injury Limit	1,000,000	
Fire and Explosion Damage Limit	1,000,000	
Product/Completed Operations Aggregate	2,000,000	
General Aggregate - Policy Limit	2,000,000	
Medical Expenses	10,000	
Employee Benefits Liability	1,000,000	
Business Income with Extra Expense	5,000,000	
Limited Pollution Liability Extension	1,000,000	
Valuable Papers	5,000,000	
Boiler & Machinery Blanket Property Limit	100,000,000	1,000
Crime - Blanket Employee Dishonesty	500,000	5,000
Faithful Performance	250,000	5,000
Forgery or Alteration	50,000	1,000
Form C Loss Inside & Outside Money & Securities	50,000	1,000
Computer Fraud	50,000	1,000
Earthquake - Blanket Coverage	5,000,000	5% of Limit
Flood (Outside Zones A,V or B)	5,000,000	50,000
(Zone B)	2,000,000	100,000
(Zone A or V)	1,000,000	500,000
Commercial Automobile	1,000,000	5% of Limit
Towing & Labor	5,000	25
Comprehensive & Collision	Symbol 2 & 8	1,000
	<u>Limit</u>	<u>Retention</u>
Commercial Umbrella - American Alternative Ins. Co. Policy UMB 9063305 01	9,000,000	10,000
Excess Liability - Fireman's Fund Policy SHX-000-5775-6199	50,000,000	10,000
School Board Legal Liability E&O Darwin National Assurance Company Policy - 0202-0853	1,000,000	25,000 / 50,000
Includes Personal Injury Extension		25,000
Insuring Agreement A & C		50,000
Insuring Agreement B		
Public Official Bonds - "CAN Surety Barbara Francisco - Business Admin. Board Sec.	450,000	N/A

WEST MILFORD BOARD OF EDUCATION

Insurance Schedule
June 30, 2013
Unaudited

	<u>Coverage</u>	<u>Premium</u>
Cyber Liability (Security/Privacy) - Zurich (Steadfast Ins. Co.)	Retention	
Additional Insurance Assessment		
Self Insured - Retention	1,000,000	5,000
Claims Made Form - Retro Date Coverage		7/1/2012
Environmental Impairment Liability - Site Specific - Ace American Insurance Co.		
Claims Made Form		
Policy PPL_G27064607001		
Each Occurrence	1,000,000	
Self-Insured - Retention		25,000
Program Aggregate	10,000,000	
<u>Storage Tank Third Party Liability - Nautilus Insurance Co.</u>		
Claims Made Form		
Policy -CST200331700		
Each Claim	1,000,000	5,000
Total all Claims	1,000,000	
Retro Date Coverage's A and B		7/1/1998
140 High Crest Drive & 41 Henery Road		7/1/1998
51 Highlander Drive		7/30/2011
Nautilus Insurance policy term 7/30/12-7/30/13		
<u>NFIP Flood Insurance Policy - Harleysville Ins. Co. of NJ</u>		
Claims Made Form		
Policy-99029942812012		
Building	90,000	1,000
Contents		
Harleysville Ins. Co. policy term 4/11/12 - 4/11/13		

SINGLE AUDIT SECTION

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and
Members of the Board of Education
Township of West Milford School District
County of Passaic
West Milford, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Township of West Milford School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Township of West Milford Board of Education's internal control over financial reporting (internal control) to determine the 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 Township of West Milford Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of West Milford Board of Education's internal control.

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



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

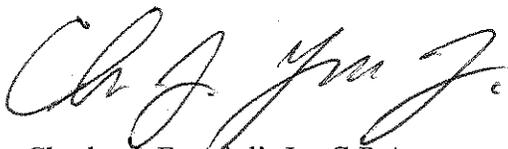
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Example Entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Township of West Milford School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 26, 2013.

Purpose of this Report

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



Charles J. Ferraioli, Jr., C.P.A.
Licensed Public School Accountant
No. 749

Ferraioli, Wielkots, Cerullo, & Cuva, P.A.

