

**SCHOOL DISTRICT OF THE
TOWNSHIP OF WEST MILFORD
COUNTY OF PASSAIC, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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, 2020

WEST MILFORD BOARD OF EDUCATION

West Milford, New Jersey

TOWNSHIP OF WEST MILFORD

BOARD OF EDUCATION

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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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

Alex Anemone, Ed.D.
Superintendent

Barbara Francisco
Business Administrator/Board Secretary

Daniel Novak
Director of Education
"Success Starts Here"

Elizabeth McQuaid, OTD
Director of Special Services

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, 2020. 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, Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08. 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 Pre-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 Pre-Kindergarten through grade 5), one middle school (grades 6, 7 and 8), and one high school (grades 9 through 12). The District completed the 2019-20 fiscal year with an average daily enrollment of 3,163. The following details the changes in the student enrollment of the District over the last 12 years.

Student Enrollment Data

Fiscal Year	Student Enrollment	Percent Change
2019-20	3,241	-1.05%
2018-19	3,394	-1.09%
2017-18	3,431	-2.64%
2016-17	3,524	-2.46%
2015-16	3,613	-2.61%
2014-15	3,710	-1.54%
2013-14	3,768	-1.21%
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%

The Board of Education, comprised of nine members, 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.

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. According to the most recent demographics data available from the Census Bureau released in December of 2019, the Township's population of 26,404 has decreased by approximately 355 people from the prior year. West Milford's current unemployment rate of 4.3% is below the Passaic County long term average of 7.64%. Per capita personal income is about 1.4 times the amount in Passaic County. Although the Township continues to attract new families, there is lower expectation for new development due to the implementation of the Highlands Act. The Township is experiencing success with the

redevelopment of existing commercial properties to attract new rateables. The Board of Education and Central Office Administration keep the lines of communication open with the community to listen to their concerns and suggestions. The district has implemented a Facebook page and Twitter account to provide information on important events in the district. The Board of Education and Central Office Administration continues to contain expenses to maximize the dollars spent on education and to address facilities improvements that have been identified.

3. MAJOR INITIATIVES:

The district has continued to focus on differentiated instruction and the individualized support for each and every student. Major initiatives include a significant, targeted, and embedded approach to the interpretation and consideration of student performance data. In previous budgeted initiatives we aimed to build capacity across the district in regard to comfort, commitment, and experience in regard to interpreting a wide range of student data. This collection of data, and the ability to collect on-going new data, proved to be extremely helpful during pandemic education with students learning in a virtual environment from home. Data analysis allowed us to target specific student weaknesses, deficiencies, and areas in need of significant recovery. We were able to identify students who may have been struggling more than their peers through a process of analyzing past student patterns against current performance and functionality. The data-warehouse resource, Link_It! has allowed us to do all of this work in one location. This resource also allowed our professionals to build assessments in a virtual format and ensure uniformed and careful grading to enhance the continuation of our educational program.

Implementation of a 1 to 1 chromebook initiative for staff and students proved to be the difference-maker in terms of our district's success during the health-related school closure in regard to COVID-19 in the spring of 2020. Our commitment to a slow and steady incremental increase in student devices over the last few years can be considered the single most important factor for our seamless ability to shift from an in-person learning environment to students learning from home via google and web resources.

Commitment to a broad range of digital content providers for use in a wide variety of student-use settings help to enhance our typically in person curriculum and learning goals. Sustained district commitment to the increased use of instructional technology and thoughtful web-based learning solutions prepared our staff for the sudden shift to at home learning. District supported resources such as IXL, Reading A-Z, Renaissance Learning Star Math, Google Apps for Education, Peardeck, EdPuzzle, and many more offered our staff and students a variety of choices for delivering and receiving virtual lessons.

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, cyber liability, 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 Wielkotsz & Company, LLC. In addition to meeting the requirements of the Single Audit Act of 1996, the Uniform Guidance, and N.J. OMB Circular 15-08 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:**

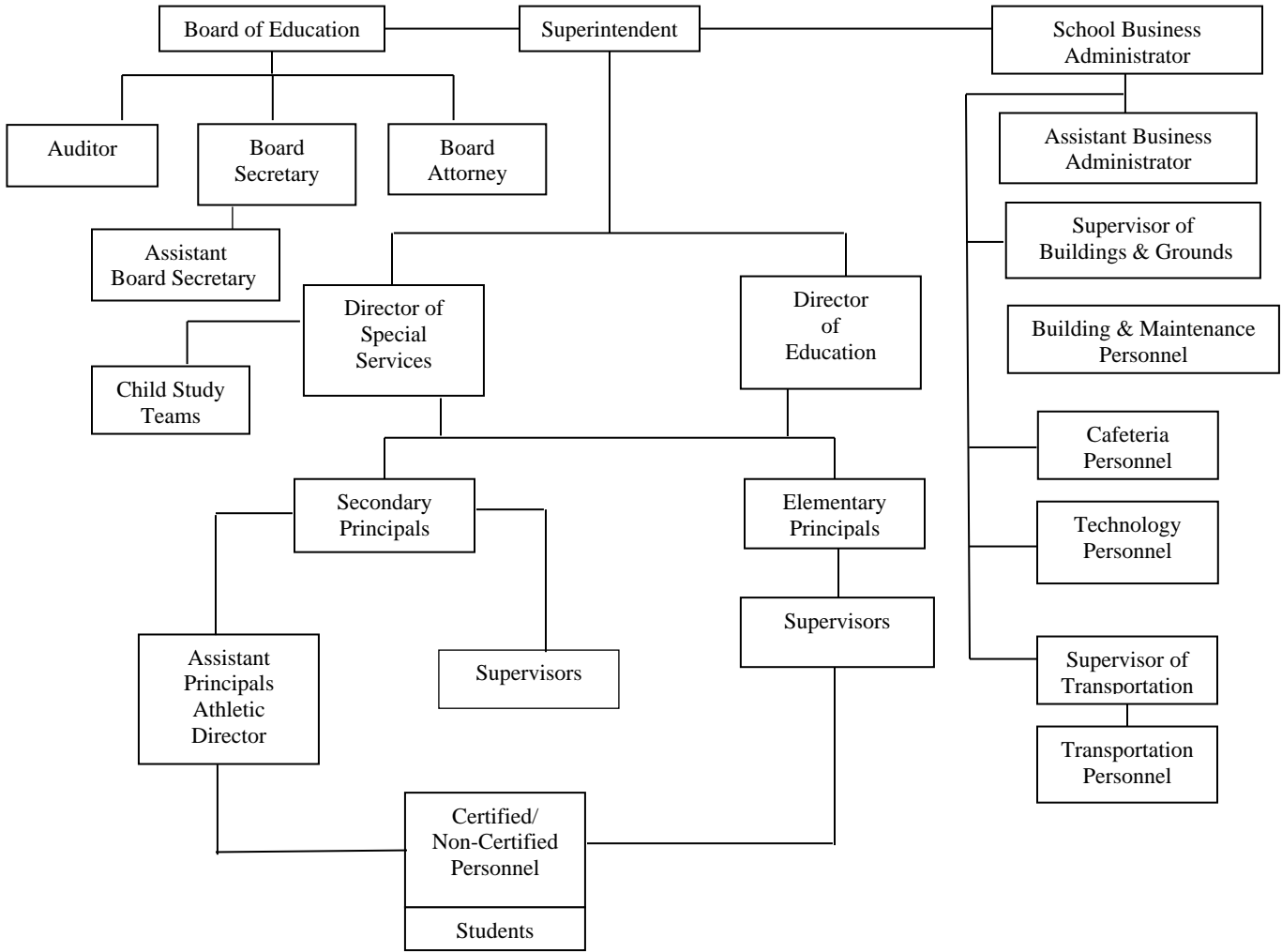
We would like to express our appreciation to the members of the West Milford Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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,

A handwritten signature in cursive script that reads "Barbara Francisco".

Barbara Francisco
Business Administrator/Board Secretary

WEST MILFORD BOARD OF EDUCATION
Organizational Chart
(Unit Control)



Adopted: 25 April 2012

Revised: 24 September 2013

Revised: 27 May 2014

Revised: 19 June 2018

Revised: 19 February 2019

**WEST MILFORD BOARD OF EDUCATION
ROSTER OF OFFICIALS**

June 30, 2020

Members of the Board of Education

Term Expires

Lynda Van Dyk, President	2020
Teresa Dwyer, Vice President	2021
Michael Conklin	2022
Nicole Fritz	2020
Raymond Guarino	2020
David Ofshinsky	2021
Kate Romeo	2021
Cortney Stephenson	2022
Jaycen Stillman	2022

Other Officials:

Alex Anemone, Ed.D., Superintendent

Barbara Francisco, Business Administrator/Board Secretary

Daniel Novak, Director of Education

Elizabeth McQuaid, OTD, Director of Special Services

**WEST MILFORD BOARD OF EDUCATION
2019-2020
Consultants and Advisors**

ARCHITECTS

LAN Associates
445 Godwin Avenue
Midland Park, New Jersey 07432

FKA Architects
306 Ramapo Valley Road
Oakland, New Jersey 07436

Settembrino Architects
25 Bridge Avenue
Red Bank, New Jersey 07701

AUDIT FIRM

Wielkocz & Company, LLC
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

BOARD ATTORNEY

Adams Gutierrez & Lattiboudere, LLC
1037 Raymond Boulevard
Suite 900
Newark, New Jersey 07102

LABOR NEGOTIATOR

Adams Gutierrez & Lattiboudere, LLC
1037 Raymond Boulevard
Suite 900
Newark, New Jersey 07102

SPECIAL EDUCATION ATTORNEY

Scarinci Hollenbeck, LLC
1100 Valley Brook Avenue
P. O. Box 790
Lyndhurst, New Jersey 07071

OFFICIAL DEPOSITORY

Lakeland Bank
West Milford, New Jersey

FINANCIAL SECTION



WIELKOTZ & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

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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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 opinions 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, the audit requirements 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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.

Opinion

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, 2020, 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, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions and Schedules Related to Accounting and Reporting for Other Post-Employment Benefits identified in the table of contents, 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 introductory section, combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 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 combining and individual non-major fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 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 January 28, 2021 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

Honorable President and
Members of the Board of Education
Page 4.

is to describe the scope of our testing of internal control over financial reporting 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.

Thomas M. Ferry

Thomas M. Ferry
Licensed Public School Accountant
No. 20CS00209100

Wielkotz & Company, LLC

Wielkotz & Company, LLC
Certified Public Accountants

Rockaway, New Jersey

January 28, 2021

**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, 2020

(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, 2020. 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 an 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 (2019-20) and the prior year (2018-19) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2020 are as follows:

- ◆ General revenues accounted for \$86,106,637 in revenue or 97.04% percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,628,140 or 2.96% percent of total revenues of \$88,734,777.
- ◆ The School District had \$85,426,583 in expenses; \$2,628,140 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$86,106,637 were adequate to provide for these programs.
- ◆ The General Fund had \$82,478,888 in revenues, \$80,587,794 in expenditures and (\$1,033,276) in other financing sources/(uses). The General Fund's balance increased by \$857,817 in 20. 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 2019-20?" 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 School Aged Child Care 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 Funds

The enterprise funds use 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 2020 with comparative data.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 10,389,617	\$ 9,084,871	\$ 67,233	\$ 122,831	\$ 10,456,850	\$ 9,207,702
Capital Assets, net	27,729,953	26,716,795	68,347	68,519	27,798,300	26,785,315
Total Assets	<u>38,119,570</u>	<u>35,801,666</u>	<u>135,580</u>	<u>191,350</u>	<u>38,255,150</u>	<u>35,993,017</u>
Deferred Outflows						
Deferred Outflows of Resource Related to PERS	4,117,412	6,134,596	-	-	4,117,412	6,134,596
Liabilities						
Long-Term Liabilities	30,898,605	34,577,123	-	-	30,898,605	34,577,123
Other Liabilities	2,869,115	2,752,353	47,875	28,445	2,916,990	2,780,798
Total Liabilities	<u>33,767,720</u>	<u>37,329,476</u>	<u>47,875</u>	<u>28,445</u>	<u>33,815,595</u>	<u>37,357,921</u>
Deferred Inflows						
Deferred Inflows of Resource Related to PERS	9,427,483	8,948,402	-	-	9,427,483	8,948,402
Net Position						
Invested in Capital Assets -						
Net of Debt	20,808,409	19,369,256	66,474	66,394	20,874,883	19,435,650
Restricted	9,322,907	7,860,210	-	4,100	9,322,907	7,864,310
Unrestricted	(31,089,538)	(31,571,082)	21,231	92,412	(31,068,307)	(31,478,670)
Total Net Position	<u>\$ (958,222)</u>	<u>\$ (4,341,616)</u>	<u>\$ 87,705</u>	<u>\$ 162,906</u>	<u>\$ (870,517)</u>	<u>\$ (4,178,710)</u>

The District's combined net position was (\$870,517) on June 30, 2020.

Table 2 shows the changes in net position for fiscal year 2020, with a comparative analysis of district-wide data.

Table 2						
Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for services	\$ 190,815	\$ 242,559	\$ 893,775	\$ 1,369,046	\$ 1,084,590	\$ 1,611,605
Operating Grants and Contributions	1,226,983	1,297,061	316,567	384,616	1,543,550	1,681,677
Capital Grants and Contributions			-	-	-	-
General Revenues:						
Property taxes	56,383,282	55,376,021	-	-	56,383,282	55,376,021
Grants and entitlements	29,159,726	34,674,769	-	-	29,159,726	34,674,769
Other	561,226	311,124	2,403	4,294	563,629	315,418
Transfers	(170,791)	(64,410)	170,791	64,410	-	-
Total Revenues	87,351,241	91,837,124	1,383,536	1,822,366	88,734,777	93,659,490
Functions/Programs Expenses						
Instruction	47,790,116	52,055,566	-	-	47,790,116	52,055,566
Support Services:						
Pupils and instructional staff	14,176,815	15,008,586	-	-	14,176,815	15,008,586
General, central & school administration	7,868,580	8,409,143	-	-	7,868,580	8,409,143
Operations and maintenance of facilities	8,321,824	8,680,486	-	-	8,321,824	8,680,486
Pupil transportation	5,647,451	6,571,627	-	-	5,647,451	6,571,627
Interest on debt	135,337	114,395	-	-	135,337	114,395
Food service	-	-	1,095,866	1,335,322	1,095,866	1,335,322
School Aged Child Care	-	-	362,871	452,933	362,871	452,933
Other	27,723	174,018	-	-	27,723	174,018
Total Expenses	83,967,847	91,013,822	1,458,737	1,788,256	85,426,583	92,802,077
(Decrease) Increase in Net Position	\$ 3,383,394	\$ 823,302	\$ (75,200)	\$ 34,110	\$ 3,308,194	\$ 857,413

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 64.55% of revenues for governmental activities for the West Milford Township Public School District for fiscal year 2020. The District's total revenues were \$87,351,241 for the fiscal year ended June 30, 2020. Federal, state and local grants accounted for another 33.60%. 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 \$173,170.
- ◆ Charges for services represent \$606,128 of revenue. This represents amount paid by patrons for daily food services. Additionally, non-operating revenues were \$359.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$316,567.

Revenues for the School Aged Child Care Program were comprised of registration fees and tuition charges.

- ◆ SACC (School Aged Child Care) expenses exceeded revenues by \$75,224.
- ◆ Charges for services represent \$287,647 of total revenue while non-operating revenues were \$2,043.

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 from 2018-19.

Table 3

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>
Instruction	\$ 47,790,116	\$ 46,554,338	\$ 52,055,566	\$ 50,707,213
Support services				
Pupils and Instructional Staff	14,176,815	13,997,093	15,008,586	14,817,319
General, Central & School Administration	7,868,580	7,868,580	8,409,143	8,409,143
Operation & Maintenance of Facilities	8,321,824	8,321,824	8,680,486	8,680,486
Pupil Transportation	5,647,451	5,645,374	6,571,627	6,571,627
Interest and Fiscal Charges	135,337	135,337	114,395	114,395
Other	27,722	27,501	174,018	174,018
Total expenses	<u>\$ 83,967,845</u>	<u>\$ 82,550,049</u>	<u>\$ 91,013,822</u>	<u>\$ 89,474,201</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities. Extracurricular activities includes expenses related to student activities provided by the 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.

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. 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.

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 MD&A equipment in an effective working condition.

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.

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, amortization and non-depreciable capital outlay.

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 \$84,176,329 and expenditures of \$83,284,884. Additionally, there were other financing activities (sources and uses) netting to \$468,598 of net financing sources.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2020, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>2019 Amount</u>	<u>Percent of Total</u>
Local Sources	\$57,029,671	67.75%	\$55,931,087	66.82%
State Sources	25,782,970	30.63%	26,334,923	31.46%
Federal Sources	<u>1,363,689</u>	<u>1.62%</u>	<u>1,438,740</u>	<u>1.72%</u>
Total	<u><u>\$84,176,329</u></u>	<u><u>100.00%</u></u>	<u><u>\$83,704,750</u></u>	<u><u>100.00%</u></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, 2020.

Current:

Instruction	\$28,934,134	34.74%	\$30,032,579	35.40%
Undistributed Expenditures	50,434,053	60.56%	51,073,211	60.19%
Capital outlay	3,355,477	4.03%	3,197,715	3.77%
Non-instructional Services	221	0.00%		
Debt service:				
Principal	450,000	0.54%	429,559	0.51%
Interest	<u>111,000</u>	<u>0.13%</u>	<u>115,375</u>	<u>0.14%</u>
Total	<u><u>\$83,284,885</u></u>	<u><u>100.00%</u></u>	<u><u>\$84,848,439</u></u>	<u><u>100.00%</u></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 2020, 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 reflect the district's resolve to maintain academic programs and extracurricular offerings despite the reduction in state aid revenue. Emphasis on Advanced Placement Courses is being continued and STEM/STEAM activities is being maintained for all K-12 students.
- ◆ Changes in appropriations reflect adjustments to prevent budget overruns that might occur in response to changing priorities.
- ◆ Instructional supplies and textbook accounts reflect continued alignment with New Jersey Student Learning Standards.
- ◆ Student transportation accounts reflect purchases for new buses and implementation of new technology to support student safety. Maintenance of our existing fleet for both regular and special education is also reflected in these accounts.
- ◆ Health insurance had a significant premium increase which is a reflection of claims submitted.
- ◆ Due to the COVID-19 pandemic, there were many unanticipated expenses necessary to keep the District functional. It was necessary to buy various personal protective equipment (PPE) and larger quantities of disinfectants and cleaning supplies. Additionally, various software and

technology was needed to facilitate a remote learning and remote workplace environment for both students and staff. Some relief was received with the CARES Act through ESSER.

- ◆ Capital projects were included to address safety and security initiatives. The District continues to identify and address capital improvements using capital outlay and capital reserve funds. In the 2019-20 budget year, the District completed multiple projects. Districtwide, a panic button system was installed at all schools to enhance school security and comply with Alyssa's Law. The West Milford High School and Macopin Middle School greenhouse replacements were completed and made available for use. The West Milford High School gym floor was refinished, and the Macopin Middle School gym floor was resurfaced. The Field House project located near the High School football field was completed. At the elementary level, both the Maple Road School's roof replacement project and the Westbrook main office security upgrades were completed. At the transportation depot, the bus parking lot was paved. The Districtwide Energy Savings Improvement Program (ESIP) began during the 2019-20 school year, with completion anticipated in 2020-21.

Capital Assets

At the end of the fiscal year 2020, the School District had \$27,729,953 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2020 balances compared to 2019.

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Land	\$ 2,327,249	\$ 2,327,249	\$ -	\$ -
Construction in Progress	421,513	1,465,580	-	-
Buildings and Improvements	20,656,471	19,126,354	-	-
Machinery and Equipment	4,324,720	3,797,612	68,519	68,519
	<u>\$ 27,729,953</u>	<u>\$ 26,716,795</u>	<u>\$ 68,519</u>	<u>\$ 68,519</u>

Overall capital assets increased \$1,012,986 from fiscal year 2019 to fiscal year 2020. The capital asset increase was due primarily to the completion of the greenhouse replacement, the Maple Road School roof replacement, and the fieldhouse. Additionally, there were purchase of various pieces of equipment throughout the District.

Debt Administration

At June 30, 2019, the School District had total debt issued of \$6,500,000 with an outstanding balance of \$5,625,000. This debt was issued through serial bonds. In December 2015, the voters of West Milford Township approved a referendum to replace the roofs at the High School and Macopin School in the amount of \$7,990,000 of which \$6,500,000 was issued as debt in July 2016.

The district maintains a low proportion of debt relative to its maximum overall legal debt margin of \$121,972,197 at June 30, 2020.

<u>Debt Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Balance Due</u>
Bonds of 2016	7/15/2016	<u>6,500,000</u>	<u>5,625,000</u>

For the Future

The West Milford Township Public School District is in 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. Decreases in State Aid funding also present a major concern to the District's financial standing.

