



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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

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

For the Fiscal Year Ended June 30, 2023

Prepared by

**New Milford Board of Education
Business Office**

**NEW MILFORD BOARD OF EDUCATION
TABLE OF CONTENTS**

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-3
Organizational Chart	4
Roster of Officials	5
Consultants and Advisors	6
FINANCIAL SECTION	
Independent Auditor's Report	7-9
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis	10-20
Basic Financial Statements	
A. District-Wide Financial Statements	
A-1 Statement of Net Position	21-22
A-2 Statement of Activities	23-24
B. Fund Financial Statements	
<i>Governmental Funds</i>	
B-1 Balance Sheet	25-26
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	27
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statements	28
<i>Proprietary Funds</i>	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
<i>Fiduciary Funds – Not Applicable</i>	
Notes to the Financial Statements	32-73
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	74-81
C-2 Budgetary Comparison Schedule – Special Revenue Fund	82
C-3 Budgetary Comparison Schedule – Notes to the Required Supplementary Information	83

**NEW MILFORD BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	84
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	85
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	86
L-4	Notes to Required Supplementary Information – Net Pension Liability	87

M. Schedules Related to Accounting and Reporting for Other Postemployment Benefits

M-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of OPEB Liability	88
M-2	Notes to Required Supplementary Information – OPEB Liability	89

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures - Special Revenue Fund – Budgetary Basis	90-93
E-2	Preschool Education Aid – Budgetary Basis – Not Applicable	94

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures – Not Applicable	95
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Not Applicable	96
F-2a	Schedule of Revenues, Expenditures, Project Balances and Project Status – Budgetary Basis -	97

G. Proprietary Funds

Enterprise Fund

G-1	Combining Statement of Net Position	98
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position	99
G-3	Combining Statement of Cash Flows	100

H. Fiduciary Funds – Not Applicable

I. Long-Term Debt

I-1	Schedule of Bonds Payable – Not Applicable	101
I-2	Schedule of Obligations under Capital Finance Agreement, Other Finance Agreements and Leases Payable	102-103
I-3	Debt Service Fund Budgetary Comparison Schedule – Not Applicable	104
I-4	Schedule of Obligations Subscription-Based Information Technology Arrangements – Not Applicable	

**NEW MILFORD BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

J. STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	105
J-2	Changes in Net Position	106-107
J-3	Fund Balances – Governmental Funds	108
J-4	Changes in Fund Balances - Governmental Funds	109
J-5	General Fund Other Local Revenue by Source	110
J-6	Assessed Value and Actual Value of Taxable Property	111
J-7	Direct and Overlapping Property Tax Rates	112
J-8	Principal Property Taxpayers	113
J-9	Property Tax Levies and Collections	114
J-10	Ratios of Outstanding Debt by Type	115
J-11	Ratios of Net General Bonded Debt Outstanding	116
J-12	Direct and Overlapping Governmental Activities Debt	117
J-13	Legal Debt Margin Information	118
J-14	Demographic and Economic Statistics	119
J-15	Principal Employers	120
J-16	Full-Time Equivalent District Employees by Function/Program	121
J-17	Operating Statistics	122
J-18	School Building Information	123
J-19	Schedule of Required Maintenance for School Facilities	124
J-20	Insurance Schedule	125

K. SINGLE AUDIT SECTION

K-1	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	126-127
K-2	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 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	128-130
K-3	Schedule of Expenditures of Federal Awards	131-132
K-4	Schedule of Expenditures of State Financial Assistance	133-134
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	135-136
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	137-138
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	139
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	140-141
K-7	Summary Schedule of Prior Year Findings	142

INTRODUCTORY SECTION

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

March 5, 2024

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 (the “Board” or “District”) for the fiscal year ended June 30, 2023 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 Board. 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.

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 2022-2023 fiscal year with an enrollment of 2031 students. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Student Enrollment	Percent Change
2022-23	2,031	-1.1%
2021-22	2,054	0
2020-21	2,054	0.79%
2019-20	2,038	1.01%
2018-19	2,012	1.11%
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%

ECONOMIC CONDITION AND OUTLOOK: The Governor has recommended a redistribution of state aid to better reflect a more equitable state and 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 Board's need for a bond referendum in the coming years. The size of the financial investment and number of projects and programs that are needed cannot be absorbed in the normal operating budget.

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 2023 94.7% of the graduates plan to pursue higher education. 71.7% will be attending four-year colleges in the fall. 20.7% will be participating in two-year community college. 5.3% will be attending a trade school. Slightly less than 1% will enter the military. The remaining 4% intend to enter the job market immediately or plan to take a gap year.

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.

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 and the special revenue funds. 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, 2023.

DEBT ADMINISTRATION: At June 30, 2023 the District had no outstanding school bonds.

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.

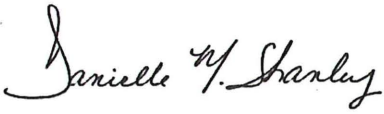
RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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.

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.



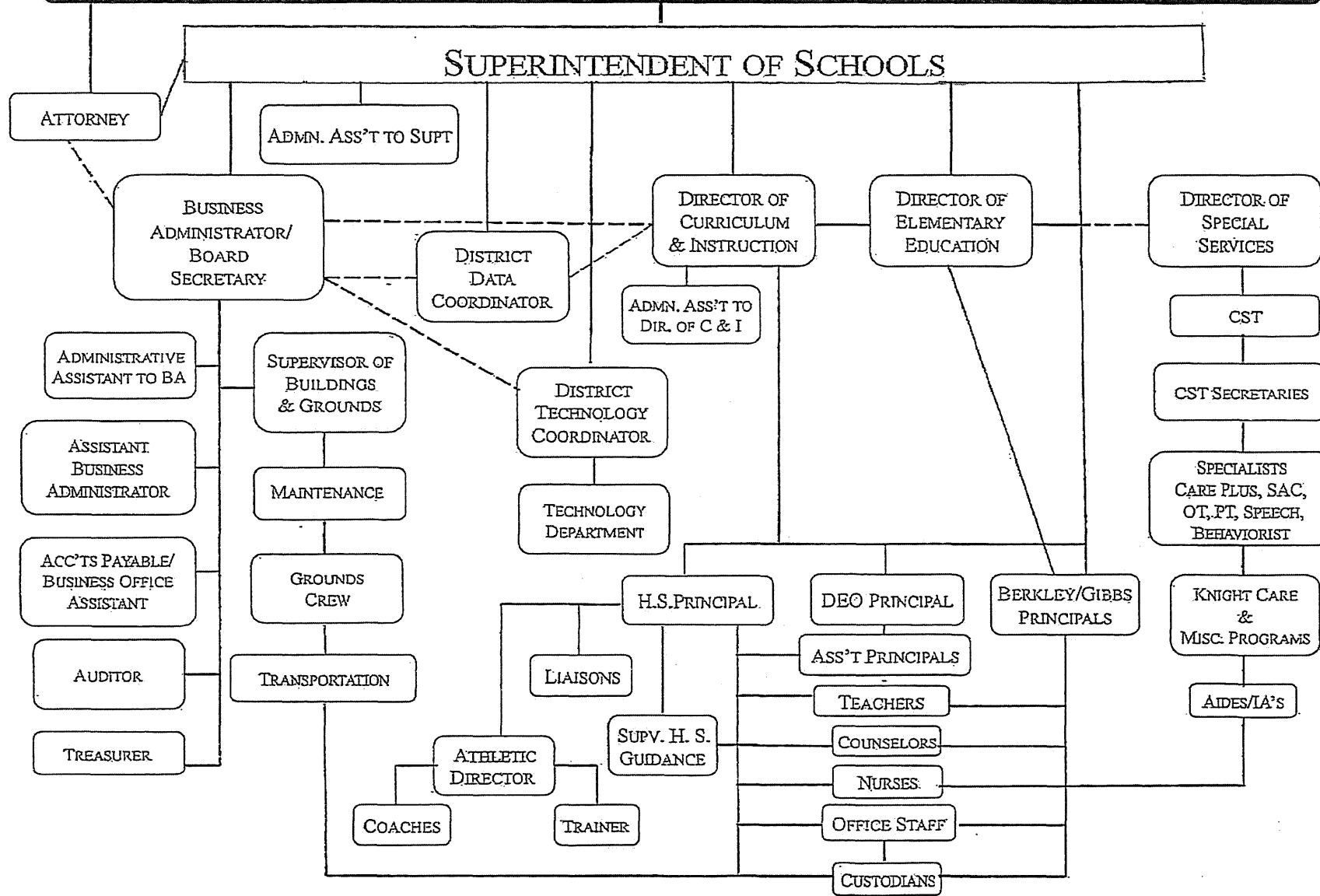
Respectfully submitted,



Danielle M. Shanley
Superintendent

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

NEW MILFORD BOARD OF EDUCATION



4

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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

Term Expires

Heather Gomez, President	12/2025
Nicole Dunne, Vice-President	12/2026
Anthony Albro	12/2026
Cheryll Calderson	12/2024
John DaCosta	12/2025
Stephanie Kauffunger	12/2024
Andrew Lombardi	12/2025
Joseph Loonam	12/2024
Paige Ryan	12/2026

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

Steven 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

Steven 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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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, 2023 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, 2023, 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 5, 2024 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 5, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NEW MILFORD BOARD OF EDUCATION

Management's Discussion and Analysis

This section of 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, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the New Milford Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$21,502,496 (net position).
- Overall District revenues were \$55,054,579. General revenues accounted for \$40,058,520 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,996,059 of total revenues.
- The School District had \$50,963,075 in expenses for governmental activities; only \$13,369,281 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$40,050,191 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$10,851,759 an increase of \$1,629,547 when compared to the ending fund balance at June 30, 2022 of \$9,222,212.
- The General Fund unassigned fund balance at June 30, 2023 was \$164,206, a decrease of \$715,092 when compared with the ending unassigned fund balance of \$879,298 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,608,469 which represents a decrease of \$621,201 when compared to the ending unassigned fund balance at June 30, 2022 of \$2,229,670.

NEW MILFORD BOARD OF EDUCATION

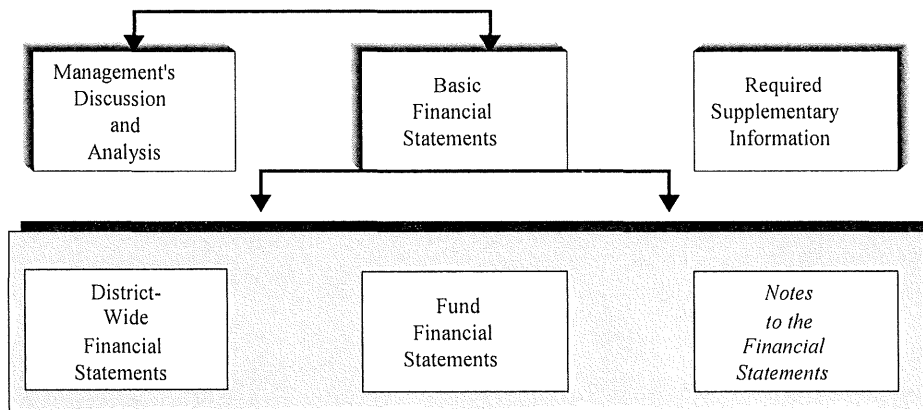
Management's Discussion and Analysis

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 table below shows how the various parts of this annual report are arranged and related to one another.



NEW MILFORD BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 are summarized below. 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, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in 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/liability information	All assets, deferred outflows, liabilities, deferred inflows, 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 there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	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's Discussion and Analysis

District-Wide Financial 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 of resources, liabilities and deferred inflows of resources. 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 it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the 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 instruction and special education, transportation, administration, and plant operation and maintenance. Property taxes, State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is 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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

NEW MILFORD BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

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 explains 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. The District's Enterprise Fund is 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.

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 fund 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 these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical 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 if required.

NEW MILFORD BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21,502,496 and \$18,833,367 as of June 30, 2023 and 2022, respectively, as shown below.

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.

Statement of Net Position As of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 11,617,294	\$ 9,898,892	\$ 1,032,007	\$ 848,479	\$ 12,649,301	\$ 10,747,371
Capital Assets	<u>20,244,310</u>	<u>20,832,152</u>	<u>57,785</u>	<u>73,604</u>	<u>20,302,095</u>	<u>20,905,756</u>
Total Assets	<u>31,861,604</u>	<u>30,731,044</u>	<u>1,089,792</u>	<u>922,083</u>	<u>32,951,396</u>	<u>31,653,127</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	<u>831,764</u>	<u>878,593</u>	<u>-</u>	<u>-</u>	<u>831,764</u>	<u>878,593</u>
Total Deferred Outflows of Resources	<u>831,764</u>	<u>878,593</u>	<u>-</u>	<u>-</u>	<u>831,764</u>	<u>878,593</u>
Total Assets and Deferred Outflows of Resources	<u>32,693,368</u>	<u>31,609,637</u>	<u>1,089,792</u>	<u>922,083</u>	<u>33,783,160</u>	<u>32,531,720</u>
Liabilities						
Long-Term Liabilities	9,816,347	8,359,379			9,816,347	8,359,379
Other Liabilities	<u>793,783</u>	<u>729,481</u>	<u>121,992</u>	<u>118,001</u>	<u>915,775</u>	<u>847,482</u>
Total Liabilities	<u>10,610,130</u>	<u>9,088,860</u>	<u>121,992</u>	<u>118,001</u>	<u>10,732,122</u>	<u>9,206,861</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	1,547,872	4,490,511			1,547,872	4,490,511
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>670</u>	<u>981</u>	<u>670</u>	<u>981</u>
Total Deferred Inflows of Resources	<u>1,547,872</u>	<u>4,490,511</u>	<u>670</u>	<u>981</u>	<u>1,548,542</u>	<u>4,491,492</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,158,002</u>	<u>13,579,371</u>	<u>122,662</u>	<u>118,982</u>	<u>12,280,664</u>	<u>13,698,353</u>
Net Position						
Net Investment in Capital Assets	19,187,126	19,476,083	57,785	73,604	19,244,911	19,549,687
Restricted	6,092,833	4,807,527			6,092,833	4,807,527
Unrestricted	<u>(4,744,593)</u>	<u>(6,253,344)</u>	<u>909,345</u>	<u>729,497</u>	<u>(3,835,248)</u>	<u>(5,523,847)</u>
Total Net Position	<u>\$ 20,535,366</u>	<u>\$ 18,030,266</u>	<u>\$ 967,130</u>	<u>\$ 803,101</u>	<u>\$ 21,502,496</u>	<u>\$ 18,833,367</u>

