

NEW MILFORD, NEW JERSEY

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

New Milford Board of Education

New Milford, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Business Office

**NEW MILFORD BOARD OF EDUCATION
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INTRODUCTORY SECTION

NEW MILFORD BOARD OF EDUCATION
145 Madison Avenue
New Milford, NJ 07646

March 14, 2023

Honorable President and
 Members of the Board of Education
 New Milford School District
 Bergen County, New Jersey

Dear Board Members and Constituents of New Milford:

The annual comprehensive financial report of the New Milford Board of Education (District) for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the New Milford Board of Education. 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Uniform Guidance, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: New Milford School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The New Milford 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 K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2021-2022 fiscal year with an enrollment of 2054 students. The following details the changes in the student average daily enrollment (ADE) of the District over the last ten years.

Fiscal Year	Student ADE	Percent Change
2021-22	2,030	2.58%
2020-21	1,979	-1.05%
2019-20	2,000	-
2018-19	2,001	0.55%
2017-18	1,990	1.43%
2016-17	1,962	-1.75%
2015-16	1,997	0.91%
2014-15	1,979	-1.74%
2013-14	2,014	-2.52%
2012-13	2,066	0.88%

2) ECONOMIC CONDITION AND OUTLOOK: The governor has a redistribution of state aid to better reflect the state fair funding formula. As a designated underfunded district, additional state aid was awarded to the district last year and should continue for the foreseeable future. However, these monies will be needed to offset significant rising health care costs. The current state pension crisis also looms as an unknown in the long term. The district will need to continue to operate with a 2% cap on the tax levy with some legislative relief hopefully forthcoming from a cap on out-of-district special education tuition costs. Critical facility replacements and upgrades in addition to academic programs growth, technology advances, security enhancements and increased student support services has focused attention on the need for a referendum in the coming years. The size of the financial investment and number of projects and programs that are needed cannot be addressed in the normal operating budget.

3) MAJOR INITIATIVES/POST GRADUATION PLANS: The district continues to prioritize the increased social and emotional needs of students, faculty and staff. Of the Class of 2022, 97% of the graduates plan to pursue higher education. 69% will be attending four-year colleges in the fall. 27% will be participating in two-year community college. 2% will be attending a trade school. Slightly less than 1% will enter the military. The remaining 2% intend to enter the job market immediately or plan to take a gap year.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control 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). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards 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. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments/commitments of fund balance at June 30, 2022.

6) DEBT ADMINISTRATION: At June 30, 2022 the District had no outstanding debt of general obligations.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 3. The district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

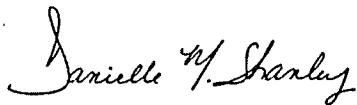
9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act, the related U.S. Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

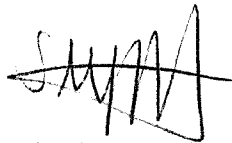
10) ACKNOWLEDGMENTS:

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

Respectfully submitted,



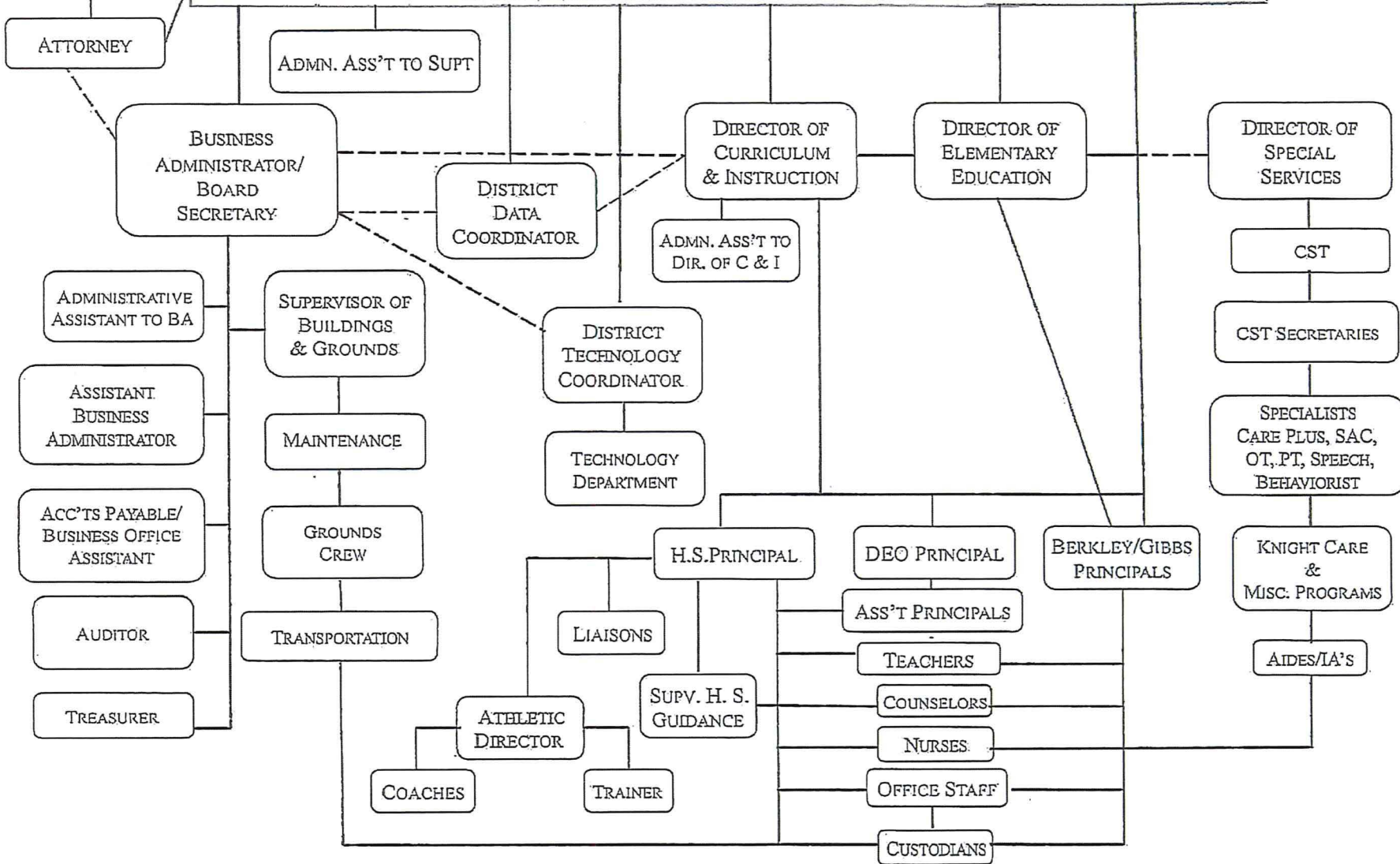
Danielle M. Shanley
Superintendent



Stephanie E. Kuchar, Ed.D.
Business Administrator/ Board Secretary

NEW MILFORD BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS



**NEW MILFORD BOARD OF EDUCATION
NEW MILFORD NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2022**

Members of the Board of Education

Term Expires

Tonia Andrews, President	12/2022
Heather Gomez, Vice-President	12/2022
Anthony Albro	12/2023
Cheryll Calderson	12/2024
John DaCosta	12/2022
Nicole Dunne	12/2023
Stephanie Kauffunger	12/2022
Joseph Loonam	12/2024
Paige Ryan	12/2023

Other Officials

Danielle Shanley, Superintendent of Schools

Stephanie Kuchar, School Business Administrator/Board Secretary

Lauren Odoksta, Assistant Superintendent for Curriculum and Instruction

Kelly Ippolito, Treasurer of School Monies

Stephen Fogarty, Esq., Solicitor

NEW MILFORD BOARD OF EDUCATION

Consultants and Advisors

Architect

Solutions Architecture
96 Pompton Avenue
2nd Floor, Suite 200
Verona, NJ 07044

Audit Firm

Lerch, Vinci & Bliss, LLP
17-17 Route 208
Fair Lawn, NJ 07410

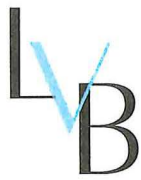
Attorney

Stephen Fogarty
Fogarty & Hara
16-00 Route 208 South
Fairlawn, NJ 07410

Official Depository

Valley Bank
Washington Township Office

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
New Milford Board of Education
145 Madison Avenue
New Milford, New Jersey 07646

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Milford Board of Education, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Milford Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Milford Board of Education's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, 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 schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the New Milford Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 14, 2023 on our consideration of the New Milford Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Milford Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the New Milford Board of Education's internal control over financial reporting and compliance.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
March 14, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

This section of the New Milford Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes to the financial statements, which immediately follows this discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The assets and deferred outflows of resources of the New Milford School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$18,833,367 (net position).
- Overall District revenues were \$53,001,216 which were \$3,055,209 more than overall District expenses of \$49,946,007. General revenues accounted for \$37,092,338 or 70% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$15,908,878 or 30% of total revenues.
- The School District had \$48,510,234 in expenses for governmental activities; only \$14,213,375 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$37,091,061 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances (GAAP Basis) of \$9,222,212.
- The General Fund unassigned fund balance was \$879,298 at June 30, 2022, an increase of \$58,483 when compared with the beginning balance at July 1, 2021 of \$820,815.
- The General Fund unassigned budgetary basis fund balance at June 30, 2022 was \$2,229,670 which represents an increase of \$282,766 compared to the ending budgetary basis fund balance at June 30, 2021 of \$1,946,904.
- The District's total outstanding long-term liabilities decreased by \$3,046,266 during the current fiscal year.

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

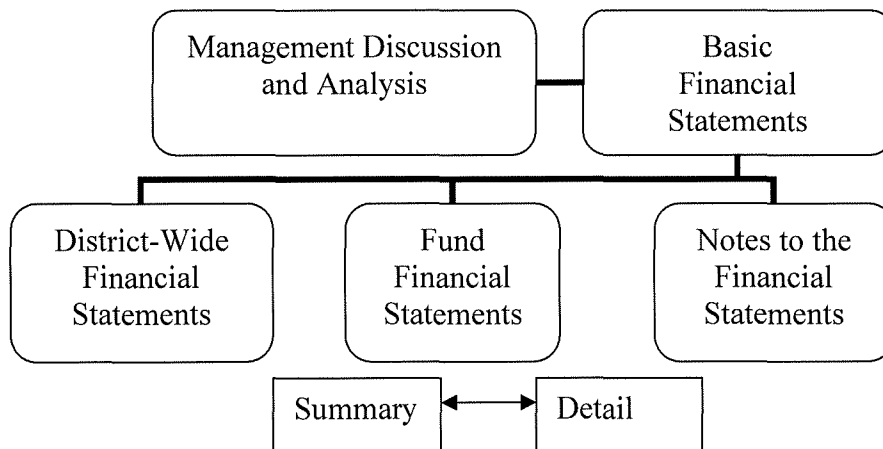
Fiscal Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending
- Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The Figure below shows how the various parts of this annual report are arranged and related to one another.



NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction; building maintenance, transportation, and administration.	Activities the district operates similar to private businesses; food service, latch key and summer/enrichment programs.
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue Expenditures and changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and changes in Fund Net Position Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Deferred Outflows/Inflows of Resources/Liability Information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received and the related liability is due and payable	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

District-wide Statements

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

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

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

In the District-wide financial statements, the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and community education. Property taxes and State and Federal aids finance most of these activities.
- *Business-type activities* – The District charges fees to customers to help it cover the costs of certain services it provides. The District's food service, latchkey program, summer programs and after school enrichment programs are included here.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g. repaying its long-term debts) or to show that it is properly using certain revenues (e.g. Federal funds).

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

The District has two kinds of funds:

- *Governmental funds* – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.
 - *Enterprise Funds* – These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has five enterprise funds for its food service operations, latchkey, summer (“Broadway Kids” and “Summer Music”) programs and after school enrichment programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District’s budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also present required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and the accounting and reporting for other post-employment benefits as required under GASB Statement No.75. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

The following provides a summary of the school district's net position for 2022 and 2021.

Net Position. The District's combined net position were \$18,833,367 on June 30, 2022 and \$15,778,158 on June 30, 2021, respectively.

**Statement of Net Position
As of June 30, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current and Other Assets	\$ 9,898,892	\$ 9,205,165	\$ 848,479	\$ 534,066	\$ 10,747,371	\$ 9,739,231
Capital Assets	<u>20,832,152</u>	<u>21,022,752</u>	<u>73,604</u>	<u>62,407</u>	<u>20,905,756</u>	<u>21,085,159</u>
Total Assets	<u>30,731,044</u>	<u>30,227,917</u>	<u>922,083</u>	<u>596,473</u>	<u>31,653,127</u>	<u>30,824,390</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	<u>878,593</u>	<u>1,486,024</u>	<u>-</u>	<u>-</u>	<u>878,593</u>	<u>1,486,024</u>
Total Deferred Outflows of Resources	<u>878,593</u>	<u>1,486,024</u>	<u>-</u>	<u>-</u>	<u>878,593</u>	<u>1,486,024</u>
Total Assets and Deferred Outflows of Resources	<u>31,609,637</u>	<u>31,713,941</u>	<u>922,083</u>	<u>596,473</u>	<u>32,531,720</u>	<u>32,310,414</u>
Liabilities						
Long-Term Liabilities	8,359,379	10,967,412			8,359,379	10,967,412
Other Liabilities	<u>729,481</u>	<u>1,144,890</u>	<u>118,001</u>	<u>53,467</u>	<u>847,482</u>	<u>1,198,357</u>
Total Liabilities	<u>9,088,860</u>	<u>12,112,302</u>	<u>118,001</u>	<u>53,467</u>	<u>9,206,861</u>	<u>12,165,769</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	4,490,511	4,279,412			4,490,511	4,279,412
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>981</u>	<u>768</u>	<u>981</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>4,490,511</u>	<u>4,279,412</u>	<u>981</u>	<u>768</u>	<u>4,491,492</u>	<u>4,280,180</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,579,371</u>	<u>16,391,714</u>	<u>118,982</u>	<u>54,235</u>	<u>13,698,353</u>	<u>16,445,949</u>
Net Position						
Net Investment in Capital Assets	19,476,083	19,424,660	73,604	62,407	19,549,687	19,487,067
Restricted	4,807,527	2,920,581			4,807,527	2,920,581
Unrestricted	<u>(6,253,344)</u>	<u>(7,109,321)</u>	<u>729,497</u>	<u>479,831</u>	<u>(5,523,847)</u>	<u>(6,629,490)</u>
Total Net Position	<u>\$ 18,030,266</u>	<u>\$ 15,235,920</u>	<u>\$ 803,101</u>	<u>\$ 542,238</u>	<u>\$ 18,833,367</u>	<u>\$ 15,778,158</u>

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following shows changes in net position for fiscal years 2022 and 2021.

Change in Net Position For the Fiscal Years Ended June 30, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,375,442	\$ 1,314,690	\$ 544,884	\$ 1,697	\$ 1,920,326	\$ 1,316,387
Operating Grants and Contributions	12,831,234	15,695,987	1,150,619	246,117	13,981,853	15,942,104
Capital Grants and Contributions	6,699	57,331			6,699	57,331
General Revenues						
Property Taxes	35,866,417	35,596,654			35,866,417	35,596,654
State Aid - Unrestricted	1,148,219	676,071			1,148,219	676,071
Other	76,425	49,309	1,277	356	77,702	49,665
Total Revenues	<u>51,304,436</u>	<u>53,390,042</u>	<u>1,696,780</u>	<u>248,170</u>	<u>53,001,216</u>	<u>53,638,212</u>
Expenses						
Instruction						
Regular	18,977,586	20,706,252			18,977,586	20,706,252
Special Education	7,212,136	7,692,821			7,212,136	7,692,821
Other Instruction	893,439	930,282			893,439	930,282
School Sponsored Activities and Athletics	1,574,059	1,702,096			1,574,059	1,702,096
Support Services						
Student and Instruction Related Services	7,294,390	7,692,662			7,294,390	7,692,662
General Administrative Services	1,265,728	1,343,082			1,265,728	1,343,082
School Administrative Services	3,224,004	3,523,586			3,224,004	3,523,586
Central and Other Support Services	1,544,515	1,364,833			1,544,515	1,364,833
Plant Operation and Maintenance	4,945,126	5,249,631			4,945,126	5,249,631
Pupil Transportation	1,502,388	1,115,783			1,502,388	1,115,783
Interest on Debt	76,863	47,753			76,863	47,753
Food Service			1,000,369	222,204	1,000,369	222,204
Knight Care Latchkey Program			435,404	24,568	435,404	24,568
Broadway Kids Summer Program					-	-
After School Enrichment Program					-	-
Summer Music Program					-	-
Total Expenses	<u>48,510,234</u>	<u>51,368,781</u>	<u>1,435,773</u>	<u>246,772</u>	<u>49,946,007</u>	<u>51,615,553</u>
Increase (Decrease) in Net Position Before Transfers	2,794,202	2,021,261	261,007	1,398	3,055,209	2,022,659
Transfers	144	224	(144)	(224)	-	-
Change in Net Position	2,794,346	2,021,485	260,863	1,174	3,055,209	2,022,659
Beginning of Year, Net Position	15,235,920	13,300,742	542,238	541,064	15,778,158	13,841,806
Prior Period Adjustment	-	(86,307)	-	-	-	(86,307)
End of Year, Net Position	<u>\$ 18,030,266</u>	<u>\$ 15,235,920</u>	<u>\$ 803,101</u>	<u>\$ 542,238</u>	<u>\$ 18,833,367</u>	<u>\$ 15,778,158</u>

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$51,304,436 for the fiscal year ended June 30, 2022, property taxes of \$35,866,417 represented 70% of revenues. Another significant portion of revenues came from grants, contributions and unrestricted state aid; total State, Federal and Local Aid and Grants were \$13,986,152 and represented 27% of revenues. In addition, tuition, transportation fees and miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items.

The total cost of all governmental activities programs and services was \$48,510,234. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$28,657,220 (59%) of total expenses. Support services, total \$19,776,151 (41%) of total expenses. Interest on debt totals \$76,863 less than 1% of total expenses.

Total governmental activities revenues and transfers exceeded expenses, increasing net position by \$2,794,346 from the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$48,510,234. After applying program revenues, derived from operating grants and contributions of \$12,831,234, and charges for services of \$1,375,442 and capital grants and contributions of \$6,699, the net cost of services of the District is \$34,269,859.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2022 and 2021

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Governmental Activities				
Instruction				
Regular	\$ 18,977,586	\$ 20,706,252	\$ 13,954,969	\$ 13,943,946
Special Education	7,212,136	7,692,821	2,546,040	2,809,499
Other Instruction	893,439	930,282	667,448	612,324
School Sponsored Activities and Athletics	1,574,059	1,702,096	1,214,747	1,189,350
Support Services				
Student and Instruction Related Services	7,294,390	7,692,662	5,390,694	5,499,706
General Administration	1,265,728	1,343,082	1,084,978	1,155,501
School Administration Services	3,224,004	3,523,586	2,525,329	2,531,053
Central and Other Support Services	1,544,515	1,364,833	1,353,871	1,204,012
Plant Operation and Maintenance	4,945,126	5,249,631	4,589,009	4,770,634
Pupil Transportation	1,502,388	1,115,783	892,911	539,174
Interest on Debt	76,863	47,753	76,863	45,574
Total Governmental Activities	\$ 48,510,234	\$ 51,368,781	\$ 34,296,859	\$ 34,300,773

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2022 was \$1,435,773. These costs were funded by charges for services of \$544,884 (32%) and operating grants of \$1,150,619 (68%), as detailed in the change in net position schedule.

Total business-type activities revenues surpassed expenses and transfers, increasing net position by \$260,863 from the previous year.

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$9,222,212 at June 30, 2022 compared to a combined fund balance of \$8,102,079 at June 30, 2021.

Revenues for the District's governmental funds were \$51,445,844, while total expenditures were \$50,657,859.

GENERAL FUND

The General fund includes the primary operations of the District in providing educational services to students from Kindergarten through Grade 12 including pupil transportation, activities and capital outlay projects.

The following schedule presents a summary of General Fund Revenues.