The Districtwide ESIP project is scheduled for completion during the 2020-21 school year. In conjunction with the ESIP project, roof restorations are scheduled for completion at Apshawa, Paradise Knoll, and Upper Greenwood Lake elementary schools, which will allow for solar panel installation. Additionally, the turf field carpeting will be removed and replaced, and the surrounding track will be resurfaced. At Macopin Middle School, installation of a new well and pressure system is scheduled, as well as repair and resurfacing of the tennis courts, and also installation of new lockers to help facilitate the transfer of the 6th grade from being housed at the elementary schools to Macopin Middle School. The District has also budgeted for asbestos floor tile abatement and replacement in District elementary schools during 2020/21. The District will also continue to adjust and adapt to challenges presented by the COVID-19 pandemic, to keep the District safe for all students and staff.

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, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and Cash Equivalents	8,047,129.00	25,388.14	8,072,517.14
Receivables, net	1,400,677.24	23,772.42	1,424,449.66
Internal Balances	361.19	(361.19)	-
Inventory	-	18,434.06	18,434.06
Restricted Assets:			
Cash and Cash Equivalents	941,449.52	-	941,449.52
Capital Assets:			
Land	2,327,249.42	-	2,327,249.42
Construction in Progress	421,512.87	-	421,512.87
Other Capital Assets, net	24,981,190.69	68,346.99	25,049,537.68
Total Assets	<u>38,119,569.93</u>	<u>135,580.42</u>	<u>38,255,150.35</u>
Deferred Outflows:			
Deferred Outflows of Resources Related to PERS	<u>4,117,412.00</u>	<u>-</u>	<u>4,117,412.00</u>
Liabilities:			
Accounts Payable	1,805,325.82	12,035.18	1,817,361.00
Accrued Interest Payable	50,447.92	-	50,447.92
Intergov. Accounts Payables	57,155.91	432.00	57,587.91
Unearned Revenue	30,258.06	35,408.25	65,666.31
Noncurrent Liabilities:			
Due Within One Year	925,927.20	-	925,927.20
Due Beyond One Year	30,898,605.30	-	30,898,605.30
Total Liabilities	<u>33,767,720.21</u>	<u>47,875.43</u>	<u>33,815,595.64</u>
Deferred Inflows:			
Deferred Inflows of Resources Related to PERS	<u>9,427,483.00</u>	<u>-</u>	<u>9,427,483.00</u>
Net Position:			
Invested in Capital Assets, Net of Related Debt	20,808,409.44	66,473.96	20,874,883.40
Restricted for:			
Other Purposes	5,777,744.33	-	5,777,744.33
Debt Service	100,002.93	-	100,002.93
Capital Projects	2,534,598.74	-	2,534,598.74
Unrestricted	(30,178,976.72)	21,231.03	(30,157,745.69)
Total Net Position	<u>(958,221.28)</u>	<u>87,704.99</u>	<u>(870,516.29)</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, 2020

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	20,286,830.52	13,824,730.24	188,737.54	1,047,040.67	(32,875,782.55)	-	(32,875,782.55)
Special Education	6,847,920.79	5,162,914.38	-	-	(12,010,835.17)	-	(12,010,835.17)
Other Special Instruction	346,902.83	-	-	-	(346,902.83)	-	(346,902.83)
Other Instruction	1,320,817.45	-	-	-	(1,320,817.45)	-	(1,320,817.45)
Support Services:							
Tuition	3,738,633.38	-	-	-	(3,738,633.38)	-	(3,738,633.38)
Student & Instruction Related Services	7,656,076.43	2,782,105.04	-	179,721.53	(10,258,459.94)	-	(10,258,459.94)
General Administrative Services	1,232,820.68	452,314.10	-	-	(1,685,134.78)	-	(1,685,134.78)
School Administrative Services	2,373,927.85	2,178,543.96	-	-	(4,552,471.81)	-	(4,552,471.81)
Central Services and Admin. Info. Tech.	1,050,361.74	580,611.79	-	-	(1,630,973.53)	-	(1,630,973.53)
Plant Operations and Maintenance	6,071,708.55	2,250,115.82	-	-	(8,321,824.37)	-	(8,321,824.37)
Pupil Transportation	3,918,173.46	1,729,277.92	2,076.96	-	(5,645,374.42)	-	(5,645,374.42)
Non-instructional Services	220.98	-	-	220.98	-	-	-
Capital Outlay - Non-depreciable	27,501.00	-	-	-	(27,501.00)	-	(27,501.00)
Interest on Long-term Debt	135,337.50	-	-	-	(135,337.50)	-	(135,337.50)
Total Governmental Activities	55,007,233.16	28,960,613.25	190,814.50	1,226,983.18	(82,550,048.73)	-	(82,550,048.73)
Business-type Activities:							
Food Service	1,089,718.82	6,146.89	606,128.25	316,567.28	-	(173,170.18)	(173,170.18)
School Aged Child Care	362,618.75	251.98	287,646.75	-	-	(75,223.98)	(75,223.98)
Total Business-type Activities	1,452,337.57	6,398.87	893,775.00	316,567.28	-	(248,394.16)	(248,394.16)
Total Primary Government	56,459,570.73		1,084,589.50	1,543,550.46	(82,550,048.73)	(248,394.16)	(82,798,442.89)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					56,113,022.00	-	56,113,022.00
Taxes Levied for Debt Service					270,260.00	-	270,260.00
Federal and State Aid not Restricted					29,159,725.55	-	29,159,725.55
State Aid - Restricted for Debt Service					190,740.00	-	190,740.00
Investment Earnings					11,851.74	2,402.87	14,254.61
Federal Aid - Capital Outlay					9,458.00	-	9,458.00
Transferred to Enterprise Fund					(170,790.70)	170,790.70	-
Miscellaneous Income					432,066.98	-	432,066.98
Loss on Disposal of Capital Assets					(82,890.37)	-	(82,890.37)
Total General Revenues, Special Items, Extraordinary Items and Transfers					85,933,443.20	173,193.57	86,106,636.77
Change in Net Position					3,383,394.47	(75,200.59)	3,308,193.88
Net Position - Beginning					(4,341,615.75)	162,905.58	(4,178,710.17)
Net Position - Ending					(958,221.28)	87,704.99	(870,516.29)

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, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and Cash Equivalents	6,897,448.29	-	1,049,677.78	100,002.93	8,047,129.00
Interfund Loan Receivables	34,696.89	-	-	-	34,696.89
Receivables from Federal Government	-	67,138.59	-	-	67,138.59
Receivables from State Government	1,204,323.53	-	-	-	1,204,323.53
Receivables from Other Governments	102,738.09	1,976.44	-	-	104,714.53
Other Accounts Receivable	3,894.51	-	-	-	3,894.51
Restricted Cash and Cash Equivalents	941,449.52	-	-	-	941,449.52
Total Assets	<u>9,184,550.83</u>	<u>69,115.03</u>	<u>1,049,677.78</u>	<u>100,002.93</u>	<u>10,403,346.57</u>
Liabilities and Fund Balances:					
Liabilities:					
Interfund Loans Payable	-	7,201.06	6,528.56	-	13,729.62
Intergov. Accounts Payable - State	-	47,531.99	-	-	47,531.99
Intergov. Accounts Payable - Federal	-	9,623.92	-	-	9,623.92
Accounts Payable	493,853.82	-	-	-	493,853.82
Unearned Revenue	25,500.00	4,758.06	-	-	30,258.06
Total Liabilities	<u>519,353.82</u>	<u>69,115.03</u>	<u>6,528.56</u>	<u>-</u>	<u>594,997.41</u>
Fund Balances:					
Assigned to:					
Other Purposes	630,082.49	-	-	-	630,082.49
Designated For Subsequent Year's expenditures	913,977.00	-	-	-	913,977.00
Restricted for:					
Capital Reserve Account	1,491,449.52	-	-	-	1,491,449.52
Maintenance Reserve Account	700,000.00	-	-	-	700,000.00
Excess Surplus	2,971,896.78	-	-	-	2,971,896.78
Excess Surplus Designated for Subsequent Year's Expenditures	1,475,765.06	-	-	-	1,475,765.06
Debt Service Fund	-	-	-	100,002.93	100,002.93
Capital Projects Fund	-	-	1,043,149.22	-	1,043,149.22
Unassigned:					
General Fund	482,026.16	-	-	-	482,026.16
Total Fund Balances (Deficit)	<u>8,665,197.01</u>	<u>-</u>	<u>1,043,149.22</u>	<u>100,002.93</u>	<u>9,808,349.16</u>
Total Liabilities and Fund Balances	<u>9,184,550.83</u>	<u>69,115.03</u>	<u>1,049,677.78</u>	<u>100,002.93</u>	<u>10,403,346.57</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.	(50,447.92)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$54,556,285.18 and the accumulated depreciation is \$27,839,490.10.	27,729,952.98
Accounts Payable for subsequent Pension payment is not a payable in the funds	(1,311,472.00)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	4,117,412.00
Deferred Inflows of Resources Related to PERS Pension Liability	(9,427,483.00)
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.	(31,824,532.50)
Net Position of Governmental Activities	<u>(958,221.28)</u>

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

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Local Sources:					
Local Tax Levy	56,113,022.00	-	-	270,260.00	56,383,282.00
Tuition Charges	188,737.54	-	-	-	188,737.54
Transportation Fees from Other LEA's	2,076.96	-	-	-	2,076.96
Interest Earned on Capital Reserve Funds	11,851.74	-	-	-	11,851.74
Local Grants	-	11,655.42	-	-	11,655.42
Rents and Royalties	1,928.00	-	-	-	1,928.00
Miscellaneous	430,138.98	-	-	-	430,138.98
Total - Local Sources	56,747,755.22	11,655.42	-	270,260.00	57,029,670.64
State Sources	25,592,229.58	-	-	190,740.00	25,782,969.58
Federal Sources	138,902.97	1,224,785.76	-	-	1,363,688.73
Total Revenues	82,478,887.77	1,236,441.18	-	461,000.00	84,176,328.95
Expenditures:					
Current:					
Instruction:					
Regular Instruction	19,239,789.85	1,047,040.67	-	-	20,286,830.52
Special Education Instruction	6,847,920.79	-	-	-	6,847,920.79
Other Special Instruction	346,902.83	-	-	-	346,902.83
Other Instruction	1,452,479.54	-	-	-	1,452,479.54
Support Services and Undistributed Costs:					
Tuition	3,738,633.38	-	-	-	3,738,633.38
Student & Instruction Related Services	7,476,354.90	179,721.53	-	-	7,656,076.43
General Administrative Services	1,232,820.68	-	-	-	1,232,820.68
School Administrative Services	2,420,975.09	-	-	-	2,420,975.09
Central Services and Admin. Infor. Tech.	1,050,361.74	-	-	-	1,050,361.74
Plant Operations and Maintenance	6,088,909.04	-	-	-	6,088,909.04
Pupil Transportation	4,337,643.18	-	-	-	4,337,643.18
Unallocated Employee Benefits	23,908,633.14	-	-	-	23,908,633.14
Operation of Non-Instructional Services	-	220.98	-	-	220.98
Capital Outlay	2,446,369.86	9,458.00	899,648.67	-	3,355,476.53
Debt Service:					
Principal	-	-	-	450,000.00	450,000.00
Interest and Other Charges	-	-	-	111,000.00	111,000.00
Total Expenditures	80,587,794.02	1,236,441.18	899,648.67	561,000.00	83,284,883.87
Excess (Deficiency) of Revenues					
Over Expenditures	1,891,093.75	-	(899,648.67)	(100,000.00)	891,445.08
Other Financing Sources/(Uses)					
Capital Leases (non-budgeted)	639,384.30	-	-	-	639,384.30
Transfers in - from Capital Projects	-	-	-	100,000.00	100,000.00
Transfers in - from Capital Outlay	-	-	413,155.00	-	413,155.00
Transfer out - to Enterprise Fund	(170,790.70)	-	-	-	(170,790.70)
Transfers in - from Capital Reserve	-	-	1,088,715.00	-	1,088,715.00
Transfers out - to Capital Projects	(1,501,870.00)	-	-	-	(1,501,870.00)
Transfer out - to Debt Service Fund	-	-	(100,000.00)	-	(100,000.00)
Transfers out - to Capital Reserve	-	-	-	-	-
Total Other Financing Sources and Uses	(1,033,276.40)	-	1,401,870.00	100,000.00	468,593.60
Net Change in Fund Balances	857,817.35	-	502,221.33	-	1,360,038.68
Fund Balance—July 1	7,807,379.66	-	540,927.89	100,002.93	8,448,310.48
Fund Balance—June 30	8,665,197.01	-	1,043,149.22	100,002.93	9,808,349.16

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, 2020**

Total net change in fund balances - governmental funds (from B-2) 1,360,038.68

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, 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.

	Depreciation Expense	(2,231,927.26)	
	Capital Outlay	<u>3,327,975.53</u>	1,096,048.27

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.

In the current year, these amounts consist of:

	Principal Payments on Capital Leases	615,379.54
	Principal Payments on Bonds Payable	450,000.00

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 (+).

	(Increase) Decrease in Compensated Absences Payable	29,358.15
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District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

	District Pension Contributions	1,163,881.00	
	Less: Pension Expense	<u>(584,699.00)</u>	
	(Increase)/Decrease in Pension Expense		579,182.00

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.

	Increase in On-behalf State Aid TPAF Pension	3,994,488.00
	Increase in On-behalf TPAF Pension Expense	(3,994,488.00)

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.

	Increase in On-behalf State Aid TPAF Post Retirement Medical Revenue	(565,895.00)
	Increase in On-behalf State Aid TPAF Post Retirement Medical Expense	565,895.00

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.

	Capital Lease Proceeds	(639,384.30)
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In the statement of activities, a loss on the disposal of capital assets is reported, whereas in the governmental funds, capital assets are not reported. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed, net of depreciation.

	Loss on Disposal of Capital Assets	(82,890.37)
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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)/decrease in the reconciliation.

	Increase in Accrued Interest	<u>(24,337.50)</u>
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Change in net position of governmental activities

3,383,394.47

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities - Enterprise Funds		Total Enterprise Fund
	Food Service	School Age Child Care	
Assets:			
Current Assets:			
Cash and Cash Equivalents	1,473.34	23,914.80	25,388.14
Intergovernmental Receivables:			
State	3,270.27	-	3,270.27
Federal	17,002.72	-	17,002.72
Other	3,499.43	-	3,499.43
Inventories	18,434.06	-	18,434.06
Total Current Assets	<u>43,679.82</u>	<u>23,914.80</u>	<u>67,594.62</u>
Non-Current Assets:			
Furniture, Machinery & Equipment	253,061.94	2,519.77	255,581.71
Less Accumulated Depreciation	<u>(186,587.98)</u>	<u>(646.74)</u>	<u>(187,234.72)</u>
Total Non-Current Assets	<u>66,473.96</u>	<u>1,873.03</u>	<u>68,346.99</u>
 Total Assets	 <u>110,153.78</u>	 <u>25,787.83</u>	 <u>135,941.61</u>
Liabilities:			
Current Liabilities:			
Accounts Payable			
State	3.96	-	3.96
Federal	428.04	-	428.04
Other	7,478.38	4,556.80	12,035.18
Interfund Payable:			
General Fund	361.19	-	361.19
Deferred Revenue	35,408.25	-	35,408.25
Total Current Liabilities	<u>43,679.82</u>	<u>4,556.80</u>	<u>48,236.62</u>
Net Position:			
Invested in Capital Assets Net of Related Debt	66,473.96	-	66,473.96
Unreserved Retained Earnings	-	21,231.03	21,231.03
Total Net Position	<u>66,473.96</u>	<u>21,231.03</u>	<u>87,704.99</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, 2020

	Business-type Activities - Enterprise Fund		Total Enterprise Fund
	Food Service	School Age Child Care	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Lunch Programs	368,639.11	-	368,639.11
Daily Sales - Non-Reimbursable Programs	219,051.00	-	219,051.00
Special Functions	2,308.14	-	2,308.14
Revenue from Enterprise Activities	16,130.00	-	16,130.00
Program Fees	-	287,646.75	287,646.75
Total Operating Revenues	<u>606,128.25</u>	<u>287,646.75</u>	<u>893,775.00</u>
Operating Expenses:			
Cost of Sales- Reimbursable	261,633.00	-	261,633.00
Cost of Sales - Non-Reimbursable	161,459.39	-	161,459.39
Salaries	162,972.99	316,735.07	479,708.06
Employer's Share of Social Security	12,467.46	24,230.24	36,697.70
Employee Benefits	111,198.32	-	111,198.32
Purchased Prof-Ed. Services	-	6,708.23	6,708.23
Purchased Technical Services	9,230.00	-	9,230.00
Other Purchased Professional Services	260,793.28	-	260,793.28
Repairs	12,826.50	-	12,826.50
General Supplies	24,566.32	12,945.21	37,511.53
Equipment	3,178.84	-	3,178.84
Depreciation	6,146.89	251.98	6,398.87
Management Fees	65,092.72	-	65,092.72
Miscellaneous	2,200.00	-	2,200.00
Total Operating Expenses	<u>1,093,765.71</u>	<u>360,870.73</u>	<u>1,454,636.44</u>
Operating Income/(Loss)	<u>(487,637.46)</u>	<u>(73,223.98)</u>	<u>(560,861.44)</u>
Non-Operating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	12,153.18	-	12,153.18
Federal Sources:			
National School Lunch Program	215,315.50	-	215,315.50
School Breakfast Program	31,076.96	-	31,076.96
Food Distribution Program	58,021.64	-	58,021.64
Interest and Investment Revenue	359.46	2,043.41	2,402.87
Total Non-Operating Revenues/(Expenses)	<u>316,926.74</u>	<u>2,043.41</u>	<u>318,970.15</u>
Income/(Loss) Before Contributions & Transfers	<u>(170,710.72)</u>	<u>(71,180.57)</u>	<u>(241,891.29)</u>
Transfers In/(Out)	<u>170,790.70</u>	<u>-</u>	<u>170,790.70</u>
Change in Net Position	79.98	(71,180.57)	(71,100.59)
Total Net Position - Beginning	<u>66,393.98</u>	<u>92,411.60</u>	<u>158,805.58</u>
Total Net Position—Ending	<u><u>66,473.96</u></u>	<u><u>21,231.03</u></u>	<u><u>87,704.99</u></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, 2020**

	Business-type Activities - Enterprise Funds		Total Enterprise Fund
	Food Service	School Age Child Care	
Cash Flows from Operating Activities			
Receipts from Customers	623,062.70	285,525.75	908,588.45
Receipts/(Payments) for Interfunds	(66,498.28)	-	(66,498.28)
Payments to Employees	(162,972.99)	(316,735.07)	(479,708.06)
Payments to Suppliers	(928,277.20)	(42,254.56)	(970,531.76)
Net Cash Provided by/(Used for) Operating Activities	<u>(534,685.77)</u>	<u>(73,463.88)</u>	<u>(608,149.65)</u>
Cash Flows from Non-capital Financing Activities			
State Sources	11,261.47	-	11,261.47
Federal Sources	341,694.01	-	341,694.01
Operating Subsidies	170,790.70	-	170,790.70
Net Cash Provided by/(Used for) Non-capital Financing Activities	<u>523,746.18</u>	<u>-</u>	<u>523,746.18</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	(6,226.87)	-	(6,226.87)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	<u>(6,226.87)</u>	<u>-</u>	<u>(6,226.87)</u>
Cash Flows from Investing Activities			
Interest and Dividends	359.46	2,043.41	2,402.87
Net Cash Provided by/(Used for) Investing Activities	<u>359.46</u>	<u>2,043.41</u>	<u>2,402.87</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(16,807.00)	(71,420.47)	(88,227.47)
Balances—Beginning of Year	18,280.34	95,335.27	113,615.61
Balances—End of Year	<u>1,473.34</u>	<u>23,914.80</u>	<u>25,388.14</u>
Reconciliation of Operating Income/(loss) to Net Cash Provided/ (Used) by Operating Activities:			
Operating Income/(Loss)	(487,637.46)	(73,223.98)	(560,861.44)
Adjustments to Reconcile Operating Loss to Net Cash Provided by/(Used for) Operating Activities			
Depreciation	6,146.89	251.98	6,398.87
(Increase)/Decrease in Accounts Receivable	(1,157.39)	1,180.00	22.61
(Increase)/Decrease in Inventories	(2,110.01)	-	(2,110.01)
Increase/(Decrease) in Accounts Payable	578.64	3,629.12	4,207.76
Increase/(Decrease) in Interfund Payable	(66,498.28)	-	(66,498.28)
Increase/(Decrease) in Deferred Revenue	18,091.84	(3,301.00)	14,790.84
Total Adjustments	<u>(47,048.31)</u>	<u>(239.90)</u>	<u>(47,288.21)</u>
Net Cash Provided by/(Used for) Operating Activities	<u>(534,685.77)</u>	<u>(73,463.88)</u>	<u>(608,149.65)</u>

Non-cash Non-capital Financing Activities:

During the year, the District received \$58,021.64 of food commodities from the U.S. Department of Agriculture.