NEW MILFORD BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

Change in Net Position						
For the Fiscal Years Ended June 30, 2023 and 2022						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,711,225	\$ 1,375,442	\$ 1,207,017	\$ 544,884	\$ 2,918,242	\$ 1,920,326
Operating Grants and Contributions	11,658,056	12,831,234	419,761	1,150,619	12,077,817	13,981,853
Capital Grants and Contributions		6,699			-	6,699
General Revenues						
Property Taxes	36,583,745	35,866,417			36,583,745	35,866,417
State Aid - Unrestricted	3,145,788	1,148,219			3,145,788	1,148,219
Other	320,658	76,425	8,329	1,277	328,987	77,702
Total Revenues	<u>53,419,472</u>	<u>51,304,436</u>	<u>1,635,107</u>	<u>1,696,780</u>	<u>55,054,579</u>	<u>53,001,216</u>
Expenses						
Instruction						
Regular	18,408,579	18,977,586			18,408,579	18,977,586
Special Education	8,672,035	7,212,136			8,672,035	7,212,136
Other Instruction	1,446,399	893,439			1,446,399	893,439
School Sponsored Activities and Athletics	1,863,972	1,574,059			1,863,972	1,574,059
Support Services						
Student and Instruction Related Services	6,953,911	7,294,390			6,953,911	7,294,390
General Administrative Services	1,238,884	1,265,728			1,238,884	1,265,728
School Administrative Services	3,504,008	3,224,004			3,504,008	3,224,004
Central and Other Support Services	1,700,368	1,544,515			1,700,368	1,544,515
Plant Operation and Maintenance	5,548,569	4,945,126			5,548,569	4,945,126
Pupil Transportation	1,601,956	1,502,388			1,601,956	1,502,388
Interest on Debt	24,394	76,863			24,394	76,863
Food Service			967,992	1,000,369	967,992	1,000,369
Knight Care Latchkey Program	-	-	454,383	435,404	454,383	435,404
Total Expenses	<u>50,963,075</u>	<u>48,510,234</u>	<u>1,422,375</u>	<u>1,435,773</u>	<u>52,385,450</u>	<u>49,946,007</u>
Increase (Decrease) in Net Position Before Transfers	2,456,397	2,794,202	212,732	261,007	2,669,129	3,055,209
Transfers	48,703	144	(48,703)	(144)	-	-
Change in Net Position	2,505,100	2,794,346	164,029	260,863	2,669,129	3,055,209
Beginning 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>
End of Year, Net Position	<u>\$ 20,535,366</u>	<u>\$ 18,030,266</u>	<u>\$ 967,130</u>	<u>\$ 803,101</u>	<u>\$ 21,502,496</u>	<u>\$ 18,833,367</u>

NEW MILFORD BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2023 and 2022

<u>Governmental Activities</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 18,408,579	\$ 18,977,586	\$ 14,586,505	\$ 13,954,969
Special Education	8,672,035	7,212,136	3,739,955	2,546,040
Other Instruction	1,446,399	893,439	735,161	667,448
School Sponsored Activities and Athletics	1,863,972	1,574,059	1,366,636	1,214,747
Support Services				
Student and Instruction Related Services	6,953,911	7,294,390	5,456,214	5,390,694
General Administration	1,238,884	1,265,728	1,101,264	1,084,978
School Administration Services	3,504,008	3,224,004	2,901,856	2,525,329
Central and Other Support Services	1,700,368	1,544,515	1,579,156	1,353,871
Plant Operation and Maintenance	5,548,569	4,945,126	5,071,389	4,589,009
Pupil Transportation	1,601,956	1,502,388	1,031,264	892,911
Interest on Debt	24,394	76,863	24,394	76,863
Total Governmental Activities	<u>\$ 50,963,075</u>	<u>\$ 48,510,234</u>	<u>\$ 37,593,794</u>	<u>\$ 34,296,859</u>

NEW MILFORD BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

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 \$10,851,759, an increase of \$1,629,547 from last year's fund balance of \$9,222,212.

Revenues for the District's governmental funds were \$56,129,066; total expenditures were \$54,959,583.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$53,498,489 for the fiscal year ended June 30, 2023. State sources amounted to \$15,297,865, federal sources totaled \$33,587 and local sources were \$38,167,037.

Expenditures of the General Fund were \$52,248,000. Instructional expenditures were \$30,477,036, support services were \$19,994,039, debt service expenditures were \$878,623 and capital expenditures totaled \$898,302 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$2,630,577 for the fiscal year ended June 30, 2023. State sources amounted to \$378,059, federal sources totaled \$1,695,549 and local sources were \$556,969.

Expenditures of the Special Revenue Fund were \$2,711,583. Instructional expenditures were \$2,114,548 and support services were \$597,035 for the fiscal year ended June 30, 2023.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. In addition, the District maintains a Summer Music Program Fund. The Broadway Kids Summer and After School Enrichment Programs were discontinued and closed during the 2022/23 school year. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

NEW MILFORD BOARD OF EDUCATION

Management's Discussion and Analysis

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.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$20,302,095 and \$20,905,756 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$1,486,144 for governmental activities and \$15,819 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	Capital Assets					
	As of June 30, 2023 and 2022					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 3,255,000	\$ 3,255,000			\$ 3,255,000	\$ 3,255,000
Land Improvements	4,634,931	4,634,931			4,634,931	4,634,931
Buildings and Building Improvements	29,806,421	29,474,308			29,806,421	29,474,308
Right-to-Use Leased Buildings	154,368	154,368				
Machinery and Equipment	6,493,063	5,863,223	\$ 402,261	\$ 402,261	6,895,324	6,265,484
Construction in Progress	-	63,651	-	-	-	63,651
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	44,343,783	43,445,481	402,261	402,261	44,746,044	43,847,742
Less: Accumulated Depreciation	<u>(24,099,473)</u>	<u>(22,613,329)</u>	<u>\$ (344,476)</u>	<u>(328,657)</u>	<u>(24,443,949)</u>	<u>(22,941,986)</u>
Total Capital Assets, Net	<u>\$ 20,244,310</u>	<u>\$ 20,832,152</u>	<u>\$ 57,785</u>	<u>\$ 73,604</u>	<u>\$ 20,302,095</u>	<u>\$ 20,905,756</u>

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

NEW MILFORD BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$424,899, other financing agreements of \$35,495, capital financing agreements of \$1,051,058, leases of \$6,126 and net pension liability of \$8,298,768 totaling \$9,816,346. This is in comparison to long-term liabilities at June 30, 2022 of \$8,359,377 or an increase of \$1,456,969.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

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 information contact the Business Office, New Milford Board of Education, 145 Madison Avenue, New Milford, NJ 07646.

DISTRICT-WIDE FINANCIAL STATEMENTS

**NEW MILFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 10,208,884	\$ 1,034,377	\$ 11,243,261
Receivables, Net:			
Receivables from Other Governments	1,163,731	13,384	1,177,115
Other	196,660	28,411	225,071
Internal Balances	48,019	(48,019)	-
Inventories		3,854	3,854
Capital Assets Not Being Depreciated	3,255,000		3,255,000
Capital Assets, Being Depreciated	<u>16,989,310</u>	<u>57,785</u>	<u>17,047,095</u>
Total Assets	<u>31,861,604</u>	<u>1,089,792</u>	<u>32,951,396</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>831,764</u>	-	<u>831,764</u>
Total Deferred Outflows of Resources	<u>831,764</u>	-	<u>831,764</u>
Total Assets and Deferred Outflows of Resources	<u>32,693,368</u>	<u>1,089,792</u>	<u>33,783,160</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	350,070	98,917	448,987
Payable to Other Governments	80,856		80,856
Due to Other Funds			-
Accrued Interest Payable	28,249		28,249
Unearned Revenue	334,609	23,075	357,684
Noncurrent Liabilities :			
Due Within One Year	749,322		749,322
Due Beyond One Year	<u>9,067,024</u>	-	<u>9,067,024</u>
Total Liabilities	<u>10,610,130</u>	<u>121,992</u>	<u>10,732,122</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, 2023**

	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	\$ 1,547,872	-	\$ 1,547,872
Deferred Commodities Revenue	-	\$ 670	670
Total Deferred Inflows of Resources	1,547,872	670	1,548,542
Total Liabilities and Deferred Inflows of Resources	12,158,002	122,662	12,280,664
NET POSITION			
Net Investment in Capital Assets	\$ 19,187,126	57,785	19,244,911
Restricted for:			
Capital Projects	4,746,947		4,746,947
Plant Maintenance	647,236		647,236
Other Purposes	698,650		698,650
Unrestricted	(4,744,593)	909,345	(3,835,248)
Total Net Position	\$ 20,535,366	\$ 967,130	\$ 21,502,496

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, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction:							
Regular	\$ 18,408,579	\$ 92,989	\$ 3,729,085		\$ (14,586,505)		\$ (14,586,505)
Special Education	8,672,035	939,176	3,992,904		(3,739,955)		(3,739,955)
Other Instruction	1,446,399		711,238		(735,161)		(735,161)
School Sponsored Activities and Athletics	1,863,972	448,591	48,745		(1,366,636)		(1,366,636)
Support Services							
Student and Instruction Related Services	6,953,911	191,600	1,306,097		(5,456,214)		(5,456,214)
General Administrative Services	1,238,884		137,620		(1,101,264)		(1,101,264)
School Administrative Services	3,504,008		602,152		(2,901,856)		(2,901,856)
Central and Other Support Services	1,700,368		121,212		(1,579,156)		(1,579,156)
Plant Operations and Maintenance	5,548,569		477,180		(5,071,389)		(5,071,389)
Pupil Transportation	1,601,956	38,869	531,823		(1,031,264)		(1,031,264)
Interest on Debt	24,394	-	-	-	(24,394)	-	(24,394)
Total Governmental Activities	<u>50,963,075</u>	<u>1,711,225</u>	<u>11,658,056</u>	<u>-</u>	<u>(37,593,794)</u>	<u>-</u>	<u>(37,593,794)</u>
Business-Type Activities							
Food Service	967,992	737,133	419,761			\$ 188,902	188,902
Knight Care Latch Key Program	454,383	469,884	-	-		15,501	15,501
Total Business-Type Activities	<u>1,422,375</u>	<u>1,207,017</u>	<u>419,761</u>	<u>-</u>	<u>-</u>	<u>204,403</u>	<u>204,403</u>
Total Primary Government	<u>\$ 52,385,450</u>	<u>\$ 2,918,242</u>	<u>\$ 12,077,817</u>	<u>\$ -</u>	<u>(37,593,794)</u>	<u>204,403</u>	<u>(37,389,391)</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, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes -			
General Purposes	\$ 36,583,745		\$ 36,583,745
State Aid, Unrestricted	3,145,788		3,145,788
Interest Income	97,974	\$ 8,329	106,303
Miscellaneous Income	222,684		222,684
Transfers	48,703	(48,703)	-
 Total General Revenues and Transfers	40,098,894	(40,374)	40,058,520
 Change in Net Position	2,505,100	164,029	2,669,129
 Net Position, Beginning of Year	18,030,266	803,101	18,833,367
 Net Position, End of Year	\$ 20,535,366	\$ 967,130	\$ 21,502,496

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, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 9,724,866	\$ 472,416	\$ 11,602	\$ 10,208,884
Receivables, Net				
Receivables from Other Governments	202,527	961,204		1,163,731
Accounts	185,786	10,874	-	196,660
Due from Other Funds	<u>583,755</u>	<u>-</u>	<u>-</u>	<u>583,755</u>
Total Assets	<u>\$ 10,696,934</u>	<u>\$ 1,444,494</u>	<u>\$ 11,602</u>	<u>\$ 12,153,030</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable		\$ 31,382		\$ 31,382
Accrued Salaries and Wages	\$ 76,492			76,492
Compensated Absences Payable	112,462			112,462
Payroll Deductions and Withholdings Payable	64,705			64,705
Other Liabilities	65,029			65,029
Payable to Federal Government		1,834		1,834
Payable to State Government		79,022		79,022
Due to Other Funds	10,505	525,231		535,736
Unearned Revenue	<u>-</u>	<u>334,609</u>	<u>-</u>	<u>334,609</u>
Total Liabilities	<u>329,193</u>	<u>972,078</u>	<u>-</u>	<u>1,301,271</u>
Fund Balances				
Restricted Fund Balance				
Capital Reserve	3,756,345			3,756,345
Capital Reserve - Designated for Subsequent Year's Budget	979,000			979,000
Maintenance Reserve	647,236			647,236
Emergency Reserve	400,324			400,324
Unemployment Compensation Reserve	226,234			226,234
Excess Surplus	2,356,623			2,356,623
Excess Surplus - Designated for Subsequent Year's Budget	1,434,920			1,434,920
Student Activities		208,330		208,330
Scholarship Awards		264,086		264,086
Capital Projects			\$ 11,602	11,602
Assigned Fund Balance				
Year End Encumbrances	380,126			380,126
Insurance Recovery Expenditures	22,727			22,727
Unassigned Fund Balance	<u>164,206</u>	<u>-</u>	<u>-</u>	<u>164,206</u>
Total Fund Balances	<u>10,367,741</u>	<u>472,416</u>	<u>11,602</u>	<u>10,851,759</u>
Total Liabilities and Fund Balances	<u>\$ 10,696,934</u>	<u>\$ 1,444,494</u>	<u>\$ 11,602</u>	<u>\$ 12,153,030</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, 2023**

Total Fund Balances (Exhibit B-1) \$ 10,851,759

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 \$44,343,783 and the accumulated depreciation is \$24,099,473.