Summary of General Fund Revenues (GAAP Basis) For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	Amount of Increase (Decrease)	Percent Change
Revenues				
Local Sources:				
Property Taxes	\$ 35,866,417	\$ 35,163,154	\$ 703,263	2%
Tuition	942,825	1,164,591	(221,766)	-19%
Transportation	36,132	19,777	16,355	83%
Interest	18,765	9,102	9,663	106%
Miscellaneous	207,660	40,207	167,453	416%
State Sources	12,438,133	9,770,776	2,667,357	27%
Federal Sources	<u>13,813</u>	<u>17,569</u>	<u>(3,756)</u>	-21%
Total Revenues	<u>\$ 49,523,745</u>	<u>\$ 46,185,176</u>	<u>\$ 3,338,569</u>	7%

The majority of revenues come from property taxes which accounted for 72% of total revenue while state sources represented 25% of total revenue for the 2022 fiscal year.

Total General Fund revenues increased by \$3,338,569 or 7% compared with the previous year. The increase in property tax revenues and on-behalf state revenues were largely attributable for the increase. Local property taxes increased 2% from the previous year to fund increases in budgeted expenditures. State aid revenues increased \$2,667,357 or 27% predominantly attributable to the increase in the State's contribution for on-behalf TPAF pension costs made by the State for the District's teaching professionals. Tuition revenues increased due to an increase in enrollment of students received from outside the district. Transportation fees decreased due to a reduction in busing services provided for students received from outside the district.

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

GENERAL FUND (Continued)

The following schedule presents a summary of General Fund expenditures.

Summary of General Fund Expenditures (GAAP Basis) For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	Amount of Increase (Decrease)	Percent Change
Expenditures				
Instruction	\$ 28,022,236	\$ 26,324,345	\$ 1,697,891	6%
Support Services	19,092,727	17,074,116	2,018,611	12%
Debt Service	865,771	624,815	240,956	39%
Capital Outlay	<u>700,893</u>	<u>327,990</u>	<u>372,903</u>	114%
Total Expenditures	<u>\$ 48,681,627</u>	<u>\$ 44,351,266</u>	<u>\$ 4,330,361</u>	10%

Total General Fund expenditures increased \$4,330,361 or 10% from the previous year. Instruction represented 58% of total expenditures while support services accounted for 39% of total expenditures for the 2022 fiscal year. The areas of regular instruction and student and instruction related support services experienced increases over the prior year. Capital outlay increased due to expenditures incurred for the acquisition of various equipment. Debt service increase was largely due to the capital financing agreements and leases payable issued in the current year.

For fiscal year 2022, general fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,075,556. After adjusting for restricted and assigned fund balances, the unassigned fund balance increased from \$820,815 at June 30, 2021 to a fund balance of \$879,298 at June 30, 2022. At year-end, the district has \$1,434,920 of restricted excess surplus from the current year operations compared to \$1,567,844 excess surplus at June 30, 2021 from prior year (2020/2021) operations.

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

CAPITAL PROJECTS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal years 2022 and 2021, the school district had invested in land and land improvements, buildings, furniture, machinery and equipment and construction in progress the following:

**Capital Assets
As of June 30, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 3,255,000	\$ 3,255,000			\$ 3,255,000	\$ 3,255,000
Land Improvements	4,634,931	4,629,250			4,634,931	4,629,250
Buildings and Building Improvements	29,474,308	29,267,436			29,474,308	29,267,436
Right-to-Use Leased Buildings	154,368	101,172				
Machinery and Equipment	5,863,223	5,308,987	\$ 402,261	\$ 361,349	6,265,484	5,670,336
Construction in Progress	63,651	-	-	-	63,651	-
Total	43,445,481	42,561,845	402,261	361,349	43,847,742	42,923,194
Less: Accumulated Depreciation	(22,613,329)	(21,187,167)	(328,657)	(298,942)	(22,941,986)	(21,486,109)
Total Capital Assets, Net	<u>\$ 20,832,152</u>	<u>\$ 21,374,678</u>	<u>\$ 73,604</u>	<u>\$ 62,407</u>	<u>\$ 20,905,756</u>	<u>\$ 21,437,085</u>

Additional information on the District's capital assets is presented in Note 3 of this report.

Debt Administration. As of June 30, 2022 and 2021 the school district had long-term debt and outstanding long-term liabilities in the amount of \$8,359,379 and \$11,405,645, respectively, as follows:

Outstanding Long-Term Liabilities

As of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Capital Financing Agreements	1,287,855	\$ 1,772,215
Other Financing Agreements	154,923	295,728
Leases Payable	68,214	71,828
Compensated Absences Payable	320,744	570,373
Net Pension Liability	<u>6,527,643</u>	<u>8,695,501</u>
Total	<u>\$ 8,359,379</u>	<u>\$ 11,405,645</u>

Additional information on the District's long-term liabilities is presented in Note 3 of this report.

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and budgeting for gifts and donations.
- Reinstating prior year purchase orders being carried over.
- Increases in appropriations for significant unbudgeted costs.
- Appropriation of unassigned fund balance.

Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts.

General Fund budgetary basis revenues and other financing sources exceeded budgetary basis expenditures and other financing uses increasing budgetary basis fund balance by \$1,299,839 from the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$282,736 from \$1,946,904 at June 30, 2021 to \$2,229,670 at June 30, 2022. In addition, the District increased its capital reserve \$1,501,711 to \$3,217,280 and increased its maintenance reserve \$820 to \$641,684.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Continued increasing enrollments will pose a challenge to the annual operating budget as additional staff members and resources are required to maintain a comprehensive educational program. In addition, spiraling health benefits and special education costs continue to negatively impact the district's budget. Budget increases have remained comparatively low in the past few years due mainly to a high retirement rate. As the pool of retirees dwindles, less money will be available from "breakage" to cover increasing operating expenses. Flat State Aid levels will only enhance the budget problems.

Many construction and renovation projects will be staged in various parts of the district. State legislation entitled the "Educational Facilities Construction and Financing Act" has partially funded major construction and improvement projects for the district. Complete information relating to this topic is available by reviewing the School District's Long Range Facilities Plan on file in the School Business Administrator's office.

These factors were considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the General Fund increased approximately 6 percent to \$45,007,668 in fiscal year 2022-2023.

NEW MILFORD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2022

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Business Office, New Milford Board of Education, 145 Madison Avenue, New Milford, NJ 07646.

Telephone: (201) 261-2952

Fax: (201) 261-8018

DISTRICT-WIDE FINANCIAL STATEMENTS

NEW MILFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 9,385,968	\$ 708,564	\$ 10,094,532
Receivables, Net:			
Receivables from Other Governments	552,416	81,191	633,607
Other	14,453	1,403	15,856
Internal Balances	(53,945)	53,945	-
Inventories		3,376	3,376
Capital Assets Not Being Depreciated	3,318,651		3,318,651
Capital Assets, Being Depreciated	<u>17,513,501</u>	<u>73,604</u>	<u>17,587,105</u>
Total Assets	<u>30,731,044</u>	<u>922,083</u>	<u>31,653,127</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>878,593</u>	-	<u>878,593</u>
Total Deferred Outflows of Resources	<u>878,593</u>	-	<u>878,593</u>
Total Assets and Deferred Outflows of Resources	<u>31,609,637</u>	<u>922,083</u>	<u>32,531,720</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	527,186	98,944	626,130
Payable to Other Governments	106,582		106,582
Accrued Interest Payable	52,801		52,801
Unearned Revenue	42,912	19,057	61,969
Noncurrent Liabilities :			
Due Within One Year	848,226		848,226
Due Beyond One Year	<u>7,511,153</u>	-	<u>7,511,153</u>
Total Liabilities	<u>9,088,860</u>	<u>118,001</u>	<u>9,206,861</u>

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

**NEW MILFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	\$ 4,490,511	-	\$ 4,490,511
Deferred Commodities Revenue	-	\$ 981	981
Total Deferred Inflows of Resources	4,490,511	981	4,491,492
Total Liabilities and Deferred Inflows of Resources	13,579,371	118,982	13,698,353
NET POSITION			
Net Investment in Capital Assets	\$ 19,476,083	73,604	19,549,687
Restricted for:			
Capital Projects	3,228,882		3,228,882
Plant Maintenance	641,684		641,684
Other Purposes	597,363		597,363
Student Activities	264,657		264,657
Unemployment Compensation	74,941		74,941
Unrestricted	(6,253,344)	729,497	(5,523,847)
Total Net Position	\$ 18,030,266	\$ 803,101	\$ 18,833,367

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

**NEW MILFORD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
Instruction:							
Regular	\$ 18,977,586	\$ 80,215	\$ 4,935,703	\$ 6,699	\$ (13,954,969)		\$ (13,954,969)
Special Education	7,212,136	862,610	3,803,486		(2,546,040)		(2,546,040)
Other Instruction	893,439		225,991		(667,448)		(667,448)
School Sponsored Activities and Athletics	1,574,059	246,485	112,827		(1,214,747)		(1,214,747)
Support Services							
Student and Instruction Related Services	7,294,390	150,000	1,753,696		(5,390,694)		(5,390,694)
General Administrative Services	1,265,728		180,750		(1,084,978)		(1,084,978)
School Administrative Services	3,224,004		698,675		(2,525,329)		(2,525,329)
Central and Other Support Services	1,544,515		190,644		(1,353,871)		(1,353,871)
Plant Operations and Maintenance	4,945,126		356,117		(4,589,009)		(4,589,009)
Pupil Transportation	1,502,388	36,132	573,345		(892,911)		(892,911)
Interest on Debt	76,863	-	-	-	(76,863)	-	(76,863)
Total Governmental Activities	<u>48,510,234</u>	<u>1,375,442</u>	<u>12,831,234</u>	<u>6,699</u>	<u>(34,296,859)</u>	<u>-</u>	<u>(34,296,859)</u>
Business-Type Activities							
Food Service	1,000,369	166,609	1,150,619			\$ 316,859	316,859
Knight Care Latch Key Program	<u>435,404</u>	<u>378,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,129)</u>	<u>(57,129)</u>
Total Business-Type Activities	<u>1,435,773</u>	<u>544,884</u>	<u>1,150,619</u>	<u>-</u>	<u>-</u>	<u>259,730</u>	<u>259,730</u>
Total Primary Government	<u>\$ 49,946,007</u>	<u>\$ 1,920,326</u>	<u>\$ 13,981,853</u>	<u>\$ 6,699</u>	<u>(34,296,859)</u>	<u>259,730</u>	<u>(34,037,129)</u>

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

**NEW MILFORD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes -			
General Purposes	\$ 35,866,417		\$ 35,866,417
State Aid, Unrestricted	1,148,219		1,148,219
Interest Income	18,765	\$ 1,277	20,042
Miscellaneous Income	57,660		57,660
Transfers	144	(144)	-
Total General Revenues and Transfers	37,091,205	1,133	37,092,338
Change in Net Position	2,794,346	260,863	3,055,209
Net Position, Beginning of Year	15,235,920	542,238	15,778,158
Net Position, End of Year	\$ 18,030,266	\$ 803,101	\$ 18,833,367

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

FUND FINANCIAL STATEMENTS

**NEW MILFORD BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 8,851,944	\$ 522,422	\$ 11,602	\$ 9,385,968
Receivables, Net				
Receivables from Other Governments	135,411	417,005		552,416
Accounts	3,580	10,873	-	14,453
Due from Other Funds	<u>263,012</u>	<u>-</u>	<u>-</u>	<u>263,012</u>
Total Assets	<u>\$ 9,253,947</u>	<u>\$ 950,300</u>	<u>\$ 11,602</u>	<u>\$ 10,215,849</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 232,114	\$ 51,935		\$ 284,049
Accrued Salaries and Wages	25,552			25,552
Compensated Absences Payable	126,559			126,559
Payroll Deductions and Withholdings Payable	48,592			48,592
Other Liabilities	42,434			42,434
Payable to Federal Government		2,225		2,225
Payable to State Government	36,563	67,794		104,357
Due to Other Funds	53,945	263,012		316,957
Unearned Revenue	<u>-</u>	<u>42,912</u>	<u>-</u>	<u>42,912</u>
Total Liabilities	<u>565,759</u>	<u>427,878</u>	<u>-</u>	<u>993,637</u>
Fund Balances				
Restricted Fund Balance				
Capital Reserve	3,217,280			3,217,280
Maintenance Reserve	641,684			641,684
Emergency Reserve	400,324			400,324
Unemployment Compensation Reserve	74,941			74,941
Excess Surplus	1,434,920			1,434,920
Excess Surplus - Designated for Subsequent Year's Budget	1,567,844			1,567,844
Student Activities		264,657		264,657
Scholarship Awards		257,765		257,765
Capital Projects			\$ 11,602	11,602
Assigned Fund Balance				
Year End Encumbrances	189,659			189,659
Designated for Subsequent Year's Budget	259,511			259,511
Insurance Recovery Expenditures	22,727			22,727
Unassigned Fund Balance				
General Fund	<u>879,298</u>	<u>-</u>	<u>-</u>	<u>879,298</u>
Total Fund Balances	<u>8,688,188</u>	<u>522,422</u>	<u>11,602</u>	<u>9,222,212</u>
Total Liabilities and Fund Balances	<u>\$ 9,253,947</u>	<u>\$ 950,300</u>	<u>\$ 11,602</u>	<u>\$ 10,215,849</u>

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

**NEW MILFORD BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022**

Total Fund Balances (Exhibit B-1)		\$ 9,222,212
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$43,445,481 and the accumulated depreciation is \$22,613,329.		
		20,832,152
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.		
Deferred Outflows of Resources	\$ 878,593	
Deferred Inflows of Resources	<u>(4,490,511)</u>	
		(3,611,918)
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:		
		(52,801)
Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported as liabilities in the funds		
Capital Financing Agreements	(1,287,855)	
Other Financing Agreements	(154,923)	
Leases Payable	(68,214)	
Compensated Absences	(320,744)	
Net Pension Liability	<u>(6,527,643)</u>	
		<u>(8,359,379)</u>
Net Position of Governmental Activities (Exhibit A-1)		<u>\$ 18,030,266</u>

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

NEW MILFORD BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES				
Local Sources				
Property Taxes	\$ 35,866,417			\$ 35,866,417
Tuition	942,825			942,825
Transportation Fees	36,132			36,132
Interest	18,765			18,765
Miscellaneous	207,660	\$ 314,049	-	521,709
Total - Local Sources	37,071,799	314,049	-	37,385,848
State Sources	12,438,133	353,889		12,792,022
Federal Sources	13,813	1,254,161	-	1,267,974
Total Revenues	49,523,745	1,922,099	-	51,445,844
EXPENDITURES				
Instruction				
Regular	18,987,845	663,970		19,651,815
Special Education	6,981,825	481,809		7,463,634
Other Instruction	919,171	11,164		930,335
School-Sponsored Activities and Athletics	1,133,395	280,972		1,414,367
Support Services				
Student and Instruction Related Services	7,118,925	358,659		7,477,584
General Administrative Services	1,308,433			1,308,433
School Administrative Services	3,367,979			3,367,979
Central and Other Support Services	1,478,961			1,478,961
Plant Operations and Maintenance	4,359,102			4,359,102
Pupil Transportation	1,459,327			1,459,327
Debt Service				
Principal	799,905			799,905
Interest and Other Charges	65,866			65,866
Capital Outlay	700,893	179,658	-	880,551
Total Expenditures	48,681,627	1,976,232	-	50,657,859
Excess (Deficiency) of Revenues Over (Under) Expenditures	842,118	(54,133)	-	787,985
OTHER FINANCING SOURCES				
Capital Finance Agreement Proceeds	117,930			117,930
Lease Purchase Proceeds	53,196			53,196
Insurance Recoveries	160,878			160,878
Transfers In	144	98,710		98,854
Transfers Out	(98,710)	-	-	(98,710)
Total Other Financing Sources	233,438	98,710	-	332,148
Net Change in Fund Balances	1,075,556	44,577	-	1,120,133
Fund Balance, Beginning of Year	7,612,632	477,845	\$ 11,602	8,102,079
Fund Balance, End of Year	\$ 8,688,188	\$ 522,422	\$ 11,602	\$ 9,222,212

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

**NEW MILFORD BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 1,120,133**

Amounts reported for governmental activities in the Statement of
Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 880,551	
Donated Assets	3,085	
Depreciation Expense	<u>(1,426,162)</u>	(542,526)

In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for compensated absences and pension expense are measured by the amount of financial resources used (paid):

Net Decrease in Compensated Absences	249,629	
Decrease in Pension Expense	<u>1,349,328</u>	1,598,957

Repayment of long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Capital Finance Agreement Principal	602,290	
Other Financing Agreement Principal	140,805	
Leases Payable	<u>56,810</u>	799,905

The issuance of long-term debt provides current financial resources to governmental funds, however these transactions have no effect in the Statement of Net Position.

Capital Finance Agreement Proceeds	(117,930)	
Leases Issued	<u>(53,196)</u>	(171,126)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>(10,997)</u>
------------------------------	--	-----------------

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 2,794,346**

**NEW MILFORD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

	<u>Business-Type Activities - Enterprise Fund</u>			
	<u>Food Service</u>	<u>Knight Care Latchkey Program</u>	<u>Non-Major Enterprise Funds</u>	<u>Totals</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 534,760	\$ 117,310	\$ 56,494	\$ 708,564
Receivables, Net				
Intergovernmental	81,191			81,191
Accounts	1,403			1,403
Due from Other Funds	43,440	10,505		53,945
Inventories	3,376	-	-	3,376
Total Current Assets	<u>664,170</u>	<u>127,815</u>	<u>56,494</u>	<u>848,479</u>
Capital Assets				
Equipment	261,916	140,345		402,261
Less: Accumulated Depreciation	<u>(195,887)</u>	<u>(132,770)</u>	<u>-</u>	<u>(328,657)</u>
Total Capital Assets, Net	<u>66,029</u>	<u>7,575</u>	<u>-</u>	<u>73,604</u>
Total Assets	<u>730,199</u>	<u>135,390</u>	<u>56,494</u>	<u>922,083</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	96,261	31	-	96,292
Accrued Salaries and Wages		2,652		2,652
Unearned Revenue	19,057	-	-	19,057
Total Current Liabilities	<u>115,318</u>	<u>2,683</u>	<u>-</u>	<u>118,001</u>
DEFERRED INFLOW OF RESOURCES				
Deferred Commodities Revenue	981	-	-	981
Total Deferred Inflows of Resources	<u>981</u>	<u>-</u>	<u>-</u>	<u>981</u>
Total Liabilities and Deferred Inflow of Resources	<u>116,299</u>	<u>2,683</u>	<u>-</u>	<u>118,982</u>
NET POSITION				
Investment in Capital Assets	66,029	7,575	-	73,604
Unrestricted	547,871	125,132	56,494	729,497
Total Net Position	<u>\$ 613,900</u>	<u>\$ 132,707</u>	<u>\$ 56,494</u>	<u>\$ 803,101</u>

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

**NEW MILFORD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Business-Type Activities - Enterprise Fund</u>			
	<u>Food Service</u>	<u>Knight Care Latchkey Program</u>	<u>Non-Major Enterprise Fund</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for Services				
Daily Sales - Reimbursable Programs	\$ 145,081			\$ 145,081
Daily Sales - Non-Reimbursable Programs	21,528			21,528
Miscellaneous				-
Program Fees	-	\$ 378,275	\$ -	378,275
Total Operating Revenues	<u>166,609</u>	<u>378,275</u>	<u>-</u>	<u>544,884</u>
OPERATING EXPENSES				
Salaries and Employee Benefits	332,370	\$ 371,132		703,502
Cost of Sales - Reimbursable Programs	450,951			450,951
Cost of Sales - Non-Reimbursable Programs	66,907			66,907
Purchased Management Services	51,444			51,444
Other Purchased Services	11,316	610		11,926
Supplies and Materials	57,868	56,068		113,936
Miscellaneous	7,392			7,392
Depreciation	22,121	7,594	-	29,715
Total Operating Expenses	<u>1,000,369</u>	<u>435,404</u>	<u>-</u>	<u>1,435,773</u>
Operating Income (Loss)	<u>(833,760)</u>	<u>(57,129)</u>	<u>-</u>	<u>(890,889)</u>
NONOPERATING REVENUES				
Federal Sources				
National School Lunch Program	1,069,373			1,069,373
Food Distribution Program	54,460			54,460
Administrative Cost Program	628			628
State Sources				
State School Lunch Program	26,158			26,158
Interest Earnings	777	409	\$ 91	1,277
Total Nonoperating Revenues	<u>1,151,396</u>	<u>409</u>	<u>91</u>	<u>1,151,896</u>
Change in Net Position Before Transfers	317,636	(56,720)	91	261,007
Transfers Out	-	(105)	(39)	(144)
Change in Net Position	317,636	(56,825)	52	260,863
Total Net Position, July 1, 2021	<u>296,264</u>	<u>189,532</u>	<u>56,442</u>	<u>542,238</u>
Total Net Position, June 30, 2022	<u>\$ 613,900</u>	<u>\$ 132,707</u>	<u>\$ 56,494</u>	<u>\$ 803,101</u>