**WEST MILFORD BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
Assets:			
Cash and Cash Equivalents	962,008.02	322,718.90	455,968.20
Interest Recivable on Investments	2,461.90	-	-
Total Assets	964,469.92	322,718.90	455,968.20
Liabilities:			
Payable to State Government	76,226.45	-	-
Interfund Accounts Payable:			
General Fund	-	-	20,606.08
Payable to Student Groups	-	-	418,180.04
Flexible Spending	-	-	7,563.13
Payroll Deductions and Withholdings	-	-	9,618.95
Total Liabilities	76,226.45	-	455,968.20
Net Positions:			
Held in Trust for Unemployment Claims and Other Purposes	888,243.47		
Reserved for Scholarships		322,718.90	

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, 2020**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
Additions:		
Plan Member Contributions	65,887.80	-
Total Contributions	<u>65,887.80</u>	<u>-</u>
Investment Earnings:		
Interest	19,661.89	2,791.42
Net Investment Earnings	<u>19,661.89</u>	<u>2,791.42</u>
Total Additions	<u>85,549.69</u>	<u>2,791.42</u>
Deductions		
Unemployment Claims	114,459.46	-
Scholarships Awarded	-	10,500.00
Total Deductions	<u>114,459.46</u>	<u>10,500.00</u>
Change in Net Position	(28,909.77)	(7,708.58)
Net Position—Beginning of the Year	<u>917,153.24</u>	<u>330,427.48</u>
Net Position—End of the Year	<u><u>888,243.47</u></u>	<u><u>322,718.90</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, “Defining the Financial Reporting Entity” establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools and a middle school, located in the Township of West Milford. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

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, 2020**

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 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, 2020**

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, 2020**

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 School Age Child Care.

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, 2020**

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting: (continued)

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

grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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 did make material supplemental budgetary appropriations during the fiscal year, \$1,083,493.00 for capital outlay.

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

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, 2020**

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, 2020**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2020, 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:

<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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Accounting and Financial Reporting for Pensions

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

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

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Accounting and Financial Reporting for Pensions (continued)

not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

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

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. 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).

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Fund Balances: (continued)

- **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.
- **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.

S. 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.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. 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.

U. 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.

V. 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, medical and dental benefits and TPAF on-behalf contributions were allocated based on salaries of that program. 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.

W. 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.

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. New Accounting Standard:

During fiscal year 2020, the District adopted the following GASB Statements:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. New Accounting Standards (continued)

GASB Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

In January 2020, the Government Accounting Standards Board issued GASB Statement No. 92, *Omnibus*. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. The Authority does not believe this Statement will have any effect on future financial statements. However, GASB Statement No. 95 postponed the implementation of this statement by one year due to the COVID-19 pandemic.

In March 2020, the Government Accounting Standards Board issued GASB Statement No. 93, Replacement of Interbank Offering Rates. The objective of this Statement is to address certain issues with Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, Statement No. 87, Leases, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However, GASB Statement No. 95 postponed the implementation of this statement by one year due to the COVID-19 pandemic.

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, 2020, \$-0- of the District's bank balance of \$12,960,375.02 was exposed to custodial credit risk.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

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

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.

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, 2020 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 Fund	District Wide Financial <u>Statements</u>
State Aid	\$1,204,323.53	\$3,270.27	\$1,207,593.80
Federal Aid	67,138.59	17,002.72	84,141.31
Interfunds	34,696.89		20,606.08
Other	<u>108,609.04</u>	<u>3,499.43</u>	<u>112,108.47</u>
Gross Receivables	1,414,768.05	23,772.42	1,424,449.66
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$1,414,768.05</u></u>	<u><u>\$23,772.42</u></u>	<u><u>\$1,424,449.66</u></u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balance due to/from other funds at June 30, 2020 consist of the following:

\$7,201.06	Due to the General Fund from the Special Revenue Fund for short-term loans.
\$20,606.08	Due to the General Fund from the Payroll Agency Account for interest earned on account
361.19	Due to the General Fund from the Food Service Enterprise Fund for expenses paid by operating budget to cover the deficit and state aid receipts
<u>6,528.56</u>	Due to the General Fund from the Capital Projects Fund for interest earned
<u>\$34,696.89</u>	

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

Interfund transfers for the year ended June 30, 2020 consisted of the following:

\$170,790.70	From the General Fund to the enterprise fund to provide resources to fund the food service operations
<u>100,000.00</u>	From the capital projects fund to the debt service fund for future debt payments
<u>\$270,790.70</u>	

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.

\$7,201.06

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 7. CAPITAL ASSETS (continued)

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance 6/30/19	Additions	Deletions	Balance 6/30/20
Governmental Activities:				
Capital Assets Not Being				
Land	2,327,249.42	-	-	2,327,249.42
Construction in Progress	1,465,579.60	768,129.27	(1,812,196.00)	421,512.87
	<u>3,792,829.02</u>	<u>768,129.27</u>	<u>(1,812,196.00)</u>	<u>2,748,762.29</u>
Total Capital Assets Not Being Depreciated				
Capital Assets Being Depreciated:				
Building and Improvements	39,356,697.87	1,099,233.13	1,217,911.97	41,673,842.97
Machinery & Equipment	11,406,758.29	1,460,613.13	(222,879.20)	12,644,492.22
	<u>50,763,456.16</u>	<u>2,559,846.26</u>	<u>995,032.77</u>	<u>54,318,335.19</u>
Totals at Historical Cost				
Less Accumulated Depreciation:				
Building and Improvements	(20,230,343.53)	(1,328,166.79)	541,138.34	(21,017,371.98)
Equipment	(7,609,146.57)	(903,760.47)	193,134.52	(8,319,772.52)
	<u>(27,839,490.10)</u>	<u>(2,231,927.26)</u>	<u>734,272.86</u>	<u>(29,337,144.50)</u>
Total Accumulated Depreciation				
Total Capital Assets Being Net of Accumulated Depreciation	<u>22,923,966.06</u>	<u>327,919.00</u>	<u>1,729,305.63</u>	<u>24,981,190.69</u>
Governmental Activities Capital Assets, Net	<u>26,716,795.08</u>	<u>1,096,048.27</u>	<u>(82,890.37)</u>	<u>27,729,952.98</u>
Business Type Activities:				
Equipment:				
Food Services	246,835.07		-	246,835.07
School Age Child Care	2,519.77	6,226.87	-	2,519.77
	<u>249,354.84</u>	<u>6,226.87</u>	<u>-</u>	<u>255,581.71</u>
Total				
Less Accumulated Depreciation:				
Equipment:				
Food Services	(180,441.09)	(6,146.89)	-	(186,587.98)
Community School	(394.76)	(251.98)	-	(646.74)
	<u>(180,835.85)</u>	<u>(6,398.87)</u>	<u>-</u>	<u>(187,234.72)</u>
Business Type Activities Capital Assets, Net	<u>68,518.99</u>	<u>(172.00)</u>	<u>-</u>	<u>68,346.99</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 7. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Instruction:

Regular Education	\$1,342,433.89
Special Education	92,482.64
Student & Instruction Related Services	184,076.76
General Administration	35,346.60
School Administration	64,304.90
Central Services & Admin. Info. Tech.	35,346.60
Plant Operations & Maintenance	221,408.55
Pupil Transportation	<u>256,527.32</u>
 Total Depreciation Expense	 <u><u>\$2,231,927.26</u></u>

NOTE 8. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the fiscal year ended June 30, 2020, were as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Capital Lease Payable	\$1,272,538.78	\$639,384.30	(\$615,379.54)	\$1,296,543.54	\$425,927.70
Compensated Absences	3,372,622.11		(29,358.15)	3,343,263.96	
Bonds Payable	6,075,000.00		(450,000.00)	5,625,000.00	500,000.00
Net Pension Liability-PERS	<u>24,782,763.00</u>		<u>(3,223,038.00)</u>	<u>21,559,725.00</u>	
	<u><u>\$35,502,923.89</u></u>	<u><u>\$639,384.30</u></u>	<u><u>(\$4,317,775.69)</u></u>	<u><u>\$31,824,532.50</u></u>	<u><u>\$925,927.70</u></u>

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 8. LONG-TERM OBLIGATION ACTIVITY (continued)

A. Bonds Payable (continued)

Outstanding Bonds Payable at June 30, 2020 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, 2020</u>
School Bonds of 2016	7/15/16	1.00-2.00%	7/15/29	<u>\$5,625,000.00</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$500,000.00	\$105,625.00	\$605,625.00
2022	500,000.00	97,500.00	597,500.00
2023	525,000.00	87,250.00	612,250.00
2024	525,000.00	76,750.00	601,750.00
2025	550,000.00	66,000.00	616,000.00
2026-2030	<u>3,025,000.00</u>	<u>156,350.00</u>	<u>3,181,350.00</u>
Total	<u>\$5,625,000.00</u>	<u>\$589,475.00</u>	<u>\$6,214,475.00</u>

B. 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, 2020.

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$487,872.09
2022	410,048.46
2023	394,346.42
2024	<u>139,578.55</u>
Total Minimum Lease Payments	1,431,845.52
Less: Amount representing interest	<u>(135,301.98)</u>
Present Value of net minimum lease	<u>\$1,296,543.54</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 8. LONG-TERM OBLIGATION ACTIVITY (continued)

B. Capital Leases Payable: (continued)

Maturities of capital leases payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$425,927.20
2022	367,106.91
2023	370,043.62
2024	<u>133,465.81</u>
Total	<u>\$1,296,543.54</u>

NOTE 9. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.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, 2020**

NOTE 9. PENSION PLANS: (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

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.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS: (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

Defined Contribution Retirement Program

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

Defined Contribution Retirement Program (continued)

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

Contributions Requirements Fund Based Statements

The Board's contribution to PERS and DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

<u>Year Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/20	\$1,163,875.00	\$39,954.96
6/30/19	1,251,979.00	42,143.02
6/30/18	1,153,359.00	44,825.70

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>LTD Liability</u>
6/30/20	\$6,415,727.00	\$2,422,778.00	\$114,995.00	\$4,734.00
6/30/19	5,718,662.00	2,648,275.00	119,707.00	5,668.00
6/30/18	4,291,711.00	2,839,192.00	104,149.00	5,940.00

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,228,287.58 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2020, the District had a liability of \$21,559,725.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the District's proportion was 0.1196533870 percent, which was a decrease of (0.0062145181) percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$584,699.00. At June 30, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$386,969.00	\$95,241.00
Changes of assumptions	2,152,818.00	7,483,312.00
Net difference between projected and actual earnings on pension plan investments		340,329.00
Changes in proportion	266,153.00	1,508,601.00
District contributions subsequent to the measurement date	<u>1,311,472.00</u>	<u> </u>
Total	<u>\$4,117,412.00</u>	<u>\$9,427,483.00</u>

The \$1,311,472.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS) (continued)

Year ended June 30:	
2020	(\$622,546.00)
2021	(2,019,529)
2022	(1,803,322)
2023	(846,753)
2024	(86,945)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2019 and June 30, 2018 are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	1,968,501,539
District's Proportion	0.1196533870%	0.1258679051%

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE
STATEMENTS PER - GASB NO. 68, (continued)**

Public Employees Retirement System (PERS) (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS) (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U. S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U. S. Equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private Equity	12.00%	10.85%

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2019, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1 - percentage-point higher than the current rate:

	1% Decrease 5.28%	June 30, 2019 At Current Discount Rate 6.28%	1% Increase 7.28%
District's proportionate share of the pension liability	\$27,422,891	\$21,559,725	\$16,895,545

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS) (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2020 was as follows:

Net Pension Liability:

District’s proportionate share	\$ -
State's proportionate share associated with the District	<u>178,445,793</u>
	<u>\$178,445,793</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2019, the proportion of the TPAF net pension liability associated with the District was .2907659254%.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Teachers Pensions and Annuity Fund (TPAF) (continued)

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$10,525,210 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75-5.65% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with an 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and a 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U. S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U. S. Equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private Equity	12.00%	10.85%

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 9. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.60% and 4.86% as of June 30, 2019 and 2018, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% and 3.87% as of June 30, 2019 and 2018, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 70% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 10. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020

NOTE 10. POST EMPLOYMENT BENEFITS (continued)

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2018 and Fiscal Year 2019 is attributed to rising health costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2018 than in Fiscal Year 2019. The Fiscal Year 2020 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

Plan Description and Benefits Provided

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2019. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2018 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2019, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2020 was as follows:

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 10. POST EMPLOYMENT BENEFITS (continued)

Total OPEB Liability (continued)

OPEB Liability:		
District's proportionate share	\$	-
State's proportionate share associated with the District		<u>136,620,796</u>
		<u>\$136,620,796</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP). "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 10. POST EMPLOYMENT BENEFITS (continued)

Total Nonemployer OPEB Liability (continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

(b) *Discount Rate*

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 10. POST EMPLOYMENT BENEFITS (continued)

Total Nonemployer OPEB Liability (continued)

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

For the year ended June 30, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,856,883 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Township of West Milford School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

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	AIG Retirement

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.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 12. RISK MANAGEMENT (continued)

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.

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:

Fiscal Year	Interest Earnings/ District Contributions	Employee Contributions	State of NJ Reimbursement	Balance
2019-2020	\$19,661.89	\$65,887.86	\$114,459.46	\$888,243.47
2018-2019	17,602.14	66,976.24	24,577.03	917,153.24
2017-2018	9,981.58	66,901.61	77,503.47	857,151.89

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.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 13. CAPITAL RESERVE ACCOUNT (continued)

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 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.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$1,818,312.78
Increased by:	
Interest Earnings	11,851.74
Decreased by:	
Deposit - Board Resolution	<u>750,000.00</u>
	2,580,164.52
Withdrawal from Capital Reserve by Resolution	(588,715.00)
Budgeted Withdrawal from Capital Reserve	<u>(500,000.00)</u>
Ending balance, June 30, 2020	<u><u>\$1,491,449.52</u></u>

The balance in the capital reserve account at June 30, 2020, 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.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 14. MAINTENANCE RESERVE ACCOUNT (continued)

The activity of the maintenance reserve account for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$300,000.00
Deposit - Board Resolution	500,000.00
Budgeted withdrawal from	<u>(100,000.00)</u>
Ending balance, June 30, 2020	<u>\$700,000.00</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$8,665,197.01 General Fund fund balance at June 30, 2020, \$630,082.49 is reserved for encumbrances; \$ 4,447,661.84 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$1,475,765.06 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$1,491,449.52 has been reserved in the Capital Reserve Account; \$700,000.00 has been reserved in the Maintenance Reserve Account; \$913,977.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2021; and \$482,026.16 is unreserved and undesignated.

Debt Service Fund (Exhibit B-1) - Of the \$100,002.93 Debt Service Fund fund balance at June 30, 2020 of \$-0- has been appropriated and included as anticipated revenue for the year ending June 30, 2020; and \$100,002.93 is restricted for debt service.

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, 2020 is \$4,447,661.84 of which \$2,971,896.78 is the result of current year operations.

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$13,338.58
Supplies	<u>5,095.48</u>
	<u>\$18,434.06</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2020**

NOTE 17. INVENTORY (continued)

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.

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 Special Legal Counsel advises us there is one matter where the potential loss or exposure at this point remains unknown.

NOTE 19: SUBSEQUENT EVENT

The District has evaluated subsequent events through January 28, 2021, the date which the financial statements were available to be issued and the following item was noted for disclosure:

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Township of West Milford. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. In addition, possible increase in expenditures related to the COVID-19 pandemic that will not be reimbursed by the Federal or State governments. The Board will continue to monitor the situation closely.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

**WEST MILFORD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	56,113,022.00	-	56,113,022.00	56,113,022.00	-
Tuition - Individuals	40,000.00	-	40,000.00	42,570.00	2,570.00
Tuition From Other LEAS Within the State	185,000.00	-	185,000.00	79,687.01	(105,312.99)
Tuition From Other Sources	-	-	-	66,480.53	66,480.53
Transportation Fees From Other LEAs	40,000.00	-	40,000.00	2,076.96	(37,923.04)
Interest Income on Operating Accounts	-	-	-	102,646.78	102,646.78
Rents and Royalties	125,000.00	-	125,000.00	1,928.00	(123,072.00)
Unrestricted Miscellaneous Revenue	200,000.00	-	200,000.00	327,492.20	127,492.20
Interest Earned on Capital Reserve Funds	500.00	-	500.00	11,851.74	11,351.74
Total - Local Sources	56,703,522.00	-	56,703,522.00	56,747,755.22	44,233.22
State Sources:					
Categorical Transportation Aid	842,009.00	-	842,009.00	842,009.00	-
Extraordinary Aid	725,000.00	-	725,000.00	1,075,016.00	350,016.00
Categorical Special Education Aid	2,725,234.00	-	2,725,234.00	2,725,234.00	-
Equalization Aid	9,338,521.00	-	9,338,521.00	9,338,521.00	-
Categorical Security Aid	339,929.00	-	339,929.00	339,929.00	-
On-behalf TPAF Pension (non-budgeted)	-	-	-	6,415,727.00	6,415,727.00
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	114,995.00	114,995.00
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	2,422,778.00	2,422,778.00
On-Behalf TPAF Long-Term Disability Insurance (non-budgeted)	-	-	-	4,734.00	4,734.00
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	2,228,287.58	2,228,287.58
Total State Sources	13,970,693.00	-	13,970,693.00	25,507,230.58	11,536,537.58
Federal Sources:					
Medicaid Reimbursement	111,493.00	-	111,493.00	138,902.97	27,409.97
Total Federal Sources	111,493.00	-	111,493.00	138,902.97	27,409.97
Total Revenues	70,785,708.00	-	70,785,708.00	82,393,888.77	11,608,180.77
Expenditures:					
General Current Expenses:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	891,975.00	-	891,975.00	809,991.33	81,983.67
Grades 1-5 - Salaries of Teachers	6,784,495.00	(124.00)	6,784,371.00	6,684,985.96	99,385.04
Grades 6-8 - Salaries of Teachers	4,208,755.00	(18,876.00)	4,189,879.00	3,941,408.05	248,470.95
Grades 9-12 - Salaries of Teachers	6,382,145.00	15,000.00	6,397,145.00	6,356,915.66	40,229.34
Regular Programs - Home Instruction:					
Salaries of Teachers	40,000.00	-	40,000.00	23,724.09	16,275.91
Purchased Professional-Educational Services	20,000.00	-	20,000.00	8,866.21	11,133.79
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	457,376.00	(134,504.00)	322,872.00	292,933.80	29,938.20
Purchased Professional-Educational Services	126,612.00	560.55	127,172.55	96,712.47	30,460.08
Purchased Technical Services	9,400.00	-	9,400.00	5,316.90	4,083.10
Other Purchased Services (400-500 Series)	43,920.61	-	43,920.61	36,541.56	7,379.05
General Supplies	1,162,685.00	(44,584.56)	1,118,100.44	908,406.49	209,693.95
Textbooks	96,220.00	4,660.54	100,880.54	60,833.33	40,047.21
Other Objects	21,390.00	4,120.00	25,510.00	13,154.00	12,356.00
Total Regular Programs - Instruction	20,244,973.61	(173,747.47)	20,071,226.14	19,239,789.85	831,436.29
Learning and/or Language Disabilities					
Salaries of Teachers	363,700.00	-	363,700.00	363,700.00	-
Other Salaries for Instruction	144,700.00	17,000.00	161,700.00	159,837.24	1,862.76
General Supplies	3,065.00	415.00	3,480.00	2,481.94	998.06
Textbooks	830.00	(415.00)	415.00	-	415.00
Total Learning and/or Language Disabilities	512,295.00	17,000.00	529,295.00	526,019.18	3,275.82
Behavioral Disabilities:					
Salaries of Teachers	461,800.00	(12,000.00)	449,800.00	365,827.25	83,972.75
Other Salaries for Instruction	223,827.00	82,150.00	305,977.00	302,902.60	3,074.40
General Supplies	14,560.00	(275.00)	14,285.00	7,954.19	6,330.81
Other Objects	750.00	-	750.00	336.64	413.36
Total Behavioral Disabilities	700,937.00	69,875.00	770,812.00	677,020.68	93,791.32
Multiple Disabilities:					
Salaries of Teachers	205,075.00	-	205,075.00	145,877.54	59,197.46
Other Salaries for Instruction	99,436.00	64,354.00	163,790.00	119,740.86	44,049.14
General Supplies	2,000.00	-	2,000.00	1,861.61	138.39
Total Multiple Disabilities	306,511.00	64,354.00	370,865.00	267,480.01	103,384.99
Resource Room/Resource Center:					
Salaries of Teachers	3,689,310.00	(67,500.00)	3,621,810.00	3,571,686.58	50,123.42
Other Salaries for Instruction	671,335.00	22,000.00	693,335.00	691,091.93	2,243.07
General Supplies	21,286.00	0.98	21,286.98	17,761.80	3,525.18
Textbooks	2,400.00	-	2,400.00	1,680.09	719.91