20,244,310

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	\$ 831,764	
Deferred Inflows of Resources	<u>(1,547,872)</u>	(716,108)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:

(28,249)

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	(1,051,058)	
Other Financing Agreements	(35,495)	
Leases Payable	(6,126)	
Compensated Absences	(424,899)	
Net Pension Liability	<u>(8,298,768)</u>	<u>(9,816,346)</u>

Net Position of Governmental Activities (Exhibit A-1) **\$ 20,535,366**

NEW MILFORD BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	\$ 36,583,745			\$ 36,583,745
Tuition	1,032,165			1,032,165
Transportation Fees	38,869			38,869
Interest	97,974			97,974
Miscellaneous	414,284	\$ 556,969	-	971,253
Total - Local Sources	38,167,037	556,969	-	38,724,006
State Sources	15,297,865	378,059		15,675,924
Federal Sources	33,587	1,695,549	-	1,729,136
Total Revenues	53,498,489	2,630,577	-	56,129,066
EXPENDITURES				
Instruction				
Regular	19,776,118	301,608		20,077,726
Special Education	8,515,569	750,955		9,266,524
Other Instruction	1,012,542	526,067		1,538,609
School-Sponsored Activities and Athletics	1,172,807	535,918		1,708,725
Support Services				
Student and Instruction Related Services	7,101,541	299,629		7,401,170
General Administrative Services	1,325,688			1,325,688
School Administrative Services	3,836,467			3,836,467
Central and Other Support Services	1,662,417			1,662,417
Plant Operations and Maintenance	4,504,862	297,406		4,802,268
Pupil Transportation	1,563,064			1,563,064
Debt Service				
Principal	829,672			829,672
Interest and Other Charges	48,951			48,951
Capital Outlay	898,302	-	-	898,302
Total Expenditures	52,248,000	2,711,583	-	54,959,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,250,489	(81,006)	-	1,169,483
OTHER FINANCING SOURCES				
Capital Finance Agreement Proceeds	411,361			411,361
Transfers In	48,703	31,000		79,703
Transfers Out	(31,000)	-	-	(31,000)
Total Other Financing Sources	429,064	31,000	-	460,064
Net Change in Fund Balances	1,679,553	(50,006)	-	1,629,547
Fund Balance, Beginning of Year	8,688,188	522,422	\$ 11,602	9,222,212
Fund Balance, End of Year	\$ 10,367,741	\$ 472,416	\$ 11,602	\$ 10,851,759

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, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)		\$ 1,629,547
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	\$ 898,302	
Depreciation Expense	<u>(1,486,144)</u>	(587,842)
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):		
Increase in Compensated Absences	(104,155)	
Decrease in Pension Expense	<u>1,124,685</u>	1,020,530
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 Financing Principal	648,156	
Other Financing Principal	119,428	
Leases Payable	<u>62,088</u>	829,672
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	<u>(411,361)</u>	(411,361)
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>24,554</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		\$ <u>2,505,100</u>

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

**NEW MILFORD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Business-Type Activities - Enterprise Fund			
	<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	\$ 882,787	\$ 143,500	\$ 8,090	\$ 1,034,377
Receivables, Net				
Intergovernmental	13,384			13,384
Accounts	28,411			28,411
Due from Other Funds		10,505		10,505
Inventories	3,854	-	-	3,854
	<u>928,436</u>	<u>154,005</u>	<u>8,090</u>	<u>1,090,531</u>
Total Current Assets				
Capital Assets				
Equipment	261,916	140,345		402,261
Less: Accumulated Depreciation	(204,131)	(140,345)	-	(344,476)
	<u>57,785</u>	<u>-</u>	<u>-</u>	<u>57,785</u>
Total Capital Assets, Net				
	<u>57,785</u>	<u>-</u>	<u>-</u>	<u>57,785</u>
Total Assets	<u>986,221</u>	<u>154,005</u>	<u>8,090</u>	<u>1,148,316</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	94,743	4,174	-	98,917
Due to Other Funds	58,524			58,524
Unearned Revenue	23,075	-	-	23,075
	<u>176,342</u>	<u>4,174</u>	<u>-</u>	<u>180,516</u>
Total Current Liabilities				
	<u>176,342</u>	<u>4,174</u>	<u>-</u>	<u>180,516</u>
DEFERRED INFLOW OF RESOURCES				
Deferred Commodities Revenue	670	-	-	670
	<u>670</u>	<u>-</u>	<u>-</u>	<u>670</u>
Total Deferred Inflows of Resources				
	<u>670</u>	<u>-</u>	<u>-</u>	<u>670</u>
Total Liabilities and Deferred Inflow of Resources	<u>177,012</u>	<u>4,174</u>	<u>-</u>	<u>181,186</u>
NET POSITION				
Investment in Capital Assets	57,785	-	-	57,785
Unrestricted	751,424	149,831	8,090	909,345
	<u>809,209</u>	<u>149,831</u>	<u>8,090</u>	<u>967,130</u>
Total Net Position	<u>\$ 809,209</u>	<u>\$ 149,831</u>	<u>\$ 8,090</u>	<u>\$ 967,130</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, 2023**

	<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	\$ 626,404			\$ 626,404
Daily Sales - Non-Reimbursable Programs	92,939			92,939
Miscellaneous	17,790			17,790
Program Fees	-	\$ 469,884	-	469,884
	<u>737,133</u>	<u>469,884</u>	<u>-</u>	<u>1,207,017</u>
OPERATING EXPENSES				
Salaries and Employee Benefits	351,382	405,861		757,243
Cost of Sales - Reimbursable Programs	392,919			392,919
Cost of Sales - Non-Reimbursable Programs	58,297			58,297
Purchased Management Services	65,436			65,436
Other Purchased Services	50,067	653		50,720
Supplies and Materials	34,629	40,293		74,922
Miscellaneous	7,019			7,019
Depreciation	8,243	7,576	-	15,819
	<u>967,992</u>	<u>454,383</u>	<u>-</u>	<u>1,422,375</u>
Operating Income (Loss)	<u>(230,859)</u>	<u>15,501</u>	<u>-</u>	<u>(215,358)</u>
NONOPERATING REVENUES				
Federal Sources				
National School Lunch Program	240,946			240,946
Food Distribution Program	58,194			58,194
Supply Chain Assistance	107,453			107,453
State Sources				
State School Lunch Program	13,168			13,168
Interest Earnings	6,407	1,623	\$ 299	8,329
	<u>426,168</u>	<u>1,623</u>	<u>299</u>	<u>428,090</u>
Change in Net Position Before Transfers	195,309	17,124	299	212,732
Transfers Out	-	-	(48,703)	(48,703)
Change in Net Position	195,309	17,124	(48,404)	164,029
Total Net Position, Beginning of Year	<u>613,900</u>	<u>132,707</u>	<u>56,494</u>	<u>803,101</u>
Total Net Position, End of Year	<u>\$ 809,209</u>	<u>\$ 149,831</u>	<u>\$ 8,090</u>	<u>\$ 967,130</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, 2023**

	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	\$ 697,314	\$ 472,954		\$ 1,170,268
Cash Payments for Employees' Salaries and Benefits	(351,382)	(405,861)	-	(757,243)
Cash Payments to Suppliers for Goods and Services	(535,379)	(39,456)	-	(574,835)
Cash Payments to Customers - Refunds	(271)	(3,070)	-	(3,341)
Net Cash Provided/(Used) by Operating Activities	<u>(189,718)</u>	<u>24,567</u>	<u>-</u>	<u>(165,151)</u>
Cash Flows from Noncapital Financing Activities				
Cash Received from State and Federal Subsidy Reimbursements	531,338			531,338
Cash Payments from/(to) Other Funds	-	-	\$ (48,703)	(48,703)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>531,338</u>	<u>-</u>	<u>(48,703)</u>	<u>482,635</u>
Cash Flows from Investing Activities				
Interest on Investments	6,407	1,623	299	8,329
Net Cash Provided by Investing Activities	<u>6,407</u>	<u>1,623</u>	<u>299</u>	<u>8,329</u>
Net Increase (Decrease) in Cash and Cash Equivalents	348,027	26,190	(48,404)	325,813
Cash and Cash Equivalents, Beginning of Year	534,760	117,310	56,494	708,564
Cash and Cash Equivalents, End of Year	<u>\$ 882,787</u>	<u>\$ 143,500</u>	<u>\$ 8,090</u>	<u>\$ 1,034,377</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities				
Operating Income (Loss)	\$ (230,859)	\$ 15,501	\$ -	\$ (215,358)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	8,243	7,576		15,819
Food Distribution Program (USDA Commodities)	58,194			58,194
Change in Assets, Liabilities and Deferred Inflows of Resources				
(Increase)/Decrease in Accounts Receivable	(27,008)			(27,008)
(Increase)/Decrease in Inventories	(478)			(478)
Increase/(Decrease) in Accounts Payable	(1,518)			(1,518)
Increase/(Decrease) in Accrued Salaries and Wages		(2,652)		(2,652)
Increase/(Decrease) in Unearned Revenue	4,018	4,142		8,160
Increase/(Decrease) in Deferred Inflow of Resources	(310)	-	-	(310)
Total Adjustments	<u>41,141</u>	<u>9,066</u>	<u>-</u>	<u>50,207</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (189,718)</u>	<u>\$ 24,567</u>	<u>\$ -</u>	<u>\$ (165,151)</u>
Non-Cash Investing, Capital and Financing Activities				
Value Received - Food Distribution Program	\$ 57,883			\$ 57,883

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, 2023**

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 Pre-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 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. 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.

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

- 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, 2023

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 and proprietary 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, 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, grants 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.

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.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software 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.

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.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 a 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.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 (Continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future 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 first 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 employees are not eligible to accumulate unused vacation and sick leave benefits 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.

8. *Leases*

Leases Payable

Non-cancellable leases for the use of another entity's land, buildings and equipment 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.

NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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).

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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).

NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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)

Restricted Fund Balance (Continued)

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 (benefit reimbursement method). (See Note 4A).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 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, 2022 audited excess surplus that was appropriated in the 2023/2024 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.

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

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.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 2021-2022 and 2022-2023 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.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters.

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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$149,566 and the special revenue fund by \$2,975,914. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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>
Admin. Info. Tech.			
Supplies and Materials	\$ 70,650	\$ 375,862	\$ (305,212)
 <u>Special Revenue Fund</u>			
Instruction			
Purchased Professional/Technical Services	113,479	115,417	(1,938)
General Supplies	611,238	755,957	(144,719)
Equipment	21,210	72,154	(50,944)
Support Services			
Indirect Costs - Program Administration	-	1,738	(1,738)

The above variances were offset with other available resources.

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.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 3,217,280
Increased by:		
Interest Earnings	\$ 15,136	
Unexpended Balance	425	
Deposits Approved by Board Resolution	<u>1,852,504</u>	
		<u>1,868,065</u>
		5,085,345
Decreased by:		
Withdrawals Approved by Board Resolution		<u>350,000</u>
Balance, June 30, 2023		<u>\$ 4,735,345</u>

The June 30, 2023 LRF balance of the total costs of uncompleted capital projects is estimated by management to \$75,717,746. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$979,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

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, 2023 is as follows:

Balance, July 1, 2022		\$ 641,684
Increased by:		
Interest Earnings		<u>5,552</u>
Balance, June 30, 2023		<u>\$ 647,236</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,818,880.

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.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Emergency Reserve (Continued)

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, 2023 is as follows:

Balance, July 1, 2022	\$ 400,324
Balance, June 30, 2023	<u>\$ 400,324</u>

F. Transfers to Capital Outlay

During the 2022/2023 school year, the district transferred \$350,000 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

G. 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 2% 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, 2023 is \$3,791,543. Of this amount, \$1,434,920 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$2,356,623 will be appropriated in the 2024/2025 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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the book value of the Board's deposits was \$11,243,261 and bank and brokerage firm balances of the Board's deposits amounted to \$12,391,332. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 12,322,746
Uninsured and Collateralized	<u>68,586</u>
	<u>\$ 12,391,332</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, 2023 the Board's bank balance of \$68,586 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>\$ 68,586</u>
--	------------------

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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, 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. total investments.