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

**NEW MILFORD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Fund			Totals
	Food Service	Knight Care Latchkey Program	Non-Major Enterprise Fund	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 156,022	\$ 379,173		\$ 535,195
Cash Payments for Employees' Salaries and Benefits	(332,370)	(368,479)	\$ -	(700,849)
Cash Payments to Suppliers for Goods and Services	(518,075)	(56,648)	-	(574,723)
Cash Payments to Customers - Refunds	(495)	(898)	-	(1,393)
Net Cash Provided/(Used) by Operating Activities	<u>(694,918)</u>	<u>(46,852)</u>	<u>-</u>	<u>(741,770)</u>
Cash Flows from Noncapital Financing Activities				
Cash Received from State and Federal Subsidy Reimbursements	1,080,857			1,080,857
Cash Payments from/(to) Other Funds	-	(105)	(39)	(144)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>1,080,857</u>	<u>(105)</u>	<u>(39)</u>	<u>1,080,713</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(40,912)	-	-	(40,912)
Net Cash (Used) by Capital and Related Financing Activities	<u>(40,912)</u>	<u>-</u>	<u>-</u>	<u>(40,912)</u>
Cash Flows from Investing Activities				
Interest on Investments	777	409	91	1,277
Net Cash Provided by Investing Activities	<u>777</u>	<u>409</u>	<u>91</u>	<u>1,277</u>
Net Increase (Decrease) in Cash and Cash Equivalents	345,804	(46,548)	52	299,308
Cash and Cash Equivalents, Beginning of Year	188,956	163,858	56,442	409,256
Cash and Cash Equivalents, End of Year	<u>\$ 534,760</u>	<u>\$ 117,310</u>	<u>\$ 56,494</u>	<u>\$ 708,564</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities				
Operating Income (Loss)	\$ (833,760)	\$ (57,129)	\$ -	\$ (890,889)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	22,121	7,594		29,715
Food Distribution Program (USDA Commodities)	54,460			54,460
Change in Assets, Liabilities and Deferred Inflows of Resources				
(Increase)/Decrease in Accounts Receivable	458			458
(Increase)/Decrease in Inventories	(260)			(260)
Increase/(Decrease) in Accounts Payable	73,391	31		73,422
Increase/(Decrease) in Accrued Salaries and Wages		2,652		2,652
Increase/(Decrease) in Unearned Revenue	(11,541)			(11,541)
Increase/(Decrease) in Deferred Inflow of Resources	213	-	-	213
Total Adjustments	<u>138,842</u>	<u>10,277</u>	<u>-</u>	<u>149,119</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (694,918)</u>	<u>\$ (46,852)</u>	<u>\$ -</u>	<u>\$ (741,770)</u>
Non-Cash Investing, Capital and Financing Activities				
Value Received - Food Distribution Program	\$ 54,673			\$ 54,673

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

NOTES TO THE FINANCIAL STATEMENTS

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The New Milford Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the New Milford Board of Education this includes general operations, food service, before and after school child care, various enrichment programs, summer programs and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring 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.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve 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.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and the food service and knight care latchkey program enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

The *Knight Care Latchkey Program fund* accounts for the activities of the District's child care program which provides before and after school childcare activities for District students in grades K through 8.

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *Broadway Kids Summer Program fund* accounts for the activities of the District's creative arts summer program which provides various enrichment and camp art activities during the summer recess.

The *After School Enrichment Program fund* accounts for the activities of the District's after school program which provides various enrichment programs during the school year.

The *Summer Music Program fund* accounts for the activities of the District's summer music academy program which provides various music enrichment activities during the summer recess.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as “internal balances”.

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements and leases payable for intangible right-to-use leased assets are reported as other financing sources.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources as they are needed.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost except for intangible right-to-use leased assets the measurement of which is discussed in Note 1. E.8. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	20-50
Right-to-use Leased Buildings	3-5
Building Improvements	20
Office Equipment and Furniture	7-10
Computer Equipment	5

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under a modified accrual basis of accounting. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation, personal and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. Leases

Non-cancellable leases for the use of buildings are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

9. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

10. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

11. Net Position/Fund Balance

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

11. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C).

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2D).

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2E).

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions. (See Note 4A).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Scholarship Awards – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

Insurance Recovery Expenditures – Represents fund balance assigned specifically for future expenditures to be funded from available insurance recovery proceeds in the General Fund.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue and capital projects), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

12. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the Board of Education for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$3,351,225. The increase was funded by the additional appropriation of unassigned fund balance, capital reserve, maintenance reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (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 certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

<u>General Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Learning and/or Language Disabilities			
Other Salaries for Instruction	282,525	284,133	(1,608)
School Sponsored Co/Extra Curricular Activities			
Salaries	201,397	204,281	(2,884)
Instruction (Tuition)			
Tuition to County Voc. School Dist.-Regular	426,707	467,334	(40,627)
Attendance and Social Work			
Salaries	124,261	125,010	(749)
Guidance			
Salaries of Other Professional Staff	611,983	612,183	(200)
Educational Media/School Library			
Salaries	313,409	313,941	(532)
Salaries of Technology Coordinators	140,878	145,469	(4,591)
General Administration			
Communications/Telephone	74,177	76,901	(2,724)
School Administration			
Salaries of Principals/Asst. Principals/Prog Director	974,227	979,314	(5,087)
Central Services			
Salaries	464,286	467,187	(2,901)
Custodial Services			
Salaries of Non-Instructional Aides	121,203	132,602	(11,399)

The above variances were offset with other available resources.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve

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

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021		\$ 1,715,569
Increased by:		
Interest Earnings	\$ 1,711	
Deposits Approved by Board Resolution	<u>1,500,000</u>	
		<u>1,501,711</u>
Balance, June 30, 2022		<u>\$ 3,217,280</u>

D. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021		\$ 640,864
Increased by:		
Interest Earnings		<u>820</u>
Balance, June 30, 2022		<u>\$ 641,684</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,818,880.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district’s General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	<u>\$ 400,324</u>
Balance, June 30, 2022	<u><u>\$ 400,324</u></u>

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2022 is \$3,002,764. Of this amount, \$1,567,844 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$1,434,920 will be appropriated in the 2023/2024 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$10,094,532 and bank and brokerage firm balances of the Board's deposits amounted to \$10,588,867. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 10,532,242
Uninsured and Collateralized	<u>56,625</u>
	<u>\$ 10,588,867</u>

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 Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board's bank balance of \$56,625 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 56,625</u>
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Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2022, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board 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.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

B. Receivables

Receivables as of June 30, 2022 for the district’s individual major funds, nonmajor funds in the aggregate including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental:				
State	\$ 135,411		\$ 1,826	\$ 137,237
Federal		\$ 417,005	79,365	496,370
Accounts	<u>3,580</u>	<u>10,873</u>	<u>1,403</u>	<u>15,856</u>
Total Gross Receivables	<u>\$ 138,991</u>	<u>\$ 427,878</u>	<u>\$ 82,594</u>	<u>\$ 649,463</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 30,416
Grand Draw Downs Year-End Encumbrances	<u>12,496</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 42,912</u>

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	(Restated) Balance <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,255,000	-	-	\$ 3,255,000
Construction in Progress	<u>-</u>	\$ <u>63,651</u>	\$ -	<u>63,651</u>
Total Capital Assets, Not Being Depreciated	<u>3,255,000</u>	<u>63,651</u>	<u>-</u>	<u>3,318,651</u>
Capital Assets, Being Depreciated:				
Land Improvements	4,629,250	5,681		4,634,931
Buildings and Building Improvements	29,267,436	206,872		29,474,308
Right-to-Use Leased Buildings	101,172	53,196		154,368
Machinery and Equipment	<u>5,308,987</u>	<u>554,236</u>	<u>-</u>	<u>5,863,223</u>
Total Capital Assets Being Depreciated	<u>39,306,845</u>	<u>819,985</u>	<u>-</u>	<u>40,126,830</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,746,266)	(301,344)		(2,047,610)
Buildings and Building Improvements	(15,752,823)	(653,234)		(16,406,057)
Right-to-Use Leased Buildings	(30,913)	(57,234)		(88,147)
Machinery and Equipment	<u>(3,657,165)</u>	<u>(414,350)</u>	<u>-</u>	<u>(4,071,515)</u>
Total Accumulated Depreciation	<u>(21,187,167)</u>	<u>(1,426,162)</u>	<u>-</u>	<u>(22,613,329)</u>
Total Capital Assets, Being Depreciated, Net	<u>18,119,678</u>	<u>(606,177)</u>	<u>-</u>	<u>17,513,501</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,374,678</u>	<u>\$ (542,526)</u>	<u>\$ -</u>	<u>\$ 20,832,152</u>
	Balance <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ <u>361,349</u>	<u>40,912</u>	<u>-</u>	\$ <u>402,261</u>
Total Capital Assets Being Depreciated	<u>361,349</u>	<u>40,912</u>	<u>-</u>	<u>402,261</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(298,942)</u>	\$ <u>(29,715)</u>	<u>-</u>	<u>(328,657)</u>
Total Accumulated Depreciation	<u>(298,942)</u>	<u>(29,715)</u>	<u>-</u>	<u>(328,657)</u>
Total Capital Assets, Being Depreciated, Net	<u>62,407</u>	<u>11,197</u>	<u>-</u>	<u>73,604</u>
Business-Type Activities Capital Assets, Net	<u>\$ 62,407</u>	<u>\$ 11,197</u>	<u>\$ -</u>	<u>\$ 73,604</u>

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction

Regular	\$ 37,967
Special Education	2,751
School-Sponsored Activities and Athletics	<u>216,026</u>
Total Instruction	<u>256,744</u>

Support Services

Student and Instruction Related Services	83,366
Central and Other Support Services	884,666
Plant Operations and Maintenance	79,038
Pupil Transportation	<u>122,348</u>
Total Support Services	<u>1,169,418</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,426,162</u>
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Business-Type Activities:

Food Service Fund	\$ 22,121
Knight Care Latch Key Program Fund	<u>7,594</u>

Total Depreciation Expense-Business-Type Activities	<u>\$ 29,715</u>
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Insurance Proceeds

The School District incurred losses from Hurricane Ida. The District had adequate insurance to offset the costs required to remediate the damage. Through June 30, 2022, the insurers have remitted \$160,878. A portion of the insurance proceeds received was expended for the replacement of equipment and land improvements damaged by the storm. As of June 30, 2022, \$22,727 of the proceeds are unspent and have been reported as Assigned Fund Balance. The District intends to utilize these funds during the 2022/23 school year to replace the items specified in the insurance claim.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 263,012
Food Service Fund	General Fund	43,440
Knight Care Latchkey Program Enterprise Fund	General Fund	<u>10,505</u>
 Total		 <u>\$ 53,945</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

Interfund Transfers

	<u>Transfers In:</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Transfers Out:			
General Fund		\$ 98,710	\$ 98,710
Knight Care Latchkey Program Enterprise Fund	\$ 105		105
After School Enrichment Enterprise Fund	<u>39</u>	<u>-</u>	<u>39</u>
	<u>\$ 144</u>	<u>\$ 98,710</u>	<u>\$ 98,854</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

F. Leases Payable

The District, as lessee, has entered into the following lease agreements:

On July 15, 2020, the District entered into a three year lease for the use of a building. An initial lease liability was recorded in the amount of \$101,172. The lease has an interest rate of 2%. The District is required to make monthly payments ranging from \$2,814 to \$2,985. In addition, the District has the option to renew the lease for two one (1) year terms. As of June 30, 2022 the value of the lease liability was \$38,267. The building has a three year estimated useful life. The value of the right -to-use asset as of June 30, 2022 is \$101,172 and had accumulated depreciation of \$64,637.

On August 23, 2021, the District entered into a two year lease for the use of a middle school building trailer. An initial lease liability was recorded in the amount of \$32,275. The lease has an interest rate of 2%. The District is required to make monthly payments of \$1,373. As of June 30, 2022 the value of the lease liability was \$17,642. The building has a two year estimated useful life. The value of the right -to-use asset as of June 30, 2022 is \$32,275 and had accumulated depreciation of \$14,793.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases Payable (Continued)

On September 3, 2021, the District entered into a two year lease for the use of an elementary school building trailer. An initial lease liability was recorded in the amount of \$20,921. The lease has an interest rate of 2%. The District is required to make monthly payments of \$890. As of June 30, 2022 the value of the lease liability was \$12,305. The building has a two year estimated useful life. The value of the right -to-use asset as of June 30, 2022 is \$20,921 and had accumulated depreciation of \$8,717.

The future principal and interest lease payments as of June 30, 2022 were as follows:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 62,090	\$ 799	\$ 62,889
2024	<u>6,124</u>	<u>12</u>	<u>6,136</u>
Total	<u>\$ 68,214</u>	<u>\$ 811</u>	<u>\$ 69,025</u>

G. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2022 are comprised of the following:

<p>\$100,691, fiscal year 2019 Agreement for the acquisition of a school bus for a term of 5 years due in annual principal installments of \$20,856 to \$21,627 through October 15, 2024 interest at 3.7%</p>	\$ 42,483
<p>\$111,392, fiscal year 2020 Agreement for the acquisition of a school bus for a term of 5 years due in annual principal installments of \$21,837 to \$22,788 through October 15, 2024 interest at 2.15%</p>	66,934
<p>\$2,000,000, fiscal year 2019 Agreement for the High School Field renovations for a term of 5 years due in annual principal installments of \$11,352 to \$22,402 through August 20, 2023 interest at 2.73%</p>	819,572

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

\$163,660, fiscal year 2020 Agreement for the acquisition of security cameras for a term of 5 years due in annual principal installments of \$1,379 to \$3,980 through July 1, 2024 interest at 4.03%	\$ 98,755
\$37,288, fiscal year 2019 Agreement for the acquisition of a piano for a term of 4 years due in annual principal installments of \$9,322 through September 1, 2022 interest at 0%	9,322
\$5,045, fiscal year 2017 Agreement for the acquisition of a copier for a term of 5 years due in monthly principal installments of \$89 to \$98 through December 15, 2022 interest at 0%	583
\$104,289, fiscal year 2018 Agreement for the acquisition of copiers for a term of 5 years due in monthly principal installments of \$1,826 to \$1,942 through November 15, 2023	32,017
\$88,614, fiscal year 2019 Agreement for the acquisition of copiers for a term of 5 years due in monthly principal installments of \$3,060 to \$3,512 through July 15, 2024	83,880
\$158,522, fiscal year 2019 Agreement for the acquisition of copiers for a term of 5 years due in monthly principal installments of \$2,726 to \$2,981 through July 15, 2024	36,403
\$16,523, fiscal year 2021 Agreement for the acquisition of a copier for a term of 39 months due in monthly principal installments of \$415 to \$458 through July 15, 2024	10,902
\$117,930, fiscal year 2022 Agreement for the acquisition of bus for a term of 4 years due in annual principal installments of \$28,070 to \$29,943 through September 1, 2021 interest at 3.28%	87,004
Total	<u>\$ 1,287,855</u>

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Other Financing Agreements

The District entered into the following agreements to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Other financing agreements at June 30, 2022 are comprised of the following:

\$330,540, Fiscal year 2018 Agreement for the purchase of chromebooks, laptops and supplies for a term of 4 years due in annual principal installments of \$83,581 through July 5, 2022 interest at 3.20%	\$ 83,895
\$139,860 Fiscal year 2021 Agreement for the purchase of chromebooks, laptops and supplies for a term of 4 years due in annual principal installments of \$34,401 to \$35,495 through August 6, 2023 interest at 3.18%	69,896
\$7,389, Fiscal year 2018 Agreement for the purchase of copiers for a term of 5 years due in monthly principal installments of \$138 to \$144 through February 15, 2023	<u>1,132</u>
	<u>\$ 154,923</u>

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

<u>Ending June 30,</u>	<u>Capital Agreements</u>		<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 616,708	\$ 39,316	\$ 119,428	\$ 4,938	\$ 780,390
2024	580,219	19,247	35,495	1,129	636,090
2025	<u>90,928</u>	<u>2,867</u>	<u>-</u>	<u>-</u>	<u>93,795</u>
Total	<u>\$ 1,287,855</u>	<u>\$ 61,430</u>	<u>\$ 154,923</u>	<u>\$ 6,067</u>	<u>\$ 1,510,275</u>

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 82,318,660
Less: Net Debt Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 82,318,660</u>

I. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital Finance Agreements	\$ 1,772,215	\$ 117,930	602,290	\$ 1,287,855	616,708
Other Finance Agreements	295,728		140,805	154,923	119,428
Leases Payable	71,828	53,196	56,810	68,214	62,090
Compensated Absences Payable	570,373		249,629	320,744	50,000
Net Pension Liability	<u>8,695,501</u>	<u>-</u>	<u>2,167,858</u>	<u>6,527,643</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 11,405,645</u>	<u>\$ 171,126</u>	<u>\$ 3,217,392</u>	<u>\$ 8,359,379</u>	<u>\$ 848,226</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund balance for unemployment compensation claims in the General Fund for the current and previous two years:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2022	None	\$ 43,854	\$ 240	\$ 39,336	\$ 74,941
2021	None	39,868	86	1,952	74,701
2020	\$ 20,000	32,310	587	52,767	74,615

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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 tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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 always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent 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

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2022.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 645,307	\$ 5,875,917	\$ 10,359
2021	583,322	4,082,924	11,275
2020	538,183	3,057,842	13,272

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$3,087, respectively for PERS and the State contributed \$2,558, \$2,508 and \$2,895, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,281,527 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$6,527,643 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .05510 percent, which was an increase of .00178 percent from its proportionate share measured as of June 30, 2020 of .05332 percent.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$704,021 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 102,949	\$ 46,730
Changes of Assumptions	33,996	2,323,683
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,719,553
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>741,648</u>	<u>400,345</u>
Total	<u>\$ 878,593</u>	<u>\$ 4,490,311</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (1,416,195)
2024	(1,026,175)
2025	(771,946)
2026	(646,703)
2027	249,301
Thereafter	<u>-</u>
	<u>\$ (3,611,718)</u>

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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 the PERS's target asset allocation as of June 30, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,889,326</u>	<u>\$ 6,527,643</u>	<u>\$ 4,523,420</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,559,229 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$66,264,359. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .13783 percent, which was an increase of .00087 percent from its proportionate share measured as of June 30, 2020 of .13696 percent.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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	1.55-4.55% 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 a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the TPAF's target asset allocation as of June 30, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 78,401,805</u>	<u>\$ 66,264,359</u>	<u>\$ 56,069,667</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. 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 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the 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. 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.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

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 above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$1,372,852, \$1,279,525 and \$1,134,404, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$5,541,433. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the OPEB liability attributable to the District is \$73,103,362. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state's share of the OPEB liability attributable to the District was .00122 percent, which was a decrease of 0.12261 percent from its proportionate share measured as of June 30, 2020 of .12384 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

Preretirement mortality rates were based on the Pub-2010 Health "Teachers" (TPAF) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ <u>83,974,411</u>
Changes Recognized for the Fiscal Year:	
Service Cost	4,737,986
Interest on the Total OPEB Liability	1,896,378
Changes in Benefit Terms	(77,810)
Differences Between Expected and Actual Experience	(16,054,391)
Changes of Assumptions	72,122
Gross Benefit Payments	(1,493,815)
Contributions from the Member	48,481
Net Changes	\$ <u>(10,871,049)</u>
Balance, June 30, 2021 Measurement Date	\$ <u><u>73,103,362</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%; as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 87,566,352</u>	<u>\$ 73,103,362</u>	<u>\$ 61,714,626</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 59,177,409</u>	<u>\$ 73,103,362</u>	<u>\$ 91,804,888</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