**WEST MILFORD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

**Exhibit C-1
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	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Objects	1,000.00	-	1,000.00	970.30	29.70
Total Resource Room/Resource Center	4,385,331.00	(45,499.02)	4,339,831.98	4,283,190.70	56,641.28
Autism:					
Salaries of Teachers	312,625.00	2,500.00	315,125.00	314,156.89	968.11
Other Salaries for Instruction	242,136.00	26,000.00	268,136.00	266,701.48	1,434.52
General Supplies	8,200.00	-	8,200.00	6,647.12	1,552.88
Total Autism	562,961.00	28,500.00	591,461.00	587,505.49	3,955.51
Preschool Disabilities - Part-Time:					
Salaries of Teachers	234,950.00	-	234,950.00	218,240.42	16,709.58
Other Salaries for Instruction	227,669.00	-	227,669.00	207,284.93	20,384.07
General Supplies	4,000.00	-	4,000.00	3,423.36	576.64
Total Preschool Disabilities - Part-Time	466,619.00	-	466,619.00	428,948.71	37,670.29
Home Instruction					
Purchased Professional - Educational Services	31,088.00	91,000.00	122,088.00	77,756.02	44,331.98
Total Home Instruction	31,088.00	91,000.00	122,088.00	77,756.02	44,331.98
Total Special Education - Instruction	6,965,742.00	225,229.98	7,190,971.98	6,847,920.79	343,051.19
Basic Skills/Remedial - Instruction					
Salaries of Teachers	267,705.00	-	267,705.00	256,050.00	11,655.00
General Supplies	3,000.00	-	3,000.00	2,609.89	390.11
Textbooks	200.00	-	200.00	200.00	-
Total Basic Skills/Remedial - Instruction	270,905.00	-	270,905.00	258,859.89	12,045.11
Bilingual Education - Instruction					
Salaries of Teachers	86,600.00	-	86,600.00	86,600.00	-
Other Purchased Services (400-500 Series)	600.00	-	600.00	422.94	177.06
General Supplies	1,257.00	-	1,257.00	1,020.00	237.00
Other Objects	130.00	-	130.00	-	130.00
Total Bilingual Education - Instruction	88,587.00	-	88,587.00	88,042.94	544.06
School-Spon. Co/Extra Curr. Actvts. - Instruction					
Salaries	212,737.00	10,353.00	223,090.00	176,659.26	46,430.74
Miscellaneous Expenditures	-	4,000.00	4,000.00	2,968.00	1,032.00
Total School-Spon. Co/Extra Curr. Actvts. - Instruction	212,737.00	14,353.00	227,090.00	179,627.26	47,462.74
School-Sponsored Athletics - Instruction					
Salaries	631,283.00	-	631,283.00	581,028.16	50,254.84
Purchased Services (300-500 Series)	159,670.00	-	159,670.00	89,588.40	70,081.60
Supplies and Materials	111,460.00	(41,451.00)	70,009.00	36,947.20	33,061.80
Other Objects	99,700.00	-	99,700.00	73,438.52	26,261.48
Total School-Sponsored Athletics - Instruction	1,002,113.00	(41,451.00)	960,662.00	781,002.28	179,659.72
Other Suppl/At-Risk Prog - Instruction					
Salaries of Reading Specialists	491,850.00	-	491,850.00	491,850.00	-
Total Other Suppl/At-Risk - Instruction	491,850.00	-	491,850.00	491,850.00	-
Total Instruction	29,276,907.61	24,384.51	29,301,292.12	27,887,093.01	1,414,199.11
Undistributed Expenditures - Instruction (Tuition)					
Tuition to Other LEAS Within the State - Regular	33,319.72	-	33,319.72	9,347.20	23,972.52
Tuition to Other LEAS Within the State - Special	417,072.00	(51,116.28)	365,955.72	192,316.77	173,638.95
Tuition to County Voc. School Dist.- Regular	1,112,621.00	11,116.20	1,123,737.20	1,119,892.00	3,845.20
Tuition to County Voc. School Dist.- Special	59,844.00	17,999.60	77,843.60	47,173.00	30,670.60
Tuition to CSSD & Reg. Day Schools	848,500.00	(1,000.45)	847,499.55	544,334.56	303,164.99
Tuition to Priv.Sch. for the Disabled W/I State	1,849,595.00	(70,530.00)	1,779,065.00	1,745,225.85	33,839.15
Tuition - State Facilities	79,744.00	-	79,744.00	79,744.00	-
Tuition - Other	-	600.00	600.00	600.00	-
Total Undistributed Expenditures - Instruction (Tuition)	4,400,695.72	(92,930.93)	4,307,764.79	3,738,633.38	569,131.41
Undist. Expend.-Attendance and Social Work					
Salaries	27,750.00	-	27,750.00	27,749.60	0.40
Total Undist. Expend. - Attendance and Social Work	27,750.00	-	27,750.00	27,749.60	0.40
Undist. Expenditures- Health Services					
Salaries	797,800.00	6,000.00	803,800.00	802,577.22	1,222.78
Purchased Professional and Technical Services	75,360.00	-	75,360.00	42,665.50	32,694.50
Supplies and Materials	51,877.00	(3,336.14)	48,540.86	46,787.70	1,753.16
Total Undist. Expenditures- Health Services	925,037.00	2,663.86	927,700.86	892,030.42	35,670.44
Undist. Expend.-Speech, OT, PT and Related SVCS					
Salaries	1,238,645.00	-	1,238,645.00	1,233,949.89	4,695.11
Purchased Professional - Educational Services	298,640.00	-	298,640.00	146,065.75	152,574.25
Supplies and Materials	30,080.00	-	30,080.00	21,005.68	9,074.32
Total Undist. Expend.-Speech, OT, PT and Related SVCS	1,567,365.00	-	1,567,365.00	1,401,021.32	166,343.68

**WEST MILFORD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

**Exhibit C-1
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	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Extraordinary Services					
Purchased Professional - Educational Services	260,920.00	-	260,920.00	104,449.51	156,470.49
Total Undist. Expend. - Extraordinary Services	<u>260,920.00</u>	<u>-</u>	<u>260,920.00</u>	<u>104,449.51</u>	<u>156,470.49</u>
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	770,400.00	(3,000.00)	767,400.00	762,516.70	4,883.30
Salaries of Secretarial and Clerical Assistants	155,907.00	(3,281.40)	152,625.60	150,579.99	2,045.61
Purchased Professional - Educational Services	1,250.00	-	1,250.00	512.42	737.58
Other Purchased Prof. And Tech. Services	26,446.00	0.30	26,446.30	18,009.14	8,437.16
Supplies and Materials	18,228.00	(0.08)	18,227.92	13,806.22	4,421.70
Total Undist. Expenditures - Guidance	<u>972,231.00</u>	<u>(6,281.18)</u>	<u>965,949.82</u>	<u>945,424.47</u>	<u>20,525.35</u>
Undist. Expenditures -Child Study Teams					
Salaries of Other Professional Staff	1,934,707.00	19,700.00	1,954,407.00	1,953,660.15	746.85
Salaries of Secretarial and Clerical Assistants	260,503.00	(19,700.00)	240,803.00	231,611.88	9,191.12
Purchased Professional - Educational Services	20,000.00	-	20,000.00	-	20,000.00
Other Purchased Services (400-500 series)	1,356.00	-	1,356.00	1,356.00	-
Supplies and Materials	26,165.83	(0.45)	26,165.38	14,473.43	11,691.95
Other Objects	2,855.00	-	2,855.00	865.00	1,990.00
Total Undist. Expenditures -Child Study Teams	<u>2,245,586.83</u>	<u>(0.45)</u>	<u>2,245,586.38</u>	<u>2,201,966.46</u>	<u>43,619.92</u>
Undist. Expend.-Improv. Of Inst. Serv.					
Sal of Supervisor of Instruction	946,761.00	-	946,761.00	908,753.35	38,007.65
Sal of Secr and Clerical Assis.	1,150.00	280.40	1,430.40	1,430.40	-
Other Purchased Services (400-500)	9,550.00	-	9,550.00	6,311.49	3,238.51
Supplies and Materials	450.00	-	450.00	-	450.00
Other Objects	28,000.00	-	28,000.00	10,029.72	17,970.28
Total Undist. Expend.-Improv. Of Inst. Serv.	<u>985,911.00</u>	<u>280.40</u>	<u>986,191.40</u>	<u>926,524.96</u>	<u>59,666.44</u>
Undist. Expend.-Edu. Media Serv./Library					
Salaries	737,525.00	-	737,525.00	737,525.00	-
Supplies and Materials	107,868.00	857.29	108,725.29	103,729.47	4,995.82
Other Objects	200.00	-	200.00	175.00	25.00
Total Undist. Expend.-Edu. Media Serv./Library	<u>845,593.00</u>	<u>857.29</u>	<u>846,450.29</u>	<u>841,429.47</u>	<u>5,020.82</u>
Undist. Expend.-Instr. Staff Training Serv.					
Salaries of Supervisors of Instruction	51,084.00	-	51,084.00	46,579.99	4,504.01
Other Purchased Prof. and Tech. Services	48,000.00	-	48,000.00	37,265.00	10,735.00
Other Purchased Services (400-500 series)	9,100.00	-	9,100.00	7,072.95	2,027.05
Supplies and Materials	1,000.00	-	1,000.00	1,000.00	-
Other Objects	164,111.58	(17,853.00)	146,258.58	43,840.75	102,417.83
Total Undist. Expend.-Instr. Staff Training Serv.	<u>273,295.58</u>	<u>(17,853.00)</u>	<u>255,442.58</u>	<u>135,758.69</u>	<u>119,683.89</u>
Undist. Expend.-Support Serv.-Gen. Admin					
Salaries	704,177.00	-	704,177.00	687,656.30	16,520.70
Legal Services	141,250.00	(38,405.00)	102,845.00	81,905.27	20,939.73
Audit Fees	88,393.00	-	88,393.00	37,150.00	51,243.00
Architectural/Engineering Services	35,000.00	29,500.00	64,500.00	35,858.00	28,642.00
Other Purchased Professional Services	10,250.00	13,750.00	24,000.00	20,390.00	3,610.00
Purchased Technical Services	69,180.00	(0.12)	69,179.88	53,433.55	15,746.33
Communications / Telephone	204,236.87	(8,250.00)	195,986.87	150,347.86	45,639.01
BOE Other Purchased Services	10,040.00	750.00	10,790.00	6,072.51	4,717.49
Misc. Purch Serv (400-500)(Other than 530 & 585)	73,306.00	4,405.00	77,711.00	74,486.00	3,225.00
General Supplies	28,760.00	-	28,760.00	16,758.43	12,001.57
Judgment Against The School District	25,000.00	(1,000.00)	24,000.00	24,000.00	-
Miscellaneous Expenditures	31,789.00	-	31,789.00	16,445.31	15,343.69
BOE Membership Dues and Fees	30,300.00	(750.00)	29,550.00	28,317.45	1,232.55
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>1,451,681.87</u>	<u>(0.12)</u>	<u>1,451,681.75</u>	<u>1,232,820.68</u>	<u>218,861.07</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Asst. Principals/Prog. Dir	1,451,010.00	600.00	1,451,610.00	1,451,519.21	90.79
Salaries of Secretarial and Clerical Assistants	955,682.00	(600.00)	955,082.00	938,368.85	16,713.15
Purchased Professional and Technical Services	15,000.00	-	15,000.00	3,020.56	11,979.44
Other Purchased Services (400-500 Series)	10,480.00	-	10,480.00	10,480.00	-
Supplies and Materials	21,380.00	534.55	21,914.55	11,660.46	10,254.09
Other Objects	7,575.00	150.00	7,725.00	5,926.01	1,798.99
Total Undist. Expend. - Support Serv. - School Admin.	<u>2,461,127.00</u>	<u>684.55</u>	<u>2,461,811.55</u>	<u>2,420,975.09</u>	<u>40,836.46</u>
Undist. Expend. - Central Services					
Salaries	478,774.00	-	478,774.00	426,763.63	52,010.37
Purchased Technical Services	24,700.00	-	24,700.00	19,825.00	4,875.00
Misc. Purchased Services (400-500)(O/T 594)	900.00	500.00	1,400.00	444.91	955.09
Supplies and Materials	13,908.00	(33.80)	13,874.20	6,827.58	7,046.62
Miscellaneous Expenditures	8,367.21	(466.20)	7,901.01	3,862.21	4,038.80
Total Undist. Expend. - Central Services	<u>526,649.21</u>	<u>0.00</u>	<u>526,649.21</u>	<u>457,723.33</u>	<u>68,925.88</u>
Undist. Expend. - Admin. Info. Technology					
Salaries	465,930.00	-	465,930.00	460,357.37	5,572.63
Purchased Technical Services	128,480.00	3,000.00	131,480.00	130,670.44	809.56

**WEST MILFORD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Purchased Services (400-500 Series)	3,000.00	-	3,000.00	1,387.33	1,612.67
Supplies and Materials	500.00	-	500.00	223.27	276.73
Total Undist. Expend. - Admin. Info. Technology	597,910.00	3,000.00	600,910.00	592,638.41	8,271.59
Undist. Expend.-Required Maint For Sch Fac.					
Salaires	381,738.00	-	381,738.00	364,096.49	17,641.51
Cleaning, Repair and Maintenance Services	375,481.38	72,870.12	448,351.50	402,917.62	45,433.88
General Supplies	143,436.00	(14,095.83)	129,340.17	82,591.25	46,748.92
Total Undist. Expend.-Required Maint For Sch Fac.	900,655.38	58,774.29	959,429.67	849,605.36	109,824.31
Undist. Expend. - Custodial Services					
Salaries	2,427,492.00	(62,753.85)	2,364,738.15	2,291,154.45	73,583.70
Salaries of Non-Instructional Aides	217,771.00	-	217,771.00	198,766.78	19,004.22
Purchased Professional and Technical Services	17,726.00	-	17,726.00	13,269.80	4,456.20
Cleaning, Repair and Maintenance Services	429,727.50	(189,049.17)	240,678.33	182,555.33	58,123.00
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	84,935.00	2,805.00	87,740.00	87,393.93	346.07
Other Purchased Property Services	258,477.00	13,101.29	271,578.29	212,501.30	59,076.99
Insurance	702,889.07	21,839.93	724,729.00	724,729.00	-
General Supplies	284,281.27	24,097.02	308,378.29	297,101.50	11,276.79
Energy (Natural Gas)	359,220.00	-	359,220.00	294,397.58	64,822.42
Energy (Electricity)	610,050.00	(37,870.00)	572,180.00	513,306.17	58,873.83
Energy (Oil)	76,072.00	0.23	76,072.23	55,735.75	20,336.48
Other Objects	29,546.00	10,547.00	40,093.00	38,979.15	1,113.85
Total Undist. Expend. - Custodial Services	5,498,186.84	(217,282.55)	5,280,904.29	4,909,890.74	371,013.55
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	202,846.00	1.00	202,847.00	202,846.08	0.92
General Supplies	14,000.00	3,240.76	17,240.76	17,109.23	131.53
Total Care and Upkeep of Grounds	216,846.00	3,241.76	220,087.76	219,955.31	132.45
Undist. Expend. - Security					
Salaries	103,539.00	2,000.00	105,539.00	104,757.63	781.37
Purchased Professional and Technical Services	2,000.00	66,795.34	68,795.34	4,700.00	64,095.34
General Supplies	-	73,794.40	73,794.40	-	73,794.40
Total Undist. Expend. - Security	105,539.00	142,589.74	248,128.74	109,457.63	138,671.11
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	6,721,227.22	(12,676.76)	6,708,550.46	6,088,909.04	619,641.42
Undist. Expend.-Student Transportation Serv.					
Salaries of Non-Instructional Aides	133,000.00	35,000.00	168,000.00	162,019.59	5,980.41
Sal. For Pupil Trans(Bet Home & Sch)-Reg	2,206,749.00	(54,871.35)	2,151,877.65	1,742,034.01	409,843.64
Sal. For Pupil Trans(Bet Home & Sch)-Sp Ed	552,233.00	(10,000.00)	542,233.00	332,637.25	209,595.75
Sal. For Pupil Trans(Other than Bet. Home & Sch)	190,904.00	(2,645.05)	188,258.95	94,419.57	93,839.38
Sal. For Pupil Trans(Bet. H&S) - NonPublic Sch	41,655.00	-	41,655.00	-	41,655.00
Management Fee - ESC & CTSA Trans. Program	32,640.00	-	32,640.00	18,196.82	14,443.18
Other Purchased Prof. and Technical Serv.	65,305.00	4,200.00	69,505.00	65,986.68	3,518.32
Cleaning, Repair, & Maint. Services	28,200.00	(8,200.00)	20,000.00	17,217.83	2,782.17
Lease Purchase Payments - School Buses	412,487.00	-	412,487.00	377,464.36	35,022.64
Contr Serv - Aid in Lieu Pymts - NonPub Sch	115,500.00	-	115,500.00	66,931.85	48,568.15
Contr Serv (Bet. Home and Sch) - Vendors	685,000.00	(25,000.00)	660,000.00	595,497.54	64,502.46
Contr Serv (Oth. Than Bet Home&Sch) - Vendors	52,000.00	-	52,000.00	24,125.83	27,874.17
Contr Serv (Special Ed) - Vendors	527,900.00	25,000.00	552,900.00	540,426.95	12,473.05
Misc. Purchased Services - Transportation	1,148.00	-	1,148.00	847.57	300.43
Transportation Supplies	463,052.26	(30,759.00)	432,293.26	297,060.93	135,232.33
Other Objects	13,500.00	(8,000.00)	5,500.00	2,776.40	2,723.60
Total Undist. Expend.-Student Transportation Serv.	5,521,273.26	(75,275.40)	5,445,997.86	4,337,643.18	1,108,354.68
Unallocated Benefits:					
Social Security Contributions	907,800.00	-	907,800.00	894,077.28	13,722.72
Other Retirement Contributions - PERS	1,363,451.00	(16,614.20)	1,346,836.80	1,211,239.83	135,596.97
Pension Contributions	-	390.20	390.20	390.20	-
Workmen's Compensation	327,533.00	(38,000.00)	289,533.00	289,233.00	300.00
Health Benefits	10,785,811.00	(138,567.00)	10,647,244.00	9,913,567.52	733,676.48
Tuition Reimbursement	111,000.00	-	111,000.00	107,016.00	3,984.00
Other Employee Benefits	162,450.00	(75,859.00)	86,591.00	76,161.73	10,429.27
Unused Sick Payments to Term/Retired Staff	-	230,426.00	230,426.00	230,426.00	-
Total Unallocated Benefits	13,658,045.00	(38,224.00)	13,619,821.00	12,722,111.56	897,709.44
On-Behalf Contributions					
On-behalf TPAF Pension (non-budgeted)	-	-	-	6,415,727.00	(6,415,727.00)
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	114,995.00	(114,995.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	2,422,778.00	(2,422,778.00)
On-Behalf TPAF Long-Term Disability Insurance (non-budgeted)	-	-	-	4,734.00	(4,734.00)
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	2,228,287.58	(2,228,287.58)
Total On-Behalf Contributions	-	-	-	11,186,521.58	(11,186,521.58)
Total Personal Services - Employee Benefits	13,658,045.00	(38,224.00)	13,619,821.00	23,908,633.14	(10,288,812.14)
Total Undistributed Expenditures	43,442,298.69	(235,755.74)	43,206,542.95	50,254,331.15	(7,047,788.20)