Ferraioli, Wielkots, Cerullo & Cuva, P.A.
Certified Public Accountants

Pompton Lakes, New Jersey

November 26, 2013



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

Honorable President and
Members of the Board of Education
Township of West Milford School District
County of Passaic
West Milford, New Jersey

We have audited the Board of Education of the Township of West Milford School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of West Milford Board of Education's major federal and state programs for the year ended June 30, 2013. The Township of West Milford Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of West Milford Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that



could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Township of West Milford Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of West Milford Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of West Milford Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Township of West Milford Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of West Milford Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Township of West Milford Board of Education's 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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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.

In Honorable President and
Members of the Board of Education

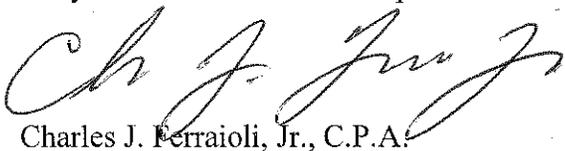
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Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and Expenditures of State Financial Assistance Required by NJ OMB Circular 04-04

We have audited the financial statements of the Township of West Milford Board of Education as of and for the year ended June 30, 2013, and have issued our report there dated November 26, 2013 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



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Certified Public Accountants

Pompton Lakes, New Jersey

November 26, 2013



WEST MILFORD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ending June 30, 2013

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period From / To	June 30, 2012		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor
Passed-through State Department of Education:							
General Fund:							
U.S. Department of Health and Human Services:							
Medicaid Reimbursement	93.778	N/A	87,734.94	7/1/12-6/30/13			
U.S. Department of Education:							
Education Jobs Fund	84.410A	N/A	1,383.00	7/1/12-6/30/13			
Total General Fund							
U.S. Department of Agriculture							
Passed - through State Department							
of Education:							
Enterprise Fund:							
U.S.D.A. Commodities Program	10.550	N/A	36,319.76	7/1/12-6/30/13		5,268.01	
National School Lunch Program	10.555	N/A	200,651.31	7/1/11-6/30/12	(11,719.98)		
National School Lunch Program	10.555	N/A	235,021.89	7/1/12-6/30/13			
School Breakfast Program	10.553	N/A	6,320.62	7/1/11-6/30/12	(508.47)		
School Breakfast Program	10.553	N/A	10,272.64	7/1/12-6/30/13			
Total Enterprise Fund					(12,228.45)	5,268.01	
U.S. Department of Education							
Passed - through State Department							
of Education:							
Special Revenue Fund:							
Title I - Improving Basic Programs	84.010A	NCLB5650-13	404,693.00	9/1/12-8/31/13			
Title I - Improving Basic Programs	84.010A	NCLB5650-12	453,935.00	9/1/11-8/31/12	(154,145.27)		
Title I - Improving Basic Programs	84.010A	NCLB5650-11	449,199.00	9/1/10-8/31/11	(4,405.00)		
Title I - Improving Basic Programs	84.010A	NCLB5650-10	415,978.00	9/1/09-8/31/10	(146.00)		
Title II - A -Teacher & Principal Training & Recruiting	84.367A	NCLB5650-13	112,544.00	9/1/12-8/31/13			
Title II - A -Teacher & Principal Training & Recruiting	84.367A	NCLB5650-12	132,407.00	9/1/11-8/31/12	(43,966.93)		(526.84)
Title II - D - Enhancing Education Through Technology	84.318X	NCLB5650-11	1,019.00	9/1/10-8/31/11		526.84	
Title III - English Enhancement	84.365A	NCLB5650-13	3,393.00	9/1/12-8/31/13			
Title III - English Enhancement	84.365A	NCLB5650-12	5,050.00	9/1/11-8/31/12	(5,050.00)		(199.00)
Title IV - Safe and Drug Free Schools	84.186A	NCLB5650-10	10,217.00	9/1/09-8/31/10		199.00	
Race To The Top Phase 3 (RTT3)	84.413A	N/A	36,151.00	7/1/12-11/30/15			
ARRA - I.D.E.A. Part B	84.391	ARRA5650-10	893,223.00	9/1/09-8/31/10		2,890.45	(2,890.45)
I.D.E.A. Part B, Basic Regular	84.027	IDEA5650-13	922,469.00	9/1/12-8/31/13			
I.D.E.A. Part B, Basic Regular	84.027	IDEA5650-12	926,769.00	9/1/12-8/31/12	(53,702.19)		
I.D.E.A. Part B, Preschool	84.173	IDEA5650-13	38,783.00	9/1/12-8/31/13			
I.D.E.A. Part B, Preschool	84.173	IDEA5650-12	38,859.00	9/1/12-8/31/12	(38,858.44)		
I.D.E.A. Part B, Preschool	84.173	IDEA5650-11	39,121.00	9/1/10-8/31/11	(300,273.83)	3,616.29	(3,616.29)
Total Special Revenue Fund					(312,502.28)	8,884.30	(3,616.29)
Total Federal Financial Awards							

See accompanying notes to Schedules of Expenditures of Federal awards and State Financial Assistance.