F. Tax Abatements

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

For New Milford Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 RESTATEMENT

On July 1, 2021, the New Milford Board of Education implemented GASB Statement No. 87 “Leases”. The New Milford Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2021 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect certain activities related to leases payable for the intangible right-to-use capital assets. The effect of this restatement is to decrease net position of governmental activities by \$86,307 from \$15,322,227 as previously reported to \$15,235,920 as of June 30, 2021.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$2,554,859 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$35,866,417		\$ 35,866,417	\$ 35,866,417	
Tuition from Individuals	16,502		16,502	80,215	\$ 63,713
Tuition from Other LEAs Within the State	1,090,225		1,090,225	862,610	(227,615)
Transportation Fees from Other LEA's	14,290		14,290	36,132	21,842
Interest on Current Expense	240		240	15,994	15,754
Interest Earned on Maintenance Reserve	410		410	820	410
Interest Earned on Capital Reserve	400		400	1,711	1,311
Interest on Unemployment Reserve				240	240
Miscellaneous	25,500	-	25,500	207,660	182,160
Total Local Sources	<u>37,013,984</u>	<u>-</u>	<u>37,013,984</u>	<u>37,071,799</u>	<u>57,815</u>
State Sources					
Special Education Aid	1,294,330		1,294,330	1,294,330	-
Equalization Aid	1,184,837		1,184,837	1,184,837	-
Security Aid	73,366		73,366	73,366	-
Transportation Aid	430,582		430,582	430,582	-
Extraordinary Aid	514,306		514,306	1,073,409	559,103
Nonpublic Transportation Aid			-	73,038	73,038
On-Behalf TPAF (Non-Budget)					
Pension Contribution			-	5,794,169	5,794,169
NCGI Premium			-	81,748	81,748
Post Retirement Medical Contribution			-	1,372,852	1,372,852
Long Term Disability Insurance	-		-	2,558	2,558
Social Security Reimbursements	-	-	-	1,281,527	1,281,527
Total State Sources	<u>3,497,421</u>	<u>-</u>	<u>3,497,421</u>	<u>12,662,416</u>	<u>9,164,995</u>
Federal Sources					
Medicaid Reimbursement	18,827	-	18,827	13,813	(5,014)
Total Federal Sources	<u>18,827</u>	<u>-</u>	<u>18,827</u>	<u>13,813</u>	<u>(5,014)</u>
Total Revenues	<u>\$40,530,232</u>	<u>\$ -</u>	<u>\$ 40,530,232</u>	<u>\$ 49,748,028</u>	<u>\$ 9,217,796</u>
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	\$ 168,433	\$ 10,172	\$ 178,605	\$ 178,183	\$ 422
Kindergarten	552,175	62,787	614,962	606,394	8,568
Grades 1-5	3,396,110	(28,426)	3,367,684	3,340,127	27,557
Grades 6-8	2,394,461	88,682	2,483,143	2,462,126	21,017
Grades 9-12	3,680,217	300,490	3,980,707	3,890,305	90,402
Regular Programs - Home Instruction					
Salaries of Teachers	4,000	-	4,000	760	3,240
Purchased Professional/Educational Services	27,500	-	27,500	22,970	4,530
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	21,000	23,750	44,750	34,290	10,460
Purchased Professional/Educational Services	9,450	(2,852)	6,598	3,180	3,418
Purchased Technical Services	35,244	(336)	34,908	28,432	6,476
Other Purchased Services	243,755	51,903	295,658	295,302	356
General Supplies	556,620	30,714	587,334	527,913	59,421
Textbooks	77,900	(6,461)	71,439	39,251	32,188
Other Objects	27,420	2,214	29,634	25,954	3,680
Total Regular Programs	<u>11,194,285</u>	<u>532,637</u>	<u>11,726,922</u>	<u>11,455,187</u>	<u>271,735</u>

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 132,905	\$ 9,240	\$ 142,145	\$ 141,654	\$ 491
Other Salaries for Instruction	252,526	29,999	282,525	284,133	(1,608)
General Supplies	11,659	(2,963)	8,696	2,079	6,617
Textbooks	2,300	-	2,300	447	1,853
Total Learning and/or Language Disabilities	<u>399,390</u>	<u>36,276</u>	<u>435,666</u>	<u>428,313</u>	<u>7,353</u>
Multiple Disabilities					
Salaries of Teachers	131,580	64,861	196,441	195,953	488
Other Salaries for Instruction	136,042	49,450	185,492	178,570	6,922
General Supplies	17,900	(7,693)	10,207	5,591	4,616
Textbooks	2,750	-	2,750	113	2,637
Other Objects	13,200	-	13,200	5,787	7,413
Total Multiple Disabilities	<u>301,472</u>	<u>106,618</u>	<u>408,090</u>	<u>386,014</u>	<u>22,076</u>
Resource Room/Resource Center					
Salaries of Teachers	1,497,342	(29,442)	1,467,900	1,466,274	1,626
Other Salaries for Instruction	196,041	(55,084)	140,957	140,489	468
Purchased Professional/Educational Services		6,500	6,500	5,400	1,100
General Supplies	21,400	-	21,400	7,183	14,217
Textbooks	7,875	-	7,875	3,804	4,071
Total Resource Room/Resource Center	<u>1,722,658</u>	<u>(78,026)</u>	<u>1,644,632</u>	<u>1,623,150</u>	<u>21,482</u>
Autism					
Salaries of Teachers	308,050	(17,839)	290,211	270,434	19,777
Other Salaries for Instruction	430,061	(11,584)	418,477	414,736	3,741
General Supplies	14,300	(997)	13,303	9,536	3,767
Total Autism	<u>752,411</u>	<u>(30,420)</u>	<u>721,991</u>	<u>694,706</u>	<u>27,285</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	94,709	-	94,709	63,897	30,812
Other Salaries for Instruction	24,359	-	24,359	-	24,359
Total Preschool Disabilities - Part-Time	<u>119,068</u>	<u>-</u>	<u>119,068</u>	<u>63,897</u>	<u>55,171</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	65,815	33,646	99,461	99,391	70
Other Salaries for Instruction	214,675	18,935	233,610	220,195	13,415
General Supplies	4,400	1,060	5,460	4,724	736
Total Preschool Disabilities - Full-Time	<u>284,890</u>	<u>53,641</u>	<u>338,531</u>	<u>324,310</u>	<u>14,221</u>
Home Instruction					
Salaries of Teachers	8,000	-	8,000	600	7,400
Total Home Instruction	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>600</u>	<u>7,400</u>
Total Special Education	<u>3,587,889</u>	<u>88,089</u>	<u>3,675,978</u>	<u>3,520,990</u>	<u>154,988</u>
Basic Skills/Remedial					
Salaries of Teachers	341,500	37,465	378,965	333,454	45,511
General Supplies	2,500	-	2,500	-	2,500
Total Basic Skills/Remedial	<u>344,000</u>	<u>37,465</u>	<u>381,465</u>	<u>333,454</u>	<u>48,011</u>

**NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 204,380	\$ 9,242	\$ 213,622	\$ 212,966	\$ 656
General Supplies	2,000	-	2,000	-	2,000
Total Bilingual Education	206,380	9,242	215,622	212,966	2,656
School Sponsored Co/Extra Curricular Activities					
Salaries	199,625	1,772	201,397	204,281	(2,884)
Purchased Services	10,200	-	10,200	3,810	6,390
Supplies and Materials	19,620	76	19,696	9,520	10,176
Other Objects	5,080	-	5,080	4,924	156
Total School Sponsored Co/Extra Curricular Activities	234,525	1,848	236,373	222,535	13,838
School Sponsored Athletics					
Salaries	469,736	-	469,736	463,212	6,524
Purchased Services	145,184	(58,701)	86,483	81,511	4,972
Supplies and Materials	86,300	(15,764)	70,536	56,557	13,979
Other Objects	16,200	-	16,200	15,764	436
Total School Sponsored Athletics	717,420	(74,465)	642,955	617,044	25,911
Instructional Alternative Ed Prog - Instruction					
Salaries of Teachers	80,000	(50,000)	30,000	-	30,000
Purchased Professional and Technical Services	600	-	600	-	600
Total Instructional/Alternative Ed Prog - Instruction	80,600	(50,000)	30,600	-	30,600
Total Instruction	16,365,099	544,816	16,909,915	16,362,176	547,739
Undistributed Expenditures					
Instruction (Tuition)					
Tuition to Other LEAs w/i State - Special	461,498	(74,419)	387,079	232,685	154,394
Tuition to County Voc. School Dist.-Regular	353,088	73,619	426,707	467,334	(40,627)
Tuition to County Voc. School Dist.- Special	210,000	-	210,000	39,219	170,781
Tuition to CSSD & Reg. Day Schools	204,479	-	204,479	154,817	49,662
Tuition to Priv.Sch. For the Disabled W/I State	1,277,881	-	1,277,881	1,115,220	162,661
Total Undistributed Expenditures - Instruction (Tuition)	2,506,946	(800)	2,506,146	2,009,275	496,871
Attendance and Social Work					
Salaries	122,464	1,797	124,261	125,010	(749)
Purchased Professional and Technical Services	39,500	-	39,500	23,374	16,126
Other Purchased Services	20,150	600	20,750	6,286	14,464
Supplies and Materials	2,000	-	2,000	148	1,852
Total Attendance and Social Work	184,114	2,397	186,511	154,818	31,693
Health Services					
Salaries	327,267	(25,181)	302,086	295,356	6,730
Purchased Professional and Technical Services	25,427	18,225	43,652	43,053	599
Other Purchased Services	1,000	-	1,000	-	1,000
Supplies and Materials	8,050	1,350	9,400	7,217	2,183
Total Health Services	361,744	(5,606)	356,138	345,626	10,512

**NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Speech, OT, PT & Related Serv.					
Salaries	\$ 424,141	\$ 23,806	\$ 447,947	\$ 446,601	\$ 1,346
Purchased Professional/Educational Services	231,500	(14,908)	216,592	48,974	167,618
Supplies and Materials	8,215	162	8,377	6,463	1,914
Total Speech, OT, PT, & Related Serv.	<u>663,856</u>	<u>9,060</u>	<u>672,916</u>	<u>502,038</u>	<u>170,878</u>
Other Support Services - Students - Extra Serv.					
Salaries	623,916	(45,461)	578,455	545,677	32,778
Purchased Professional/Educational Services	622,710	18,697	641,407	455,009	186,398
Total Other Supp.Serv. Student - Extra Serv.	<u>1,246,626</u>	<u>(26,764)</u>	<u>1,219,862</u>	<u>1,000,686</u>	<u>219,176</u>
Guidance					
Salaries of Other Professional Staff	605,100	6,883	611,983	612,183	(200)
Salaries of Secretarial & Clerical Assistants	21,000	(1,051)	19,949	19,949	-
Purchased Professional-Educational Services	1,850	-	1,850	625	1,225
Other Purchased Professional and Technical Svs.	9,100	201	9,301	9,301	-
Other Purchased Services	300	-	300	-	300
Supplies and Materials	13,350	319	13,669	6,373	7,296
Other Objects	1,000	-	1,000	52	948
Total Guidance	<u>651,700</u>	<u>6,352</u>	<u>658,052</u>	<u>648,483</u>	<u>9,569</u>
Child Study Team					
Salaries of Other Professional Staff	946,208	275,803	1,222,011	1,196,906	25,105
Salaries of Secretarial & Clerical Assistants	161,956	48,796	210,752	135,827	74,925
Purchased Professional-Educational Services	71,512	(200)	71,312	37,293	34,019
Other Purchased Services	3,375	1,130	4,505	2,943	1,562
Supplies and Materials	35,825	1,541	37,366	37,099	267
Other Objects	2,857	3,056	5,913	5,603	310
Total Child Study Team	<u>1,221,733</u>	<u>330,126</u>	<u>1,551,859</u>	<u>1,415,671</u>	<u>136,188</u>
Educational Media/School Library					
Salaries	342,728	(29,319)	313,409	313,941	(532)
Salaries of Technology Coordinators	140,878	-	140,878	145,469	(4,591)
Purchased Professional and Technical Services	6,050	(842)	5,208	4,608	600
Supplies and Materials	63,750	(1,908)	61,842	30,994	30,848
Other Objects	200	-	200	-	200
Total Educational Media/School Library	<u>553,606</u>	<u>(32,069)</u>	<u>521,537</u>	<u>495,012</u>	<u>26,525</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	24,850	-	24,850	2,000	22,850
Purchased Professional-Educational Services	44,850	(1,619)	43,231	27,998	15,233
Other Purchased Services	29,600	(7,502)	22,098	3,931	18,167
Total Instructional Staff Training Services	<u>99,300</u>	<u>(9,121)</u>	<u>90,179</u>	<u>33,929</u>	<u>56,250</u>

**NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
General Administration					
Salaries	\$ 526,497	\$ 56,698	\$ 583,195	\$ 583,195	-
Legal Services	75,000	-	75,000	63,465	\$ 11,535
Audit Fees	41,432	71,211	112,643	47,743	64,900
Architectural / Engineering Services	35,000	47,108	82,108	51,638	30,470
Other Purchased Professional Services	28,500	28,734	57,234	57,234	-
Communications/Telephone	71,604	2,573	74,177	76,901	(2,724)
BOE Other Purchased Services	7,450	(5,591)	1,859	900	959
Miscellaneous Purchased Services	33,726	(23,506)	10,220	9,451	769
General Supplies	9,300	(3,386)	5,914	2,575	3,339
BOE In-House Training/Meeting Supplies	900	6,830	7,730	7,730	-
Judgements Against District		2,043	2,043	2,043	-
Miscellaneous Expenditures	5,125	324	5,449	5,449	-
BOE Membership Dues and Fees	13,500	(85)	13,415	12,777	638
Total General Administration	848,034	182,953	1,030,987	921,101	109,886
School Administration					
Salaries of Principals/Asst. Principals/Prog Director	1,050,465	(76,238)	974,227	979,314	(5,087)
Salaries of Other Professional Staff	485,390	145,000	630,390	626,106	4,284
Salaries of Secretarial and Clerical Assistants	434,492	(973)	433,519	433,167	352
Other Purchased Services	26,790	1,820	28,610	13,646	14,964
Supplies and Materials	29,745	(5,679)	24,066	21,293	2,773
Other Objects	23,302	(1,445)	21,857	13,042	8,815
Total School Administration	2,050,184	62,485	2,112,669	2,086,568	26,101
Central Services					
Salaries	458,156	6,130	464,286	467,187	(2,901)
Purchased Professional Services	5,000	(1,719)	3,281	903	2,378
Purchased Technical Services	27,000	2,961	29,961	29,961	-
Misc. Purchased Services	5,000	(1,753)	3,247	250	2,997
Supplies and Materials	6,000	2,625	8,625	8,625	-
Interest on Lease Purchase Agreements	44,000	-	44,000	43,628	372
Miscellaneous Expenditures	1,750	46,398	48,148	48,148	-
Total Central Services	546,906	54,642	601,548	598,702	2,846
Admin. Info. Tech.					
Salaries	242,588	25,507	268,095	268,095	-
Purchased Professional Services	5,500	(884)	4,616		4,616
Purchased Technical Services	111,300	(7,511)	103,789	103,781	8
Other Purchased Services	12,000	(135)	11,865	5,303	6,562
Supplies and Materials	91,600	(18,704)	72,896	64,743	8,153
Other Objects	201,450	(31,092)	170,358	81,422	88,936
Total Admin. Info. Tech.	664,438	(32,819)	631,619	523,344	108,275
Required Maintenance for School Facilities					
Salaries	435,440	(88,008)	347,432	339,122	8,310
Cleaning, Repair and Maintenance Services	149,340	119,121	268,461	242,748	25,713
Lead Testing of Drinking Water	5,000	-	5,000		5,000
General Supplies	104,800	(9,673)	95,127	74,383	20,744
Total Required Maintenance for School Facilities	694,580	21,440	716,020	656,253	59,767

**NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES (Continued)					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 1,162,324	\$ (21,616)	\$ 1,140,708	\$ 1,131,644	\$ 9,064
Salaries of Non-Instructional Aides	175,000	(53,797)	121,203	132,602	(11,399)
Purchased Professional-Technical Services	38,340	(12,388)	25,952	20,727	5,225
Cleaning, Repair and Maintenance Services	260,100	(2,217)	257,883	218,922	38,961
Rental of Land and Bldg Other than Lease Purch. Agmt.	51,072	-	51,072	40,264	10,808
Rental of Land and Bldg Other than Lease Purch. Agreement (Non-Budget)				53,196	(53,196)
Other Purchased Property Services	41,000	15,151	56,151	43,984	12,167
Insurance	321,846	46,564	368,410	368,410	-
Miscellaneous Purchased Services	8,200	(826)	7,374	526	6,848
General Supplies	93,000	(24,173)	68,827	39,078	29,749
Energy (Natural Gas)	242,800	85,662	328,462	270,542	57,920
Energy (Electricity)	345,000	(48,613)	296,387	261,265	35,122
Energy (Gasoline)	6,000	-	6,000	5,998	2
Other Objects	650	-	650	450	200
Total Custodial Services	<u>2,745,332</u>	<u>(16,253)</u>	<u>2,729,079</u>	<u>2,587,608</u>	<u>141,471</u>
Care and Upkeep of Grounds					
Salaries	143,704	-	143,704	71,761	71,943
Cleaning, Repair and Maintenance Services	206,200	35,317	241,517	115,738	125,779
General Supplies	19,400	-	19,400	7,237	12,163
Total Care and Upkeep of Grounds	<u>369,304</u>	<u>35,317</u>	<u>404,621</u>	<u>194,736</u>	<u>209,885</u>
Security					
Purchased Professional-Technical Services	207,900	19,621	227,521	227,521	-
Cleaning, Repair and Maintenance Services	122,000	-	122,000	107,584	14,416
Total Security	<u>329,900</u>	<u>19,621</u>	<u>349,521</u>	<u>335,105</u>	<u>14,416</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	79,084	(5,000)	74,084	68,504	5,580
Salaries for Pupil Transportation (Between Home and and School) - Regular	77,996	15,501	93,497	93,497	-
Salaries for Pupil Transportation (Between Home and School) - Spec. Ed.	83,983	29,118	113,101	113,101	-
Salaries for Pupil Transportation (Other Than Between Home and School)	153,620	(1,474)	152,146	151,185	961
Other Purchased Professional and Technical Svs.	7,000	(5,500)	1,500	999	501
Cleaning, Repair and Maintenance Services	33,700	(17,360)	16,340	15,957	383
Lease Purchase Payment - School Buses	97,297	(20,666)	76,631	76,631	-
Contracted Services - Aid in Lieu Payments-Nonpublic Schools	245,000	(1,450)	243,550	222,261	21,289
Contracted Services - Aid in Lieu Payments - Charter School		1,000	1,000	1,000	-
Contracted Services - Aid in Lieu Payments - Choice Sch. Students	1,000	6,000	7,000	3,878	3,122
Contracted Services (Other Than Between Home and and School) - Vendors	17,200	(6,760)	10,440	10,440	-
Contracted Services (Between Home and School) - Joint Agreement	50,000	16,211	66,211	66,211	-
Contracted Services (Special Ed Students) - Joint Agreement	10,000	(10,000)			-
Contracted Services (Reg. Students) - ESCs & CTAS	30,000	(20,017)	9,983	9,958	25
Contracted Serv. (Spl. Ed. Students)- ESCs & CTAS	220,985	261,650	482,635	482,635	-
General Supplies	5,500	(4,938)	562	562	-
Transportation Supplies	48,000	(22,768)	25,232	25,232	-
Other Objects	3,000	(2,150)	850	850	-
Total Student Transportation Services	<u>1,163,365</u>	<u>211,397</u>	<u>1,374,762</u>	<u>1,342,901</u>	<u>31,861</u>

**NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES (Continued)					
CURRENT (Continued)					
Unallocated Benefits- Employee Benefits					
Group Insurance	\$ 33,000	-	\$ 33,000	\$ 31,417	\$ 1,583
Social Security Contributions	683,656	\$ (89,093)	594,563	582,565	11,998
Other Retirement Contributions - PERS	592,332	52,975	645,307	645,307	-
Other Retirement Contributions - Regular	21,000	-	21,000	10,359	10,641
Unemployment Compensation	45,000	-	45,000		45,000
Workmen's Compensation	227,801	-	227,801	144,552	83,249
Health Benefits	6,798,285	(1,511,227)	5,287,058	5,126,644	160,414
Tuition Reimbursement	56,400	164	56,564	25,081	31,483
Other Employee Benefits	220,300	28,242	248,542	238,048	10,494
Unused Sick Payment to Terminated/Retired Staff	-	97,390	97,390	96,725	665
Total Unallocated Benefits	<u>8,677,774</u>	<u>(1,421,549)</u>	<u>7,256,225</u>	<u>6,900,698</u>	<u>355,527</u>
On-Behalf TPAF (Non-Budget)					
Pension Contribution				5,794,169	(5,794,169)
NCGI Premium				81,748	(81,748)
Post Retirement Medical Contribution				1,372,852	(1,372,852)
Long Term Disability Insurance				2,558	(2,558)
Social Security Reimbursements	-	-	-	1,281,527	(1,281,527)
Total On-Behalf TPAF	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,532,854</u>	<u>(8,532,854)</u>
Total Undistributed Expenditures	<u>25,579,442</u>	<u>(609,191)</u>	<u>24,970,251</u>	<u>31,285,408</u>	<u>(6,315,157)</u>
Interest Earned on Maintenance Reserve	410	-	410	-	410
Interest Earned on Current Expense Emergency Reserve	240	-	240	-	240
Total Current Expenditures	<u>41,945,191</u>	<u>(64,375)</u>	<u>41,880,816</u>	<u>47,647,584</u>	<u>(5,766,768)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 1-5	42,400	(7,250)	35,150	35,150	-
Grades 6-8	34,800	2,763	37,563	37,563	-
Grades 9-12	34,800	18,780	53,580	53,580	-
Multiple Disabilities					
School Sponsored and Other Instructional Programs		38,365	38,365	38,365	-
Undistributed					
Instruction	60,678	(8,800)	51,878	51,878	-
Admin. Info. Tech.		4,839	4,839	4,839	-
Required Maintenance for School Facilities		45,264	45,264	45,264	-
Custodial Services		57,237	57,237	57,237	-
Care and Upkeep		97,186	97,186	70,478	26,708
Security	82,035	(6,696)	75,339	75,339	-
Total Equipment	<u>254,713</u>	<u>241,688</u>	<u>496,401</u>	<u>469,693</u>	<u>26,708</u>
Facilities Acquisition and Construction Services					
Lease Purchase Agreements - Principal	393,506	(10,470)	383,036	383,036	-
Assessment for Debt Service on SDA Funding	40,094	-	40,094	40,094	-
Total Facilities Acquisition and Construction Services	<u>433,600</u>	<u>(10,470)</u>	<u>423,130</u>	<u>423,130</u>	<u>-</u>
Interest Deposit to Capital Reserve	400	-	400	-	400
Assets Acquired Under Capital Lease (Non-Budget)					
School Buses	-	-	-	117,930	(117,930)
Total Capital Outlay	<u>688,713</u>	<u>231,218</u>	<u>919,931</u>	<u>1,010,753</u>	<u>(90,822)</u>

**NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
Transfer of Funds to Charter Schools	\$ 19,315	\$ 3,975	\$ 23,290	\$ 23,290	-
Total General Fund	42,653,219	170,818	42,824,037	48,681,627	\$ (5,857,590)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,122,987)	(170,818)	(2,293,805)	1,066,401	3,360,206
Other Financing Sources (Uses)					
Capital Financing Agreement Proceeds				117,930	117,930
Leases Payable				53,196	53,196
Insurance Recoveries				160,878	160,878
Transfers In - Enterprise Funds				144	144
Transfers Out - Special Revenue Fund	-	(98,710)	(98,710)	(98,710)	-
Total Other Financing Sources (Uses)	-	(98,710)	(98,710)	233,438	332,148
Net Change in Fund Balances	(2,122,987)	(269,528)	(2,392,515)	1,299,839	3,692,354
Fund Balance, July 1, 2021	8,738,721	-	8,738,721	8,738,721	-
Fund Balance, June 30, 2022	\$ 6,615,734	\$ (269,528)	\$ 6,346,206	\$ 10,038,560	\$ 3,692,354

Reconciliation of Governmental Funds Statements (GAAP)

Restricted Fund Balance				
Capital Reserve				\$ 3,217,280
Maintenance Reserve				641,684
Emergency Reserve				400,324
Unemployment Compensation Reserve				74,941
Excess Surplus (2023/24 Budget)				1,434,920
Excess Surplus - Designated for Subsequent Year's Budget (2022/23 Budget)				1,567,844
Assigned Fund Balance				
Year End Encumbrances				189,659
Designated for Subsequent Year's Budget (2022/23 Budget)				259,511
Insurance Recovery Expenditures				22,727
Unassigned Fund Balance				2,229,670
Fund Balance- Budgetary Basis				10,038,560
Less: State Aid Revenue not recognized on GAAP basis				(1,350,372)
Fund Balance per Governmental Funds Statements (GAAP)				\$ 8,688,188

**NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 348,212	\$ 62,505	\$ 410,717	\$ 343,026	\$ (67,691)
Federal	736,081	2,737,934	3,474,015	1,253,178	(2,220,837)
Local Sources	-	281,258	281,258	314,049	32,791
	<u>1,084,293</u>	<u>3,081,697</u>	<u>4,165,990</u>	<u>1,910,253</u>	<u>(2,255,737)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	447,140	(153,022)	294,118	128,164	165,954
Purchased Professional/Technical Services	79,438	360,191	439,629	187,957	251,672
Other Purchased Services		669,516	669,516	465,122	204,394
General Supplies		645,891	645,891	437,467	208,424
Textbooks	27,058	3,613	30,671	89	30,582
Other Objects	34,490	187,220	221,710	221,710	-
Co-Curricular-Extra-Curricular Activities	-	59,262	59,262	59,262	-
	<u>588,126</u>	<u>1,772,671</u>	<u>2,360,797</u>	<u>1,499,771</u>	<u>861,026</u>
Support Services					
Salaries of Other Professional Staff	472,061	(357,661)	114,400	33,600	80,800
Purchased Professional/Technical Services		512,519	512,519	239,057	273,462
Other Purchased Services		1,287	1,287	1,287	-
Supplies and Materials		38,322	38,322	8,015	30,307
Indirect Costs - Program Administration		4,000	4,000	4,000	-
Scholarship Awards	-	73,350	73,350	73,350	-
	<u>472,061</u>	<u>271,817</u>	<u>743,878</u>	<u>359,309</u>	<u>384,569</u>
Unallocated Benefits					
Employee Benefits	-	2,656	2,656	2,656	-
Facilities Acquisition and Equipment					
Construction Services		-			
Building	24,106	1,083,473	1,107,579	61,700	1,045,879
Instructional Equipment	-	49,790	49,790	40,950	8,840
	<u>24,106</u>	<u>1,133,263</u>	<u>1,157,369</u>	<u>102,650</u>	<u>1,054,719</u>
	<u>1,084,293</u>	<u>3,180,407</u>	<u>4,264,700</u>	<u>1,964,386</u>	<u>2,300,314</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	(98,710)	(98,710)	(54,133)	(44,577)
Other Financing Sources					
Transfers In- General Fund	-	98,710	98,710	98,710	-
Net Change in Fund Balances	-	-	-	44,577	(44,577)
Fund Balance, July 1, 2021	477,845	-	477,845	477,845	-
Fund Balance, June 30, 2022	<u>\$ 477,845</u>	<u>\$ -</u>	<u>\$ 477,845</u>	<u>\$ 522,422</u>	<u>\$ (44,577)</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Student Activities				\$ 264,657	
Scholarships				<u>257,765</u>	
Total Fund Balance				<u>\$ 522,422</u>	

**NEW MILFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	(C-1) \$ 49,748,028	(C-2)	\$ 1,910,253
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Encumbrances June 30, 2022			12,496
Encumbrances June 30, 2021			(650)
State Aid payments not recognized for GAAP purposes, recognized for budgetary statements. 2020/2021 State Aid	1,126,089		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. 2021/2022 State Aid	<u>(1,350,372)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>49,523,745</u>	(B-2)	\$ <u>1,922,099</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 48,681,627	(C-2)	\$ 1,964,386
Differences - Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Encumbrances June 30, 2022			12,496
Encumbrances June 30, 2021	<u>-</u>		<u>(650)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>48,681,627</u>	(B-2)	\$ <u>1,976,232</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**NEW MILFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Nine Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05510%	0.05332%	0.05533%	0.05621%	.04963%	.05169%	0.04849%	0.04851%	0.04559%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 6,527,643</u>	<u>\$ 8,695,501</u>	<u>\$ 9,969,313</u>	<u>\$ 11,067,253</u>	<u>\$ 11,554,454</u>	<u>\$ 15,308,376</u>	<u>\$ 10,986,056</u>	<u>\$ 9,084,183</u>	<u>\$ 8,714,770</u>
District's Covered Payroll	<u>\$ 3,928,152</u>	<u>\$ 3,947,937</u>	<u>\$ 3,807,580</u>	<u>\$ 3,741,803</u>	<u>\$ 3,703,403</u>	<u>\$ 3,319,832</u>	<u>\$ 3,404,892</u>	<u>\$ 3,226,012</u>	<u>\$ 3,209,279</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	166.18%	220.25%	261.83%	295.77%	312.00%	461.12%	322.66%	281.59%	271.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

NEW MILFORD BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 645,307	\$ 583,322	\$ 538,183	\$ 559,097	\$ 459,824	\$ 459,185	\$ 420,753	\$ 399,988	\$ 347,694
Contributions in Relation to the Contractually Required Contribution	<u>645,307</u>	<u>583,322</u>	<u>538,183</u>	<u>559,097</u>	<u>459,824</u>	<u>459,185</u>	<u>420,753</u>	<u>399,988</u>	<u>347,694</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 4,093,355</u>	<u>\$ 3,928,152</u>	<u>\$ 3,947,937</u>	<u>\$ 3,807,580</u>	<u>\$ 3,741,803</u>	<u>\$ 3,703,403</u>	<u>\$ 3,319,832</u>	<u>\$ 3,404,892</u>	<u>\$ 3,226,012</u>
Contributions as a Percentage of Covered Payroll	15.76%	14.85%	13.63%	14.68%	12.29%	12.40%	12.67%	11.75%	10.78%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NEW MILFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Nine Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>66,264,359</u>	<u>90,184,760</u>	<u>85,416,541</u>	<u>83,487,984</u>	<u>87,478,841</u>	<u>103,954,407</u>	<u>80,628,389</u>	<u>65,249,801</u>	<u>63,067,602</u>
Total	<u>\$ 66,264,359</u>	<u>\$ 90,184,760</u>	<u>\$ 85,416,541</u>	<u>\$ 83,487,984</u>	<u>\$ 87,478,841</u>	<u>\$ 103,954,407</u>	<u>\$ 80,628,389</u>	<u>\$ 65,249,801</u>	<u>\$ 63,067,602</u>
District's Covered Payroll	<u>\$ 16,632,433</u>	<u>\$ 15,544,743</u>	<u>\$ 14,674,961</u>	<u>\$ 14,509,326</u>	<u>\$ 14,227,154</u>	<u>\$ 13,462,181</u>	<u>\$ 13,137,889</u>	<u>\$ 13,064,513</u>	<u>\$ 12,476,921</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NEW MILFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**NEW MILFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 4,737,986	\$ 2,595,388	\$ 2,548,006	\$ 2,723,092	\$ 3,316,095
Interest on Total OPEB Liability	1,896,378	1,842,007	2,186,399	2,290,845	1,955,197
Changes of Benefit Terms	(77,810)	-	-	-	-
Differences Between Expected and Actual Experience	(16,054,391)	14,879,290	(7,940,069)	(4,595,442)	-
Changes of Assumptions	72,122	15,339,239	756,479	(6,276,705)	(8,186,710)
Gross Benefit Payments	(1,493,815)	(1,461,925)	(1,557,447)	(1,462,567)	(1,716,096)
Contribution from the Member	48,481	44,311	46,167	50,549	63,191
Net Change in Total OPEB Liability	(10,871,049)	33,238,310	(3,960,465)	(7,270,228)	(4,568,323)
Total OPEB Liability - Beginning	83,974,411	50,736,101	54,696,566	61,966,794	66,535,117
Total OPEB Liability - Ending	<u>\$ 73,103,362</u>	<u>\$ 83,974,411</u>	<u>\$ 50,736,101</u>	<u>\$ 54,696,566</u>	<u>\$ 61,966,794</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	73,103,362	83,974,411	50,736,101	54,696,566	61,966,794
Total OPEB Liability - Ending	<u>\$ 73,103,362</u>	<u>\$ 83,974,411</u>	<u>\$ 50,736,101</u>	<u>\$ 54,696,566</u>	<u>\$ 61,966,794</u>
District's Covered-Employee Payroll	<u>\$ 20,560,585</u>	<u>\$ 19,492,680</u>	<u>\$ 18,482,541</u>	<u>\$ 18,251,129</u>	<u>\$ 17,930,557</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%

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

*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NEW MILFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REVENUES	Title I	Title II	Title III	Title III Immigrant	CARES Act	Total Page 2	Total Page 3	Total Page 4	Grand Total
Intergovernmental									
State							\$ 185,005	\$ 158,021	\$ 343,026
Federal	\$ 42,396	\$ 46,957	\$ 12,862	\$ 89	\$ 3,041	\$ 1,137,671	10,162	-	1,253,178
Local Sources	-	-	-	-	-	-	-	314,049	314,049
Total Revenues	\$ 42,396	\$ 46,957	\$ 12,862	\$ 89	\$ 3,041	\$ 1,137,671	\$ 195,167	\$ 472,070	\$ 1,910,253
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 4,000		\$ 5,000			\$ 44,748	\$ 64,556	\$ 9,860	\$ 128,164
Purchased Professional & Technical Services	2,570					116,013	69,374	-	187,957
Other Purchased Services						403,410	-	61,712	465,122
General Supplies	33,660		3,419		2,476	236,366	61,237	100,309	437,467
Textbooks				89		-	-	-	89
Co-Curricular/Extra-Curricular Activities						-	-	221,710	221,710
Athletic Activities	-	-	-	-	-	-	-	59,262	59,262
Total Instruction	40,230	-	8,419	89	2,476	800,537	195,167	452,853	1,499,771
Support Services									
Salaries of Other Professional Staff						33,600	-	-	33,600
Personal Services Employee-Benefits			2,656			-	-	-	2,656
Purchased Professional & Technical Services		\$ 39,162	160		565	199,170	-	-	239,057
Other Purchased Services			1,287			-	-	-	1,287
Supplies and Materials	414	5,887				1,714	-	-	8,015
Scholarship Awards	-		-			-	-	73,350	73,350
Other - Program Administration	1,752	1,908	340			-	-	-	4,000
Total Support Services	2,166	46,957	4,443	-	565	234,484	-	73,350	361,965
Capital Outlay									
Building						61,700	\$ -		61,700
Instructional Equipment						40,950			40,950
Non - Instructional Equipment									
Total Capital Outlay	-	-	-	-	-	102,650	-	-	102,650
Total Expenditures	\$ 42,396	\$ 46,957	\$ 12,862	\$ 89	\$ 3,041	\$ 1,137,671	\$ 195,167	\$ 526,203	\$ 1,964,386
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	(54,133)	(54,133)
Other Financing Sources									
Transfers In- General Fund	-	-	-	-	-	-	-	98,710	98,710
Net Changes in Fund Balances	-	-	-	-	-	-	-	44,577	44,577
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	477,845	477,845
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 522,422	\$ 522,422

NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSER	ARP Evidence Based BTHSD	IDEA Basic	ARP Basic	IDEA Preschool	Page 2 Total
REVENUES									
Intergovernmental									
State									\$ -
Federal	\$ 485,057	\$ 30,581	\$ 23,342	\$ 14,303	\$ 400	\$ 487,719	\$ 91,383	\$ 4,886	1,137,671
Local Sources	-	-	-	-	-	-	-	-	-
	<u>\$ 485,057</u>	<u>\$ 30,581</u>	<u>\$ 23,342</u>	<u>\$ 14,303</u>	<u>\$ 400</u>	<u>\$ 487,719</u>	<u>\$ 91,383</u>	<u>\$ 4,886</u>	<u>\$ 1,137,671</u>
EXPENDITURES									
Instruction									
Salaries of Teachers		\$ 27,931	\$ 16,817						\$ 44,748
Purchased Professional & Technical Services	\$ 116,013								116,013
Other Purchased Services					\$ 403,410				403,410
General Supplies	165,241		\$ 1,675			16,131	\$ 48,433	\$ 4,886	236,366
Textbooks									-
Co-Curricular/Extra-Curricular Activities									-
Athletic Activities	-	-	-	-	-	-	-	-	-
Total Instruction	<u>281,254</u>	<u>27,931</u>	<u>18,492</u>	<u>-</u>	<u>-</u>	<u>419,541</u>	<u>48,433</u>	<u>4,886</u>	<u>800,537</u>
Support Services									
Salaries of Other Professional Staff	33,600								33,600
Personal Services Employee-Benefits									-
Purchased Professional & Technical Services	107,189	\$ 2,650	4,850	14,303		68,178	2,000		199,170
Other Purchased Services									-
Supplies and Materials	1,314				400				1,714
Scholarship Awards	-	-	-	-	-	-	-	-	-
Total Support Services	<u>142,103</u>	<u>2,650</u>	<u>4,850</u>	<u>14,303</u>	<u>400</u>	<u>68,178</u>	<u>2,000</u>	<u>-</u>	<u>234,484</u>
Capital Outlay									
Building	61,700								61,700
Instructional Equipment	-	-	-	-	-	-	40,950	-	40,950
Non - Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Capital Outlay	<u>61,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,950</u>	<u>-</u>	<u>102,650</u>
Total Expenditures	<u>\$ 485,057</u>	<u>\$ 30,581</u>	<u>\$ 23,342</u>	<u>\$ 14,303</u>	<u>\$ 400</u>	<u>\$ 487,719</u>	<u>\$ 91,383</u>	<u>\$ 4,886</u>	<u>\$ 1,137,671</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
Other Financing Sources									
Transfers In- General Fund	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Chapter 192			Chapter 193			Nonpublic Textbook	Nonpublic Technology	Page 3 Total
	ARP Preschool	Compensatory Education	ESL	Exam./ Classification	Corrective Speech	Supplemental Instruction			
REVENUES									
Intergovernmental									
State		\$ 41,769	\$ 11,938	\$ 32,991	\$ 19,065	28,430	\$ 29,974	\$ 20,838	\$ 185,005
Federal	\$ 10,162								10,162
Local Sources	-	-	-	-	-	-	-	-	-
	<u>\$ 10,162</u>	<u>\$ 41,769</u>	<u>\$ 11,938</u>	<u>\$ 32,991</u>	<u>\$ 19,065</u>	<u>\$ 28,430</u>	<u>\$ 29,974</u>	<u>\$ 20,838</u>	<u>\$ 195,167</u>
EXPENDITURES									
Instruction									
Salaries of Teachers		\$ 25,799		\$ 32,991	\$ 5,766				\$ 64,556
Purchased Professional & Technical Services		15,970	11,938		13,299	28,167			69,374
Other Purchased Services									-
Supplies and Materials									-
General Supplies	10,162					\$ 263	\$ 29,974	\$ 20,838	61,237
Textbooks									-
Co-Curricular/Extra-Curricular Activities									-
Athletic Activities	-	-	-	-	-	-	-	-	-
Total Instruction	<u>10,162</u>	<u>41,769</u>	<u>11,938</u>	<u>32,991</u>	<u>19,065</u>	<u>28,430</u>	<u>29,974</u>	<u>20,838</u>	<u>195,167</u>
Support Services									
Salaries of Other Professional Staff									-
Personal Services Employee-Benefits									-
Purchased Professional & Technical Services									-
Other Purchased Services									-
Supplies and Materials									-
Scholarship Awards	-	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay									
Building									-
Instructional Equipment	-	-	-	-	-	-	-	-	-
Non - Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 10,162</u>	<u>\$ 41,769</u>	<u>\$ 11,938</u>	<u>\$ 32,991</u>	<u>\$ 19,065</u>	<u>\$ 28,430</u>	<u>\$ 29,974</u>	<u>\$ 20,838</u>	<u>\$ 195,167</u>
Excess (Deficiency) of Revenues and Other									
Financing Sources Over/(Under) Expenditures)	-	-	-	-	-	-	-	-	-
Other Financing Sources									
Transfers In- General Fund	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Nonpublic <u>Nursing</u>	Nonpublic <u>Security</u>	Local <u>Grant</u>	Student <u>Activities</u>	Scholarships	Page 4 <u>Total</u>
REVENUES						
Intergovernmental						
State	\$ 61,712	\$ 96,309				\$ 158,021
Federal						-
Local Sources	-	-	13,860	246,485	53,704	314,049
	<u>\$ 61,712</u>	<u>\$ 96,309</u>	<u>\$ 13,860</u>	<u>\$ 246,485</u>	<u>\$ 53,704</u>	<u>\$ 472,070</u>
EXPENDITURES						
Instruction						
Salaries of Teachers			\$ 9,860			\$ 9,860
Purchased Professional & Technical Services						-
Other Purchased Services	61,712					61,712
Supplies and Materials						-
General Supplies		96,309	4,000			100,309
Textbooks						-
Co-Curricular/Extra-Curricular Activities				\$ 221,710		221,710
Athletic Activities	-	-	-	59,262	-	59,262
Total Instruction	<u>61,712</u>	<u>96,309</u>	<u>13,860</u>	<u>280,972</u>	<u>-</u>	<u>452,853</u>
Support Services						
Salaries of Other Professional Staff						-
Personal Services Employee-Benefits						-
Purchased Professional & Technical Services						-
Other Purchased Services						-
Supplies and Materials						-
Scholarship Awards	-	-	-	-	73,350	73,350
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,350</u>	<u>73,350</u>
Capital Outlay						
Buildings						
Instructional Equipment	-	-				-
Non - Instructional Equipment	-	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 61,712</u>	<u>\$ 96,309</u>	<u>\$ 13,860</u>	<u>\$ 280,972</u>	<u>\$ 73,350</u>	<u>\$ 526,203</u>
Excess (Deficiency) of Revenues and Other						
Financing Sources Over/(Under) Expenditures	-	-	-	(34,487)	(19,646)	(54,133)
Other Financing Sources						
Transfers In- General Fund	-	-	-	30,000	68,710	98,710
Net Changes in Fund Balances	-	-	-	(4,487)	49,064	44,577
Fund Balance, Beginning of Year	-	-	-	269,144	208,701	477,845
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,657</u>	<u>\$ 257,765</u>	<u>\$ 522,422</u>

**NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**NEW MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30,2022</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Installation of artificial turf on football and soccer fields and reconstruction of the track at the New Milford High School	\$ 2,619,300	\$ 2,607,698	\$ -	\$ 11,602
	<u>\$ 2,619,300</u>	<u>\$ 2,607,698</u>	<u>\$ -</u>	<u>\$ 11,602</u>

Reconciliation to GAAP

Project Balance, June 30, 2022	\$ 11,602
Fund Balance, June 30, 2022	<u>\$ 11,602</u>

Recapitulation of Fund Balance

Restricted	
Available for Capital Projects	<u>11,602</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 11,602</u>

NEW 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, 2022

Fund Balance, July 1, 2021	\$ <u>11,602</u>
Fund Balance - June 30, 2022	\$ <u>11,602</u>
<u>Reconciliation to GAAP Basis</u>	
Fund Balance, June 30, 2022 - Budgetary Basis	\$ <u>11,602</u>
Fund Balance, June 30, 2022 - GAAP Basis	\$ <u>11,602</u>

NEW MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
INSTALLATION OF ARTIFICIAL TURF ON FOOTBALL AND SOCCER FIELDS AND
RECONSTRUCTION OF THE TRACK AT THE NEW MILFORD HIGH SCHOOL
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Capital Lease Proceeds	\$ 2,000,000		\$ 2,000,000	\$ 2,000,000
Transfer from Capital Reserve	600,000		600,000	600,000
Interest Earnings	19,300	-	19,300	19,300
	<u>2,619,300</u>	<u>-</u>	<u>2,619,300</u>	<u>2,619,300</u>
Total Revenues				
EXPENDITURES AND OTHER FINANCING SOURCES				
Legal Services	4,583		4,583	4,583
Architect/Engineering Fees	187,193		187,193	187,193
Construction Services	2,368,567		2,368,567	1,066,914
Other Objects	47,355	-	47,355	1,360,610
	<u>2,607,698</u>	<u>-</u>	<u>2,607,698</u>	<u>2,619,300</u>
Total Expenditures and other Financing Sources				
Excess of Revenues over Expenditures	<u>\$ 11,602</u>	<u>\$ -</u>	<u>\$ 11,602</u>	<u>\$ -</u>
Additional Project Information:				
Original Authorized Cost	\$ 2,600,000			
Additional Authorized Cost	<u>19,300</u>			
Revised Authorized Cost	<u>\$ 2,619,300</u>			
Percentage Increase (Decrease) over Original Authorized				
Cost	0.74%			
Percentage Completion	99.56%			
Original Target Completion Date	6/30/2020			
Revised Target Completion Date	6/30/2020			

PROPRIETARY FUNDS

NEW MILFORD BOARD OF EDUCATION
 ENTERPRISE FUNDS - NON-MAJOR
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022

	<u>Non-Major Enterprise Funds</u>			<u>Total</u>
	<u>Broadway Kids Summer Program</u>	<u>After School Enrichment Program</u>	<u>Summer Music Program</u>	
ASSETS				
Cash and Cash Equivalents	\$ 16,410	\$ 31,994	\$ 8,090	\$ 56,494
Total Assets	<u>16,410</u>	<u>31,994</u>	<u>8,090</u>	<u>56,494</u>
NET POSITION				
Unrestricted	<u>16,410</u>	<u>31,994</u>	<u>8,090</u>	<u>56,494</u>
Total Net Position	<u>\$ 16,410</u>	<u>\$ 31,994</u>	<u>\$ 8,090</u>	<u>\$ 56,494</u>

**NEW MILFORD BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Non-Major Enterprise Funds</u>			<u>Total</u>
	<u>Broadway Kids Summer Program</u>	<u>After School Enrichment Program</u>	<u>Summer Music Program</u>	
OPERATING REVENUES				
Charges for Services				
Program Fees	-	-	-	-
	-	-	-	-
Total Operating Revenues				
OPERATING EXPENSES				
Salaries and Employee Benefits				-
Supplies and Materials	-	-	-	-
Total Operating Expenses	-	-	-	-
Operating Income (Loss)	-	-	-	-
NONOPERATING REVENUES				
Interest Earnings	\$ 32	\$ 59	-	\$ 91
Total Nonoperating Revenue	32	59	-	91
Change in Net Position Before Transfers	32	59	-	91
Transfers Out	-	(39)	-	(39)
Change in Net Position	32	20	-	52
Total Net Position , Beginning of Year	16,378	31,974	\$ 8,090	56,442
Total Net Position, End of Year	\$ 16,410	\$ 31,994	\$ 8,090	\$ 56,494

NEW MILFORD BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Non-Major Enterprise Funds			<u>Total</u>
	<u>Broadway Kids Summer Program</u>	<u>After School Enrichment Program</u>	<u>Sumer Music Program</u>	
Cash Flows from Operating Activities				
Cash Received from Customers				
Cash Payments for Employees Salaries & Benefits				
Cash Payments to Suppliers for Goods and Services	-	-	-	-
Net Cash Provided/(Used) by Operating Activities	-	-	-	-
Cash Flows from Noncapital Financing Activities				
Cash Payments from/(to) Other Funds	-	\$ (39)	-	\$ (39)
Net Cash Provided/(Used) by Noncapital Financing Activities	-	(39)	-	(39)
Cash Flows from Investing Activities				
Interest on Investments	\$ 32	59	-	91
Net Cash Provided by Investing Activities	32	59	-	91
Net Increase/(Decrease) in Cash and Cash Equivalents	32	20	-	52
Cash and Cash Equivalents, Beginning of Year	16,378	31,974	\$ 8,090	56,442
Cash and Cash Equivalents, End of Year	<u>\$ 16,410</u>	<u>\$ 31,994</u>	<u>\$ 8,090</u>	<u>\$ 56,494</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income/(Loss)	\$ -	\$ -	\$ -	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities				
Increase/(Decrease) in Accounts Payable				-
Increase/(Decrease) in Accrued Salaries and Wages				-
Increase/(Decrease) in Unearned Revenue	-	-	-	-
Total Adjustments	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

NEW MILFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

**NEW MILFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCE AGREEMENT, OTHER FINANCE AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Amount of Original Issue</u>	<u>Restated Balance, July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
<u>Capital Financing Agreements</u>					
2019 28 Passenger School Bus	\$ 100,691	\$ 62,595		\$ 20,112	\$ 42,483
2021 Bus Lease	111,392	88,312		21,378	66,934
HS Field Renovations	2,000,000	1,213,078		393,506	819,572
Security Cameras	163,660	129,156		30,401	98,755
Steinway Piano	37,288	18,644		9,322	9,322
Savin Copier	5,045	1,692		1,109	583
7 District Copiers	104,289	53,396		21,379	32,017
8 District Copiers	188,614	121,380		37,500	83,880
8 District Copiers	158,522	68,217		31,814	36,403
Copier	16,529	15,745		4,843	10,902
2022 54 Passenger bus	117,930	-	\$ 117,930	30,926	87,004
Total Capital Financing Agreements		\$ 1,772,215	\$ 117,930	\$ 602,290	\$ 1,287,855

**NEW MILFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCE AGREEMENT, OTHER FINANCE AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Amount of Original Issue</u>	<u>Restated Balance, July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
<u>Other Financing Agreements</u>					
Purchase of Chromebook Laptops and Supplies	\$ 330,540	\$ 165,188		\$ 81,293	\$ 83,895
Purchase of Chromebook Laptops and Supplies	73,408	24,565	-	24,565	-
Purchase of Chromebook Laptops and Supplies	139,860	103,236		33,340	69,896
Copiers	7,389	<u>2,739</u>	<u>-</u>	<u>1,607</u>	<u>1,132</u>
Total Other Purchase Agreements		<u>\$ 295,728</u>	<u>\$ -</u>	<u>\$ 140,805</u>	<u>\$ 154,923</u>
<u>Leases Payable</u>					
Wings Building Lease	\$ 101,172	\$ 71,828		\$ 33,561	\$ 38,267
DEO Trailers	32,275		\$ 32,275	14,633	17,642
Gibbs Trailers	20,921	<u>-</u>	<u>20,921</u>	<u>8,616</u>	<u>12,305</u>
		<u>\$ 71,828</u>	<u>\$ 53,196</u>	<u>\$ 56,810</u>	<u>\$ 68,214</u>
Totals		<u>\$ 2,139,771</u>	<u>\$ 171,126</u>	<u>\$ 799,905</u>	<u>\$ 1,510,992</u>

NEW MILFORD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

STATISTICAL SECTION

This part of the New Milford Board of Education's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the district's overall financial health.

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, 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 and 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 annual comprehensive financial reports for the relevant year.

NEW MILFORD BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014 (Restated)	2015	2016 (Restated)	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 17,617,446	\$ 17,962,388	\$ 20,009,921	\$ 18,664,347	\$ 19,259,075	\$ 18,933,504	\$ 19,374,289	\$ 19,604,190	\$ 19,510,967	\$ 19,476,083
Restricted	1,807,108	2,070,989	852,217	547,609	405,594	930,816	1,318,968	1,879,309	2,920,581	4,807,527
Unrestricted	2,512,336	(6,600,279)	(7,113,835)	(7,111,050)	(8,603,737)	(8,832,036)	(8,977,492)	(8,182,757)	(7,109,321)	(6,253,344)
Total Governmental Activities Net Position	<u>\$ 21,936,890</u>	<u>\$ 13,433,098</u>	<u>\$ 13,748,303</u>	<u>\$ 12,100,906</u>	<u>\$ 11,060,932</u>	<u>\$ 11,032,284</u>	<u>\$ 11,715,765</u>	<u>\$ 13,300,742</u>	<u>\$ 15,322,227</u>	<u>\$ 18,030,266</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 89,469	\$ 86,190	\$ 87,431	\$ 73,037	\$ 114,265	\$ 114,669	\$ 98,325	\$ 94,225	\$ 62,407	\$ 73,604
Restricted										
Unrestricted	499,795	570,601	568,752	536,454	464,276	408,289	475,140	446,839	479,831	729,497
Total Business-Type Activities Net Position	<u>\$ 589,264</u>	<u>\$ 656,791</u>	<u>\$ 656,183</u>	<u>\$ 609,491</u>	<u>\$ 578,541</u>	<u>\$ 522,958</u>	<u>\$ 573,465</u>	<u>\$ 541,064</u>	<u>\$ 542,238</u>	<u>\$ 803,101</u>
District-Wide										
Net Investment in Capital Assets	\$ 17,706,915	\$ 18,048,578	\$ 20,097,352	\$ 18,737,384	\$ 19,373,340	\$ 19,048,173	\$ 19,472,614	\$ 19,698,415	\$ 19,573,374	\$ 19,549,687
Restricted	1,807,108	2,070,989	852,217	547,609	405,594	930,816	1,318,968	1,879,309	2,920,581	4,807,527
Unrestricted	3,012,131	(6,029,678)	(6,545,083)	(6,574,596)	(8,139,461)	(8,423,747)	(8,502,352)	(7,735,918)	(6,629,490)	(5,523,847)
Total District Net Position	<u>\$ 22,526,154</u>	<u>\$ 14,089,889</u>	<u>\$ 14,404,486</u>	<u>\$ 12,710,397</u>	<u>\$ 11,639,473</u>	<u>\$ 11,555,242</u>	<u>\$ 12,289,230</u>	<u>\$ 13,841,806</u>	<u>\$ 15,864,465</u>	<u>\$ 18,833,367</u>

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pension".

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Source: District's financial statements

NEW MILFORD BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2013		2014		2015		2016		Fiscal Year Ended June 30,		2019		2020		2021		2022			
									2017	2018										
Expenses																				
Governmental Activities																				
Instruction																				
Regular	\$	12,892,419	\$	13,219,329	\$	16,008,564	\$	16,374,576	\$	17,780,774	\$	18,898,048	\$	18,874,564	\$	18,785,647	\$	20,706,252	\$	18,977,586
Special Education		5,662,426		5,377,054		6,070,665		6,604,863		7,991,141		7,864,426		7,300,624		7,507,123		7,692,821		7,212,136
Other Instruction		292,546		417,445		504,294		580,206		703,985		756,966		706,321		741,526		930,282		893,439
School Sponsored Activities and Athletics		1,024,342		991,372		1,090,855		1,197,498		1,441,874		1,478,110		1,469,545		1,620,594		1,702,096		1,574,059
Support Services:																				
Student & Instruction Related Services		4,651,601		5,021,956		6,151,420		6,056,812		6,835,530		7,020,879		7,097,604		6,723,080		7,692,662		7,294,390
General Administration Services		881,409		871,600		1,240,434		987,168		1,103,769		1,123,555		1,030,992		1,507,792		1,343,082		1,265,728
School Administrative Services		2,111,934		2,285,356		2,637,528		3,044,203		3,700,220		3,789,228		3,468,940		3,143,203		3,523,586		3,224,004
Central and Other Support Services		1,065,034		1,122,455		1,142,404		1,119,086		1,264,781		1,553,406		1,452,418		1,443,331		1,364,833		1,544,515
Plant Operations and Maintenance		4,162,099		4,693,242		4,576,492		4,842,898		5,055,523		5,443,789		5,326,676		5,244,712		5,249,631		4,945,126
Pupil Transportation		977,399		1,001,579		1,028,715		1,174,887		1,223,166		1,183,655		1,232,239		1,122,352		1,115,783		1,502,388
Interest On Long-Term Debt		129,936		112,175		98,437		84,856		68,297		46,488		35,955		88,524		47,753		76,863
Total Governmental Activities Expenses		33,851,145		35,113,563		40,549,808		42,067,053		47,169,060		49,158,550		47,995,878		47,927,884		51,368,781		48,510,234
Business-Type Activities:																				
Food Service		658,157		667,601		688,173		758,581		753,051		888,859		764,959		577,310		222,204		1,000,369
Knight Care Latch Key Program		348,778		382,395		404,012		470,431		440,947		365,999		387,794		332,243		24,568		435,404
Broadway Kids Summer Enrichment Program		14,982		18,795		18,407		17,080		19,181		24,458		21,459		10,177		-		-
After School Enrichment Program		5,718		17,588		13,062		6,181		10,747		12,652		11,107		1,500		-		-
Summer Music Program		-		-		-		-		-		13,680		12,550		2,765		-		-
Total Business-Type Activities Expense		1,027,635		1,086,379		1,123,654		1,252,273		1,223,926		1,304,103		1,199,414		923,995		246,772		1,435,773
Total District Expenses	\$	34,878,780	\$	36,199,942	\$	41,673,462	\$	43,319,326	\$	48,392,986	\$	50,462,653	\$	49,195,292	\$	48,851,879	\$	51,615,553	\$	49,946,007
Program Revenues																				
Governmental Activities:																				
Charges For Services:																				
Regular Education																				
Special Education	\$	96,987	\$	175,006	\$	348,161	\$	396,222	\$	460,111	\$	6,721	\$	47,070	\$	31,862	\$	80,215	\$	80,215
School Sponsored Activities and Athletics																				
Student and Instruction Related Services																				
Pupil Transportation		22,681		23,837		31,003		14,005		50,308		21,786		21,325		25,506		19,777		36,132
Operating Grants And Contributions		5,802,463		5,406,842		9,297,379		10,267,657		13,123,587		14,947,976		12,883,561		12,191,311		15,695,987		12,831,234
Capital Grants And Contributions		7,952		77,215		798,271		-		63,532		13,145		242,099		79,003		57,331		6,699
Total Governmental Activities Program Revenues		5,930,083		5,682,900		10,474,814		10,677,884		13,697,538		15,718,695		14,182,075		13,377,947		17,068,008		14,213,375
Business-Type Activities:																				
Charges For Services:																				
Food Service		512,723		549,519		548,960		611,632		605,142		617,570		603,824		415,018		1,697		166,609
Knight Care Latch Key Program		358,421		377,202		368,789		369,270		348,163		384,851		394,999		322,433		-		378,275
Broadway Kids Summer Enrichment Prgm		15,790		17,952		17,799		18,875		20,343		23,102		22,737		23,290		-		-
After School Enrichment Program		9,030		24,240		15,400		9,770		13,545		12,440		17,745		12,695		-		-
Summer Music Program		-		-		-		-		-		13,635		12,695		10,755		-		-
Operating Grants And Contributions		172,751		184,209		171,149		194,753		204,233		195,703		195,791		139,431		246,117		1,150,619
Capital Grants And Contributions		-		-		-		-		-		-		-		-		-		-
Total Business Type Activities Program Revenues		1,068,715		1,153,122		1,122,097		1,204,300		1,191,426		1,247,301		1,247,791		910,927		247,814		1,695,503
Total District Program Revenues	\$	6,998,798	\$	6,836,022	\$	11,596,911	\$	11,882,184	\$	14,888,964	\$	16,965,996	\$	15,429,866	\$	14,288,874	\$	17,315,822	\$	15,908,878
Net (Expense)/Revenue																				
Governmental Activities	\$	(27,921,062)	\$	(29,430,663)	\$	(30,074,994)	\$	(31,389,169)	\$	(33,471,522)	\$	(33,439,855)	\$	(33,813,803)	\$	(34,549,937)	\$	(34,300,773)	\$	(34,296,859)
Business-Type Activities		41,080		66,743		(1,557)		(47,973)		(32,500)		(56,802)		48,377		(13,068)		1,042		259,730
Total District-Wide Net Expense	\$	(27,879,982)	\$	(29,363,920)	\$	(30,076,551)	\$	(31,437,142)	\$	(33,504,022)	\$	(33,496,657)	\$	(33,765,426)	\$	(34,563,005)	\$	(34,299,731)	\$	(34,037,129)