**WEST MILFORD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

Exhibit C-1
Page 5 of 5

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total General Current Expense	72,719,206.30	(211,371.23)	72,507,835.07	78,141,424.16	(5,633,589.09)
Capital Outlay					
Equipment					
School-Sponsored and Other Instructional Program	4,500.00	37,769.00	42,269.00	34,249.00	8,020.00
Undist. Expend. - Instruction - Instructional Equip.	52,575.07	52,604.40	105,179.47	84,500.76	20,678.71
Undist. Expend. - Instruction - Non-Instructional Equip.	-	284,378.62	284,378.62	284,378.62	-
Undist. Expend. - Support Services - Related & Extra. - Non-Instructional Equip.	-	3,536.34	3,536.34	3,536.34	-
Undist. Expend. - Required Maint for School Fac.	63,974.00	46,625.53	110,599.53	46,977.50	63,622.03
Undist. Expend. - Custodial Services - Non-Instructional Equip.	2,199.00	-	2,199.00	-	2,199.00
Undist. Expend. - Care and Upkeep of Grounds	50,807.00	5,939.84	56,746.84	56,746.84	-
Undist. Expend. - Security	128,152.64	236,536.50	364,689.14	354,083.30	10,605.84
Undist. Expend. - Student Transportation Services - Non-Instructional Equip.	-	38,759.00	38,759.00	-	38,759.00
Total Equipment	<u>302,207.71</u>	<u>706,149.23</u>	<u>1,008,356.94</u>	<u>864,472.36</u>	<u>143,884.58</u>
Facilities Acquisition and Const. Serv.					
Construction Services	1,048,339.83	-	1,048,339.83	915,012.20	133,327.63
Assessment for Debt Service on SDA Funding	27,501.00	-	27,501.00	27,501.00	-
Total Facilities Acquisition and Const. Serv.	<u>1,075,840.83</u>	<u>-</u>	<u>1,075,840.83</u>	<u>942,513.20</u>	<u>133,327.63</u>
Assets Acquired Under Capital Leases (non-budgeted)					
School Buses	-	-	-	639,384.30	(639,384.30)
Total Assets Acquired Under Capital Leases (non-budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>639,384.30</u>	<u>(639,384.30)</u>
Total Capital Outlay	<u>1,378,048.54</u>	<u>706,149.23</u>	<u>2,084,197.77</u>	<u>2,446,369.86</u>	<u>(362,172.09)</u>
Total Expenditures	<u>74,097,254.84</u>	<u>494,778.00</u>	<u>74,592,032.84</u>	<u>80,587,794.02</u>	<u>(5,995,761.18)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,311,546.84)</u>	<u>(494,778.00)</u>	<u>(3,806,324.84)</u>	<u>1,806,094.75</u>	<u>5,612,419.59</u>
Other Financing Sources (Uses):					
Capital Leases (non-budgeted)	-	-	-	639,384.30	639,384.30
Capital Reserve - Transfer to Capital Projects	(500,000.00)	(588,715.00)	(1,088,715.00)	(1,088,715.00)	-
Capital Outlay - Transfer to Capital Projects	(413,155.00)	-	(413,155.00)	(413,155.00)	-
Transfer to - Enterprise Fund	-	-	-	(170,790.70)	(170,790.70)
Total Other Financing Sources:	<u>(913,155.00)</u>	<u>(588,715.00)</u>	<u>(1,501,870.00)</u>	<u>(1,033,276.40)</u>	<u>468,593.60</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(4,224,701.84)</u>	<u>(1,083,493.00)</u>	<u>(5,308,194.84)</u>	<u>772,818.35</u>	<u>6,081,013.19</u>
Fund Balance, July 1	<u>9,165,643.66</u>	<u>-</u>	<u>9,165,643.66</u>	<u>9,165,643.66</u>	<u>-</u>
Fund Balance, June 30	<u>4,940,941.82</u>	<u>(1,083,493.00)</u>	<u>3,857,448.82</u>	<u>9,938,462.01</u>	<u>6,081,013.19</u>
Recapitulation of excess (deficiency) of revenues under expenditures:					
Adjustment for Prior Year Encumbrances	(1,125,220.84)	-	(1,125,220.84)	(1,125,220.84)	-
Budgeted Fund Balance	(2,499,981.00)	(494,778.00)	(2,994,759.00)	1,824,902.45	4,819,661.45
Budgeted Withdrawal from Capital Reserve	(500,000.00)	-	(500,000.00)	(500,000.00)	-
Withdrawal from Capital Reserve by Resolution	-	(588,715.00)	(588,715.00)	(588,715.00)	-
Budgeted Transfer from Maintenance Reserve	(100,000.00)	-	(100,000.00)	(100,000.00)	-
Increase in Maintenance Reserve:					
Principal	-	-	-	500,000.00	500,000.00
Increase in Capital Reserve:					
Principal	-	-	-	750,000.00	750,000.00
Interest	500.00	-	500.00	11,851.74	11,351.74
	<u>(4,224,701.84)</u>	<u>(1,083,493.00)</u>	<u>(5,308,194.84)</u>	<u>772,818.35</u>	<u>6,081,013.19</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				1,491,449.52	
Maintenance Reserve				700,000.00	
Excess Surplus				2,971,896.78	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,475,765.06	
Assigned Fund Balance:					
Year End Encumbrances				630,082.49	
Designated for Subsequent Year's Expenditures				913,977.00	
Unassigned Fund Balance					
				<u>1,755,291.16</u>	
				9,938,462.01	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(1,273,265.00)</u>	
				<u>8,665,197.01</u>	

WEST MILFORD BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources	-	13,058.00	13,058.00	11,655.42	(1,402.58)
Federal Sources	1,149,663.00	429,019.07	1,578,682.07	1,229,262.55	(349,419.52)
Total Revenues	1,149,663.00	442,077.07	1,591,740.07	1,240,917.97	(350,822.10)
Expenditures:					
Instruction:					
Salaries of Teachers	305,172.00	(89,692.00)	215,480.00	194,654.59	20,825.41
Tuition to Private Schools for the Disabled within NJ	750,000.00	101,974.00	851,974.00	851,974.00	-
General Supplies		176,089.69	176,089.69	412.08	175,677.61
Total Instruction	1,055,172.00	188,371.69	1,243,543.69	1,047,040.67	196,503.02
Support Services:					
Salaries of Teachers	94,491.00	(77,049.00)	17,442.00	6,647.00	10,795.00
Salaries of Other Professional Staff	-	27,850.00	27,850.00	4,535.50	23,314.50
Salaries of Secretarial & Clerical Assistants	-	10,000.00	10,000.00	10,000.00	-
Other Salaries	-	1,798.08	1,798.08	1,798.08	-
Social Security Contributions	-	58,134.64	58,134.64	54,077.71	4,056.93
Health Benefits	-	9,348.00	9,348.00	9,348.00	-
Purchased Professional - Educational Services	-	168,503.08	168,503.08	78,355.00	90,148.08
Travel	-	2,772.21	2,772.21	519.18	2,253.03
Miscellaneous Purchased Services	-	27,312.29	27,312.29	12,717.90	14,594.39
General Supplies	-	14,978.08	14,978.08	6,199.95	8,778.13
Total Support Services	94,491.00	243,647.38	338,138.38	184,198.32	153,940.06
Operation of Non-Instructional Services:					
General Supplies	-	600.00	600.00	220.98	379.02
Total Operation of Non-Instructional Services	-	600.00	600.00	220.98	379.02
Facilities Acquisition and Construction Services:					
Noninstructional Equipment	-	9,458.00	9,458.00	9,458.00	-
Total Facilities Acquisition and Construction Services	-	9,458.00	9,458.00	9,458.00	-
Total Expenditures	1,149,663.00	442,077.07	1,591,740.07	1,240,917.97	350,822.10
Total Outflows	1,149,663.00	442,077.07	1,591,740.07	1,240,917.97	350,822.10
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, 2020**

**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] 82,393,888.77	[C-2]	1,240,917.97
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add: Prior Year Encumbrances	N/A		772.21
Less: Current Year Encumbrances	N/A		(5,249.00)
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.	(1,273,265.00)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,358,264.00		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] 82,478,887.77	[B-2]	1,236,441.18
 Uses/Outflows of Resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 80,587,794.02	[C-2]	1,240,917.97
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		772.21
Less: Current Year Encumbrances	N/A		(5,249.00)
Total revenues as reported on the statement of revenues expenditures, and changes in fund balances - governmental funds	[B-2] 80,587,794.02	[B-2]	1,236,441.18

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

WEST MILFORD BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - PERS
LAST 10 FISCAL YEARS*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payrol - PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a perecentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.1247985140%	\$ 23,365,197	\$ 8,721,195	267.91%	52.08%
2016	0.1275700160%	28,636,912	8,485,838	337.47%	47.93%
2017	0.1274011928%	37,732,759	8,609,095	438.29%	40.14%
2018	0.1244999422%	28,981,597	8,490,515	341.34%	48.10%
2019	0.1258679051%	24,782,763	8,510,503	291.20%	53.60%
2020	0.1196533870%	21,559,725	8,518,227	253.10%	56.27%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 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
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - PERS
LAST 10 FISCAL YEARS*

Fiscal Year Ending June30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2015	\$ 1,028,799	\$ (1,028,799)	\$ -	\$ 8,721,195	11.80%
2016	1,096,760	(1,096,760)	-	8,485,838	12.92%
2017	1,131,814	(1,131,814)	-	8,609,095	13.15%
2018	1,153,359	(1,153,359)	-	8,490,515	13.58%
2019	1,251,979	(1,251,979)	-	8,510,503	14.71%
2020	1,163,881	(1,163,881)	-	8,518,227	13.66%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 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
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - TPAF
LAST 10 FISCAL YEARS*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payrol TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a perecentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.2941957073%	\$ -	\$ 157,238,031	\$ 29,048,328	0.00%	33.64%
2016	0.2854159332%	-	180,395,058	29,529,656	0.00%	28.71%
2017	0.2880639774%	-	226,609,466	30,487,554	0.00%	28.75%
2018	0.2842699377%	-	191,665,042	31,509,557	0.00%	25.41%
2019	0.2914283214%	-	185,400,438	31,395,034	0.00%	26.49%
2020	0.2907659254%	-	178,445,793	31,090,627	0.00%	26.95%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 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
NOTE TO REQUIRED SCHEDULES OF SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDING 2020**

Public Employees' Retirement System (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 5.66% to 6.28%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

Teachers Pension and Annuity Fund (TPAF)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.78%) to the current measurement date (3.50%), resulting in a change in the discount rate from 4.86% to 5.60%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

WEST MILFORD BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN DISTRICT'S PROPORTIONATE SHARE OF THE STATE OPEB LIABILITY
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Costs	\$ 4,685,800.00	\$ 5,228,766	\$ 6,293,216
Interest on Total OPEB Liability	6,118,117	6,513,196	5,641,364
Difference Between Expected and Actual Experiences	(27,571,149)	(13,166,469)	-
Changes in Assumptions	2,037,027	(17,835,284)	(22,884,143)
Gross Benefit Payments	(4,193,851)	(4,155,890)	(4,138,899)
Contribution from the Member	124,317	143,634	152,405
Net Changes in total Share of OPEB Liability	(18,799,739)	(23,272,047)	(14,936,057)
Total OPEB Liability - Beginning	155,420,535	178,692,582	193,628,639
Total OPEB Liability - Ending	<u>\$ 136,620,796</u>	<u>\$ 155,420,535</u>	<u>\$ 178,692,582</u>
District's Proportionate Share of OPEB Liability		\$ -	\$ -
State's Proportionate Share of OPEB Liability	136,620,796	155,420,535	178,692,582
Total OPEB Liability - Ending	<u>\$ 136,620,796</u>	<u>\$ 155,420,535</u>	<u>\$ 178,692,582</u>
District's Covered Employee Payroll	<u>\$ 39,608,854</u>	<u>\$ 39,905,537</u>	<u>\$ 40,000,072</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Change in benefit terms None

Change in assumptions Assumptions used in calculating the OPEB liability are presented
in Note 8.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Supplementary Schedules

SPECIAL REVENUE FUND

**WEST MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

	Brought Forward from (Ex. E-1a)	Title I - Part A Improving Basic Programs	Title II - Part A Teacher/Principal Training & Recruiting	Title IV - Part A Student Support and Academic Enrichment	IDEA - Part B Basic	Total 2020
Revenues:						
Federal Sources	38,105.00	286,263.57	51,918.02	1,001.96	851,974.00	1,229,262.55
Local Sources	11,655.42	-	-	-	-	11,655.42
Total Revenues	49,760.42	286,263.57	51,918.02	1,001.96	851,974.00	1,240,917.97
Expenditures:						
Instruction:						
Salaries of Teachers	1,836.00	192,818.59	-	-	-	194,654.59
Tuition	-	-	-	-	851,974.00	851,974.00
General Supplies	-	412.08	-	-	-	412.08
Total Instruction	1,836.00	193,230.67	-	-	851,974.00	1,047,040.67
Support Services:						
Salaries of Teachers	-	-	5,933.00	714.00	-	6,647.00
Salaries of Other Professional Staff	-	4,535.50	-	-	-	4,535.50
Salaries of Secretarial & Clerical Assistants	-	10,000.00	-	-	-	10,000.00
Other Salaries	-	1,798.08	-	-	-	1,798.08
Social Security Contributions	140.44	53,428.78	453.87	54.62	-	54,077.71
Health Benefits	-	9,348.00	-	-	-	9,348.00
Purchased Professional - Ed. Services	38,105.00	-	40,250.00	-	-	78,355.00
Travel	-	-	519.18	-	-	519.18
Miscellaneous Purchased Services	-	9,521.90	3,196.00	-	-	12,717.90
General Supplies	-	4,400.64	1,565.97	233.34	-	6,199.95
Total Support Services	38,245.44	93,032.90	51,918.02	1,001.96	-	184,198.32
Operation of Non-Instructional Services:						
General Supplies	220.98	-	-	-	-	220.98
Total Operation of Non-Instructional Services	220.98	-	-	-	-	220.98
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment	9,458.00	-	-	-	-	9,458.00
Total Facilities Acquisition and Construction Services	9,458.00	-	-	-	-	9,458.00
Total Expenditures	49,760.42	286,263.57	51,918.02	1,001.96	851,974.00	1,240,917.97
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, 2020**

	IDEA - Part B Preschool	WMEF Mini-Grant Donations	Dual Citizenship Donations	Play Unified Partnership Grant	Total Carried Forward to (Ex. E-1)
REVENUES:					
Federal Sources	38,105.00	-	-	-	38,105.00
Local Sources	-	9,458.00	220.98	1,976.44	11,655.42
Total Revenues	38,105.00	9,458.00	220.98	1,976.44	49,760.42
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	-	-	1,836.00	1,836.00
Tuition	-	-	-	-	-
General Supplies	-	-	-	-	-
Total instruction	-	-	-	1,836.00	1,836.00
Support Services:					
Salaries of Teachers	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial & Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Social Security Contributions	-	-	-	140.44	140.44
Health Benefits	-	-	-	-	-
Purchased Professional - Ed. Services	38,105.00	-	-	-	38,105.00
Travel	-	-	-	-	-
Miscellaneous Purchased Services	-	-	-	-	-
General Supplies	-	-	-	-	-
Total Support Services	38,105.00	-	-	140.44	38,245.44
Operation of Non-Instructional Services:					
General Supplies	-	-	220.98	-	220.98
Total Operation of Non-Instructional Services	-	-	220.98	-	220.98
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	9,458.00	-	-	9,458.00
Total Facilities Acquisition and Construction Services	-	9,458.00	-	-	9,458.00
Total Expenditures	38,105.00	9,458.00	220.98	1,976.44	49,760.42
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

CAPITAL PROJECTS FUND

**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, 2020**

Revenue and Other Financing Sources:	
Transfer from Capital Outlay	413,155.00
Transfer from Capital Reserve	1,088,715.00
	1,501,870.00
 Total Revenues	 1,501,870.00
 Expenditures and Other Financing Uses:	
Architectural/Engineering Services	44.21
Construction Services	899,604.46
	899,648.67
 Total Expenditures	 899,648.67
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	602,221.33
 Other Financing Sources/(Uses):	
Operating Transfer Out:	
Interest Transferred to General Fund	6,528.56
Cancelled Capital Projects Transferred to Debt Service Fund	(100,000.00)
	(100,000.00)
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and other Financing Sources (Uses)	 502,221.33
Fund Balance - Beginning of Year	540,927.89
	540,927.89
Fund Balance - End of Year	1,043,149.22
	1,043,149.22

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financings Sources				
Bond Proceeds	3,797,359.00	-	3,797,359.00	3,797,359.00
Total Revenues	<u>3,797,359.00</u>	<u>-</u>	<u>3,797,359.00</u>	<u>3,797,359.00</u>
Expenditures and Other Financing Uses:				
Architectural/Engineering Services	43.98	-	43.98	52,543.42
Other Pruchased Professional and Technical Services	22,992.79	-	22,992.79	-
Construction Services	3,370,319.23	-	3,370,319.23	4,615,376.58
Cancelled - Capital Projects	<u>100,000.00</u>	<u>100,000.00</u>	<u>200,000.00</u>	<u>-</u>
Total Expenditures	<u>3,493,356.00</u>	<u>100,000.00</u>	<u>3,593,356.00</u>	<u>4,667,920.00</u>
Excess (Deficiency) or Revenues Over (under) Expenditures	<u>304,003.00</u>	<u>(100,000.00)</u>	<u>204,003.00</u>	<u>(870,561.00)</u>
Additional Project Information:				
Original Authorized Costs			4,667,830.00	
Additional Authorized Costs			-	
Revised Authorized Costs			4,667,830.00	
Percentage Increase over Original Authorized Costs			0.00%	
Percentage of Completion			72.20%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL BOILER REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financings Sources			
State Sources - SDA Grant	421,842.14	421,842.14	421,842.14
Transfer from Capital Reserve	<u>637,613.00</u>	<u>637,613.00</u>	<u>637,613.00</u>
Total Revenues	<u>1,059,455.14</u>	<u>1,059,455.14</u>	<u>1,059,455.14</u>
Expenditures and Other Financing Uses:			
Other Purchased Professional and Technical Services	15,205.35	15,205.35	15,205.35
Construction Services	<u>978,351.31</u>	<u>978,351.31</u>	<u>978,351.31</u>
Total Expenditures	<u>993,556.66</u>	<u>993,556.66</u>	<u>993,556.66</u>
Excess (Deficiency) or Revenues Over (under) Expenditures	<u>65,898.48</u>	<u>65,898.48</u>	<u>65,898.48</u>

Additional Project Information:

DOE Project Number	5650-040-14-1001
SDA Project Number	5650-040-14-G2NC
SDA Grant Number	G5-5762
Grant Date	3/31/2014
Original Authorized Costs	1,062,688.00
Additional Authorized Costs	-
Revised Authorized Costs	1,062,688.00
Percentage Increase (Decrease) over Original Authorized Costs	0.000%
Percentage of Completion	93.49%

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL SCIENCE LAB UPDATES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financings Sources			
Transfer from Capital Outlay	833,250.00	833,250.00	833,250.00
Total Revenues	833,250.00	833,250.00	833,250.00
Expenditures and Other Financing Uses:			
Construction Services	712,956.94	712,956.94	833,250.00
Total Expenditures	712,956.94	712,956.94	833,250.00
Excess (Deficiency) or Revenues Over (under) Expenditures	120,293.06	120,293.06	-
Additional Project Information:			
Original Authorized Costs		833,250.00	
Additional Authorized Costs		-	
Revised Authorized Costs		833,250.00	
Percentage Increase (Decrease) over Original Authorized Costs		0.000%	
Percentage of Completion		85.56%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
GREENHOUSE REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financings Sources				
Transfer from Capital Outlay	215,000.00	-	215,000.00	215,000.00
Transfer from Auditorium Project	85,000.00	-	85,000.00	85,000.00
Total Revenues	<u>300,000.00</u>	<u>-</u>	<u>300,000.00</u>	<u>300,000.00</u>
Expenditures and Other Financing Uses:				
Architectural/Engineering Services	16,763.09	44.21	16,807.30	17,500.00
Other Purchased Professional and Technical Services	1,196.25	-	1,196.25	1,196.25
Construction Services	231,307.31	33,026.69	264,334.00	281,303.75
Total Expenditures	<u>249,266.65</u>	<u>33,070.90</u>	<u>282,337.55</u>	<u>300,000.00</u>
Excess (Deficiency) or Revenues Over (under) Expenditures	<u>50,733.35</u>	<u>(33,070.90)</u>	<u>17,662.45</u>	<u>-</u>
Additional Project Information:				
Original Authorized Costs			300,000.00	
Additional Authorized Costs			-	
Revised Authorized Costs			300,000.00	
Percentage Increase (Decrease) over Original Authorized Costs			0.000%	
Percentage of Completion			94.11%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
ROOF RESTORATIONS - APSHAWA/PARADISE KNOLLS/UPPER GREENWOOD LAKE SCHOOLS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financings Sources			
Transfer from Capital Reserve	588,715.00	588,715.00	588,715.00
Total Revenues	588,715.00	588,715.00	588,715.00
Excess (Deficiency) or Revenues Over (under) Expenditures	588,715.00	588,715.00	588,715.00
 Additional Project Information:			
Original Authorized Costs		536,023.00	
Additional Authorized Costs		-	
Revised Authorized Costs		536,023.00	
Percentage Increase over Original Authorized Costs		0.00%	
Percentage of Completion		0.00%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
PAVING OF TRANSPORTATION LOT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financings Sources			
Transfer from Capital Outlay	413,155.00	413,155.00	413,155.00
Transfer from Capital Reserve	500,000.00	500,000.00	500,000.00
Total Revenues	913,155.00	913,155.00	913,155.00
Expenditures and Other Financing Uses:			
Construction Services	866,577.77	866,577.77	913,155.00
Total Expenditures	866,577.77	866,577.77	913,155.00
Excess (Deficiency) or Revenues Over (under) Expenditures	46,577.23	46,577.23	-
 Additional Project Information:			
Original Authorized Costs		913,155.00	
Additional Authorized Costs		-	
Revised Authorized Costs		913,155.00	
Percentage Increase (Decrease) over Original Authorized Costs		0.000%	
Percentage of Completion		94.90%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