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds and nonmajor, 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	\$ 202,527		\$ 691	\$ 203,218
Federal		\$ 961,204	12,693	973,897
Accounts	<u>185,786</u>	<u>10,874</u>	<u>28,411</u>	<u>225,071</u>
Total Gross Receivables	<u>\$ 388,313</u>	<u>\$ 972,078</u>	<u>\$ 41,795</u>	<u>\$ 1,402,186</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	\$ 35,965
Grant Draw Downs Year-End Encumbrances	<u>298,350</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 334,315</u>

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,255,000			\$ 3,255,000
Construction in Progress	63,651	-	\$ (63,651)	-
Total Capital Assets, Not Being Depreciated	<u>3,318,651</u>	<u>-</u>	<u>(63,651)</u>	<u>3,255,000</u>
Capital Assets, Being Depreciated:				
Land Improvements	4,634,931			4,634,931
Buildings and Building Improvements	29,474,308	\$ 332,113		29,806,421
Right-to-Use Leased Buildings	154,368			154,368
Machinery and Equipment	5,863,223	629,840	-	6,493,063
Total Capital Assets Being Depreciated	<u>40,126,830</u>	<u>961,953</u>	<u>-</u>	<u>41,088,783</u>
Less Accumulated Depreciation for:				
Land Improvements	(2,047,610)	(301,429)		(2,349,039)
Buildings and Building Improvements	(16,406,057)	(671,684)		(17,077,741)
Right-to-Use Leased Buildings	(88,147)	(60,323)		(148,470)
Machinery and Equipment	(4,071,515)	(452,708)	-	(4,524,223)
Total Accumulated Depreciation	<u>(22,613,329)</u>	<u>(1,486,144)</u>	<u>-</u>	<u>(24,099,473)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,513,501</u>	<u>(524,191)</u>	<u>-</u>	<u>16,989,310</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,832,152</u>	<u>\$ (524,191)</u>	<u>\$ (63,651)</u>	<u>\$ 20,244,310</u>

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance July 1, 2022	Increases	Decreases	Balance, June 30, 2023
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 402,261	-	-	\$ 402,261
Total Capital Assets Being Depreciated	<u>402,261</u>	<u>-</u>	<u>-</u>	<u>402,261</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(328,657)	\$ (15,819)	-	(344,476)
Total Accumulated Depreciation	<u>(328,657)</u>	<u>(15,819)</u>	<u>-</u>	<u>(344,476)</u>
Total Capital Assets, Being Depreciated, Net	<u>73,604</u>	<u>(15,819)</u>	<u>-</u>	<u>57,785</u>
Business-Type Activities Capital Assets, Net	<u>\$ 73,604</u>	<u>\$ (15,819)</u>	<u>\$ -</u>	<u>\$ 57,785</u>

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

Governmental Activities:

Instruction

Regular	\$ 39,564
Special Education	2,867
School-Sponsored Activities and Athletics	225,111
Total Instruction	<u>267,542</u>

Support Services

Student and Instruction Related Services	86,873
Central and Other Support Services	127,493
Plant Operations and Maintenance	921,873
Pupil Transportation	82,363
Total Support Services	<u>1,218,602</u>

Total Depreciation Expense - Governmental Activities \$ 1,486,144

Business-Type Activities:

Food Service Fund	\$ 8,243
Knight Care Latch Key Program Fund	7,576

Total Depreciation Expense-Business-Type Activities \$ 15,819

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has other significant commitments at June 30, 2023 as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Berkley Roof Project	<u>\$ 165,000</u>

Asset Impairment and Insurance Proceeds

Insurance Proceeds

In 2021, the School District incurred losses from Hurricane Ida. A portion of the insurance proceeds was expended to remediate damages. As of June 30, 2023, \$22,727 of the unspent proceeds was reported as Assigned Fund Balance.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 525,231
Knight Care Latchkey Program Enterprise Fund	General Fund	10,505
General Fund	Food Service Enterprise Fund	<u>58,524</u>
Total		<u>\$ 594,260</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		\$ 31,000	\$ 31,000
Broadway Kids Summer Program Enterprise Fund	\$ 16,481		16,481
After School Enrichment Enterprise Fund	<u>32,222</u>	-	<u>32,222</u>
	<u>\$ 48,703</u>	<u>\$ 31,000</u>	<u>\$ 79,703</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 and to close the Broadway Kids and After School Enrichment Enterprise Funds.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Leases Payable

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, 2023 the value of the lease liability was \$2,980. The building has a three year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$101,172 and had accumulated depreciation of \$98,362.

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, 2023 the value of the lease liability was \$1,371. The building has a two year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$32,275 and had accumulated depreciation of \$30,930.

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, 2023 the value of the lease liability was \$1,775. The building has a two year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$20,921 and had accumulated depreciation of \$19,178.

The future principal and interest lease payments as of June 30, 2023 are as follows:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,126	\$ 10	\$ 6,136
Total	<u>\$ 6,126</u>	<u>\$ 10</u>	<u>\$ 6,136</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, 2023 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>	<p>\$ 21,627</p>
<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>	<p>45,096</p>

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

\$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%	\$ 415,310
\$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%	67,128
\$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	9,634
\$188,614, 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	44,618
\$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	2,989
\$16,529, 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	5,809
\$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%	58,934
\$411,361, Fiscal year 2023 Agreement for the purchase of copiers for a term of 6 years due in monthly principal installments of \$31,449 to \$86,621 through January 15, 2028	379,913
Total	<u>\$ 1,051,058</u>

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023 are comprised of the following:

\$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%	\$ 35,495
	<u>\$ 35,495</u>

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

Governmental Activities:

Ending June 30,	<u>Capital Agreements</u>		<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 657,701	\$ 31,992	\$ 35,495	\$ 1,129	\$ 726,317
2025	171,325	12,697			184,022
2026	83,422	6,806			90,228
2027	86,620	3,607			90,227
2028	<u>51,990</u>	<u>643</u>	<u>-</u>	<u>-</u>	<u>52,633</u>
Total	<u>\$ 1,051,058</u>	<u>\$ 55,745</u>	<u>\$ 35,495</u>	<u>\$ 1,129</u>	<u>\$ 1,143,427</u>

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, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 88,999,460
Less: Net Debt Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 88,999,460</u>

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Long-Term Liabilities (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Capital Finance Agreements	\$ 1,287,853	\$ 411,361	648,156	\$ 1,051,058	\$ 657,701
Other Finance Agreements	154,923		119,428	35,495	35,495
Leases Payable	68,214		62,088	6,126	6,126
Compensated Absences Payable	320,744	104,155		424,899	50,000
Net Pension Liability	<u>6,527,643</u>	<u>2,895,810</u>	<u>1,124,685</u>	<u>8,298,768</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 8,359,377</u>	<u>\$ 3,411,326</u>	<u>\$ 1,954,357</u>	<u>\$ 9,816,346</u>	<u>\$ 749,322</u>

For the governmental activities, the liabilities for compensated absences, leases payable, capital and other finance agreements and net pension liability are generally liquidated by the general fund.

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 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.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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>
2023	\$ 150,000	\$ 46,564	\$ 1,293	\$ 26,969	\$ 226,234
2022	None	43,854	240	39,336	74,941
2021	None	39,868	86	1,952	74,701

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, 2023, 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, 2023, the District has no estimated arbitrage earnings due to the IRS.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

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.

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.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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 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 PFRS 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, 2023**

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, 2023**

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, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 employer’s annual compensation for fiscal year 2023.

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, 2023 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 more 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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	On-behalf		
	<u>PERS</u>	<u>TPAF</u>	<u>DCRP</u>
<u>June 30,</u>			
2023	\$ 693,452	\$ 6,292,508	\$ 11,479
2022	645,307	5,875,917	10,359
2021	583,322	4,082,924	11,275

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$2,662, \$2,558 and \$2,508, 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 \$1,294,784 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been 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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$8,298,768 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was 0.05499 percent, which was a decrease of 0.00011 percent from its proportionate share measured as of June 30, 2021 of 0.05510 percent.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$431,233 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, 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	\$ 59,897	\$ 52,820
Changes of Assumptions	25,712	1,242,654
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	343,479	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>402,676</u>	<u>252,398</u>
Total	<u>\$ 831,764</u>	<u>\$ 1,547,872</u>

At June 30, 2023, 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	\$ (656,212)
2024	(401,983)
2025	(276,740)
2026	357,175
2027	261,652
Thereafter	<u>-</u>
	<u>\$ (716,108)</u>

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022. 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 percent, 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>\$ 10,661,486</u>	<u>\$ 8,298,768</u>	<u>\$ 6,288,000</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, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,954,376 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$72,618,829. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was 0.14075 percent, which was an increase of 0.00292 percent from its proportionate share measured as of June 30, 2021 of 0.13783 percent.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

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

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. 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, 2023**

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>85,147,120</u>	\$ <u>72,618,829</u>	\$ <u>62,065,318</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, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 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, 2022. 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.

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.

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans 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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

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, 2023, 2022 and 2021 were \$1,653,027, \$1,372,852 and \$1,279,525, 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, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,281,565. 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, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$62,628,183. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was 0.00124 percent, which was an increase of 0.00002 percent from its proportionate share measured as of June 30, 2021 of 0.00122 percent.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55%	2.75% to 4.25%
	Based on Years of Service	Based on 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, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023 , increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ 73,103,362
Changes Recognized for the Fiscal Year:	
Service Cost	4,178,254
Interest on the Total OPEB Liability	1,659,716
Differences Between Expected and Actual Experience	2,078,681
Changes of Assumptions	(16,800,572)
Gross Benefit Payments	(1,643,998)
Contributions from the Member	52,740
Net Changes	<u>\$ (10,475,179)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 62,628,183</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

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 3.54%, 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 (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 73,612,841</u>	<u>\$ 62,628,183</u>	<u>\$ 53,824,529</u>

**NEW MILFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 (Continued)

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:

	<u>1%</u> <u>Decrease</u>	Healthcare Cost Trend <u>Rates</u>	<u>1%</u> <u>Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 51,766,021	\$ 62,628,183	\$ 76,896,292

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 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.

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

**NEW MILFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS (Continued)

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, 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. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded in excess of \$2.5 million in federal aid to address the effects of the COVID-19 pandemic.

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, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 36,583,745		\$ 36,583,745	\$ 36,583,745	
Tuition from Individuals	26,832		26,832	92,989	\$ 66,157
Tuition from Other LEAs Within the State	1,103,542		1,103,542	939,176	(164,366)
Transportation Fees from Other LEA's	16,356		16,356	38,869	22,513
Interest on Current Expense				75,993	75,993
Interest Earned on Maintenance Reserve				5,552	5,552
Interest Earned on Capital Reserve				15,136	15,136
Interest on Unemployment Reserve				1,293	1,293
Miscellaneous	30,500		30,500	264,284	233,784
Unemployment - Board Contribution (Non-Budget)	-	-	-	150,000	150,000
Total Local Sources	37,760,975	-	37,760,975	38,167,037	406,062
State Sources					
Special Education Aid	1,294,330		1,294,330	1,294,330	-
Equalization Aid	2,880,215		2,880,215	2,880,215	-
Supplemental Stabilization Aid				397,496	397,496
Security Aid	73,366		73,366	73,366	-
Transportation Aid	430,582		430,582	430,582	-
Extraordinary Aid	714,306		714,306	996,730	282,424
Nonpublic Transportation Aid				76,056	76,056
On-Behalf TPAF (Non-Budget)					
Pension Contribution				6,206,401	6,206,401
NCGI Premium				86,107	86,107
Post Retirement Medical Contribution				1,653,027	1,653,027
Long Term Disability Insurance				2,662	2,662
Social Security Reimbursements	-	-	-	1,294,784	1,294,784
Total State Sources	5,392,799	-	5,392,799	15,391,756	9,998,957
Federal Sources					
Medicaid Reimbursement	26,539	-	26,539	33,587	7,048
Total Federal Sources	26,539	-	26,539	33,587	7,048
Total Revenues	43,180,313	-	43,180,313	53,592,380	10,412,067
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	233,522	(7,000)	226,522	207,647	18,875
Kindergarten	642,136	(7,999)	634,137	567,163	66,974
Grades 1-5	3,518,099	13,230	3,531,329	3,461,458	69,871
Grades 6-8	2,609,821	(78,643)	2,531,178	2,434,937	96,241
Grades 9-12	4,029,419	(47,661)	3,981,758	3,866,122	115,636
Regular Programs - Home Instruction					
Salaries of Teachers	10,000	1,880	11,880	3,650	8,230
Purchased Professional/Educational Services	26,000	5,435	31,435	31,022	413
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	36,500	(540)	35,960	26,280	9,680
Purchased Professional/Educational Services	10,125	62,472	72,597	69,928	2,669
Purchased Technical Services	47,112	38,775	85,887	84,847	1,040
Other Purchased Services	278,803	(17,000)	261,803	260,868	935
General Supplies	610,275	(92,193)	518,082	492,625	25,457
Textbooks	47,670	(16,749)	30,921	29,806	1,115
Other Objects	23,500	15,721	39,221	33,764	5,457
Total Regular Programs	12,122,982	(130,272)	11,992,710	11,570,117	422,593

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 203,185	\$ (2,500)	\$ 200,685	\$ 131,413	\$ 69,272
Other Salaries for Instruction	294,095	5,000	299,095	265,998	33,097
General Supplies	4,025		4,025	528	3,497
Textbooks	1,686	-	1,686	537	1,149
Total Learning and/or Language Disabilities	502,991	2,500	505,491	398,476	107,015
Multiple Disabilities					
Salaries of Teachers	192,955	61,454	254,409	138,604	115,805
Other Salaries for Instruction	187,755	9,597	197,352	197,352	-
General Supplies	9,908	(5,886)	4,022	215	3,807
Textbooks	4,675	(1,500)	3,175	1,200	1,975
Other Objects	11,745	-	11,745	5,836	5,909
Total Multiple Disabilities	407,038	63,665	470,703	343,207	127,496
Resource Room/Resource Center					
Salaries of Teachers	1,537,142	(44,188)	1,492,954	1,488,754	4,200
Other Salaries for Instruction	134,754	670,905	805,659	769,658	36,001
Purchased Professional/Educational Services	2,000		2,000		2,000
General Supplies	6,540	246	6,786	1,184	5,602
Textbooks	3,665	-	3,665	91	3,574
Total Resource Room/Resource Center	1,684,101	626,963	2,311,064	2,259,687	51,377
Autism					
Salaries of Teachers	297,961	49,950	347,911	341,250	6,661
Other Salaries for Instruction	471,917	315,576	787,493	787,493	-
General Supplies	14,850	(10,329)	4,521	414	4,107
Total Autism	784,728	355,197	1,139,925	1,129,157	10,768
Preschool Disabilities - Part-Time					
Salaries of Teachers	68,791	53,605	122,396	114,514	7,882
Other Salaries for Instruction	2,000	40,338	42,338	42,338	-
Total Preschool Disabilities - Part-Time	70,791	93,943	164,734	156,852	7,882
Preschool Disabilities - Full-Time					
Salaries of Teachers	129,295	(64,578)	64,717	61,600	3,117
Other Salaries for Instruction	253,720	(66,570)	187,150	187,150	-
General Supplies	1,000	-	1,000	-	1,000
Total Preschool Disabilities - Full-Time	384,015	(131,148)	252,867	248,750	4,117
Home Instruction					
Salaries of Teachers	8,000	260	8,260	260	8,000
Total Home Instruction	8,000	260	8,260	260	8,000
Total Special Education	3,841,664	1,011,380	4,853,044	4,536,389	316,655
Basic Skills/Remedial					
Salaries of Teachers	420,040	(6,434)	413,606	355,918	57,688
General Supplies	-	-	-	-	-
Total Basic Skills/Remedial	420,040	(6,434)	413,606	355,918	57,688