WEST MILFORD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ending June 30, 2013

Federal Grantor/Pass- Through Grantor/ Program Title	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2013		MEMO Cumulative Total Expenditures
				(Accounts Receivable)	Unearned Revenue	
Passed-through State Department of Education:						
General Fund:						
U.S. Department of Health and Human Services: Medicaid Reimbursement	87,734.94	(87,734.94)				87,734.94
U.S. Department of Education: Education Jobs Fund	1,383.00	(1,383.00)				1,383.00
Total General Fund	89,117.94	(89,117.94)				89,117.94
U.S. Department of Agriculture						
Passed - through State Department of Education:						
Enterprise Fund:						
U.S.D.A. Commodities Program	36,319.76	(41,154.85)		432.92		41,154.85
National School Lunch Program	11,719.98					
National School Lunch Program	215,039.98	(235,021.89)		(19,381.91)		235,021.89
School Breakfast Program	508.47	(10,272.64)		(942.70)		10,272.64
School Breakfast Program	9,329.94	(286,449.38)		(20,924.61)	432.92	286,449.38
Total Enterprise Fund	272,918.13					
U.S. Department of Education						
Passed - through State Department of Education:						
Special Revenue Fund:						
Title I - Improving Basic Programs	278,388.03	(348,321.42)		(69,933.39)		348,321.42
Title I - Improving Basic Programs	280,705.01	(127,231.73)		(671.99)		453,935.00
Title I - Improving Basic Programs	4,405.00					449,199.00
Title I - Improving Basic Programs	146.00					415,978.00
Title II - A - Teacher & Principal Training & Recruiting	95,006.00	(111,486.47)		(16,480.47)		111,486.45
Title II - A - Teacher & Principal Training & Recruiting	55,277.82	(11,310.89)				132,407.00
Title II - D - Enhancing Education Through Technology	3,393.00	(3,393.00)				1,019.00
Title III - English Enhancement	5,050.00					5,050.00
Title IV - Safe and Drug Free Schools	18,732.00	(18,732.00)				10,217.00
Race To The Top Phase 3 (RTT3)						18,732.00
ARRA - I.D.E.A. Part B						890,331.75
I.D.E.A. Part B, Basic Regular	765,476.00	(861,034.50)		(95,558.50)		861,034.50
I.D.E.A. Part B, Basic Regular	65,281.19	(11,579.00)				915,169.06
I.D.E.A. Part B, Preschool	22,810.00	(31,117.48)		(8,307.48)		31,117.48
I.D.E.A. Part B, Preschool	38,858.44					38,859.00
I.D.E.A. Part B, Preschool	70.00	(70.00)				39,121.00
Total Special Revenue Fund	1,633,586.49	(1,524,276.49)		(190,951.63)		4,725,390.66
Total Federal Financial Awards	1,995,634.56	(1,899,843.81)		(211,876.44)	432.92	5,100,957.98

See accompanying notes to Schedules of Expenditures of Federal awards and State Financial Assistance.

WEST MILFORD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ending June 30, 2013