Project Description	Appropriation	Expenditures		Cancelled - Capital Projects	Unexpended Balance
		Prior Years	Current Year		
High School Roof Replacement	3,797,359.00	3,393,356.00	-	200,000.00	204,003.00
High School Boiler Replacement	1,059,455.14	993,556.66	-	-	65,898.48
High School Science Lab	833,250.00	712,956.94	-	-	120,293.06
Greenhouse Replacement	300,000.00	249,266.65	33,070.90	-	17,662.45
Roof Restorations - AP/PK/UGL	588,715.00	-	-	-	588,715.00
Trasporation Lot Paving	913,155.00	-	866,577.77	-	46,577.23
	<u>7,491,934.14</u>	<u>5,349,136.25</u>	<u>899,648.67</u>	<u>200,000.00</u>	<u>1,043,149.22</u>

PROPRIETARY FUNDS

WEST MILFORD BOARD OF EDUCATION
COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2020

	<u>Food Service Program</u>	<u>School Age Child Care</u>	<u>Totals</u>
Assets:			
Current Assets:			
Cash and Cash Equivalents	1,473.34	23,914.80	25,388.14
Accounts Receivable:			
State	3,270.27	-	3,270.27
Federal	17,002.72	-	17,002.72
Other	3,499.43	-	3,499.43
Inventories	18,434.06	-	18,434.06
	<u>43,679.82</u>	<u>23,914.80</u>	<u>67,594.62</u>
Total Current Assets			
Noncurrent Assets:			
Capital Assets:			
Equipment	253,061.94	2,519.77	255,581.71
Less: Accumulated Depreciation	<u>(186,587.98)</u>	<u>(646.74)</u>	<u>(187,234.72)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>66,473.96</u>	<u>1,873.03</u>	<u>68,346.99</u>
Total Assets	<u><u>110,153.78</u></u>	<u><u>25,787.83</u></u>	<u><u>135,941.61</u></u>
Liabilities:			
Current Liabilities:			
Interfund Payable:			
General Fund	361.19	-	361.19
Accounts Payable:			
State	3.96	-	3.96
Federal	428.04	-	428.04
Other	7,478.38	4,556.80	12,035.18
Prepaid Sales	35,408.25	-	35,408.25
	<u>43,679.82</u>	<u>4,556.80</u>	<u>48,236.62</u>
Total Current Liabilities	<u>43,679.82</u>	<u>4,556.80</u>	<u>48,236.62</u>
Total Liabilities	<u><u>43,679.82</u></u>	<u><u>4,556.80</u></u>	<u><u>48,236.62</u></u>
Net Position:			
Invested in Capital Assets Net of Related Debt			
	66,473.96	-	66,473.96
Unrestricted	-	21,231.03	21,231.03
Total Net Position	<u><u>66,473.96</u></u>	<u><u>21,231.03</u></u>	<u><u>87,704.99</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, 2020**

	<u>Food Service Program</u>	<u>School Age Child Care</u>	<u>Totals</u>
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	368,639.11	-	368,639.11
Daily Sales - Non-reimbursable Programs	219,051.00	-	219,051.00
Special Functions/Miscellaneous	2,308.14	-	2,308.14
Revenue from Enterprise Activities	16,130.00		16,130.00
Program Fees	-	287,646.75	287,646.75
Total Operating Revenues	<u>606,128.25</u>	<u>287,646.75</u>	<u>893,775.00</u>
Operating Expenses:			
Salaries	162,972.99	316,735.07	479,708.06
Cost of Sales - Reimbursable	261,633.00	-	261,633.00
Cost of Sales - Non-reimbursable	161,459.39	-	161,459.39
Employers Share of Social Security	12,467.46	24,230.24	36,697.70
Employee Benefits	111,198.32	-	111,198.32
Purchased Professional-Educational Services	-	6,708.23	6,708.23
Purchased Technical Services	9,230.00	-	9,230.00
Management Fees	65,092.72	-	65,092.72
Other Purchased Professional Services	260,793.28	-	260,793.28
General Supplies	24,566.32	12,945.21	37,511.53
Repairs	12,826.50	-	12,826.50
Equipment	3,178.84	-	3,178.84
Depreciation	6,146.89	251.98	6,398.87
Miscellaneous	2,200.00	-	2,200.00
Total Operating Expenses	<u>1,093,765.71</u>	<u>360,870.73</u>	<u>1,454,636.44</u>
Operating Income/(Loss)	<u>(487,637.46)</u>	<u>(73,223.98)</u>	<u>(560,861.44)</u>
Non-operating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	12,153.18	-	12,153.18
Federal Sources:			
School Breakfast Program	31,076.96	-	31,076.96
National School Lunch Program	215,315.50	-	215,315.50
Food Distribution Program	58,021.64	-	58,021.64
Interest and Investment Revenue	359.46	2,043.41	2,402.87
Total Non-operating Revenues/(Expenses)	<u>316,926.74</u>	<u>2,043.41</u>	<u>318,970.15</u>
Income/(Loss) Before Contribution & Transfers	<u>(170,710.72)</u>	<u>(71,180.57)</u>	<u>(241,891.29)</u>
Operating Transfer in/(out)	<u>170,790.70</u>	<u>-</u>	<u>170,790.70</u>
Change in Net Position	79.98	(71,180.57)	(71,100.59)
Total Net Position - Beginning	<u>66,393.98</u>	<u>92,411.60</u>	<u>158,805.58</u>
Total Net Position - Ending	<u>66,473.96</u>	<u>21,231.03</u>	<u>87,704.99</u>

**WEST MILFORD BOARD OF EDUCATION
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	Food Service Program	School Age Child Care	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	623,062.70	285,525.75	908,588.45
Receipts/(Payments) for Interfunds	(66,498.28)	-	(66,498.28)
Payments to Employees for Services	(162,972.99)	(316,735.07)	(479,708.06)
Payments to Suppliers	(928,277.20)	(42,254.56)	(970,531.76)
Net Cash Provided by/(Used for) Operating Activities	<u>(534,685.77)</u>	<u>(73,463.88)</u>	<u>(608,149.65)</u>
Cash Flows from Non-capital Financing Activities:			
State Sources	11,261.47	-	11,261.47
Federal Sources	341,694.01	-	341,694.01
Operating Subsidies	170,790.70	-	170,790.70
Net Cash Provided by/(Used for) Non-capital Financing Activities	<u>523,746.18</u>	<u>-</u>	<u>523,746.18</u>
Cash Flow from Capital and Related Financing Activities:			
Purchase of Capital Assets	(6,226.87)	-	(6,226.87)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	<u>(6,226.87)</u>	<u>-</u>	<u>(6,226.87)</u>
Cash Flow from Investing Activities:			
Interest on Cash Equivalents	359.46	2,043.41	2,402.87
Net Cash Provided by/(Used for) Investing Activities	<u>359.46</u>	<u>2,043.41</u>	<u>2,402.87</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(16,807.00)</u>	<u>(71,420.47)</u>	<u>(88,227.47)</u>
Balances-Beginning of Year	<u>18,280.34</u>	<u>95,335.27</u>	<u>113,615.61</u>
Balances-End of Year	<u><u>1,473.34</u></u>	<u><u>23,914.80</u></u>	<u><u>25,388.14</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income/(Loss)	(487,637.46)	(73,223.98)	(560,861.44)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:			
Depreciation	6,146.89	251.98	6,398.87
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(1,157.39)	1,180.00	22.61
(Increase)/Decrease in Inventory	(2,110.01)	-	(2,110.01)
Increase/(Decrease) in Accounts Payable	578.64	3,629.12	4,207.76
Increase/(Decrease) in Encumbrances Payable	(2,100.00)	(2,000.00)	(4,100.00)
Increase/(Decrease) in Interfund Payable	(66,498.28)	-	(66,498.28)
Increase/(Decrease) in Deferred Revenue	18,091.84	(3,301.00)	14,790.84
Total Adjustments	<u>(47,048.31)</u>	<u>(239.90)</u>	<u>(47,288.21)</u>
Net Cash Provided by/(Used for) Operating Activities	<u><u>(534,685.77)</u></u>	<u><u>(73,463.88)</u></u>	<u><u>(608,149.65)</u></u>

FIDUCIARY FUND

**WEST MILFORD BOARD OF EDUCATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	<u>Unemployment Compensation Trust Fund</u>	<u>John Wallisch Scholarship</u>	<u>Vogel Scholarship</u>	<u>Agency Fund</u>
Assets:				
Cash and Cash Equivalents	962,008.02	318,142.12	4,576.78	455,968.20
Interest Receivable on Investments	2,461.90	-	-	-
Total Assets	<u>964,469.92</u>	<u>318,142.12</u>	<u>4,576.78</u>	<u>455,968.20</u>
Liabilities				
Payable to Student Groups	-	-	-	418,180.04
Payable to State Government	76,226.45	-	-	-
Payroll Deductions and Withholdings	-	-	-	9,618.95
Flexible Spending	-	-	-	7,563.13
Interfund Accounts Payable:				
General Fund	-	-	-	20,606.08
Total Liabilities	<u>76,226.45</u>	<u>-</u>	<u>-</u>	<u>455,968.20</u>
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	<u>888,243.47</u>			
Reserved for Other Purposes		<u>318,142.12</u>	<u>4,576.78</u>	

WEST MILFORD BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust Fund	John Wallisch Scholarship	Edward Vogel Scholarship
Operating Revenues:			
Local Sources:			
Interest on Investments	19,661.89	2,726.38	65.04
Contributions	65,887.80	-	-
Total Operating Revenues	<u>85,549.69</u>	<u>2,726.38</u>	<u>65.04</u>
Operating Expenses:			
Scholarships	-	10,000.00	500.00
Unemployment Claims	114,459.46	-	-
Total Operating Expenses	<u>114,459.46</u>	<u>10,000.00</u>	<u>500.00</u>
Operating Income/(Loss)	(28,909.77)	(7,273.62)	(434.96)
Net Position, July 1	<u>917,153.24</u>	<u>325,415.74</u>	<u>5,011.74</u>
Net Position, June 30	<u><u>888,243.47</u></u>	<u><u>318,142.12</u></u>	<u><u>4,576.78</u></u>

**WEST MILFORD BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
Elementary Schools:				
Apshawa	4,194.44	2,945.22	2,816.99	4,322.67
Maple Road	5,759.48	4,940.63	7,419.03	3,281.08
Marshall Hill	11,293.91	4,048.50	4,412.00	10,930.41
Paradise Knoll	1,094.92	7,244.35	7,374.86	964.41
Upper Greenwood Lake	1,058.67	4,081.85	3,553.43	1,587.09
Westbrook	3,476.61	6,623.36	5,999.04	4,100.93
Middle School:				
Macopin Middle School	70,748.98	329,106.36	278,223.23	121,632.11
Senior High School:				
West Milford Athletics	110,310.05	89,319.26	105,827.87	93,801.44
West Milford High School	197,071.98	168,338.71	188,311.03	177,099.66
Other Student Activity Accounts:				
Learning Unlimited	497.24	499.50	536.50	460.24
	<u>405,506.28</u>	<u>617,147.74</u>	<u>604,473.98</u>	<u>418,180.04</u>

**WEST MILFORD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
Assets:				
Cash and Cash Equivalents	48,436.95	48,533,020.25	48,543,669.04	37,788.16
Total Assets	<u>48,436.95</u>	<u>48,533,020.25</u>	<u>48,543,669.04</u>	<u>37,788.16</u>
Liabilities and Reserves:				
Net Payroll	-	26,307,076.59	26,307,076.59	-
Payroll Deductions and Withholdings	21,501.74	22,167,946.15	22,179,828.94	9,618.95
Flexible Spending Account	5,995.88	46,305.71	44,738.46	7,563.13
Interfund Accounts Payable General Fund	20,939.33	11,691.80	12,025.05	20,606.08
Total Liabilities and Reserves	<u>48,436.95</u>	<u>48,533,020.25</u>	<u>48,543,669.04</u>	<u>37,788.16</u>

LONG-TERM DEBT

**WEST MILFORD BOARD OF EDUCATION
GENERAL LONG TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
JUNE 30, 2020**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2019	Retired	Balance June 30, 2020
			Date	Amount				
School Bonds of 2016	7/15/2016	6,500,000.00	7/15/2020	500,000.00	1.25%			
			7/15/2021	500,000.00	2.00%			
			7/15/2022	525,000.00	2.00%			
			7/15/2023	525,000.00	2.00%			
			7/15/2024	550,000.00	2.00%			
			7/15/2025	550,000.00	2.00%			
			7/15/2026	590,000.00	2.00%			
			7/15/2027	600,000.00	2.00%			
			7/15/2028	625,000.00	2.00%			
			7/15/2029	660,000.00	2.00%			
					6,075,000.00	450,000.00	5,625,000.00	
					<u>6,075,000.00</u>	<u>450,000.00</u>	<u>5,625,000.00</u>	

WEST MILFORD BOARD OF EDUCATION
GENERAL LONG TERM DEBT ACCOUNT GROUP
SCHEDULE OF PUBLIC SCHOOL FACILITIES LOAN ASSISTANCE PROGRAM
JUNE 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Balance July 1, 2019	Retired
NJ Economic Authority Underground Storage Tank Laon # LO4215	12/1/2008	45,585.00	12/1/2018	4,558.50		

**WEST MILFORD BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Issue	Interest Rate Payables	Amount of Original Issue	Amount Outstanding on July 1, 2019	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2020
6 - 2016 Buses, 1 - Backhoe, 1 - Trailer, & 1 - Ford F-250	3.600%	688,524.20	142,586.09	-	142,586.09	-
30 Digital Copiers	3.700%	222,361.26	75,306.12	-	47,047.24	28,258.88
4 - 2017 24 Passenger Buses	1.696%	227,981.89	92,299.56	-	45,761.73	46,537.83
6 - 2019 School Buses (4-54 Pass., 2-24 Pass.)	4.200%	498,610.42	390,359.68	-	91,543.35	298,816.33
Grandstand, Bleachers, and Press Box	5.600%	672,000.00	525,482.87	-	131,662.09	393,820.78
1 - Ford F-150 with Accessories	5.980%	64,094.00	46,504.46	-	17,200.49	29,303.97
3 - 2020 School Buses (3-54 Pass., 5-24 Pass.)	4.580%	639,384.30	-	639,384.30	-	499,805.75
Total			1,272,538.78	639,384.30	615,379.54	1,296,543.54

WEST MILFORD BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Revenues:				
Local sources:				
Local tax levy	270,260.00	270,260.00	270,260.00	-
Total revenues - local sources	<u>270,260.00</u>	<u>270,260.00</u>	<u>270,260.00</u>	<u>-</u>
State sources:				
Debt service aid type II	190,740.00	190,740.00	190,740.00	-
Total state sources	<u>190,740.00</u>	<u>190,740.00</u>	<u>190,740.00</u>	<u>-</u>
Total Revenues	<u>461,000.00</u>	<u>461,000.00</u>	<u>461,000.00</u>	<u>-</u>
Expenditures:				
Regular debt service:				
Interest	111,000.00	111,000.00	111,000.00	-
Redemption of principal	450,000.00	450,000.00	450,000.00	-
Total regular debt service	<u>561,000.00</u>	<u>561,000.00</u>	<u>561,000.00</u>	<u>-</u>
Total Expenditures	<u>561,000.00</u>	<u>561,000.00</u>	<u>561,000.00</u>	<u>-</u>
Other Financing Sources/(Uses):				
Capital Projects - Transfer to Debt Services for Repayment of Debt	-	-	100,000.00	100,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000.00)	(100,000.00)	-	100,000.00
Fund Balances, July 1	100,002.93	100,002.93	100,002.93	-
Fund Balances, June 30	<u>2.93</u>	<u>2.93</u>	<u>100,002.93</u>	<u>100,000.00</u>
Recapitulation of excess (deficiency) of revenues under expenditures:				
Budgeted Fund Balance	<u>\$ (100,000.00)</u>	<u>\$ (100,000.00)</u>	<u>\$ -</u>	<u>\$ 100,000.00</u>
Recapitulation:				
Unassigned Fund Balance			<u>100,002.93</u>	
			<u>100,002.93</u>	

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
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Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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Debt Capacity

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Demographic and Economic Information

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

WEST MILFORD BOARD OF EDUCATION

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets, net of related debt	10,125,208	10,738,769	11,157,970	12,491,734	14,625,039	19,535,989	17,423,192	18,571,495	19,369,256	20,808,409
Restricted	3,188,664	5,053,261	7,995,387	8,164,505	7,957,499	7,082,783	9,830,847	8,137,799	7,860,210	8,412,347
Unrestricted	(3,647,211)	(3,180,197)	(3,584,990)	(3,767,616)	(28,031,456)	(28,842,210)	(31,564,210)	(31,874,212)	(31,571,082)	(30,178,977)
Total governmental activities net position	9,666,662	12,611,832	15,568,367	16,888,623	(5,448,918)	(2,223,437)	(4,310,171)	(5,164,918)	(4,341,616)	(958,221)
Business-type activities										
Invested in capital assets, net of related debt	309,875	298,436	298,436	247,464	123,999	59,175	65,339	64,065	66,394	66,474
Restricted	38,950	38,950	38,950	38,950	48,552	47,906	42,950	43,050	4,100	-
Unrestricted	(53,859)	(119,973)	(90,952)	33,812	143,241	77,415	58,736	21,680	92,412	21,231
Total business-type activities net position	294,965	217,412	246,434	320,226	315,792	184,495	167,025	128,795	162,906	87,705
District-wide										
Invested in capital assets, net of related debt	10,435,083	11,037,205	11,456,405	12,739,198	14,749,038	19,595,164	17,488,531	18,635,560	19,435,650	20,874,883
Restricted	3,227,614	5,092,211	8,034,337	8,203,455	8,006,050	7,130,689	9,873,797	8,180,849	7,864,310	8,412,347
Unrestricted	(3,701,070)	(3,300,171)	(3,675,942)	(3,733,804)	(27,888,215)	(28,764,795)	(31,505,474)	(31,852,531)	(31,478,670)	(30,157,746)
Total district net position	9,961,627	12,829,245	15,814,800	17,208,849	(5,133,127)	(2,038,942)	(4,143,146)	(5,036,123)	(4,178,710)	(870,516)

Source: CAFR Schedule A-1

* 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	27,864,663	28,465,802	29,091,197	30,060,451	33,688,879	35,397,999	39,420,525	40,763,496	37,390,157	34,111,561
Special education	8,666,728	9,217,726	9,232,990	9,811,680	10,880,659	11,785,583	13,745,328	14,226,531	12,933,182	12,010,835
Other special education	380,544	207,229	312,632	375,189	307,127	313,341	288,723	301,309	319,072	346,903
Other instruction	1,218,450	1,249,692	1,202,128	1,188,725	1,262,218	1,339,603	1,471,639	1,473,306	1,413,154	1,320,817
Support Services:										
Tuition	3,449,330	4,516,967	5,077,971	4,606,754	4,687,173	4,113,329	4,768,524	4,313,254	3,905,318	3,738,633
Student & instruction related services	8,506,512	8,275,763	8,434,225	8,762,336	9,566,003	10,020,550	11,196,726	11,511,824	11,103,269	10,438,181
General administrative services	1,394,335	1,460,440	1,474,288	1,579,493	1,564,216	1,715,623	1,852,747	1,832,412	1,736,709	1,685,135
School administrative services	3,718,570	3,680,436	3,553,425	3,614,528	4,174,086	4,803,145	5,465,106	5,494,488	4,933,840	4,552,472
Central Services and Admin. Info. Tech.	1,279,707	1,315,933	1,359,028	1,331,554	1,548,677	1,626,964	1,856,924	1,866,713	1,738,594	1,630,974
Plant operations and maintenance	6,734,278	6,749,522	6,877,873	7,153,738	7,936,484	8,021,118	8,978,761	8,977,810	8,680,486	8,321,824
Pupil transportation	5,238,761	5,533,660	5,433,960	5,452,455	5,751,379	5,704,056	6,287,804	6,701,989	6,571,627	5,647,451
Charter Schools	-	-	-	31,679	33,960	27,501	29,237	-	-	-
Non-instructional services	-	-	-	-	-	-	-	-	-	221
Interest on Long term debt	105,318	94,337	80,093	64,698	49,060	28,340	130,386	91,701	114,395	135,338
Capital Outlay - Non-depreciable	19,610	11,889	16,678	27,501	27,501	32,777	27,501	27,501	174,018	27,501
Unallocated Benefits	622,847	300,873	-	-	17,208	17,656	-	-	-	-
Total governmental activities expenses	69,199,652	71,080,269	72,146,488	74,060,781	81,494,628	84,947,584	95,519,929	97,582,335	91,013,821	83,967,846
Business-type activities:										
Food service	1,262,573	1,330,478	1,339,026	1,261,766	1,233,017	1,240,543	1,314,371	1,307,906	1,335,322	1,095,866
School Aged Child Care	541,640	518,337	395,816	238,844	286,769	471,027	427,969	420,506	452,933	362,871
Total business-type activities expense	1,804,213	1,848,815	1,734,842	1,500,610	1,519,786	1,711,569	1,742,341	1,728,412	1,788,255	1,458,736
Total district expenses	71,003,864	72,929,083	73,881,330	75,561,391	83,014,414	86,659,153	97,262,270	99,310,747	92,802,076	85,426,583
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	309,027	385,869	98,189	144,926	346,766	363,804	342,190	298,606	242,559	188,738
Plant operations and maintenance	-	-	62,868	19,406	34,747	465	13,572	-	-	2,077
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Non-instructional Services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,317,854	1,649,917	1,578,803	1,466,993	1,405,774	1,423,795	1,381,971	1,319,278	1,297,061	1,226,983
Capital grants and contributions	126,156	40,504	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,753,037	2,076,290	1,739,860	1,631,325	1,787,288	1,788,054	1,737,734	1,617,885	1,539,620	1,417,798
Business-Type activities:										
Charges for services										
Food service	888,069	919,117	805,601	787,385	762,535	763,809	792,535	853,813	888,221	606,128
Adult Community School	481,414	441,759	439,791	324,504	395,322	396,731	403,564	382,121	480,825	287,647
School Aged Child Care	246,204	280,669	296,511	339,714	353,519	355,600	371,102	387,264	384,616	316,567
Operating grants and contributions	1,615,688	1,641,545	1,541,903	1,451,603	1,511,375	1,516,140	1,567,200	1,623,197	1,753,662	1,210,342
Total business type activities program revenues	4,368,725	3,717,835	3,281,763	3,082,928	3,298,663	3,304,204	3,304,934	3,241,082	3,293,282	2,628,140