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 225,555		\$ 225,555	\$ 225,555	
General Supplies	-	-	-	-	-
Total Bilingual Education	<u>225,555</u>	<u>-</u>	<u>225,555</u>	<u>225,555</u>	<u>-</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	210,272	\$ (2,000)	208,272	205,417	\$ 2,855
Purchased Services	4,800	6,000	10,800	9,090	1,710
Supplies and Materials	17,420	(3,798)	13,622	12,750	872
Other Objects	6,700	-	6,700	6,377	323
Total School Sponsored Co/Extra Curricular Activities	<u>239,192</u>	<u>202</u>	<u>239,394</u>	<u>233,634</u>	<u>5,760</u>
School Sponsored Athletics					
Salaries	476,230		476,230	466,198	10,032
Purchased Services	109,150	(25,408)	83,742	82,210	1,532
Supplies and Materials	85,400	(12,286)	73,114	66,956	6,158
Other Objects	18,700	(4,500)	14,200	12,461	1,739
Total School Sponsored Athletics	<u>689,480</u>	<u>(42,194)</u>	<u>647,286</u>	<u>627,825</u>	<u>19,461</u>
Total Instruction	<u>17,538,913</u>	<u>832,682</u>	<u>18,371,595</u>	<u>17,549,438</u>	<u>822,157</u>
Undistributed Expenditures					
Instruction (Tuition)					
Tuition to Other LEAs w/i State - Special	695,646	(581,272)	114,374	77,624	36,750
Tuition to County Voc. School Dist.-Regular	523,879	(4,699)	519,180	481,320	37,860
Tuition to County Voc. School Dist.- Special	220,000	(100,363)	119,637	119,637	-
Tuition to CSSD & Reg. Day Schools	168,740	(150,000)	18,740	11,100	7,640
Tuition to Priv.Sch. For the Disabled W/I State	1,610,355	(480,000)	1,130,355	1,039,524	90,831
Total Undistributed Expenditures - Instruction (Tuition)	<u>3,218,620</u>	<u>(1,316,334)</u>	<u>1,902,286</u>	<u>1,729,205</u>	<u>173,081</u>
Attendance and Social Work					
Salaries	128,351		128,351	127,395	956
Purchased Professional and Technical Services	40,150		40,150	38,266	1,884
Other Purchased Services	8,000		8,000	524	7,476
Supplies and Materials	2,000	-	2,000	500	1,500
Total Attendance and Social Work	<u>178,501</u>	<u>-</u>	<u>178,501</u>	<u>166,685</u>	<u>11,816</u>
Health Services					
Salaries	332,096	33,772	365,868	360,108	5,760
Purchased Professional and Technical Services	25,077	(2,263)	22,814	17,931	4,883
Other Purchased Services					-
Supplies and Materials	10,750	(779)	9,971	9,432	539
Total Health Services	<u>367,923</u>	<u>30,730</u>	<u>398,653</u>	<u>387,471</u>	<u>11,182</u>

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Speech, OT, PT & Related Serv.					
Salaries	\$ 467,705	\$ 30,818	\$ 498,523	\$ 482,125	\$ 16,398
Purchased Professional/Educational Services	296,428	(164,212)	132,216	113,577	18,639
Supplies and Materials	17,929	-	17,929	6,007	11,922
Total Speech, OT, PT, & Related Serv.	782,062	(133,394)	648,668	601,709	46,959
Other Support Services - Students - Extra Serv.					
Salaries	592,766	(505,086)	87,680	14,891	72,789
Purchased Professional/Educational Services	819,747	(216,531)	603,216	514,944	88,272
Total Other Supp.Serv. Student - Extra Serv.	1,412,513	(721,617)	690,896	529,835	161,061
Guidance					
Salaries of Other Professional Staff	637,210	2,571	639,781	638,861	920
Salaries of Secretarial & Clerical Assistants	20,672		20,672	20,672	-
Purchased Professional-Educational Services	525	100	625	625	-
Other Purchased Professional and Technical Svs.	20,980	(6,000)	14,980	10,841	4,139
Supplies and Materials	17,130	8,523	25,653	23,417	2,236
Other Objects	6,920	-	6,920	3,716	3,204
Total Guidance	703,437	5,194	708,631	698,132	10,499
Child Study Team					
Salaries of Other Professional Staff	1,338,449	(66,111)	1,272,338	1,160,915	111,423
Salaries of Secretarial & Clerical Assistants	141,088	826	141,914	141,914	-
Purchased Professional-Educational Services	38,200		38,200	21,117	17,083
Other Purchased Services	3,300		3,300	1,766	1,534
Supplies and Materials	12,966		12,966	10,707	2,259
Other Objects	3,476	1,213	4,689	4,636	53
Total Child Study Team	1,537,479	(64,072)	1,473,407	1,341,055	132,352
Educational Media/School Library					
Salaries	307,180	9,000	316,180	316,180	-
Salaries of Technology Coordinators	150,212	4,000	154,212	152,655	1,557
Purchased Professional and Technical Services	9,850	(514)	9,336	6,321	3,015
Supplies and Materials	27,170	(11)	27,159	25,179	1,980
Total Educational Media/School Library	508,660	14,210	522,870	511,523	11,347
Instructional Staff Training Services					
Salaries of Other Professional Staff	24,850	-	24,850	7,500	17,350
Purchased Professional-Educational Services	54,400	317,692	372,092	361,735	10,357
Other Purchased Services	23,600	(7,000)	16,600	9,226	7,374
Total Instructional Staff Training Services	102,850	310,692	413,542	378,461	35,081

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
General Administration					
Salaries	\$ 626,212	\$ 7,779	\$ 633,991	\$ 633,991	
Legal Services	75,000	(4,850)	70,150	42,936	\$ 27,214
Audit Fees	45,000	32,900	77,900	42,090	35,810
Architectural / Engineering Services	35,000	49,370	84,370	22,092	62,278
Other Purchased Professional Services	29,500	11,279	40,779	40,779	-
Communications/Telephone	73,750	(1,997)	71,753	68,462	3,291
BOE Other Purchased Services	18,550		18,550	7,328	11,222
Miscellaneous Purchased Services	37,900	(33,421)	4,479	3,746	733
General Supplies	9,300	(3,018)	6,282	2,693	3,589
BOE In-House Training/Meeting Supplies	900	335	1,235	1,235	-
Miscellaneous Expenditures	6,325	1,081	7,406	7,396	10
BOE Membership Dues and Fees	14,000	(450)	13,550	12,776	774
Total General Administration	971,437	59,008	1,030,445	885,524	144,921
School Administration					
Salaries of Principals/Asst. Principals/Prog Director	1,002,978	7,855	1,010,833	985,521	25,312
Salaries of Other Professional Staff	762,078	54,162	816,240	816,240	-
Salaries of Secretarial and Clerical Assistants	442,843	6,429	449,272	449,272	-
Other Purchased Services	15,990	1,031	17,021	15,729	1,292
Supplies and Materials	21,625	(1,212)	20,413	15,884	4,529
Other Objects	9,710	1,119	10,829	9,829	1,000
Total School Administration	2,255,224	69,384	2,324,608	2,292,475	32,133
Central Services					
Salaries	427,330	1	427,331	426,146	1,185
Purchased Professional Services	5,000		5,000		5,000
Purchased Technical Services	32,952	54	33,006	33,006	-
Misc. Purchased Services	6,500	(968)	5,532	4,341	1,191
Supplies and Materials	6,500	845	7,345	7,345	-
Interest on Lease Purchase Agreements	44,000	(54)	43,946	43,628	318
Miscellaneous Expenditures	2,500	13,977	16,477	16,477	-
Total Central Services	524,782	13,855	538,637	530,943	7,694
Admin. Info. Tech.					
Salaries	266,431	10,394	276,825	276,825	-
Purchased Professional Services	6,500	(1,650)	4,850		4,850
Purchased Technical Services	115,800	(6,868)	108,932	108,932	-
Other Purchased Services	6,000		6,000	4,029	1,971
Supplies and Materials	75,650	(5,000)	70,650	375,862	(305,212)
Total Admin. Info. Tech.	470,381	(3,124)	467,257	765,648	(298,391)
Required Maintenance for School Facilities					
Salaries	352,481	7,572	360,053	345,053	15,000
Purchased Professional and Technical Services	1,000		1,000		1,000
Cleaning, Repair and Maintenance Services	167,200	32,688	199,888	188,862	11,026
Lead Testing of Drinking Water	5,000	(660)	4,340	4,340	-
General Supplies	107,000	(850)	106,150	86,490	19,660
Total Required Maintenance for School Facilities	632,681	38,750	671,431	624,745	46,686

**NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 1,188,074	\$ 117,244	\$ 1,305,318	\$ 1,150,328	\$ 154,990
Salaries of Non-Instructional Aides	150,382	(1)	150,381	145,284	5,097
Purchased Professional-Technical Services	40,650	45,125	85,775	85,435	340
Cleaning, Repair and Maintenance Services	275,450	(4,934)	270,516	223,639	46,877
Rental of Land and Bldg Other than Lease Purch. Agmt.	60,000		60,000	41,455	18,545
Other Purchased Property Services	70,000	3,239	73,239	46,255	26,984
Insurance	399,677	11,816	411,493	411,493	-
Miscellaneous Purchased Services	8,400	(500)	7,900	1,100	6,800
General Supplies	94,600	3,971	98,571	89,490	9,081
Energy (Natural Gas)	265,400	38,939	304,339	261,913	42,426
Energy (Electricity)	358,700	48,336	407,036	368,782	38,254
Energy (Gasoline)	6,000		6,000	6,000	-
Other Objects	850	-	850	700	150
Total Custodial Services	<u>2,918,183</u>	<u>263,235</u>	<u>3,181,418</u>	<u>2,831,874</u>	<u>349,544</u>
Care and Upkeep of Grounds					
Salaries	89,628	(14,443)	75,185	47,155	28,030
Cleaning, Repair and Maintenance Services	208,700	(77,608)	131,092	57,233	73,859
General Supplies	21,500	874	22,374	11,763	10,611
Total Care and Upkeep of Grounds	<u>319,828</u>	<u>(91,177)</u>	<u>228,651</u>	<u>116,151</u>	<u>112,500</u>
Security					
Purchased Professional-Technical Services	224,000	(38,340)	185,660	185,660	-
Cleaning, Repair and Maintenance Services	91,000	(16,639)	74,361	33,659	40,702
Total Security	<u>315,000</u>	<u>(54,979)</u>	<u>260,021</u>	<u>219,319</u>	<u>40,702</u>
Student Transportation Services					
Salaries of Non-Instructional Aides		118,026	118,026	84,881	33,145
Salaries for Pupil Transportation (Between Home and School) - Regular	103,799		103,799	47,328	56,471
Salaries for Pupil Transportation (Between Home and School) - Spec. Ed.	117,093	45,842	162,935	162,935	-
Salaries for Pupil Transportation (Other Than Between Home and School)	153,700		153,700	122,750	30,950
Other Purchased Professional and Technical Svcs.	7,300	4,195	11,495	11,132	363
Cleaning, Repair and Maintenance Services	35,000	(3,975)	31,025	28,734	2,291
Lease Purchase Payment - School Buses	76,675		76,675	76,631	44
Contracted Services - Aid in Lieu Payments-Nonpublic Schools	250,000	(76,677)	173,323	164,355	8,968
Contracted Services - Aid in Lieu Payments - Charter School	12,000	(6,000)	6,000	1,022	4,978
Contracted Services - Aid in Lieu Payments - Choice Sch. Students		6,000	6,000	3,066	2,934
Contracted Services (Other Than Between Home and School) - Vendors	17,500		17,500	12,619	4,881
Contracted Services (Between Home and School) - Joint Agreement	59,000	18,575	77,575	77,575	-
Contracted Services (Special Ed Students) - Joint Agreement	10,000	(10,000)			-
Contracted Services (Reg. Students) - ESCs & CTSA's	40,000	91,361	131,361	113,005	18,356
Contracted Serv. (Spl. Ed. Students)- ESCs & CTSA's	520,000	(19,935)	500,065	499,327	738
General Supplies	5,500		5,500	3,660	1,840
Transportation Supplies	48,000		48,000	34,568	13,432
Other Objects	3,000	-	3,000	2,379	621
Total Student Transportation Services	<u>1,458,567</u>	<u>167,412</u>	<u>1,625,979</u>	<u>1,445,967</u>	<u>180,012</u>

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT (Continued)					
Unallocated Benefits- Employee Benefits					
Group Insurance	\$ 37,500	\$ (3,100)	\$ 34,400	\$ 33,419	\$ 981
Social Security Contributions	717,839	(72,024)	645,815	630,470	15,345
Other Retirement Contributions - PERS	700,000	(6,548)	693,452	693,452	-
Other Retirement Contributions - Regular	22,500	(10,345)	12,155	11,479	676
Unemployment Compensation	55,000	95,000	150,000	150,000	-
Workmen's Compensation	230,000	(96,511)	133,489	133,489	-
Health Benefits	5,729,416	359,541	6,088,957	6,079,225	9,732
Tuition Reimbursement	58,400	(22,169)	36,231	36,231	-
Other Employee Benefits	192,000	45,867	237,867	236,096	1,771
Unused Sick Payment to Terminated/Retired Staff	60,000	23,100	83,100	41,677	41,423
Total Unallocated Benefits	7,802,655	312,811	8,115,466	8,045,538	69,928
On-Behalf TPAF (Non-Budget)					
Pension Contribution				6,206,401	(6,206,401)
NCGI Premium				86,107	(86,107)
Post Retirement Medical Contribution				1,653,027	(1,653,027)
Long Term Disability Insurance				2,662	(2,662)
Social Security Reimbursements	-	-	-	1,294,784	(1,294,784)
Total On-Behalf TPAF	-	-	-	9,242,981	(9,242,981)
Total Undistributed Expenditures	26,480,783	(1,099,416)	25,381,367	33,345,241	(7,963,874)
Total Current Expenditures	44,019,696	(266,734)	43,752,962	50,894,679	(7,141,717)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 1-5	42,400		42,400	41,155	1,245
Grades 6-8	31,400		31,400	25,929	5,471
Grades 9-12	31,400		31,400	31,400	-
School Sponsored and Other Instructional Programs		4,994	4,994	4,994	-
Undistributed					
Instruction	312,678	(105,259)	207,419	21,562	185,857
Admin. Info. Tech. (Non-Budget)				411,361	(411,361)
Admin. Info. Tech.	30,000	(3,349)	26,651	4,144	22,507
Required Maintenance for School Facilities		9,831	9,831	9,831	-
Care and Upkeep		107,821	107,821	23,282	84,539
Security	150,000	(67,915)	82,085	-	82,085
Total Equipment	597,878	(53,877)	544,001	573,658	(29,657)
Facilities Acquisition and Construction Services					
Construction Services	350,000	17,472	367,472	327,186	40,286
Lease Purchase Agreements - Principal	-	392,358	392,358	383,036	9,322
Assessment for Debt Service on SDA Funding	40,094	-	40,094	40,094	-
Total Facilities Acquisition and Construction Services	390,094	409,830	799,924	750,316	49,608
Total Capital Outlay	987,972	355,953	1,343,925	1,323,974	19,951