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From / To	June 30, 2012		Cash Received	Budgetary Expenditures
				(Accounts Receivable)	Due to Grantor		
State Department of Education:							
General Fund:							
Equalization Aid	13-495-034-5120-078	10,109,309.00	7/1/12-6/30/13			10,109,309.00	(10,109,309.00)
Transportation Aid	13-495-034-5120-014	1,672,365.00	7/1/12-6/30/13			1,672,365.00	(1,672,365.00)
Special Education Categorical Aid	13-495-034-5120-089	2,224,407.00	7/1/12-6/30/13			2,224,407.00	(2,224,407.00)
Security Aid	13-495-034-5120-084	302,845.00	7/1/12-6/30/13			302,845.00	(302,845.00)
Adjustment Aid	13-495-034-5120-085	20,389.00	7/1/12-6/30/13			20,389.00	(20,389.00)
Extraordinary Special Educ. Costs Aid	12-100-034-5120-473	944,740.00	7/1/11-6/30/12	(944,740.00)		944,740.00	(788,707.00)
Extraordinary Special Educ. Costs Aid	13-100-034-5120-473	768,707.00	7/1/12-6/30/13			768,707.00	
Reimbursement of Nonpublic Transportation	12-495-034-5120-014	61,272.90	7/1/11-6/30/12	(61,272.90)		61,272.90	(35,514.93)
Reimbursement of Nonpublic Transportation	13-495-034-5120-014	35,514.93	7/1/12-6/30/13			35,514.93	
Reimbursed T.P.A.F. - Social Security	12-495-034-5095-002	2,161,506.48	7/1/11-6/30/12	(1,113,269.82)		2,037,081.38	(2,143,765.95)
Reimbursed T.P.A.F. - Social Security	13-495-034-5095-002	2,143,765.95	7/1/12-6/30/13			17,479,665.20	(17,277,302.86)
Total General Fund							
Debt Service Fund:							
Debt Service Aid Type II	13-100-034-5120-125	4,809.00	7/1/12-6/30/13			4,809.00	(4,809.00)
Total Debt Service Fund						4,809.00	(4,809.00)
Capital Projects Fund:							
New Jersey Economic Development Auth.							
5650-042-09-1004		28,828.83	7/1/10-6/30/11	(28,828.83)		28,828.83	
5650-055-09-1006		36,457.50	7/1/10-6/30/11	(36,457.50)			
5650-070-09-1010		6,959.67	7/1/10-6/30/11	(6,959.67)		6,959.67	
5650-040-09-1003		19,587.50	7/1/10-6/30/11	(19,587.50)		19,587.50	
5650-080-09-1012		6,818.35	7/1/10-6/30/11	(6,818.35)			
5650-040-09-1002		114,737.73	7/1/10-6/30/11	(114,737.73)			
Total Capital Projects Fund				(213,389.58)		55,376.00	
Special Revenue Fund:							
N.J. Nonpublic Aid							
Textbook Aid	12-100-034-5120-064	2,346.00	7/1/11-6/30/12		49.00		
Textbook Aid	13-100-034-5120-064	3,170.00	7/1/12-6/30/13			3,170.00	(3,170.00)
Technology Aid	13-100-034-5120-373	1,170.00	7/1/12-6/30/13			1,170.00	(1,158.18)
Nonpublic Nursing	13-100-034-5120-070	4,400.00	7/1/12-6/30/13			4,400.00	(4,400.00)
Total Special Revenue Fund					49.00	8,740.00	(8,728.18)
State Department of Agriculture Enterprise Fund:							
National School Lunch Program	12-100-010-3350-023	9,536.89	7/1/11-6/30/12	(584.57)		564.57	
National School Lunch Program	13-100-010-3350-023	10,061.79	7/1/12-6/30/13			9,187.51	(10,061.79)
Total Enterprise Fund				(584.57)		9,752.08	(10,061.79)
Total State Financial Assistance				(1,327,222.97)	49.00	17,558,342.28	(17,300,901.85)

See accompanying notes to Schedule of Expenditures of Federal awards and State Financial Assistance.

WEST MILFORD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ending June 30, 2013