WEST MILFORD BOARD OF EDUCATION
Changes in Net Assets/Net Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	(66,446,615)	(69,003,979)	(70,406,628)	(72,429,456)	(79,707,341)	(83,159,519)	(93,782,196)	(95,964,450)	(89,474,201)	(82,550,049)
Business-type activities	(188,525)	(207,270)	(192,939)	(49,007)	(8,410)	(195,430)	(175,140)	(105,214)	(34,593)	(248,394)
Total district-wide net expense	(66,635,140)	(69,211,248)	(70,599,567)	(72,478,463)	(79,715,751)	(83,354,949)	(93,957,336)	(96,069,665)	(89,508,794)	(82,798,443)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	49,379,479	50,367,069	51,252,781	52,002,781	53,042,837	53,542,837	53,542,837	53,542,837	55,015,708	56,113,022
Taxes levied for debt service	529,103	516,668	472,983	493,553	497,390	537,742	524,720	514,393	360,313	270,260
Unrestricted grants and contributions	18,357,737	20,819,342	21,354,201	20,949,646	28,431,736	31,308,436	37,326,592	40,647,902	34,490,148	29,159,726
Restricted State Aid	307,846	11,305	4,809	4,771	893	893	893	60,818	184,621	190,740
Miscellaneous income	234,283	362,856	499,600	416,011	973,247	1,093,234	467,602	409,242	311,123	370,486
Transfers	(95,148)	(128,091)	(221,211)	(117,049)	(135,588)	(157,608)	(156,547)	(65,488)	(64,410)	(170,791)
Total governmental activities	68,713,300	71,949,149	73,363,163	73,749,713	82,810,515	86,325,533	91,706,097	95,109,703	90,297,503	85,933,443
Business-type activities:										
Investment earnings	5,322	1,626	750	830	1,213	1,122	1,254	1,496	4,293	2,403
Transfers	95,148	128,091	221,211	117,049	135,588	157,608	156,547	65,488	64,410	170,791
Miscellaneous income	-	-	-	4,921	-	-	-	-	-	-
Total business-type activities	100,470	129,717	221,961	122,800	136,801	158,730	157,801	66,984	68,703	173,194
Total district-wide	68,813,769	72,078,866	73,585,124	73,872,513	82,947,316	86,484,263	91,863,898	95,176,688	90,366,206	86,106,637
Change in Net Position										
Governmental activities	2,266,685	2,945,171	2,956,535	1,320,257	3,103,174	3,166,014	(2,076,099)	(854,747)	823,302	3,383,394
Business-type activities	(88,055)	(77,553)	29,022	73,793	128,391	(36,700)	(17,339)	(38,230)	34,110	(75,201)
Total district	2,178,630	2,867,618	2,985,557	1,394,050	3,231,565	3,129,314	(2,093,438)	(892,977)	857,412	3,308,194

Source: CAFR Schedule A-2

* 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund	1,811,336	4,886,360	6,449,112	7,228,611	7,029,480	7,469,447	6,678,225	6,707,127	6,094,059	6,639,112
Restricted										
Committed										
Assigned	1,148,511	379,385	1,429,374	868,416	879,734	770,194	732,086	620,762	1,125,221	1,544,059
Unassigned	(15,822)	93,389	(120,308)	(10,028)	7,639	(22,246)	(2,441)	283,906	588,100	482,026
Total general fund	2,944,025	5,359,134	7,758,178	8,086,999	7,916,852	8,217,395	7,407,871	7,611,795	7,807,380	8,665,197
All Other Governmental Funds										
Committed	-	-	-	-	-	91,595	113,921	3,897	737	-
Unreserved, reported in:										
Capital projects fund	95,350	33,424	213,102	213,115	44,806	(1,248,454)	2,306,613	871,498	540,191	1,043,149
Debt service fund	133,477	133,477	83,477	43,478	3,479	1	2	2	100,003	100,003
Total all other governmental funds	228,827	166,901	296,579	256,593	48,285	(1,156,857)	2,420,536	875,398	640,931	1,143,152

Source: CAFR Schedule B-1

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 49,908,582	\$ 50,883,737	\$ 51,725,764	52,496,334	53,540,227	54,080,579	54,067,557	54,057,230	55,376,021	56,383,282
Tuition charges	255,472	385,869	98,189	144,926	346,766	363,804	342,190	298,606	242,559	188,738
Bond Proceeds	-	-	-	-	-	-	6,500,000	-	-	-
Miscellaneous	299,489	372,057	597,352	448,735	610,068	638,189	407,161	541,319	312,507	457,651
State sources	18,543,693	20,306,624	21,278,620	20,886,222	21,799,652	22,922,509	23,425,658	25,165,996	26,334,923	25,782,970
Federal sources	2,428,092	2,164,739	1,624,309	1,521,870	1,518,859	1,535,250	1,476,787	1,452,244	1,438,740	1,363,689
Total revenue	71,435,328	74,113,026	75,324,234	75,498,087	77,815,572	79,540,331	86,219,353	81,515,394	83,704,750	84,176,329
Expenditures										
Instruction										
Regular instruction	19,699,743	19,555,480	19,786,858	21,423,864	21,463,410	21,013,763	20,959,577	21,584,843	21,338,475	20,286,831
Special education instruction	5,497,356	5,800,049	5,766,819	6,416,302	6,120,814	6,241,764	6,550,956	6,790,092	6,815,361	6,847,921
Other special instruction	380,544	207,229	312,632	375,190	307,127	313,341	288,723	301,309	319,072	346,903
Other instruction	1,218,450	1,249,692	1,202,128	1,188,725	1,262,218	1,339,603	1,471,639	1,473,306	1,559,671	1,452,480
Support Services:										
Tuition	3,449,330	4,516,967	5,077,971	4,606,754	4,687,173	4,113,329	4,768,524	4,313,254	3,905,318	3,738,633
Student & instruction related services	6,836,582	6,569,916	6,612,463	6,994,280	7,029,828	7,090,211	7,419,527	7,594,501	7,846,180	7,656,076
General administrative services	1,168,446	1,212,227	1,222,241	1,309,895	1,182,703	1,266,389	1,242,662	1,199,448	1,209,560	1,232,821
School Administrative services	2,613,394	2,487,571	2,448,554	2,537,685	2,557,967	2,516,280	2,490,357	2,417,694	2,405,687	2,420,975
Central Services	920,894	927,077	967,380	951,232	1,012,607	1,014,190	1,066,400	1,047,457	1,058,774	1,050,362
Plant operations and maintenance	5,456,611	5,348,346	5,462,355	5,755,279	5,936,973	5,737,746	6,005,768	5,863,839	6,091,728	6,088,909
Pupil transportation	4,474,641	4,702,925	4,579,307	4,584,600	4,470,002	4,219,835	4,353,973	4,674,919	4,948,112	4,337,643
Unallocated employee benefits	16,782,270	17,744,396	18,248,736	17,462,024	18,592,142	19,402,412	21,129,834	22,691,016	23,607,853	23,908,633
Charter Schools	-	-	-	31,679	33,960	28,340	29,237	-	-	-
Operation of Non-Instructional Services	-	-	-	-	-	-	-	-	-	221
Capital outlay	1,947,214	1,812,231	639,243	1,437,578	3,004,287	6,356,893	5,220,130	2,172,095	3,197,715	3,355,477
Debt Service:										
Principal	422,000	422,591	443,227	468,895	484,559	504,559	504,559	392,559	429,558	450,000
Interest and Other Charges	112,923	98,925	84,565	69,428	53,724	37,554	21,054	182,652	115,375	111,000
Total expenditures	70,980,399	72,655,622	72,854,479	75,613,410	78,199,493	81,198,209	83,522,918	82,698,985	84,848,439	83,284,884
Excess (Deficiency) of revenues over (under) expenditures	454,929	1,457,405	2,469,755	(115,323)	(383,921)	(1,657,877)	2,696,434	(1,183,590)	(1,143,689)	891,445
Other Financing sources (uses)										
Capital leases (non-budgeted)	400,000	1,023,880	100,500	511,770	330,169	910,885	227,982	-	1,234,704	639,384
Transfers in	1,044,420	33,160	-	-	1,544,113	2,538,568	1,706,250	300,000	100,000	1,601,870
Transfers out	(1,139,567)	(161,250)	(221,211)	(117,049)	(1,679,701)	(2,696,176)	(1,862,796)	(457,623)	(164,410)	(1,772,660)
Total other financing sources (uses)	304,852	895,789	(120,711)	394,721	194,581	753,277	71,435	(157,623)	1,170,294	468,594
Net change in fund balances	\$ 759,782	\$ 2,353,194	\$ 2,349,044	\$ 279,398	\$ (189,340)	\$ (904,600)	\$ 2,767,870	\$ (1,341,213)	\$ 26,605	\$ 1,360,039
Debt service as a percentage of noncapital expenditures	0.775%	0.736%	0.731%	0.726%	0.716%	0.724%	0.671%	0.714%	0.667%	0.702%

Source: District Records, B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

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	Tuition	Transportation	Misc.	Total
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
2014	18,279	147,723	144,926	18,142	247,066	576,136
2015	20,754	134,298	346,766	34,747	414,551	951,116
2016	1,870	137,174	363,804	465	482,709	986,023
2017	1,846	126,793	342,190	13,572	258,326	742,728
2018	3,697	109,379	298,606	-	425,146	836,828
2019	10,312	24,955	242,559	-	275,857	553,683
2020	11,852	1,928	188,738	2,077	441,794	646,389

Source: District Records, B-2

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.	Qlrm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	48,452,100	1,315,875,500	26,443,500	602,800	87,243,300	9,704,500	550,000	1,488,871,700	3,915,095	1,492,786,795	3.409	3,303,719,395
2012 ^c	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	3,095,361,334
2013	81,400,000	2,424,966,800	49,039,000	649,300	208,093,500	18,993,600	1,863,100	2,785,005,300	1,648,987	2,786,654,287	1.884	2,998,856,585
2014	58,415,600	2,408,541,400	47,275,700	602,100	206,092,800	43,988,000	1,643,600	2,766,559,300	-	2,766,559,300	1.935	2,903,914,684
2015	71,583,700	2,400,609,100	45,479,600	568,800	203,852,000	42,403,800	1,643,600	2,766,140,600	-	2,766,140,600	1.955	3,061,922,394
2016	71,726,400	2,395,301,900	46,594,900	551,500	203,171,500	42,229,100	1,643,600	2,761,219,000	100	2,761,219,000	1.958	3,009,175,013
2017	71,272,800	2,389,560,800	47,925,600	557,500	194,201,100	42,229,100	1,643,600	2,747,390,500	-	2,747,390,500	1.968	2,987,917,990
2018	69,741,300	2,386,624,000	49,136,900	570,800	191,330,900	42,015,100	1,643,600	2,741,062,600	100	2,741,062,600	2.021	2,984,770,664
2019	69,399,300	2,389,459,300	47,526,600	592,600	190,758,100	42,015,100	1,543,600	2,741,294,700	100	2,741,294,700	2.057	3,137,210,675
2020	67,939,100	2,387,463,500	48,468,800	594,000	194,950,000	41,891,200	1,543,600	2,742,850,200	100	2,742,850,300	2.108	3,142,778,245

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

^c Revaluation/Reassessment Year.

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 ^c	Passaic County	
2011 d	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
2013	1.866	0.018	1.884	0.840	0.752	3.476
2014	1.917	0.018	1.935	0.883	0.758	3.577
2015	1.936	0.019	1.955	0.909	0.802	3.666
2016	1.939	0.019	1.958	0.925	0.826	3.709
2017	1.949	0.019	1.968	0.929	0.807	3.703
2018	2.008	0.013	2.021	0.865	0.800	3.686
2018	2.046	0.010	2.056	0.863	0.774	3.693

Source: District Records and Municipal Tax Collector

Note:

- 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	2020			2011		
	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	\$ 43,193,200	1	1.57%	\$ 25,488,100	1	1.70%
Tenneco Pipeline	25,284,400	2	0.92%			
Inserra/WMLLC	18,099,700	3	0.66%	6,850,000	2	0.46%
HCRI NY-NJ Properties LLC	11,619,000	4	0.42%			
Sprint - Overland Park	6,457,800	5	0.24%			
Lakeland State Bank	4,380,000	6	0.16%	2,794,500	5	0.19%
Suez Water NJ Inc	4,291,500	7	0.16%			
Storage Mall West Milford LLC	4,249,000	8	0.15%			
US Bank Trust	4,069,600	9	0.15%			
Bald Eagle Realty	4,000,000	10	0.15%			
West Milford Shopping Plaza				4,200,000	4	0.28%
Bald Eagle Square				6,102,900	3	0.41%
Castranova				2,100,000	6	0.14%
LGP Realty of West Milford LLC				1,732,600	7	0.12%
Wesstor, LLC				1,582,400	8	0.11%
Dayon Family Trust				1,582,200	9	0.11%
Total	\$ 125,644,200		4.58%	\$ 53,921,100		3.62%

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	
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%	-
2014	52,496,334	52,496,334	100.00%	-
2015	53,540,227	53,540,227	100.00%	-
2016	54,080,579	54,080,579	100.00%	-
2017	54,067,557	54,067,557	100.00%	-
2018	54,057,230	54,057,230	100.00%	-
2019	55,376,021	55,376,021	100.00%	-
2020	56,383,282	56,383,282	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			
2011	3,133,000	92,505	816,590	4,042,095	0.3638%	153
2012	2,733,000	69,914	1,214,688	4,017,602	0.3557%	152
2013	2,313,000	46,687	740,945	3,100,632	0.2705%	117
2014	1,868,000	22,792	740,945	2,631,737	0.2177%	100
2015	1,388,000	18,234	680,940	2,087,174	0.1676%	79
2016	888,000	13,676	1,173,897	2,075,572	0.1647%	79
2017	6,888,000	9,117	998,601	7,895,718	0.6199%	299
2018	6,500,000	4,559	606,306	7,110,864	0.5384%	270
2019	6,075,000	-	1,272,539	7,347,539	0.5353%	279
2020	5,625,000	-	1,296,544	6,921,544	Not Available	Not Available

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.

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			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	3,133,000	-	3,133,000	0.11%	119
2012	2,733,000	-	2,733,000	0.10%	104
2013	2,313,000	-	2,313,000	0.08%	88
2014	1,868,000	-	1,868,000	0.07%	71
2015	1,388,000	-	1,388,000	0.05%	53
2016	888,000	-	888,000	0.03%	34
2017	6,888,000	-	6,888,000	0.25%	261
2018	6,500,000	-	6,500,000	0.24%	246
2019	6,075,000	-	6,075,000	0.22%	231
2020	5,625,000	-	5,625,000	Not Available	Not Available

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.

WEST MILFORD BOARD OF EDUCATION

**Direct and Overlapping Governmental Activities Debt
Year Ended June 30, 2020**

<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	27,817,973	100.000%	27,817,973
Other debt			
Passaic County	326,206,257	5.991%	19,543,017
Passaic County Utility Authority	46,770,000	5.991%	2,801,991
Subtotal, overlapping debt			50,162,980
West Milford Township School District Direct Debt			5,625,000
Total direct and overlapping debt			<u>\$ 55,787,980</u>

Sources: Township of West Milford Finance Officer, Passaic County Finance Office.

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, 2019

WEST MILFORD BOARD OF EDUCATION
Legal Debt Margin Information,
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized valuation basis
	2017 \$ 2,987,917,890
	2018 \$ 3,022,786,281
	2019 \$ 3,137,210,575
	<u>[A] \$ 9,147,914,746</u>
Average equalized valuation of taxable property	\$ 3,049,304,915
Debt limit (4% of average equalization value),	<u>[B] 121,972,197</u>
Total Net Debt Applicable to Limit	<u>[C] 5,625,000</u>
Legal debt margin	<u>[B-C] \$ 116,347,197</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 146,639,134	139,371,303	\$ 131,113,321	125,220,894	119,942,363	119,507,258	119,666,827	120,786,868	120,265,054	121,972,197
Total net debt applicable to limit	3,133,000	2,802,914	2,359,687	1,890,792	1,406,234	901,676	6,897,117	6,504,559	6,075,000	5,625,000
Legal debt margin	\$ 143,506,134	\$ 136,568,389	\$ 128,753,634	\$ 123,330,102	\$ 118,536,129	\$ 118,605,582	\$ 112,769,710	\$ 114,282,309	\$ 114,190,054	\$ 116,347,197
Total net debt applicable to the limit as a percentage of debt limit	2.14%	2.14%	1.80%	1.51%	1.17%	0.75%	5.76%	5.39%	5.05%	4.61%

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>
2010	26,258	1,065,812,220	40,590	8.5%
2011	26,400	1,111,096,800	42,087	9.0%
2012	26,390	1,129,650,340	42,806	8.6%
2013	26,411	1,146,105,345	43,395	7.6%
2014	26,418	1,209,019,770	45,765	6.0%
2015	26,434	1,245,305,740	47,110	5.1%
2016	26,402	1,260,061,852	47,726	4.4%
2017	26,425	1,273,790,700	48,204	4.1%
2018	26,378	1,320,772,838	50,071	3.8%
2019	26,331	1,372,608,699	52,129	3.1%

Source:

- (1) U.S. Bureau of the Census, Population Division, (Estimates April 1, 2010 to July 1, 2019)
- (2) Personal Income of the District is based on the County information.
- (3) U.S. Department of Commerce, County information 2010-2019.
- (4) N.J. Department of Labor.

WEST MILFORD BOARD OF EDUCATION

Principal Employers,
Current Year and ten Years Ago

Employer	2019		2010			
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment

No Data is available for this schedule

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

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	239.00	235.76	248.00	240.30	238.80	237.20	239.20	241.00	235.00	226.10
Special education	116.60	101.60	111.50	109.40	110.20	102.30	101.30	113.40	97.00	110.00
Other special education	9.00	10.50	12.00	14.40	11.20	16.50	17.00	15.60	16.00	15.60
Other instruction	1.00	1.00	2.00	3.00	1.00	1.00	1.00	1.00	1.00	1.00
Support Services:										
Student & instruction related services	54.80	53.65	52.50	66.00	56.60	53.10	56.50	57.50	56.56	52.70
General administrative services	8.05	8.29	10.50	14.00	14.10	10.00	10.75	11.80	7.05	11.50
School administrative services	39.50	38.75	42.00	37.90	39.70	40.35	36.60	35.00	32.40	40.50
Central services and Admin.Infor. Tech.	12.00	13.70	12.00	16.00	11.10	15.28	20.20	18.25	12.20	18.60
Plant operations and maintenance	80.00	55.25	47.00	60.65	60.55	63.55	65.25	58.25	56.50	57.90
Pupil transportation	63.00	56.95	58.50	61.30	53.45	50.60	55.85	63.00	58.60	46.15
Food Service	32.00	29.00	29.00	17.35	15.06	15.00	15.00	12.00	11.00	8.20
Adult Community School	22.00	22.00	22.00	-	-	-	-	-	-	-
Total	676.95	626.45	647.00	640.30	611.76	604.88	618.65	626.80	583.31	588.25

Source: District Budget Records

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
2010	4,013	69,689,631	17,366	5.77%	356	1:13	1:22	1:13	4,001.0	3,808.0	-2.98%	95.18%
2011	4,009	68,498,262	17,086	-1.61%	335	1:18	1:08	1:09	3,944.5	3,752.2	-1.41%	95.12%
2012	3,896	70,321,875	18,050	5.64%	307	1:12	1:14	1:12	3,797.3	3,615.9	-3.73%	95.22%
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%	94.81%
2014	3,768	73,637,509	19,718	4.79%	319	1:11	1:24	1:23	3,597.6	3,444.3	-2.39%	95.74%
2015	3,710	74,984,506	20,211	2.50%	308	1:15	1:29	1:14	3,597.3	3,442.2	-0.01%	95.69%
2016	3,613	74,297,203	20,564	1.75%	308	1:12	1:12	1:12	3,484.5	3,334.9	-3.14%	95.71%
2017	3,377	77,776,917	23,031	12.00%	320	1:11	1:11	1:10	3,387.9	3,225.8	-2.77%	95.22%
2018	3,288	79,951,679	24,316	5.58%	308	1:11	1:11	1:11	3,362.2	3,214.4	-0.76%	95.60%
2019	3,268	81,105,791	24,818	2.06%	300	1:11	1:12	1:11	3,294.0	3,144.8	-2.03%	95.47%
2020	3,241	79,368,186	24,489	-1.33%	288	1:11	1:08	1:11	3,163.0	3,063.0	-3.98%	96.84%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures J-4, less debt service and capital outlay.