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
Transfer of Funds to Charter Schools	-	\$ 29,347	\$ 29,347	\$ 29,347	-
Total General Fund Expenditures	\$ 45,007,668	118,566	45,126,234	52,248,000	\$ (7,121,766)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,827,355)	(118,566)	(1,945,921)	1,344,380	3,290,301
Other Financing Sources (Uses)					
Other Financing Agreement Proceeds				411,361	411,361
Transfers In				48,703	48,703
Transfers Out	-	(31,000)	(31,000)	(31,000)	-
Total Other Financing Sources (Uses)	-	(31,000)	(31,000)	429,064	460,064
Net Change in Fund Balances	(1,827,355)	(149,566)	(1,976,921)	1,773,444	3,750,365
Fund Balance, Beginning of Year	10,038,560	-	10,038,560	10,038,560	-
Fund Balance, End of Year	\$ 8,211,205	\$ (149,566)	\$ 8,061,639	\$ 11,812,004	\$ 3,750,365
Reconciliation of Governmental Funds Statements (GAAP)					
Restricted Fund Balance					
Capital Reserve				\$ 3,756,345	
Capital Reserve - Designated for Subsequent Year's Budget				979,000	
Maintenance Reserve				647,236	
Emergency Reserve				400,324	
Unemployment Compensation Reserve				226,234	
Excess Surplus (2024/25 Budget)				2,356,623	
Excess Surplus - Designated for Subsequent Year's Budget (2023/24 Budget)				1,434,920	
Assigned Fund Balance					
Year End Encumbrances				380,126	
Insurance Recovery Expenditures				22,727	
Unassigned Fund Balance				1,608,469	
Fund Balance- Budgetary Basis				11,812,004	
Less: State Aid Revenue not recognized on GAAP basis				(1,444,263)	
Fund Balance per Governmental Funds Statements (GAAP)				\$ 10,367,741	

**NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 108,869	\$ 457,081	\$ 367,196	\$ (89,885)
Federal	740,881	2,229,070	2,969,951	1,992,266	(977,685)
Local Sources	-	606,975	606,975	556,969	(50,006)
Total Revenues	<u>1,089,093</u>	<u>2,944,914</u>	<u>4,034,007</u>	<u>2,916,431</u>	<u>(1,117,576)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	81,161	394,180	475,341	216,522	258,819
Purchased Professional/Technical Services	75,727	37,752	113,479	115,417	(1,938)
Other Purchased Services	607,748	86,389	694,137	676,382	17,755
General Supplies	226,173	385,065	611,238	755,957	(144,719)
Textbooks	27,058	6,272	33,330	28,052	5,278
Equipment	24,106	(2,896)	21,210	72,154	(50,944)
Other Objects	-	474,063	474,063	474,063	-
Co-Curricular-Extra-Curricular Activities	-	61,855	61,855	61,855	-
Total Instruction	<u>1,041,973</u>	<u>1,442,680</u>	<u>2,484,653</u>	<u>2,400,402</u>	<u>84,251</u>
Support Services					
Salaries of Other Professional Staff	-	172,440	172,440	89,920	82,520
Purchased Professional/Technical Services	47,120	472,717	519,837	325,018	194,819
Other Purchased Services	-	3,779	3,779	279	3,500
Supplies and Materials	-	85,916	85,916	79,557	6,359
Indirect Costs - Program Administration	-	-	-	1,738	(1,738)
Other Objects	-	12,000	12,000	-	12,000
Scholarship Awards	-	72,362	72,362	72,362	-
Total Support Services	<u>47,120</u>	<u>819,214</u>	<u>866,334</u>	<u>568,874</u>	<u>297,460</u>
Unallocated Benefits					
Employee Benefits	-	28,161	28,161	28,161	-
Facilities Acquisition and Equipment					
Construction Services	-	-	-	-	-
Building	-	210,000	210,000	-	210,000
Instructional Equipment	-	475,859	475,859	-	475,859
Total Facilities Acquisition and Equipment	<u>-</u>	<u>685,859</u>	<u>685,859</u>	<u>-</u>	<u>685,859</u>
Total Expenditures	<u>1,089,093</u>	<u>2,975,914</u>	<u>4,065,007</u>	<u>2,997,437</u>	<u>1,067,570</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	(31,000)	(31,000)	(81,006)	50,006
Other Financing Sources					
Transfers In- General Fund	-	31,000	31,000	31,000	-
Net Change in Fund Balances	-	-	-	(50,006)	50,006
Fund Balance, Beginning of Year	<u>522,422</u>	<u>-</u>	<u>522,422</u>	<u>522,422</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 522,422</u>	<u>\$ -</u>	<u>\$ 522,422</u>	<u>\$ 472,416</u>	<u>\$ 50,006</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Student Activities				\$ 208,330	
Scholarships				<u>264,086</u>	
Total Fund Balance				<u>\$ 472,416</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, 2023**

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) \$ 53,592,380	(C-2)	\$ 2,916,431
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, 2023			(298,350)
Encumbrances June 30, 2022			12,496
State Aid payments not recognized for GAAP purposes, recognized for budgetary statements. 2021/2022 State Aid	1,350,372		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. 2022/2023 State Aid	<u>(1,444,263)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>53,498,489</u>	(B-2)	\$ <u>2,630,577</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 52,248,000	(C-2)	\$ 2,997,437
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, 2023			(298,350)
Encumbrances June 30, 2022	<u>-</u>		<u>12,496</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>52,248,000</u>	(B-2)	\$ <u>2,711,583</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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05499%	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>\$ 8,298,768</u>	<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>\$ 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>	<u>\$ 3,209,279</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	202.74%	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	62.91%	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.

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

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 693,452	\$ 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>693,452</u>	<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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	<u>\$ 4,509,392</u>	<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	15.38%	15.76%	14.85%	13.63%	14.68%	12.29%	12.40%	12.67%	11.75%	10.78%

**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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	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>72,618,829</u>	<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>\$ 72,618,829</u>	<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>\$ 17,696,433</u>	<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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	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.

**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, 2023**

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 Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 4,178,254	\$ 4,737,986	\$ 2,595,388	\$ 2,548,006	\$ 2,723,092	\$ 3,316,095
Interest on Total OPEB Liability	1,659,716	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	2,078,681	(16,054,391)	14,879,290	(7,940,069)	(4,595,442)	-
Changes of Assumptions	(16,800,572)	72,122	15,339,239	756,479	(6,276,705)	(8,186,710)
Gross Benefit Payments	(1,643,998)	(1,493,815)	(1,461,925)	(1,557,447)	(1,462,567)	(1,716,096)
Contribution from the Member	<u>52,740</u>	<u>48,481</u>	<u>44,311</u>	<u>46,167</u>	<u>50,549</u>	<u>63,191</u>
Net Change in Total OPEB Liability	(10,475,179)	(10,871,049)	33,238,310	(3,960,465)	(7,270,228)	(4,568,323)
Total OPEB Liability - Beginning	<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>	<u>66,535,117</u>
Total OPEB Liability - Ending	<u>\$ 62,628,183</u>	<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	<u>62,628,183</u>	<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>
Total OPEB Liability - Ending	<u>\$ 62,628,183</u>	<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>\$ 21,789,788</u>	<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%	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, 2023**

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, 2023

REVENUES	Title I	Title II	Title III	Title IV	Total Page 2	Total Page 3	Total Page 4	Grand Total
Intergovernmental								
State								
Federal	\$ 164,812	\$ 54,482	\$ 9,583	\$ 5,722	\$ 912,454	\$ 149,337	\$ 217,859	\$ 367,196
Local Sources	-	-	-	-	-	-	-	1,992,266
							556,969	556,969
Total Revenues	<u>\$ 164,812</u>	<u>\$ 54,482</u>	<u>\$ 9,583</u>	<u>\$ 5,722</u>	<u>\$ 912,454</u>	<u>\$ 994,550</u>	<u>\$ 774,828</u>	<u>\$ 2,916,431</u>
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 15,338				\$ 107,041	\$ 90,143	\$ 4,000	\$ 216,522
Purchased Professional & Technical Services				\$ 5,545	50,678	59,194	-	115,417
Other Purchased Services					3,701	612,649	60,032	676,382
General Supplies	86,976		\$ 5,992	177	453,628	125,868	83,316	755,957
Textbooks					-	-	28,052	28,052
Equipment					-	-	72,154	72,154
Co-Curricular/Extra-Curricular Activities					-	-	474,063	474,063
Athletic Activities	-	-	-	-	-	-	61,855	61,855
Total Instruction	<u>102,314</u>	<u>-</u>	<u>5,992</u>	<u>5,722</u>	<u>615,048</u>	<u>887,854</u>	<u>783,472</u>	<u>2,400,402</u>
Support Services								
Salaries of Other Professional Staff					89,920	-	-	89,920
Personal Services Employee-Benefits					28,161	-	-	28,161
Purchased Professional & Technical Services	38,096	\$ 51,028			129,198	106,696	-	325,018
Other Purchased Services	279				-	-	-	279
Supplies and Materials	24,123	3,454	1,853		50,127	-	-	79,557
Scholarship Awards					-	-	72,362	72,362
Other - Program Administration	-	-	1,738	-	-	-	-	1,738
Total Support Services	<u>62,498</u>	<u>54,482</u>	<u>3,591</u>	<u>-</u>	<u>297,406</u>	<u>106,696</u>	<u>72,362</u>	<u>597,035</u>
Total Expenditures	<u>\$ 164,812</u>	<u>\$ 54,482</u>	<u>\$ 9,583</u>	<u>\$ 5,722</u>	<u>\$ 912,454</u>	<u>\$ 994,550</u>	<u>\$ 855,834</u>	<u>\$ 2,997,437</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	(81,006)	(81,006)
Other Financing Sources								
Transfers In- General Fund	-	-	-	-	-	-	31,000	31,000
Net Changes in Fund Balances	-	-	-	-	-	-	(50,006)	(50,006)
Fund Balance, Beginning of Year	-	-	-	-	-	-	522,422	522,422
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,416</u>	<u>\$ 472,416</u>

NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSER	ARP Learning Acceleration	ARP Summer	ARP Mental Health	ARP Basic	Page 2 Total
REVENUES									
Intergovernmental									
State									
Federal	\$ 96,650	\$ 6,750	\$ 21,659	\$ 565,067	\$ 116,680	\$ 34,690	\$ 43,231	\$ 27,727	\$ 912,454
Local Sources	-	-	-	-	-	-	-	-	-
	<u>\$ 96,650</u>	<u>\$ 6,750</u>	<u>\$ 21,659</u>	<u>\$ 565,067</u>	<u>\$ 116,680</u>	<u>\$ 34,690</u>	<u>\$ 43,231</u>	<u>\$ 27,727</u>	<u>\$ 912,454</u>
EXPENDITURES									
Instruction									
Salaries of Teachers			\$ 761	\$ 44,010		\$ 34,690	\$ 27,580		\$ 107,041
Purchased Professional & Technical Services	\$ 50,678								50,678
Other Purchased Services				3,701					3,701
General Supplies	12,432			413,469				\$ 27,727	453,628
Textbooks									-
Equipment									-
Co-Curricular/Extra-Curricular Activities									-
Athletic Activities	-	-	-	-	-	-	-	-	-
Total Instruction	<u>63,110</u>	<u>-</u>	<u>761</u>	<u>461,180</u>	<u>-</u>	<u>34,690</u>	<u>27,580</u>	<u>27,727</u>	<u>615,048</u>
Support Services									
Salaries of Other Professional Staff	23,040				\$ 66,880				89,920
Personal Services Employee-Benefits				15,750			12,411		28,161
Purchased Professional & Technical Services	10,500	\$ 6,750	20,898	41,250	49,800				129,198
Other Purchased Services									-
Supplies and Materials	-			46,887	-		3,240		50,127
Scholarship Awards	-	-	-	-	-	-	-	-	-
Total Support Services	<u>33,540</u>	<u>6,750</u>	<u>20,898</u>	<u>103,887</u>	<u>116,680</u>	<u>-</u>	<u>15,651</u>	<u>-</u>	<u>297,406</u>
Total Expenditures	<u>\$ 96,650</u>	<u>\$ 6,750</u>	<u>\$ 21,659</u>	<u>\$ 565,067</u>	<u>\$ 116,680</u>	<u>\$ 34,690</u>	<u>\$ 43,231</u>	<u>\$ 27,727</u>	<u>\$ 912,454</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, 2023

	Chapter 192		Chapter 193			IDEA Basic	IDEA Preschool	Page 3 Total
	Compensatory Education	ESL	Exam/ Classification	Corrective Speech	Supplemental Instruction			
REVENUES								
Intergovernmental								
State	\$ 46,758	\$ 15,836	\$ 30,282	\$ 29,946	\$ 26,515	\$ 798,460	\$ 46,753	\$ 149,337
Federal	-	-	-	-	-	-	-	845,213
Local Sources	-	-	-	-	-	-	-	-
	<u>\$ 46,758</u>	<u>\$ 15,836</u>	<u>\$ 30,282</u>	<u>\$ 29,946</u>	<u>\$ 26,515</u>	<u>\$ 798,460</u>	<u>\$ 46,753</u>	<u>\$ 994,550</u>
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 29,254		\$ 30,282	\$ 4,092	\$ 26,515			\$ 90,143
Purchased Professional & Technical Services	17,504	\$ 15,836		25,854				59,194
Other Purchased Services						\$ 612,649		612,649
Supplies and Materials								-
General Supplies						102,276	\$ 23,592	125,868
Textbooks								-
Equipment								-
Co-Curricular/Extra-Curricular Activities								-
Athletic Activities								-
	<u>46,758</u>	<u>15,836</u>	<u>30,282</u>	<u>29,946</u>	<u>26,515</u>	<u>714,925</u>	<u>23,592</u>	<u>887,854</u>
Total Instruction								
Support Services								
Salaries of Other Professional Staff								-
Personal Services Employee-Benefits								-
Purchased Professional & Technical Services						83,535	23,161	106,696
Other Purchased Services								-
Supplies and Materials								-
Scholarship Awards								-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support Services						83,535	23,161	106,696
Total Expenditures	<u>\$ 46,758</u>	<u>\$ 15,836</u>	<u>\$ 30,282</u>	<u>\$ 29,946</u>	<u>\$ 26,515</u>	<u>\$ 798,460</u>	<u>\$ 46,753</u>	<u>\$ 994,550</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>

NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic Textbook	Nonpublic Technology	Nonpublic Nursing	Nonpublic Security	Local Grant	Student Activities	Scholarships Awards	Page 4 Total
REVENUES								
Intergovernmental								
State	\$ 28,052	\$ 21,135	\$ 60,032	\$ 108,640				\$ 217,859
Federal								-
Local Sources	-	-	-	-	\$ 29,695	\$ 448,591	\$ 78,683	556,969
	<u>\$ 28,052</u>	<u>\$ 21,135</u>	<u>\$ 60,032</u>	<u>\$ 108,640</u>	<u>\$ 29,695</u>	<u>\$ 448,591</u>	<u>\$ 78,683</u>	<u>\$ 774,828</u>
EXPENDITURES								
Instruction								
Salaries of Teachers					\$ 4,000			\$ 4,000
Purchased Professional & Technical Services								-
Other Purchased Services			\$ 60,032					60,032
Supplies and Materials								-
General Supplies		\$ 5,981		\$ 51,640	25,695			83,316
Textbooks	\$ 28,052							28,052
Equipment		15,154		57,000				72,154
Co-Curricular/Extra-Curricular Activities						\$ 474,063		474,063
Athletic Activities	-	-	-	-	-	61,855	-	61,855
Total Instruction	<u>28,052</u>	<u>21,135</u>	<u>60,032</u>	<u>108,640</u>	<u>29,695</u>	<u>535,918</u>	<u>-</u>	<u>783,472</u>
Support Services								
Salaries of Other Professional Staff								-
Personal Services Employee-Benefits								-
Purchased Professional & Technical Services								-
Other Purchased Services								-
Supplies and Materials								-
Scholarship Awards	-	-	-	-	-	-	\$ 72,362	72,362
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,362</u>	<u>72,362</u>
Total Expenditures	<u>\$ 28,052</u>	<u>\$ 21,135</u>	<u>\$ 60,032</u>	<u>\$ 108,640</u>	<u>\$ 29,695</u>	<u>\$ 535,918</u>	<u>\$ 72,362</u>	<u>\$ 855,834</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures)	-	-	-	-	-	(87,327)	6,321	(81,006)
Other Financing Sources								
Transfers In- General Fund	-	-	-	-	-	31,000	-	31,000
Net Changes in Fund Balances	-	-	-	-	-	(56,327)	6,321	(50,006)
Fund Balance, Beginning of Year	-	-	-	-	-	264,657	257,765	522,422
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,330</u>	<u>\$ 264,086</u>	<u>\$ 472,416</u>

**NEW MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30,2023</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
	\$ 2,619,300	\$ 2,607,698	\$ -	\$ 11,602
<u>Reconciliation to GAAP</u>				
				\$ 11,602
				\$ 11,602
<u>Recapitulation of Fund Balance</u>				
				11,602
				11,602
				\$ 11,602

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, 2023

Fund Balance, July 1, 2022	\$ <u>11,602</u>
Fund Balance - June 30, 2023	\$ <u>11,602</u>
Reconciliation to GAAP Basis	
<hr style="border: 0.5px solid black;"/>	
Fund Balance, June 30, 2023 - Budgetary Basis	\$ <u>11,602</u>
Fund Balance, June 30, 2023 - 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, 2023

	<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>
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>
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>			

PROPRIETARY FUNDS

NEW MILFORD BOARD OF EDUCATION
 ENTERPRISE FUNDS - NON-MAJOR
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023

	Non-Major Enterprise Funds			<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	\$ -	\$ -	\$ 8,090	\$ 8,090
Total Assets	-	-	8,090	8,090
NET POSITION				
Unrestricted	-	-	8,090	8,090
Total Net Position	\$ -	\$ -	\$ 8,090	\$ 8,090

**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, 2023**

	Non-Major Enterprise Funds			Total
	Broadway Kids Summer Program	After School Enrichment Program	Summer Music Program	
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	\$ 71	\$ 228	-	\$ 299
Total Nonoperating Revenue	71	228	-	299
Change in Net Position Before Transfers	71	228	-	299
Transfers Out	(16,481)	(32,222)	-	(48,703)
Change in Net Position	(16,410)	(31,994)	-	(48,404)
Total Net Position , Beginning of Year	16,410	31,994	\$ 8,090	56,494
Total Net Position, End of Year	\$ -	\$ -	\$ 8,090	\$ 8,090

**NEW MILFORD BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Non-Major Enterprise Funds			Total
	Broadway Kids Summer Program	After School Enrichment Program	Sumer Music Program	
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	\$ (16,481)	\$ (32,222)	-	\$ (48,703)
Net Cash Provided/(Used) by Noncapital Financing Activities	(16,481)	(32,222)	-	(48,703)
Cash Flows from Investing Activities				
Interest on Investments	71	228	-	299
Net Cash Provided by Investing Activities	71	228	-	299
Net Increase/(Decrease) in Cash and Cash Equivalents	(16,410)	(31,994)	-	(48,404)
Cash and Cash Equivalents, Beginning of Year	16,410	31,994	\$ 8,090	56,494
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ 8,090	\$ 8,090
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	\$ -	\$ -	\$ -	\$ -

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, 2023**

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, 2023**

	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<u>Capital Financing Agreements</u>					
2019 28 Passenger School Bus	\$ 100,691	\$ 42,483		\$ 20,856	\$ 21,627
2021 Bus Lease	111,392	66,934		21,838	45,096
HS Field Renovations	2,000,000	819,571		404,261	415,310
Security Cameras	163,660	98,754		31,626	67,128
Steinway Piano	37,288	9,322		9,322	-
	5,045	583		583	-
7 District Copiers	104,289	32,017		22,383	9,634
8 District Copiers	188,614	83,880		39,262	44,618
8 District Copiers	158,522	36,403		33,414	2,989
Copier	16,529	10,902		5,093	5,809
2022 54 Passenger bus	117,930	87,004		28,070	58,934
Copiers	411,361	-	\$ 411,361	31,448	379,913
Total Capital Financing Agreements		<u>\$ 1,287,853</u>	<u>\$ 411,361</u>	<u>\$ 648,156</u>	<u>\$ 1,051,058</u>

**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, 2023**

	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<u>Other Financing Agreements</u>					
Purchase of Chromebook Laptops and Supplies	\$ 330,540	\$ 83,895		\$ 83,895	
Purchase of Chromebook Laptops and Supplies	139,860	69,896		34,401	\$ 35,495
Copiers	7,389	<u>1,132</u>	<u>-</u>	<u>1,132</u>	<u>-</u>
Total Other Purchase Agreements		<u>\$ 154,923</u>	<u>\$ -</u>	<u>\$ 119,428</u>	<u>\$ 35,495</u>
<u>Leases Payable</u>					
Wings Building Lease	\$ 101,172	\$ 38,267		\$ 35,287	\$ 2,980
DEO Trailers	32,275	17,642		16,271	1,371
Gibbs Trailers	20,921	<u>12,305</u>	<u>-</u>	<u>10,530</u>	<u>1,775</u>
		<u>\$ 68,214</u>	<u>\$ -</u>	<u>\$ 62,088</u>	<u>\$ 6,126</u>
Totals		<u>\$ 1,510,990</u>	<u>\$ 411,361</u>	<u>\$ 829,672</u>	<u>\$ 1,092,679</u>

**NEW MILFORD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	(Restated)		(Restated)							
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 19,187,126
Restricted	2,070,989	852,217	547,609	405,594	930,816	1,318,968	1,879,309	2,920,581	4,807,527	6,092,833
Unrestricted	(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)	(4,744,593)
Total Governmental Activities Net Position	<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>	<u>\$ 20,535,366</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 86,190	\$ 87,431	\$ 73,037	\$ 114,265	\$ 114,669	\$ 98,325	\$ 94,225	\$ 62,407	\$ 73,604	\$ 57,785
Restricted										
Unrestricted	570,601	568,752	536,454	464,276	408,289	475,140	446,839	479,831	729,497	909,345
Total Business-Type Activities Net Position	<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>	<u>\$ 967,130</u>
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 19,244,911
Restricted	2,070,989	852,217	547,609	405,594	930,816	1,318,968	1,879,309	2,920,581	4,807,527	6,092,833
Unrestricted	(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)	(3,835,248)
Total District Net Position	<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>	<u>\$ 21,502,496</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)**

	2014	2015	2016	2017	Fiscal Year Ended June 30,		2020	2021	2022	2023
					2018	2019				
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 18,408,579
Special Education	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	8,672,035
Other Instruction	417,445	504,294	580,206	703,985	756,966	706,321	741,526	930,282	893,439	1,446,399
School Sponsored Activities and Athletics	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	1,863,972
Support Services:										
Student & Instruction Related Services	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	6,953,911
General Administration Services	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	1,238,884
School Administrative Services	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	3,504,008
Central and Other Support Services	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	1,700,368
Plant Operations and Maintenance	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	5,548,569
Pupil Transportation	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	1,601,956
Interest On Long-Term Debt	112,175	98,437	84,856	68,297	46,488	35,955	88,524	47,753	76,863	24,394
Total Governmental Activities Expenses	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	50,963,075
Business-Type Activities:										
Food Service	667,601	688,173	758,581	753,051	888,859	764,959	577,310	222,204	1,000,369	967,992
Knight Care Latch Key Program	382,395	404,012	470,431	440,947	365,999	387,794	332,243	24,568	435,404	454,383
Broadway Kids Summer Enrichment Program	18,795	18,407	17,080	19,181	24,458	21,459	10,177	-	-	-
After School Enrichment Program	17,588	13,062	6,181	10,747	11,107	12,652	1,500	-	-	-
Summer Music Program	-	-	-	-	13,680	12,550	2,765	-	-	-
Total Business-Type Activities Expense	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	1,422,375
Total District Expenses	\$ 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	\$ 52,385,450
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Education					\$ 6,721	\$ 47,070	\$ 31,862		\$ 80,215	\$ 92,989
Special Education	\$ 175,006	\$ 348,161	\$ 396,222	\$ 460,111	729,067	988,020	1,050,265	\$ 1,164,591	862,610	939,176
School Sponsored Activities and Athletics								130,322	246,485	448,591
Student and Instruction Related Services									150,000	191,600
Pupil Transportation	23,837	31,003	14,005	50,308	21,786	21,325	25,506	19,777	36,132	38,869
Operating Grants And Contributions	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	11,658,056
Capital Grants And Contributions	77,215	798,271	-	63,532	13,145	242,099	79,003	57,331	6,699	-
Total Governmental Activities Program Revenues	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	13,369,281
Business-Type Activities:										
Charges For Services:										
Food Service	549,519	548,960	611,632	605,142	617,570	603,824	415,018	1,697	166,609	737,133
Knight Care Latch Key Program	377,202	368,789	369,270	348,163	384,851	394,999	322,433		378,275	469,884
Broadway Kids Summer Enrichment Prgm	17,952	17,799	18,875	20,343	23,102	22,737	23,290			
After School Enrichment Program	24,240	15,400	9,770	13,545	12,440	17,745				
Summer Music Program					13,635	12,695	10,755			
Operating Grants And Contributions	184,209	171,149	194,753	204,233	195,703	195,791	139,431	246,117	1,150,619	419,761
Capital Grants And Contributions										
Total Business Type Activities Program Revenues	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	1,626,778
Total District Program Revenues	\$ 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	\$ 14,996,059
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (37,593,794)
Business-Type Activities	66,743	(1,557)	(47,973)	(32,500)	(56,802)	48,377	(13,068)	1,042	259,730	204,403
Total District-Wide Net Expense	\$ (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)	\$ (37,389,391)

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

	2014	2015	2016	2017	Fiscal Year Ended June 30,		2020	2021	2022	2023
					2018	2019				
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 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	\$ 36,583,745
Property Taxes Levied For Debt Service	524,500	523,725	530,300	517,800	495,300	477,900	455,600	433,500	-	-
State Aid, Unrestricted	323,248	363,388	365,248	370,650	440,266	389,442	570,651	676,071	1,148,219	3,145,788
Investment Earnings	18,622	20,577	21,585	23,979	26,470	86,897	63,157	9,102	18,765	97,974
Miscellaneous Income	194,654	70,280	67,882	79,866	78,592	45,806	4,668	40,207	57,660	222,684
Transfers			1,969	1,481	1,588	4,824	3,668	224	144	48,703
Total Governmental Activities	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	40,098,894
Business-Type Activities:										
Investment Earnings	\$ 784	\$ 949	\$ 3,250	\$ 3,031	\$ 2,807	\$ 6,954	\$ 4,939	\$ 356	\$ 1,277	\$ 8,329
Transfers			(1,969)	(1,481)	(1,588)	(4,824)	(3,668)	(224)	(144)	(48,703)
Total Business-Type Activities	784	949	1,281	1,550	1,219	2,130	1,271	132	1,133	(40,374)
Total District-Wide	\$ 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	\$ 40,058,520
Change In Net Position										
Governmental Activities	\$ 210,978	\$ 315,205	\$ 155,251	\$ (1,039,974)	\$ (28,648)	\$ 683,481	\$ 989,559	\$ 2,021,485	\$ 2,794,346	\$ 2,505,100
Business-Type Activities	67,527	(608)	(46,692)	(30,950)	(55,583)	50,507	(11,797)	1,174	260,863	164,029
Total District	\$ 278,505	\$ 314,597	\$ 108,559	\$ (1,070,924)	\$ (84,231)	\$ 733,988	\$ 977,762	\$ 2,022,659	\$ 3,055,209	\$ 2,669,129