NEW MILFORD BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 27,972,026	\$ 28,580,617	\$ 29,412,229	\$ 30,557,436	\$ 31,437,772	\$ 32,368,991	\$ 33,492,415	\$ 34,441,752	\$ 35,163,154	\$ 35,866,417
Property Taxes Levied For Debt Service	521,650	524,500	523,725	530,300	517,800	495,300	477,900	455,600	433,500	-
State Aid, Unrestricted	340,942	323,248	363,388	365,248	370,650	440,266	389,442	570,651	676,071	1,148,219
Investment Earnings	17,419	18,622	20,577	21,585	23,979	26,470	86,897	63,157	9,102	18,765
Miscellaneous Income	91,839	194,654	70,280	67,882	79,866	78,592	45,806	4,668	40,207	57,660
Transfers				1,969	1,481	1,588	4,824	3,668	224	144
Total Governmental Activities	28,943,876	29,641,641	30,390,199	31,544,420	32,431,548	33,411,207	34,497,284	35,539,496	36,322,258	37,091,205
Business-Type Activities:										
Investment Earnings	\$ 600	\$ 784	\$ 949	\$ 3,250	\$ 3,031	\$ 2,807	\$ 6,954	\$ 4,939	\$ 356	\$ 1,277
Transfers				(1,969)	(1,481)	(1,588)	(4,824)	(3,668)	(224)	(144)
Total Business-Type Activities	600	784	949	1,281	1,550	1,219	2,130	1,271	132	1,133
Total District-Wide	\$ 28,944,476	\$ 29,642,425	\$ 30,391,148	\$ 31,545,701	\$ 32,433,098	\$ 33,412,426	\$ 34,499,414	\$ 35,540,767	\$ 36,322,390	\$ 37,092,338
Change In Net Position										
Governmental Activities	\$ 1,022,814	\$ 210,978	\$ 315,205	\$ 155,251	\$ (1,039,974)	\$ (28,648)	\$ 683,481	\$ 989,559	\$ 2,021,485	\$ 2,794,346
Business-Type Activities	41,680	67,527	(608)	(46,692)	(30,950)	(55,583)	50,507	(11,797)	1,174	260,863
Total District	\$ 1,064,494	\$ 278,505	\$ 314,597	\$ 108,559	\$ (1,070,924)	\$ (84,231)	\$ 733,988	\$ 977,762	\$ 2,022,659	\$ 3,055,209

Source: District's financial statements

NEW MILFORD BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 4,246,461	\$ 4,167,204	\$ 2,405,943	\$ 2,109,441	\$ 2,424,438	\$ 3,040,838	\$ 3,771,901	\$ 5,443,651	\$ 6,489,417	\$ 7,336,993
Committed		27,500		305,410	29,350	31,250				
Assigned	440,610	408,683	164,812	250,606	122,209	291,455	168,763	295,363	302,400	471,897
Unassigned	73,923	69,119	112,083	114,367	145,093	155,332	129,221	(22,423)	820,815	879,298
Total General Fund	\$ 4,760,994	\$ 4,672,506	\$ 2,682,838	\$ 2,779,824	\$ 2,721,090	\$ 3,518,875	\$ 4,069,885	\$ 5,716,591	\$ 7,612,632	\$ 8,688,188
All Other Governmental Funds										
Restricted	\$ 5,650	\$ 5,650	\$ 464,869	\$ 417,416			\$ 2,384,075	\$ 449,078	\$ 489,447	\$ 534,024
Unassigned		(101,785)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 5,650	\$ (96,135)	\$ 464,869	\$ 417,416	\$ -	\$ -	\$ 2,384,075	\$ 449,078	\$ 489,447	\$ 534,024

NEW MILFORD BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property Tax Levy	\$ 28,493,676	\$ 29,105,117	\$ 29,935,954	\$ 31,087,736	\$ 31,955,572	\$ 32,864,291	\$ 33,970,315	\$ 34,897,352	\$ 35,596,654	\$ 35,866,417
Tuition Charges	96,987	175,006	348,161	396,222	460,111	735,788	1,035,090	1,082,127	1,164,591	942,825
Transportation Fees	22,681	23,837	31,003	14,005	50,308	21,786	21,325	25,506	19,777	36,132
Interest Earnings	17,419	18,622	20,577	21,585	23,979	26,470	86,897	63,157	9,102	18,765
Miscellaneous	100,190	203,154	93,272	99,518	107,768	118,231	71,190	57,357	309,982	521,709
State Sources	5,369,250	5,013,002	6,191,925	5,929,987	6,318,996	7,423,035	8,530,150	8,964,067	10,041,391	12,792,022
Federal Sources	765,804	776,445	723,262	806,205	859,521	723,504	796,936	889,144	929,725	1,267,974
Total Revenue	34,866,007	35,315,183	37,344,154	38,355,258	39,776,255	41,913,105	44,511,903	45,978,710	48,071,222	51,445,844
Expenditures										
Instruction										
Regular Instruction	12,822,033	13,204,131	13,830,346	14,046,403	14,271,922	15,327,826	16,848,560	17,166,332	18,123,169	19,651,815
Special Education Instruction	5,659,737	5,375,800	5,608,445	6,065,636	6,901,456	6,780,102	6,698,391	7,057,272	6,994,956	7,463,634
Other Instruction	292,546	417,445	437,067	521,826	560,710	605,970	625,451	674,161	805,339	930,335
School Sponsored Activities And Athletics	1,021,726	988,729	1,072,133	1,134,459	1,185,135	1,220,107	1,317,189	1,317,586	1,345,376	1,414,367
Community Services										
Support Services:										
Student & Inst. Related Services	4,600,206	5,026,197	5,585,808	5,385,421	5,728,139	5,842,588	6,370,348	6,218,197	6,802,606	7,477,584
General Administration	881,326	885,530	1,153,479	928,460	972,996	985,583	957,026	1,447,131	1,242,060	1,308,433
School Administrative Services	2,090,071	2,277,216	2,309,082	2,631,224	2,951,974	3,061,723	3,058,175	2,910,704	3,087,239	3,367,979
Central and Other Support Services	1,007,401	1,092,851	1,052,279	1,003,752	1,023,690	1,213,495	1,258,037	1,279,417	1,150,633	1,478,961
Plant Operations And Maintenance	3,716,527	4,109,096	4,107,545	4,181,215	4,064,948	4,245,389	4,355,195	4,314,943	4,204,809	4,359,102
Pupil Transportation	947,630	971,494	968,408	1,114,732	1,113,337	1,045,392	1,098,112	1,016,186	998,194	1,459,327
Capital Outlay	404,726	611,389	2,613,175	527,431	954,241	165,541	698,556	2,785,010	408,221	880,551
Debt Service:										
Principal	422,044	409,400	635,057	656,547	714,464	556,054	669,303	1,116,756	1,016,929	799,905
Interest And Other Charges	155,121	136,178	116,260	110,588	86,030	67,138	46,825	61,061	66,897	65,866
Total Expenditures	34,021,094	35,505,456	39,489,084	38,307,694	40,529,042	41,116,908	44,001,168	47,364,756	46,246,428	50,657,859
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	844,913	(190,273)	(2,144,930)	47,564	(752,787)	796,197	510,735	(1,386,046)	1,824,794	787,985
Other Financing Sources (Uses)										
Capital Finance Agreements & Other Finance Agreements			716,266		275,156		2,419,526	604,896	111,392	117,930
Lease Proceeds										53,196
Insurance Recoveries										160,878
Transfers In	52,834	-	1,750,042	1,969	418,897	1,588	604,824	3,668	49,709	98,854
Transfers Out	(52,834)	-	(1,750,042)		(417,416)	-	(600,000)		(49,485)	(98,710)
Total Other Financing Sources (Uses)	-	-	716,266	1,969	276,637	1,588	2,424,350	608,564	111,616	332,148
Net Change In Fund Balances	\$ 844,913	\$ (190,273)	\$ (1,428,664)	\$ 49,533	\$ (476,150)	\$ 797,785	\$ 2,935,085	\$ (777,482)	\$ 1,936,410	\$ 1,120,133
Debt Service As A Percentage Of										
Noncapital Expenditures	1.72%	1.56%	2.04%	2.03%	2.02%	1.52%	1.65%	2.64%	2.36%	1.74%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District's financial statements

**NEW MILFORD BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest</u>	<u>Rentals</u>	<u>Student Fines</u>	<u>Transportation Fees</u>	<u>E-Rate</u>	<u>Student Activity Fees</u>	<u>Cancellation of Prior Year Payables</u>	<u>Refund Prior Year Expenditures</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 96,987	\$ 17,419		\$ 778	\$ 22,681	\$ 18,776	\$ 33,800		\$ 5,704	\$ 32,781	\$ 228,926
2014	175,006	18,622		8,328	18,141		35,945	\$ 131,100	-	24,977	412,119
2015	348,161	19,886	\$ 7,203		31,003		31,985		-	31,093	469,331
2016	396,222	21,585	10,503		14,005		32,565		-	24,814	499,694
2017	460,111	23,979	7,800		50,308		29,725		-	42,341	614,264
2018	735,788	26,470	12,100		21,786		29,615		-	36,877	862,636
2019	1,035,090	77,388	3,000		21,325		28,435		-	14,371	1,179,609
2020	1,082,127	53,366			25,506				-	4,668	1,165,667
2021	1,164,591	9,102			19,777				14,453	25,754	1,233,677
2022	942,825	18,765	8,731		36,132					198,929	1,205,382

Source: District's financial statements

**NEW MILFORD BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (Unaudited)**

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
2013	\$ 2,875,800	\$ 1,348,339,000	-	-	\$ 81,837,300	\$ 3,292,300	\$ 135,238,800	\$ 1,571,583,200	\$ 1,370,800	\$ 1,572,954,000	\$ 1,689,511,073	\$ 1.831
2014	2,875,800	1,347,084,200	-	-	81,736,300	3,292,300	134,224,400	1,569,213,000	1,370,781	1,570,583,781	1,732,405,608	1.880
2015	2,768,800	1,349,847,400	-	-	79,723,400	3,293,300	134,224,400	1,569,857,300	1,169,367	1,571,026,667	1,777,868,086	1.944
2016	2,574,300	1,359,100,000	-	-	79,168,400	3,292,300	134,224,400	1,578,359,400	988,151	1,579,347,551	1,835,425,401	1.997
2017	2,682,100	1,361,616,100	-	-	79,246,000	3,292,300	134,120,700	1,580,957,200	989,486	1,581,946,686	1,831,663,912	2.049
2018	2,610,800	1,360,700,600	-	-	76,545,300	3,892,300	133,120,700	1,576,869,700	977,593	1,577,847,293	1,834,707,153	2.118
2019	2,610,800	1,364,391,600	-	-	73,240,800	3,892,300	133,120,700	1,577,256,200	942,559	1,578,198,759	1,910,314,587	2.178
2020	2,530,500	1,368,677,100	-	-	84,637,100	3,892,300	133,120,700	1,592,857,700	923,429	1,593,781,129	1,992,497,749	2.212
2021	864,500	1,370,973,200	-	-	84,363,400	3,892,300	140,220,700	1,600,314,100	908,597	1,601,222,697	2,079,345,951	2.240
2022	864,500	1,371,874,000	-	-	84,089,800	3,892,800	140,220,700	1,600,941,800	890,825	1,601,832,625	2,136,649,585	2.284

Source: County Abstract of Ratables

^a Tax rates are per \$100

NEW MILFORD BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)
(rate per \$100 of assessed value)

Assessment Year	Direct Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
	New Milford School District	New Milford Borough	Bergen County	
2013	\$ 1.831	\$ 1.008	\$ 0.247	\$ 3.086
2014	1.880	0.978	0.259	3.117
2015	1.944	0.996	0.269	3.209
2016	1.997	1.039	0.286	3.322
2017	2.049	1.035	0.296	3.380
2018	2.118	1.047	0.285	3.450
2019	2.178	1.070	0.295	3.543
2020	2.212	1.082	0.311	3.605
2021	2.240	1.082	0.326	3.648
2022	2.284	1.129	0.310	3.723

Source: Tax Duplicate, Borough of New Milford

NEW MILFORD BOARD OF EDUCATION
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

Taxpayer	2022		Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Brookchester LLC	\$ 14,119,400	0.88%	Bal Bay Realty, LTD	\$ 43,586,400	2.77%
New Milford Redevelopment Agency	14,000,000	0.87%	Brunetti, Jo Ann	36,733,400	2.34%
Brookchester LLC	13,749,400	0.86%	NM Village LLC% Affiliated Mgmt Inc	28,958,500	1.84%
Bal Bay Realty, LTD	12,585,400	0.79%	Dorchester Manor	14,512,500	0.92%
Bal Bay Realty, LTD	10,962,500	0.68%	New Meditrust Co LLC % Woodcrest Hcc	13,130,200	0.83%
New Meditrust Co LLC	10,509,000	0.66%	Milford Arms	8,366,400	0.53%
NM Village LLC Affiliated Mgmt Inc.	10,462,000	0.65%	Hackensack Water Co	6,184,000	0.39%
NM Village LLC Affiliated Mgmt Inc.	10,330,400	0.64%	Inserra Associates	5,262,600	0.33%
Bal Bay Realty, LTD	8,991,900	0.56%	Brookchester Shopping Center	5,624,800	0.36%
Brookchester LLC	8,614,600	0.54%	Canterbury Village	3,773,800	0.24%
Total	<u>\$ 114,324,600</u>	<u>7.14%</u>	Total	<u>\$ 166,132,600</u>	<u>10.56%</u>

Source: District ACFR & Municipal Tax Assessor

**NEW MILFORD BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 28,493,676	\$ 28,493,676	100.00%	
2014	29,105,117	29,105,117	100.00%	
2015	29,935,954	29,935,954	100.00%	
2016	31,087,736	31,087,736	100.00%	
2017	31,955,572	31,955,572	100.00%	
2018	32,864,291	32,864,291	100.00%	
2019	33,970,315	33,970,315	100.00%	
2020	34,897,352	34,897,352	100.00%	
2021	35,596,654	35,596,564	100.00%	\$ 90
2022	35,866,417	35,866,417	100.00%	

Source: School District's Financial Statements

**NEW MILFORD BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita
	General Obligation Bonds	Capital Finance Agreements	Other Financing Agreements	Leases Payable			
2013	\$ 3,405,000	\$ 59,846			\$ 3,464,846	16,496	\$ 210
2014	3,015,000	40,446			3,055,446	16,532	185
2015	2,600,000	423,931	\$ 102,917		3,126,848	16,537	189
2016	2,165,000	252,438	52,863		2,470,301	16,590	149
2017	1,725,000	305,993			2,030,993	16,570	123
2018	1,290,000	184,939			1,474,939	16,590	89
2019	855,000	2,161,663	208,499		3,225,162	16,484	196
2020	425,000	1,890,219	398,083		2,713,302	16,427	165
2021	-	1,511,785	189,753		1,701,538	16,321	104
2022	-	1,287,855	154,923	68,214	1,510,992	16,893	89

Source: District Records

*Estimated

NEW MILFORD BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2013	\$ 3,405,000		\$ 3,405,000	0.22%	\$ 206
2014	3,015,000		3,015,000	0.19%	182
2015	2,600,000		2,600,000	0.17%	157
2016	2,165,000		2,165,000	0.14%	131
2017	1,725,000		1,725,000	0.11%	104
2018	1,290,000		1,290,000	0.08%	78
2019	855,000		855,000	0.05%	52
2020	425,000		425,000	0.03%	26
2021	-		-	0.00%	-
2022			-	0.00%	-

Source: District Records

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

**NEW MILFORD BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021
(Unaudited)**

<u>Governmental Unit</u>	<u>Total Debt</u>
Municipal Debt: (1)	
New Milford Board of Education (June 30, 2022)	
Borough of New Milford	\$ 19,272,658
Overlapping Debt Apportioned to the Municipality	
Bergen County: (2) and (3)	
County of Bergen (A)	16,497,250
Bergen County Utilities Authority - Waste Water (B)	<u>4,646,310</u>
Total direct and overlapping debt	<u><u>\$ 40,416,218</u></u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2021 equalized value by the total 2021 equalized value for Bergen County

(B) Overlapping Debt was computed based upon municipal flow to the Authority

Sources:

- (1) Borough of New Milford 2021 Annual Debt Statement
- (2) BCUA 2021 Audit
- (3) Bergen County 2021 Annual Debt Statement

**NEW MILFORD BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 76,314,895	\$ 73,109,948	\$ 70,976,454	\$ 71,104,773	\$ 72,306,008	\$ 73,101,215	\$ 74,185,497	\$ 76,161,923	\$ 79,232,020	\$ 82,318,660
Total net debt applicable to limit	<u>3,405,000</u>	<u>3,015,000</u>	<u>2,600,000</u>	<u>2,165,000</u>	<u>1,725,000</u>	<u>1,290,000</u>	<u>855,000</u>	<u>425,000</u>	-	-
Legal debt margin	<u>\$ 72,909,895</u>	<u>\$ 70,094,948</u>	<u>\$ 68,376,454</u>	<u>\$ 68,939,773</u>	<u>\$ 70,581,008</u>	<u>\$ 71,811,215</u>	<u>\$ 73,330,497</u>	<u>\$ 75,736,923</u>	<u>\$ 79,232,020</u>	<u>\$ 82,318,660</u>
Total net debt applicable to the limit as a percentage of debt limit	4.46%	4.12%	3.66%	3.04%	2.39%	1.76%	1.15%	0.56%	0.00%	0.00%

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Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2019 \$ 1,973,346,903
	2020 2,066,231,288
	2021 <u>2,134,321,286</u>
	<u>\$ 6,173,899,477</u>
	Average equalized valuation of taxable property
	<u>\$ 2,057,966,492</u>
	Debt limit (4 % of average equalization value)
	\$ 82,318,660
	Total Net Debt Applicable to Limit
	-
	<u>\$ 82,318,660</u>
	Legal debt margin

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

**NEW MILFORD BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Year Ended December 31,	Population	County Per Capita Personal Income	Unemployment Rate	
2013	16,496	\$ 68,591	6.1%	
2014	16,532	71,773	6.8%	
2015	16,537	71,286	4.4%	
2016	16,590	73,883	4.2%	
2017	16,570	77,323	3.7%	
2018	16,590	78,836	3.4%	
2019	16,494	81,024	3.4%	
2020	16,427	85,191	2.7%	
2021	16,321	88,241	6.0%	
2022	16,893	91,972	6.0%	*

Source:

United States Bureau of Census, Population Division estimates

Revisions to historical data, per capita income: US Bureau of Economic Analysis

*Estimated

NEW MILFORD BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

Employer	2022		2013	
	Employees	% of Total Municipal Employment	Employees	% of Total Municipal Employment

INFORMATION IS NOT AVAILABLE

NEW MILFORD BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</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>	<u>2021</u>	<u>2022*</u>
Instruction										
Regular	122	125	123.5	128.8	128.8	120.5	124.2	126.7	127.7	
Special Education	23	23	22.5	26.4	27.7	31.3	34.0	37.8	38.0	
Other Instruction	49	55	52.2	65.6	73.4	73.2	71.2	83.0	76.1	
Support Services:										
Tuition										
Student & Instruction Related Services	37	29	29.6	37.7	39.0	36.6	36.6	41.3	50.0	
General Administrative Services	4	4	4.4	5.4	6.4	8.8	8.8	4.4	5.0	
School Administrative Services	16	20	23.5	19.7	22.1	19.9	19.5	18.1	19.1	
Business Administrative Services	9	9	9.0	9.0	9.0	9.0	6.0	8.5	6.0	
Plant Operations and Maintenance	26	30	30.5	33.3	19.6	28.5	28.5	25.5	25.8	
Pupil Transportation	6	8	7.1	7.3	10.6	5.0	5.0	5.5	6.6	
Child Care	<u>24</u>	<u>32</u>	<u>33.0</u>	<u>46.0</u>	<u>30.0</u>	<u>46.0</u>	<u>46.0</u>	<u>42.0</u>	<u>42.0</u>	<u>-</u>
Total	<u>316</u>	<u>335</u>	<u>335.3</u>	<u>379.2</u>	<u>366.6</u>	<u>378.7</u>	<u>379.8</u>	<u>392.8</u>	<u>396.3</u>	<u>-</u>

Source: District Records

Notes:

* Information was not available.