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) at June 30.

WEST MILFORD BOARD OF EDUCATION

School Building Information

Last Ten Fiscal Years

<u>District/Building</u>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary											
Aphsawa (1996)											
Square Feet	37,172	37,172	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	367	367
Enrollment	306	290	269	264	264	260	276	276	264	244	242
Maple Road (1968)											
Square Feet	46,947	46,947	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	373	373
Enrollment	334	336	329	327	327	282	274	275	295	295	285
Marshall Hill (1959)											
Square Feet	37,546	37,546	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	486	486
Enrollment	342	338	325	307	307	289	294	265	256	272	265
Paradise Knoll (1955)											
Square Feet	30,547	30,547	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	350	350
Enrollment	302	303	302	302	302	324	296	280	273	274	243
Upper Greenwood Lake (1966)											
Square Feet	36,155	36,155	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	456	456
Enrollment	317	313	313	283	283	328	302	298	306	307	298
Westbrook(1973)											
Square Feet	42,339	42,339	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	373	373	373	373	508	508
Enrollment	427	410	399	395	395	366	362	351	315	301	280

WEST MILFORD BOARD OF EDUCATION

School Building Information

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Middle School</u>											
Miacopin (1959)											
Square Feet	105,066	105,066	105,066	105,066	105,066	105,066	105,066	105,066	105,066	105,066	105,066
Capacity (students)	869	869	869	869	869	869	869	869	869	869	869
Enrollment	651	665	627	604	615	576	540	526	519	535	518
<u>High School</u>											
West Milford (1976)											
Square Feet	182,514	182,514	182,514	182,514	182,514	182,514	182,514	182,514	182,514	182,514	182,514
Capacity (students)	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840
Enrollment	1,334	1,294	1,242	1,220	1,182	1,173	1,149	1,106	1,060	1,040	985
<u>Other</u>											
Administration Building (1976)											
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Transportation Office (1976)											
Square Feet	980	980	980	980	980	980	980	980	980	980	980
Transportation Garage (1976)											
Square Feet	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Transportation Garage (2005)											
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Maintenance Pole Barn (1985)											
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Hillcrest Community Center (1925)											
Square Feet	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005

Number of Schools at June 30, 2019

- 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 additions. Enrollment is based on the annual October district count.

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)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
WEST MILFORD HIGH SCHOOL	N/A	218,730	161,736	190,743	273,852	157,713	262,992	205,938	191,318	178,467	239,311
APSHAWA	N/A	53,969	25,622	48,211	42,595	63,120	26,474	46,534	52,637	65,872	45,143
MACOPIN	N/A	90,305	77,241	111,315	135,015	110,186	160,368	125,260	144,038	125,260	130,533
MAPLE ROAD	N/A	107,914	68,818	70,909	53,892	59,152	57,431	67,017	24,319	67,017	49,342
MARSHALL HILL	N/A	50,545	146,260	48,852	39,206	51,590	36,144	51,995	86,234	24,524	45,387
PARADISE KNOLL	N/A	46,496	56,011	39,952	48,323	59,523	30,093	51,938	42,999	51,938	6,940
UPPER GREENWOOD LAKE	N/A	71,646	114,542	84,199	55,514	57,576	99,891	34,252	47,783	34,252	47,367
WEST BROOK	N/A	88,672	95,004	43,925	81,532	53,068	64,160	31,903	69,634	31,903	47,685
ADMINISTRATION	N/A	10,557	16,178	19,357	12,054	41,713	14,351	47,971	65,360	47,971	8,158
HILLCREST	N/A	6,685	-	-	-	-	-	-	5,231	-	-
MAINTENANCE POLE BARN	N/A	47,717	53,487	32,207	88,914	73,257	92,437	36,569	45,634	12,098	5,116
TRANSPORTATION GARAGE	N/A	56,369	14,638	34,684	16,897	15,378	21,653	14,901	17,074	14,901	1,651
TOTAL SCHOOL FACILITIES		849,605	829,537	724,355	847,794	742,276	865,994	714,278	792,261	654,203	626,633

(*) 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 SCHOOL DISTRICT

Insurance Schedule
June 30, 2020
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Policy #GPPA-PF-6056488-01		
Property & Casualty (American Alternative Insurance)		
Building & Contents including Equipment Breakdown	121,358,108	5,000
Commercial General Liability:		
Per Occurrence	1,000,000	
Personal and Advertising Injury Limit	1,000,000	
Damage to Rented Premises	1,000,000	
Product/Completed Operations Aggregate	3,000,000	
General Aggregate - Policy Limit	3,000,000	
Medical Expenses	10,000	
Employee Benefits Liability = Each Employee	1,000,000	
Employee Benefits Liability = Aggregate	2,000,000	
Business Income	25,000	5,000
Extra Expense	5,000,000	5,000
Limited Pollution Liability Extension	1,000,000	
Employee Dishonesty including Faithful Performance	500,000	5,000
Forgery or Alteration	250,000	5,000
	1,000,000 or 100% of	
Ordinance or Law Coverage B&C	amount paid for damage to	5,000
	Building, whichever is greater	
Form C Loss (Inside) Money & Securities	250,000	5,000
EDP Equipment Coverage	121,358,108	5,000
Earthquake - Blanket Coverage	5,000,000	100,000
Flood (Outside Zones A,V or B)	5,000,000	50,000
(Zone B)	2,000,000	100,000
(Zone A, N or V)	1,000,000	500,000
Commercial Automobile Liability	1,000,000	
Towing & Labor	5,000	
Comprehensive & Collision	Symbol 2 & 8	1,000
	<u>Limit</u>	<u>Retention</u>
Commercial Umbrella - American Alternative Insurance		
Policy GPPA-PF-6056488-02	9,000,000	10,000
Excess Liability - Fireman's Fund (CAP)		
Policy SHX-000-1542-6257	50,000,000	N/A
Excess Liability - NJUEP		
Policy #18236D195ALI & MKLM3EUE100623	30,000,000	N/A
StarStone Specialty & Markel American Ins. Co.		
School Board Legal Liability E&O Greenwich/XL Catlin		
Policy - ELL0950347-01	1,000,000	
Insuring Agreement A & C		10,000
Insuring Agreement B		20,000

WEST MILFORD SCHOOL DISTRICT

Insurance Schedule
June 30, 2019
Unaudited

	<u>Coverage</u>	<u>Retention</u>
Public Official Bonds - Hanover Insurance Company		
Barbara Francisco, Business Admin. Board Sec.	450,000	N/A
Bond #BOY8903487		
Bond Term: 7/31/18-7/31/19		
Jacqueline Massaro - Treasurer	343,000	N/A
Developers Surety & Indemnity Co.		
Bond #658514C		
Bond Term: 6/30/19-6/30/20		
Technology E&O - Indian Harbor Insurance Company		
Policy - MTP004157206		
Combined Policy Aggregate Limit	4,000,000	
Each Claim	2,000,000	25,000
Claims Made Form - Retro Date Coverage		Full Prior Acts
Environmental Impairment Liability - Evanston Insurance Company		
Claims Made Form		
Policy MKLV1ENV101950		
Per Pollution Condition	1,000,000	
Per Named Insured Sublimit	3,000,000	
Self-Insured - Retention		25,000
Program Aggregate	10,000,000	
<u>Storage Tank Third Party Liability - Nautilus Insurance Co.</u>		
Claims Made Form		<u>Deductible</u>
Policy - CST2003317-18		
Each Claim	1,000,000	5,000
Total all Claims	1,000,000	
Coverage E: Defense (Occ/Total)	250,000	
Retro Date Coverages A and B:		
140 High Crest Drive		9/30/1998
41 Henry Road		7/1/1998
51 Highlander Drive		7/30/2011
Nautilus Insurance Policy term 7/30/19-7/30/20		
<u>NFIP Flood Insurance Policy - Selective Ins. Co. of New England</u>		
Policy-FLD2296031		
Building	100,000	1,000
Contents	50,000	1,000
Policy Term: 4/11/19-4/11/20		

SINGLE AUDIT SECTION



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CERTIFIED PUBLIC ACCOUNTANTS

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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, 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of 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 the Township of West Milford Board of Education'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 an instance of noncompliance or other matters that is 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 and which is described in the accompanying Schedule of Findings and Questioned Costs as 2020-01.

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 January 28, 2021.

The West Milford Board of Education's responses to the findings are described in the accompanying Schedule of Findings and Questioned Costs. The West Milford Board of Education's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

Thomas M. Ferry

Thomas M. Ferry
Licensed Public School Accountant
No. 20CS00209100

Wielkocz & Company, LLC

Wielkocz & Company, LLC
Certified Public Accountants

Rockaway, New Jersey

January 28, 2021





WIELKOTZ & COMPANY CPA
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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

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 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 fiscal year ended June 30, 2020. 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 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, 2020.

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 the Uniform Guidance New Jersey OMB Circular 15-08, 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 or 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.

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 the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Thomas M. Ferry

Thomas M. Ferry
Licensed Public School Accountant
No. 20CS00209100

Wielkocz & Company, LLC

Wielkocz & Company, LLC
Certified Public Accountants

Rockaway, New Jersey

January 28, 2021



WEST MILFORD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Award Identification Number (FAIN)	Grant State Project Number	Award Amount	Grant Period From / To	June 30, 2019		Cash Received	Budgetary Expenditures	June 30, 2020		MEMO Cumulative Total Expenditures
						(Accounts Receivable)	Unearned Revenue			(Accounts Receivable)	Unearned Revenue	
Passed-through State Department of Education:												
General Fund:												
U.S. Department of Health and Human Services:												
Medicaid Reimbursement	93.778	1905NLSMAP	N/A	138,902.97	7/1/19-6/30/20	-	-	138,902.97	(138,902.97)	-	-	138,902.97
Total General Fund						-	-	138,902.97	(138,902.97)	-	-	138,902.97
U.S. Department of Agriculture												
Passed - through State Department of Education:												
Enterprise Fund:												
U.S.D.A. Commodities Program	10.550	201NJ304N1099	N/A	58,021.64	7/1/19-6/30/20	-	2,541.21	58,021.64	(58,670.41)	-	1,892.44	58,670.41
National School Lunch Program	10.555	191NJ304N1099	N/A	279,169.77	7/1/19-6/30/19	(49,453.70)	-	49,453.70	-	-	-	279,169.77
National School Lunch Program	10.555	201NJ304N1099	N/A	215,315.50	7/1/19-6/30/20	(4,400.89)	-	204,443.98	(215,315.50)	(11,122.08)	-	215,315.50
School Breakfast Program	10.553	191NJ304N1099	N/A	19,954.03	7/1/19-6/30/19	(4,400.89)	-	4,400.89	-	-	-	19,954.03
School Breakfast Program	10.553	201NJ304N1099	N/A	31,076.96	7/1/19-6/30/20	(53,854.59)	-	25,373.79	(31,076.96)	(5,880.65)	-	31,076.96
Total Enterprise Fund							2,541.21	341,694.00	(305,062.87)	(17,002.73)	1,892.44	604,186.67
U.S. Department of Education												
Passed - through State Department of Education:												
Special Revenue Fund:												
Title I - Improving Basic Programs	84.010	S010A180030	ESEA6650-19	333,300.00	9/1/19-8/31/19	(74,029.81)	-	100,209.11	(26,179.30)	-	-	333,300.00
Title I - Improving Basic Programs	84.010	S010A190030	ESEA6650-20	311,729.00	9/1/19-8/31/20	(74,029.81)	-	190,411.70	(260,084.27)	(69,672.57)	-	286,263.57
								290,620.81	(266,263.57)	(69,672.57)	-	619,593.57
Title II - A - Teacher & Principal Training & Recruiting	84.367	S367A180029	ESEA6650-19	77,250.00	9/1/19-8/31/19	(17,666.38)	-	22,564.72	(4,898.34)	-	-	77,250.00
Title II - A - Teacher & Principal Training & Recruiting	84.367	S367A190029	ESEA6650-20	74,948.00	9/1/19-8/31/20	(17,666.38)	-	44,304.66	(47,019.88)	(2,715.02)	-	51,918.02
								66,869.38	(51,918.02)	(2,715.02)	-	129,168.02
Title IV - Safe and Drug-Free Schools	84.424	S424A180031	ESEA6650-19	20,047.00	9/1/19-8/31/19	(2,077.78)	-	2,087.00	(9.22)	-	-	20,047.00
Title IV - Safe and Drug-Free Schools	84.424	S424A190031	ESEA6650-20	19,456.00	9/1/19-8/31/20	(2,077.78)	-	992.74	(992.74)	-	-	1,001.96
								3,079.74	(1,001.96)	-	-	21,048.96
IDEA Part B, Basic Regular	84.027	H027A190100	IDEA6650-20	851,974.00	9/1/19-8/31/20	-	-	851,974.00	(851,974.00)	-	-	815,974.00
IDEA Part B, Preschool	84.173	H173A190114	IDEA6650-20	38,105.00	9/1/19-8/31/20	-	-	38,105.00	(38,105.00)	-	-	38,105.00
								890,079.00	(890,079.00)	-	-	854,079.00
CARES Emergency Relief Grant	84.425D	S425D200027	N/A	250,611.00	3/13/20-9/30/22	-	-	-	-	-	-	-
Total Special Revenue Fund						(93,775.97)	-	1,250,648.93	(1,229,262.55)	(72,387.59)	-	1,623,859.55
Total Federal Financial Awards						(147,628.56)	2,541.21	1,731,245.90	(1,673,228.39)	(89,390.32)	1,892.44	2,386,949.19

WEST MILFORD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ending June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From / To	June 30, 2019		Cash Received	June 30, 2020		MEMO	
				(Accounts Receivable)	(Accounts Receivable)		(Accounts Receivable)	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:										
General Fund:										
Equalization Aid	495-034-5120-078	9,338,521.00	7/1/19-6/30/20	-	8,440,839.62	(9,338,521.00)	-	(897,681.38) *	9,338,521.00	
Transportation Aid	495-034-5120-014	842,009.00	7/1/19-6/30/20	-	761,069.44	(842,009.00)	-	(80,939.56) *	842,009.00	
Categorical Special Education Aid	495-034-5120-089	2,725,234.00	7/1/19-6/30/20	-	2,463,266.20	(2,725,234.00)	-	(261,967.80) *	2,725,234.00	
Categorical Security Aid	495-034-5120-084	339,929.00	7/1/19-6/30/20	-	307,252.74	(339,929.00)	-	(32,676.26) *	339,929.00	
Subtotal State Aid - Public Cluster				-	11,972,428.00	(13,245,693.00)	-	(1,273,265.00)	13,245,693.00	
Extraordinary Special Education Aid	495-034-5120-473	1,123,276.00	7/1/18-6/30/19	(1,119,778.00)	1,119,778.00	-	-	-	1,123,276.00	
Extraordinary Special Education Aid	495-034-5120-473	1,075,016.00	7/1/19-6/30/20	-	-	(1,075,016.00)	-	-	1,075,016.00	
Nonpublic Transportation Aid	495-034-5120-014	32,480.00	7/1/18-6/30/19	(32,480.00)	32,480.00	-	-	-	32,480.00	
On-Behalf TPAF Pension	495-034-5094-006	6,415,727.00	7/1/19-6/30/20	-	6,415,727.00	(6,415,727.00)	-	-	6,415,727.00	
On-Behalf TPAF NCGI Premium	495-034-5094-007	114,995.00	7/1/19-6/30/20	-	114,995.00	(114,995.00)	-	-	114,995.00	
On-Behalf TPAF Post Retirement Medical	495-034-5094-001	2,422,778.00	7/1/19-6/30/20	-	2,422,778.00	(2,422,778.00)	-	-	2,422,778.00	
On-Behalf TPAF Long-term Disability	495-034-5094-004	4,734.00	7/1/19-6/30/20	(110,924.24)	4,734.00	(4,734.00)	-	-	4,734.00	
Reimbursed TPAF - Social Security	495-034-5094-003	2,264,557.78	7/1/18-6/30/19	-	110,924.24	(2,228,287.58)	(110,412.71)	-	2,264,557.78	
Reimbursed TPAF - Social Security	495-034-5094-003	2,228,287.58	7/1/19-6/30/20	(1,263,182.24)	24,311,719.11	(25,507,230.58)	(1,185,428.71)	(1,273,265.00) *	2,228,287.58	
Total General Fund									28,927,544.36	
Debt Service Fund:										
Debt Service Aid	495-034-5120-075	190,740.00	7/1/19-6/30/20	-	190,740.00	(190,740.00)	-	-	190,740.00	
Total Debt Service Fund									190,740.00	
State Department of Agriculture Enterprise Fund:										
State School Lunch Program	100-010-3350-023	13,138.50	7/1/18-6/30/19	(2,374.60)	2,374.60	-	-	-	13,138.50	
State School Lunch Program	100-010-3350-023	12,153.18	7/1/19-6/30/20	-	8,886.88	(12,153.18)	3.96	-	12,153.18	
Total Enterprise Fund				(2,374.60)	11,261.48	(12,153.18)	3.96	-	25,291.68	
Total State Financial Assistance				(1,265,556.84)	24,513,720.59	(25,710,123.76)	(1,188,698.97)	(1,273,265.00) *	29,143,576.04	
Less: On-Behalf Contributions:										
On-Behalf TPAF Pension	495-034-5094-006	6,415,727.00	7/1/19-6/30/20	-	6,415,727.00	(6,415,727.00)	-	-	6,415,727.00	
On-Behalf TPAF NCGI Premium	495-034-5094-007	114,995.00	7/1/19-6/30/20	-	114,995.00	(114,995.00)	-	-	114,995.00	
On-Behalf TPAF Post Retirement Medical	495-034-5094-001	2,422,778.00	7/1/19-6/30/20	-	2,422,778.00	(2,422,778.00)	-	-	2,422,778.00	
On-Behalf TPAF Long-term Disability	495-034-5094-004	4,734.00	7/1/19-6/30/20	-	4,734.00	(4,734.00)	-	-	4,734.00	
Total On-Behalf Contributions				-	8,958,234.00	(8,958,234.00)	-	-	8,958,234.00	
Total For State Aid Financial Assistance Determinator				(1,265,556.84)	15,555,486.59	(16,751,889.76)	(1,188,698.97)	(1,273,265.00) *	20,185,342.04	

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 © and 2(D) to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08 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, those payments are 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 \$84,999.00 for the general fund and \$4,476.79 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 Notes 9 and 10, 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 2020 fiscal year was \$8,958,234.00.

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	\$138,902.97	\$25,592,229.58	\$25,731,132.55
Special Revenue Fund	1,224,785.76		1,224,785.76
Debt Service Fund		190,740.00	190,740.00
Food Service	<u>304,414.10</u>	<u>12,153.18</u>	<u>316,567.28</u>
Total Financial Awards	<u>\$1,668,102.83</u>	<u>\$25,795,122.76</u>	<u>\$27,463,225.59</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. OTHER

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

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2020. 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, 2020.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

The Township of West Milford School District has elected not to use the 10 percent de minimis Indirect Cost Rate as allowed under the Uniform Guidance.

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 federal 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 2 CFR 200 section.516(a)? yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Special Education Cluster:
84.027	H027A180100	Special Education Basic
84.173	H173A180114	Special Education Preschool
		Child Nutrition Cluster:
10.553	201NJ304N1099	School Breakfast Program
10.555	201NJ304N1099	National School Lunch Program

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

Auditee qualified as low-risk audited? X yes no

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major state 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 state programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular letter 15-08, as applicable? X yes no

Identification of major state programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>20-495-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>20-495-034-5094-003</u>	<u>Reimbursed T.P.A.F. Social Security</u>

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

Section II - Schedule of 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Status of Prior Year Findings

Finding 2019-01

Prior audit finding corrected in 2019-2020.