State Grantor/Program Title	Repayment of Prior Years' Balances	MEMO	
		June 30, 2013 (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:			
General Fund:			
Equalization Aid			10,109,309.00
Transportation Aid			1,672,365.00
Special Education Categorical Aid			2,224,407.00
Security Aid			302,845.00
Adjustment Aid			20,389.00
Extraordinary Special Educ. Costs Aid		(768,707.00)	768,707.00
Extraordinary Special Educ. Costs Aid		(35,514.93)	35,514.93
Reimbursement of Nonpublic Transportation			-
Reimbursement of Nonpublic Transportation			-
Reimbursed T.P.A.F. - Social Security		(106,684.57)	2,143,765.95
Reimbursed T.P.A.F. - Social Security		(910,906.50)	1,727,302.89
Total General Fund			1,410,493.00
Debt Service Fund:			
Debt Service Aid Type II			4,809.00
Total Debt Service Fund			4,809.00
Capital Projects Fund:			
New Jersey Economic Development Auth.			
		(36,457.50)	28,828.83
			36,457.50
			6,999.67
			19,587.50
		(6,818.35)	6,818.35
		(114,737.73)	114,767.73
Total Capital Projects Fund		(158,013.58)	213,419.58
Special Revenue Fund:			
N.J. Nonpublic Aid:			
Textbook Aid	(49.00)		3,170.00
Textbook Aid			1,158.18
Technology Aid		11.82	4,400.00
Nonpublic Nursing	(49.00)		8,728.18
Total Special Revenue Fund		11.82	
State Department of Agriculture			
Enterprise Fund:			
National School Lunch Program		(674.28)	10,061.79
National School Lunch Program		(674.28)	10,061.79
Total Enterprise Fund			
Total State Financial Assistance	(49.00)	(1,069,794.36)	17,514,321.43

See accompanying notes to Schedule of Expenditures of Federal awards and State Financial Assistance.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all Federal and State Award programs of the Board of Education, Township of West Milford School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All Federal Awards and State Financial Assistance received directly from federal and state agencies, as well as Federal Awards and State Financial Assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2 (C) and 2(D) to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(6,572.00) for the general fund and \$10,393.94 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (continued)

Additionally, as discussed further in Note 6, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during 2013 fiscal year was \$3,994,352.00.

Financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 89,117.94	\$21,265,082.88	\$21,354,200.82
Special Revenue Fund	1,535,191.33	8,728.18	1,543,919.51
Debt Service Fund		4,809.00	4,809.00
Food Service Fund	<u>286,449.38</u>	<u>10,061.79</u>	<u>296,511.17</u>
Total Financial Awards	<u>\$1,910,758.65</u>	<u>\$21,288,681.85</u>	<u>\$23,199,440.50</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

The Township of West Milford School District had the following loan balances outstanding at June 30, 2013:

	<u>Amount Outstanding</u>
Safe Schools Program	\$ 3,702.22
Small Projects Program	15,633.92
N.J. Economic Authority Underground	<u>27,351.00</u>
	<u>\$46,687.14</u>

NOTE 6. OTHER

The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

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

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 04-04 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore, have not been included on the Schedule of State Financial Assistance, as directed by the funding agency.

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	I.D.E.A.Cluster:
<u>84.173</u>	(2) <u>I.D.E.A. Part B - Basic</u>
	(2) <u>I.D.E.A. - Part B - Preschool</u>
	National School Lunch Program Cluster:
<u>10.555</u>	(3) <u>National School Lunch Program</u>
<u>10.553</u>	(3) <u>School Breakfast Program</u>
<u>84.010</u>	(1) <u>Title I - Improving Basic Programs</u>
<u>84.413</u>	(3) <u>Race to the Top</u>

- (1) Audited as a Type A Program
- (2) Non Major Type A not audited
- (3) Audited as a Type B Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000
Auditee qualified as low-risk audited? yes X no

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)**

Section 1 - Summary of Auditor's Results, (continued)

State Award

Dollar threshold used to distinguish between type A and type B programs: \$519,027

Auditee qualified as low-risk auditee? yes X no

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
	State Aid Public Cluster:
<u>13-495-034-5120-078</u>	(1) <u>Equalization Aid</u>
<u>13-495-034-5120-089</u>	(1) <u>Categorical Special Education Aid</u>
<u>13-495-034-5120-085</u>	(1) <u>Adjustment Aid</u>
<u>13-495-034-5120-084</u>	(1) <u>Categorical Security Aid</u>
<u>13-495-034-5120-014</u>	(2) <u>Categorical Transportation Aid</u>
<u>13-100-034-5120-473</u>	(2) <u>Extraordinary Aid</u>
<u>13-495-034-5095-002</u>	(2) <u>Reimbursed T.P.A.F. Social Security</u>

- (1) Audited as a Type A major program
- (2) Non Major Type A not audited

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)**

Section II - Financial Statement Findings

NONE

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

NONE

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Status of Prior Year Findings

NOT APPLICABLE