**NEW MILFORD BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment a	Operating Expenditures b	Cost Per Pupil c	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Senior High School				
2013	2,066	\$ 33,039,203	\$ 15,992	4.76%	194	21:01	20:01	2,066	2,000	0.88%	96.81%
2014	2,034	34,348,489	16,887	5.60%	148	19:01	17:01	2,014	1,954	-2.52%	97.02%
2015	1,998	36,124,592	18,080	7.07%	146	18:01	17:01	1,979	1,919	-1.74%	96.97%
2016	2,000	37,013,128	18,507	2.36%	155	18:01	19:01	1,997	1,937	0.91%	97.00%
2017	1,997	38,774,307	19,416	4.92%	157	19:01	18:01	1,962	1,898	-1.75%	96.74%
2018	1,993	40,328,175	20,235	4.22%	152	18:40	18:00	1,990	1,929	1.43%	96.93%
2019	2,036	42,586,484	20,917	3.37%	206	19:01	14:01	2,001	1,935	0.55%	96.70%
2020	2,030	43,401,929	21,380	2.22%	247	18:01	15:01	2,000	1,944	-0.05%	97.20%
2021	2,001	44,754,381	22,366	4.61%	218	11:01	10:01	1,979	1,931	-1.05%	97.57%
2022	2,035	48,911,537	24,035	12.42%	N/A	N/A	N/A	2,030	1,947	2.59%	95.88%

Source: District records

Note:

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

N/A Not Available

**NEW MILFORD BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>District Building</u>										
<u>Elementary</u>										
Berkley Street School										
Square Feet	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438
Capacity (students)	410	410	410	410	410	410	410	410	410	410
Enrollment	457	459	453	436	424	425	463	470	472	469
B.F. Gibbs School										
Square Feet	48,435	48,435	48,435	48,435	48,435	48,435	48,435	48,435	48,435	48,435
Capacity (students)	519	519	519	519	519	519	519	519	519	519
Enrollment	479	449	456	474	465	458	495	492	495	503
<u>Middle School</u>										
David E. Owens Middle School										
Square Feet	80,193	80,193	80,193	80,193	80,193	80,193	80,193	80,193	80,193	80,193
Capacity (students)	496	496	496	496	496	496	496	496	496	496
Enrollment	487	481	445	453	449	523	464	460	497	465
<u>High School</u>										
New Milford High School										
Square Feet	139,920	139,920	139,920	139,920	139,920	139,920	139,920	139,920	139,920	139,920
Capacity (students)	700	700	700	700	700	700	700	700	700	700
Enrollment	643	645	631	648	618	590	585	586	587	598

Number of Schools at June 30, 2022

- Elementary = 2
- Middle School = 1
- High School = 1

Source: District records

NEW MILFORD BOARD OF EDUCATION
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN YEARS
 (Unaudited)

<u>School Facilities</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>	<u>2021</u>	<u>2022</u>
Berkley Street Elementary	\$ 95,915	\$ 133,231	\$ 100,020	\$ 109,200	\$ 42,929	\$ 113,993	\$ 94,773	\$ 106,516	\$ 118,794	\$ 95,315
B. F. Gibbs Elementary	57,800	98,284	87,155	98,936	94,738	109,976	92,850	99,860	116,383	54,086
David E. Owens Middle School	99,039	233,322	174,255	266,628	222,760	181,264	153,730	166,433	192,694	251,034
New Milford High School	<u>348,624</u>	<u>348,407</u>	<u>283,826</u>	<u>378,179</u>	<u>252,546</u>	<u>313,670</u>	<u>268,227</u>	<u>292,921</u>	<u>336,211</u>	<u>255,818</u>
Total School Facilities	<u>\$ 601,378</u>	<u>\$ 813,244</u>	<u>\$ 645,256</u>	<u>\$ 852,943</u>	<u>\$ 612,973</u>	<u>\$ 718,903</u>	<u>\$ 609,580</u>	<u>\$ 665,730</u>	<u>\$ 764,082</u>	<u>\$ 656,253</u>

**NEW MILFORD BOARD OF EDUCATION
INSURANCE SCHEDULE
AS OF JUNE 30, 2022
(Unaudited)**

	Coverage	Deductible
School Package Policy		
Earthquake	5,000,000	50,000
Flood within Special Flood A, N or V	1,000,000	500,000
Extra Expense	5,000,000	250,000
General Liability	1,000,000	2,500
Automobile Coverages	1,000,000	2,500
Environmental Impairment	2,000,000	25,000
Pollution Liability (1a)	200,000	25,000
School Board E & O (1c)	1,000,000	
Excess Workers Compensation (1d)	1,000,000	
Comm. Umbrella Excess (1g)	9,000,000	
Comm. Umbrella Excess (1h)	50,000,000	
Public Employee Dishonest Per Loss (Excess) (1b)	500,000	100,000
Student Accident Insurance (2)	500,000 per accident	
Surety Bonds (3)		
Treasurer	300,000	
Board Secretary/School Business Administrator	300,000	

(1) Great American Insurance Company policy on file with School Business Administrator

(1a) Markel

(1b) Selective Insurance Co of America

(1c) Greenwich Insurance Company

(1d) Safety National

(1e) American Alternatives Insurance Co

(1f) Fireman's Fund Insurance Co

(1g) National Union Fire

(1h) Hudson Insurance

(2) Gerber Life Insurance Co

(3) Liberty Mutual

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
New Milford Board of Education
145 Madison Avenue
New Milford, New Jersey 07646

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Milford Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the New Milford Board of Education's basic financial statements and have issued our report thereon dated March 14, 2023

Report on Internal Control Over Financial Reporting

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

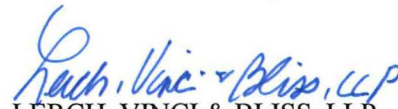
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the New 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the New Milford Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated March 14, 2023.

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 New Milford Board of Education’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 New Milford Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
March 14, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
New Milford Board of Education
145 Madison Avenue
New Milford, New Jersey 07646

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the New Milford Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the New Milford Board of Education's major federal and state programs for the fiscal year ended June 30, 2022. The New 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.

In our opinion, the New Milford Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

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

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

Report on Internal Control Over Compliance

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

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

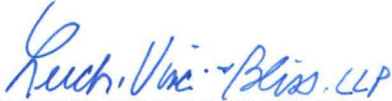
consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.


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

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

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Milford Board of Education, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated March 14, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
March 14, 2023

NEW MILFORD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Unearned		Account Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2022			Memo GAAP Receivable
					Revenue Carryover Amount	Revenue Carryover Amount				(Accounts Receivable)	Unearned Revenue/	Due to Grantor	
U.S. Department of Agriculture Passed-Through State Department of Education:													
National School Lunch Program	10.555												
Non-Cash Assistance		221NJ304N1099	7/1/21-6/30/22	\$ 54,672				\$ 54,673	\$ 53,692		\$ 981		
Non-Cash Assistance		211NJ304N1099	7/1/20-6/30/21	22,092	\$ 768				768				
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	1,069,373				990,008	1,069,373	\$ (79,365)			\$ (79,365)
Cash Assistance		211NJ304N1099	7/1/20-6/30/21	186,389	(41,883)			41,883					
Emergency Operational Cost Program	10.558	212121H170341	7/1/20-6/30/21	22,886	(22,886)			22,886					
P-EBT Administrative Cost Program	10.649	212125900941	7/1/21-6/30/22	628				628	628				
P-EBT Administrative Cost Program	10.649	202125900941	7/1/20-6/30/21	614	(614)	-	-	614	-	-	-	-	-
Total Child Nutrition Cluster / Enterprise Fund					(64,615)	-	-	1,110,692	1,124,461	(79,365)	981	-	(79,365)
U.S. Department of Education Passed-Through State Department of Education:													
General Fund													
Medical Assistance Program	93.778	2105NJ5MAP	7/1/21-6/30/22	13,813	-	-	-	13,813	13,813	-	-	-	-
Total General Fund					-	-	-	13,813	13,813	-	-	-	-
Special Revenue Fund													
Title I	84.010A	S010A210030	7/1/21 - 9/30/22	87,321		\$ 81,534	\$ (81,534)	22,315	42,396	(146,540)	126,459		(20,081)
Title I	84.010A	S010A200030	7/1/20 - 9/30/21	194,943	(61,962)	(81,534)	81,534	61,962		-			-
Title II - Part A	84.367A	S367A210029	7/1/21 - 9/30/22	38,168		32,411	(32,411)	32,522	46,957	(38,057)	23,622		(14,435)
Title II - Part A	84.367A	S367A200029	7/1/20 - 9/30/21	43,494	(11,437)	(32,411)	32,411	11,437		-			-
Title III	84.365A	S365A210030	7/1/21 - 9/30/22	16,985		6,211	(6,211)	8,245	12,862	(14,951)	10,334		(4,617)
Title III	84.365A	S365A200030	7/1/20 - 9/30/21	14,903	(2,992)	(6,211)	6,211	2,992		-			-
Title III Immigrant	84.365A	S365A210030	7/1/21 - 9/30/22	-		-	-	480	89		-	\$ 391	-
Title III Immigrant	84.365A	S365A200030	7/1/20 - 9/30/21	-	(1,005)	-	-	1,005	-		-	-	-
Total English Language Acquisition (Title III) Cluster					(3,997)	-	-	12,722	12,951	(14,951)	10,334	391	(4,617)
I.D.E.A. Part B, Basic	84.027A	H027A210100	7/1/21 - 9/30/22	575,139		187,544	(187,544)	332,013	484,630	(430,670)	278,053		(152,617)
I.D.E.A. Part B, Basic	84.027A	H027A200100	7/1/20 - 9/30/21	579,848	(155,685)	(187,544)	187,544	158,774	3,089	-			-
I.D.E.A. Part B, Basic	84.027A	H027A190100	7/1/18 - 9/30/19	537,335	1,834							1,834	-
IDEA Part B, APR Basic	84.027X	H027X210100	7/1/21-9/30/22	119,110				23,268	91,383	(95,842)	27,727		(68,115)
I.D.E.A. Preschool	84.173A	H173A210114	7/1/21 - 9/30/22	27,527		5,172	(5,172)	1,563	4,886	(31,136)	27,813		(3,323)
I.D.E.A. Preschool	84.173A	H173A200114	7/1/20 - 9/30/21	27,092	(14,827)	(5,172)	5,172	14,827	-	-	-		-
IDEA ARP Preschool	84.173X	H173X210114	7/1/21-9/30/22	10,162	-	-	-	-	10,162	(10,162)	-		(10,162)
Total Special Education Cluster (IDEA)					(168,678)	-	-	530,445	594,150	(567,810)	333,593	1,834	(234,217)

NEW MILFORD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Balance, July 1, 2021	Unearned Revenue Carryover Amount	Account Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2022		Due to Grantor	Memo GAAP Receivable
										(Accounts Receivable)	Unearned Revenue/		
Elementary and Secondary School Emergency Relief (ESSER I) Coronavirus Aid, Relief and Economic Security (CARES) Act CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	155,806	\$ (1,397)	-	-	\$ 1,398	\$ 3,041	\$ (3,272)	\$ 232		\$ (3,040)
Elementary and Secondary School Emergency Relief (ESSER II) Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act ESSER II	84.425D	S425D200027	3/13/20-9/30/23	581,707				359,603	485,057	(222,104)	96,650		(125,454)
Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	37,331				30,581	30,581	(6,750)	6,750		-
Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000				22,885	23,342	(22,115)	21,658	-	(457)
American Rescue Plan ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,307,349				-	14,303	(1,307,349)	1,293,046		(14,303)
Accelerated Learning Coach & Educator Support	84.425U	S425U210027	3/13/20-9/30/24	173,394						(173,394)	173,394		-
Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000						(40,000)	40,000		-
Evidence Based Comprehensive Beyond the School	84.425U	S425U210027	3/13/20-9/30/24	40,000					400	(40,000)	39,600		(400)
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	-	-	-	-	(45,000)	45,000	-	-
Total ESSER Cluster					<u>(1,397)</u>	<u>-</u>	<u>-</u>	<u>414,467</u>	<u>556,724</u>	<u>(1,859,984)</u>	<u>1,716,330</u>	<u>-</u>	<u>(143,654)</u>
Total Special Revenue Fund					<u>(247,471)</u>	<u>-</u>	<u>-</u>	<u>1,085,870</u>	<u>1,253,178</u>	<u>(2,627,342)</u>	<u>2,210,338</u>	<u>\$ 2,225</u>	<u>(417,004)</u>
Total Federal Awards					<u>\$ (312,086)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,210,375</u>	<u>\$ 2,391,452</u>	<u>\$ (2,706,707)</u>	<u>\$ 2,211,319</u>	<u>\$ 2,225</u>	<u>\$ (496,369)</u>

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

NEW MILFORD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2021			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2022			MEMO		
				Unearned Revenue/ (Accts Rec.)	Due to Grantor	Cash Received			(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education														
Equalization Aid	22-495-034-5120-078	7/1/21 - 6/30/22	\$ 1,184,837			\$ 1,074,833	\$ 1,184,837		\$ (110,004)				\$ 1,184,837	
Equalization Aid	21-495-034-5120-078	7/1/20 - 6/30/21	681,384	\$ (59,573)		59,573							-	
Special Education Aid	22-495-034-5120-089	7/1/21 - 6/30/22	1,294,330			1,174,160	1,294,330		(120,170)				1,294,330	
Special Education Aid	21-495-034-5120-089	7/1/20 - 6/30/21	1,294,330	(113,163)		113,163							-	
Security Aid	22-495-034-5120-084	7/1/21 - 6/30/22	73,366			66,554	73,366		(6,812)				73,366	
Security Aid	21-495-034-5120-084	7/1/20 - 6/30/21	73,366	(6,414)		6,414							-	
Subtotal State Aid Public Cluster				(179,150)		2,494,697	2,552,533		(236,986)				2,552,533	
Transportation Aid														
Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	430,582			390,605	430,582		(39,977)				430,582	
Transportation Aid	21-495-034-5120-014	7/1/20 - 6/30/21	430,586	(37,646)		37,646							-	
Non-Public Transportation	22-495-034-5120-014	7/1/21 - 6/30/22	73,038				73,038		(73,038)				73,038	
Non-Public Transportation	21-495-034-5120-014	7/1/20 - 6/30/21	70,470	(70,470)		70,470							-	
Subtotal Transportation Cluster				(108,116)		498,721	503,620		(113,015)				503,620	
Extraordinary Aid														
Extraordinary Aid	22-100-034-5120-044	7/1/21 - 6/30/22	1,073,409				1,073,409		(1,073,409)				1,073,409	
Extraordinary Aid	21-100-034-5120-044	7/1/20 - 6/30/21	909,293	(909,293)		909,293							-	
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	7/1/21 - 6/30/22	1,281,527			1,219,154	1,281,527		(62,373)				1,281,527	
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	7/1/20 - 6/30/21	1,195,871	(59,387)		59,387							-	
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	7/1/21 - 6/30/22	5,794,169			5,794,169	5,794,169						5,794,169	
On-Behalf TPAF Pension - NCGI Premium	22-495-034-5094-004	7/1/21 - 6/30/22	81,748			81,748	81,748						81,748	
On-Behalf TPAF Pension - LTDI	22-495-034-5094-004	7/1/21 - 6/30/22	2,558			2,558	2,558						2,558	
Oh-Behalf TPAF Post Retirement													-	
Medical Contribution	22-495-034-5094-001	7/1/21 - 6/30/22	1,372,852			1,372,852	1,372,852						1,372,852	
Total General Fund				(1,255,946)		12,432,579	12,662,416		(1,485,783)				12,662,416	
New Jersey Nonpublic Aid:														
Nursing Services	22-100-034-5120-070	7/1/21 - 6/30/22	61,712			61,712	61,712						61,712	
Textbook Aid	22-100-034-5120-064	7/1/21 - 6/30/22	30,671			30,671	29,974				\$ 697		29,974	
Textbook Aid	21-100-034-5120-064	7/1/20 - 6/30/21	34,272	\$ 2,482				\$ 2,482					-	
Technology	22-100-034-5120-373	7/1/21 - 6/30/22	21,462			21,462	20,838				624		20,838	
Technology	20-100-034-5120-373	7/1/19 - 6/30/20	21,096		103						103		-	
Security Aid	22-100-034-5120-509	7/1/21 - 6/30/22	96,425			96,425	96,309				116		96,309	
Security Aid	21-100-034-5120-509	7/1/20 - 6/30/21	105,000		26,950			26,950					-	
Auxiliary Services (Chapter 192):														
Compensatory Education	22-100-034-5120-067	7/1/21 - 6/30/22	85,638			85,638	41,769				43,869		41,769	
Compensatory Education	21-100-034-5120-067	7/1/20 - 6/30/21	101,896		80,589			80,589					-	
English as a Second Language	22-100-034-5120-067	7/1/21 - 6/30/22	18,270			18,270	11,938				6,332		11,938	
English as a Second Language	21-100-034-5120-067	7/1/20 - 6/30/21	18,651		3,272			3,272					-	
Total Auxiliary Services (Chapter 192 Cluster)					83,861	103,908	53,707	83,861			50,201		53,707	
Handicapped Services (Chapter 193):														
Examination and Classification	22-100-034-5120-066	7/1/21 - 6/30/22	34,899			34,899	32,991				1,908		32,991	
Examination and Classification	21-100-034-5120-066	7/1/20 - 6/30/21	45,168		16,531			16,531					-	
Corrective Speech	22-100-034-5120-066	7/1/21 - 6/30/22	25,296			25,296	19,065				6,231		19,065	
Corrective Speech	21-100-034-5120-066	7/1/20 - 6/30/21	15,950		5,012			5,012					-	
Supplementary Instruction	22-100-034-5120-066	7/1/21 - 6/30/22	36,344			36,344	28,430				7,914		28,430	
Supplementary Instruction	21-100-034-5120-066	7/1/20 - 6/30/21	33,998		10,684			10,684					-	
Total Handicapped Services (Chapter 193 Cluster)					32,227	96,539	80,486	32,227			16,053		80,486	
Total Special Revenue Fund														
					145,623	410,717	343,026	145,520			67,794		343,026	
Total State Department of Education														
				(1,255,946)	145,623	12,843,296	13,005,442	145,520	(1,485,783)		67,794	(135,411)	13,005,442	

NEW MILFORD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2021			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2022			MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor	Cash Received			(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Combined Total Expenditures
Department of Agriculture													
National School Lunch Program (State Share)	22-100-010-3350-023	7/1/21 - 6/30/22	\$ 25,139			\$ 23,313	\$ 25,139	\$ (1,826)	\$ -			\$ (1,826)	\$ 25,139
National School Lunch Program (State Share)	21-100-010-3350-023	7/1/20 - 6/30/21	8,571	\$ (2,983)	-	4,002	1,019	-	-	-	-	-	1,019
Total Department of Agriculture (Food Service Fund)				(2,983)	-	27,315	26,158	-	(1,826)	-	-	(1,826)	26,158
Total State Financial Assistance Subject to Single Audit Determination				(1,258,929)	\$ 145,623	\$ 12,870,611	\$ 13,031,600	\$ 145,520	(1,487,609)	-	\$ 67,794	(137,237)	13,031,600
State Financial Assistance Not Subject to Major Program Determination													
General Fund													
On-Behalf TPAF Pension Benefit Contribution	22-495-034-5094-002	7/1/21 - 6/30/22	5,794,169			(5,794,169)	(5,794,169)						(5,794,169)
On-Behalf TPAF Pension -NCGI Premium	22-495-034-5094-004	7/1/21 - 6/30/22	81,748			(81,748)	(81,748)						(81,748)
On-Behalf TPAF Pension -LTDI	22-495-034-5094-004	7/1/21 - 6/30/22	2,558			(2,558)	(2,558)						(2,558)
On-Behalf TPAF Post-Retirement Medical	22-495-034-5094-001	7/1/21 - 6/30/22	1,372,852	-	-	(1,372,852)	(1,372,852)	-	-	-	-	-	(1,372,852)
Total State Financial Assistance Subject to Major Program Determination				\$ (1,258,929)	\$ 145,623	\$ 5,619,284	\$ 5,780,273	\$ 145,520	\$ (1,487,609)	\$ -	\$ 67,794	\$ (137,237)	\$ 5,780,273

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the New Milford Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal 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 are prepared and presented using 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The 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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments 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 year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments 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 a decrease of \$224,283 for the general fund and an increase of \$11,846 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 13,813	\$ 12,438,133	\$ 12,451,946
Special Revenue Fund	1,254,161	353,889	1,608,050
Food Service Fund	<u>1,124,461</u>	<u>26,158</u>	<u>1,150,619</u>
 Total Financial Assistance	 <u>\$ 2,392,435</u>	 <u>\$ 12,818,180</u>	 <u>\$ 15,210,615</u>

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,281,527 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$5,875,917, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,372,852 and TPAF Long-Term Disability Insurance in the amount of \$2,558 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments 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 DE MINIMIS INDIRECT COST RATE

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

**NEW MILFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

- 1) Were material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

- Internal Control over major programs:
- (1) Material weakness(es) identified? yes X no
 - 2) Were significant deficiencies identified that are not considered to be material weakness(es)? 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 U.S. Uniform Guidance? yes X no

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>221NJ304N1099</u>	<u>National School Lunch Program</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

Auditee qualified as low-risk auditee? X yes no

NEW MILFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There are none.

**NEW MILFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There were none.

**NEW MILFORD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2021-001

Condition

Our audit revealed employees and their respective salaries charged to a grant program was not approved by the Board until after year end and did not indicate percentage of funding. Additionally and in one instance a time and effort activity report was not on file.

Current Status

Corrective action was taken.