Source: District's financial statements

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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 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	\$ 9,800,682
Committed	27,500		305,410	29,350	31,250					
Assigned	408,683	164,812	250,606	122,209	291,455	168,763	295,363	302,400	471,897	402,853
Unassigned	69,119	112,083	114,367	145,093	155,332	129,221	(22,423)	820,815	879,298	164,206
Total General Fund	\$ 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	\$ 10,367,741
All Other Governmental Funds										
Restricted	\$ 5,650	\$ 464,869	\$ 417,416			\$ 2,384,075	\$ 449,078	\$ 489,447	\$ 534,024	\$ 484,018
Unassigned	(101,785)	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ (96,135)	\$ 464,869	\$ 417,416	\$ -	\$ -	\$ 2,384,075	\$ 449,078	\$ 489,447	\$ 534,024	\$ 484,018

**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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Tax Levy	\$ 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	\$ 36,583,745
Tuition Charges	175,006	348,161	396,222	460,111	735,788	1,035,090	1,082,127	1,164,591	942,825	1,032,165
Transportation Fees	23,837	31,003	14,005	50,308	21,786	21,325	25,506	19,777	36,132	38,869
Interest Earnings	18,622	20,577	21,585	23,979	26,470	86,897	63,157	9,102	18,765	97,974
Miscellaneous	203,154	93,272	99,518	107,768	118,231	71,190	57,357	309,982	521,709	971,253
State Sources	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	15,675,924
Federal Sources	776,445	723,262	806,205	859,521	723,504	796,936	889,144	929,725	1,267,974	1,729,136
Total Revenue	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	56,129,066
Expenditures										
Instruction										
Regular Instruction	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	20,077,726
Special Education Instruction	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	9,266,524
Other Instruction	417,445	437,067	521,826	560,710	605,970	625,451	674,161	805,339	930,335	1,538,609
School Sponsored Activities And Athletics	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	1,708,725
Community Services										
Support Services:										
Student & Inst. Related Services	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	7,401,170
General Administration	885,530	1,153,479	928,460	972,996	985,583	957,026	1,447,131	1,242,060	1,308,433	1,325,688
School Administrative Services	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	3,836,467
Central and Other Support Services	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	1,662,417
Plant Operations And Maintenance	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	4,802,268
Pupil Transportation	971,494	968,408	1,114,732	1,113,337	1,045,392	1,098,112	1,016,186	998,194	1,459,327	1,563,064
Capital Outlay	611,389	2,613,175	527,431	954,241	165,541	698,556	2,785,010	408,221	880,551	898,302
Debt Service:										
Principal	409,400	635,057	656,547	714,464	556,054	669,303	1,116,756	1,016,929	799,905	829,672
Interest And Other Charges	136,178	116,260	110,588	86,030	67,138	46,825	61,061	66,897	65,866	48,951
Total Expenditures	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	54,959,583
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(190,273)	(2,144,930)	47,564	(752,787)	796,197	510,735	(1,386,046)	1,824,794	787,985	1,169,483
Other Financing Sources (Uses)										
Capital Finance Agreements & Other Finance Agreements		716,266		275,156		2,419,526	604,896	111,392	117,930	411,361
Lease Proceeds									53,196	-
Insurance Recoveries									160,878	-
Transfers In	-	1,750,042	1,969	418,897	1,588	604,824	3,668	49,709	98,854	79,703
Transfers Out	-	(1,750,042)		(417,416)	-	(600,000)		(49,485)	(98,710)	(31,000)
Total Other Financing Sources (Uses)	-	716,266	1,969	276,637	1,588	2,424,350	608,564	111,616	332,148	460,064
Net Change In Fund Balances	\$ (190,273)	\$ (1,428,664)	\$ 49,533	\$ (476,150)	\$ 797,785	\$ 2,935,085	\$ (777,482)	\$ 1,936,410	\$ 1,120,133	\$ 1,629,547
Debt Service As A Percentage Of										
Noncapital Expenditures	1.56%	2.04%	2.03%	2.02%	1.52%	1.65%	2.64%	2.36%	1.74%	1.63%

* 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>Student Activity Fees</u>	<u>Cancellation of Prior Year Payables</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2023	1,032,165	97,974			38,869			414,284	1,583,292

Source: District's financial statements

**NEW MILFORD BOARD OF EDUCATION
 ASSESSED VALUATION AND ACTUAL VALUATION 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
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
2023	864,500	1,375,556,300	-	-	83,417,800	3,892,300	140,220,700	1,603,951,600	-	1,603,951,600	2,481,679,967	2.370

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		
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
2023	2.370	1.175	0.370		3.915

Source: Tax Duplicate, Borough of New Milford

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

Taxpayer	2023		Taxpayer	2014	
	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	2.78%
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	0.78%	Dorchester Manor	13,500,000	0.86%
Bal Bay Realty, LTD	10,962,500	0.68%	New Meditrust Co LLC % Woodcrest Hcc	13,130,200	0.84%
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%	Inserra Associates	5,624,800	0.36%
Bal Bay Realty, LTD	8,991,900	0.56%	Brookchester Shopping Center	5,262,600	0.34%
Brookchester LLC	8,614,600	0.54%	Canterbury Village	3,773,800	0.24%
Bal Bay Realty, LTD	7,832,600	0.49%	730 River Rd Prop c/o Curtis Corp	3,100,000	0.20%
Total	\$ 111,826,800	6.97%		\$ 174,447,000	11.11%

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	
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%	
2023	36,583,745	36,583,745	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			
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
2023	-	1,051,058	35,495	6,126	1,092,679	16,875	65

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
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%	-
2023	-		-	0.00%	-

Source: District Records

**NEW MILFORD BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
(Unaudited)**

<u>Governmental Unit</u>	<u>Total Debt</u>
Municipal Debt: (1)	
New Milford Board of Education (June 30, 2023)	
Borough of New Milford	\$ 18,820,024
Overlapping Debt Apportioned to the Municipality	
Bergen County: (2) and (3)	
County of Bergen (A)	16,576,873
Bergen County Utilities Authority - Waste Water (B)	<u>4,486,113</u>
Total direct and overlapping debt	<u><u>\$ 39,883,010</u></u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2022 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 2022 Annual Debt Statement
- (2) BCUA 2022 Audit
- (3) Bergen County 2022 Annual Debt Statement

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 88,999,460
Total net debt applicable to limit	<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>\$ 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>	<u>\$ 88,999,460</u>
Total net debt applicable to the limit as a percentage of debt limit	4.12%	3.66%	3.04%	2.39%	1.76%	1.15%	0.56%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2020 \$ 2,066,231,288
	2021 2,134,321,286
	2022 <u>2,474,406,955</u>
	<u>\$ 6,674,959,529</u>
Average equalized valuation of taxable property	<u>\$ 2,224,986,510</u>
Debt limit (4 % of average equalization value)	\$ 88,999,460
Total Net Debt Applicable to Limit	-
Legal debt margin	<u>\$ 88,999,460</u>

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)**

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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%
2023	16,875	97,343	3.4%

Source:

United States Bureau of Census, Population Division estimates

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

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

Employer	2023		2014	
	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>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	125	123.5	128.8	128.8	120.5	124.2	126.7	127.7	144.7	142.7
Special Education	23	22.5	26.4	27.7	31.3	34.0	37.8	38.0	35.0	35.0
Other Instruction	55	52.2	65.6	73.4	73.2	71.2	83.0	76.1	70.2	73.3
Support Services:										
Tuition										
Student & Instruction Related Services	29	29.6	37.7	39.0	36.6	36.6	41.3	50.0	43.7	46.5
General Administrative Services	4	4.4	5.4	6.4	8.8	8.8	4.4	5.0	8.0	9.0
School Administrative Services	20	23.5	19.7	22.1	19.9	19.5	18.1	19.1	23.6	22.6
Business Administrative Services	9	9.0	9.0	9.0	9.0	6.0	8.5	6.0	6.0	5.0
Plant Operations and Maintenance	30	30.5	33.3	19.6	28.5	28.5	25.5	25.8	26.8	25.8
Pupil Transportation	8	7.1	7.3	10.6	5.0	5.0	5.5	6.6	8.2	8.0
Child Care	32	33.0	46.0	30.0	46.0	46.0	42.0	42.0	41.0	44.0
Total	<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>407.2</u>	<u>411.9</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	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Senior High School				
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	7.46%	218	8:01	10:01	2,030	1,947	2.59%	95.88%
2023	2,012	53,182,658	26,433	9.98%	217	8:01	10:01	2,022	1,927	-0.41%	95.30%

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>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>2023</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	4,938
Capacity (students)	410	410	410	410	410	410	410	410	410	410
Enrollment	459	453	436	424	425	463	470	472	469	466
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	449	456	474	465	458	495	492	495	503	516
<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	481	445	453	449	523	464	460	497	465	477
<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	645	631	648	618	590	585	586	587	598	572
Number of Schools at June 30, 2023										
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>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>2023</u>
Berkley Street Elementary	\$ 133,231	\$ 100,020	\$ 109,200	\$ 42,929	\$ 113,993	\$ 94,773	\$ 106,516	\$ 118,794	\$ 95,315	\$ 11,280
B. F. Gibbs Elementary	98,284	87,155	98,936	94,738	109,976	92,850	99,860	116,383	54,086	110,644
David E. Owens Middle School	233,322	174,255	266,628	222,760	181,264	153,730	166,433	192,694	251,034	183,191
New Milford High School	<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>	<u>319,630</u>
Total School Facilities	<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>	<u>\$ 624,745</u>

**NEW MILFORD BOARD OF EDUCATION
INSURANCE SCHEDULE
AS OF JUNE 30, 2023
(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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

**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, 2023 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 5, 2024.

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

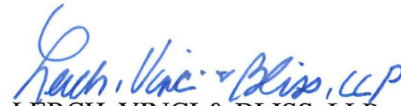
As part of obtaining reasonable assurance about whether the New Milford Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 5, 2024.

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.

Fair Lawn, New Jersey
March 5, 2024


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829



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
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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

**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, 2023. 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, 2023.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the New Milford Board of Education's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The New Milford Board of Education's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

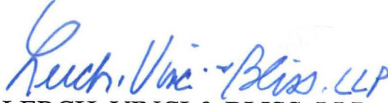
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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, 2023, 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 5, 2024, 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 5, 2024

NEW MILFORD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Balance, July 1, 2022	Unearned	Account	Cash	Budgetary	Repayment of	Adjustments	Balance, June 30, 2023		Due to Grantor	Memo GAAP Receivable
						Revenue Carryover Amount	Receivable Carryover Amount			Prior Years' Balances	Unearned Revenue	(Accounts Receivable)	Unearned Revenue/		
U.S. Department of Agriculture Passed-Through State Department of Education:															
National School Lunch Program	10.555														
Non-Cash Assistance		231NJ304N1099	7/1/22-6/30/23	\$ 57,883				\$ 57,883	\$ 57,213				\$ 670		
Non-Cash Assistance		221NJ304N1099	7/1/21-6/30/22	54,672	\$ 981				981						
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	240,946				228,253	240,946			\$ (12,693)			\$ (12,693)
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	1,069,373	(79,365)			79,365							
Supply Chain Assistance		231NJ304N1099	7/1/22-6/30/23	107,453	-	-	-	107,453	107,453	-	-	-	-	-	-
Total Child Nutrition Cluster / Enterprise Fund					(78,384)	-	-	472,954	406,593	-	-	(12,693)	670	-	(12,693)
U.S. Department of Education Passed-Through State Department of Education:															
General Fund															
Medical Assistance Program	93.778	2305NJ5MAP	7/1/22-6/30/23	33,587	-	-	-	33,587	33,587	-	-	-	-	-	-
Total General Fund					-	-	-	33,587	33,587	-	-	-	-	-	-
Special Revenue Fund															
Title I	84.010A	S010A210030	7/1/22 - 9/30/23	82,609		\$ 84,377	\$ (84,377)	81,556	164,812			(85,430)	2,174		(83,256)
Title I	84.010A	S010A200030	7/1/21 - 9/30/22	87,321	(20,081)	(84,377)	84,377	20,081				-			-
Title II - Part A	84.367A	S367A210029	7/1/22 - 9/30/23	42,921		23,718	(23,718)	29,258	54,482			(37,381)	12,157		(25,224)
Title II - Part A	84.367A	S367A200029	7/1/21 - 9/30/22	38,168	(14,435)	(23,718)	23,718	14,339			\$ 96	-			-
Title III	84.365A	S365A210030	7/1/22 - 9/30/23	14,111		10,313	(10,313)	3,756	9,562			(20,668)	14,862		(5,806)
Title III	84.365A	S365A200030	7/1/21 - 9/30/22	16,985	(4,617)	(10,313)	10,313	4,638	21			-			-
Title III Immigrant	84.365A	S365A200030	7/1/21 - 9/30/22	-	391	-	-	-	-	\$ 391	-	-	-	-	-
Total English Language Acquisition (Title III) Cluster					(4,226)	-	-	8,394	9,583	391	-	(20,668)	14,862	-	(5,806)
Title IV	84.358B	S358B200100	7/1/22 - 9/30/23	10,000	-	12,953	(12,953)	2,007	5,722			(20,946)	17,231	-	(3,715)
Title IV	84.358B	S358B200100	7/1/21 - 9/30/22	12,953	-	(12,953)	12,953	-	-			-	-	-	-
I.D.E.A. Part B, Basic	84.027A	H027A210100	7/1/22 - 9/30/23	584,241		274,963	(274,963)	737,223	795,370			(121,981)	63,834		(58,147)
I.D.E.A. Part B, Basic	84.027A	H027A200100	7/1/21 - 9/30/22	575,139	(152,617)	(274,963)	274,963	155,707	3,090			-			-
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, ARP Basic	84.027X	H027X210100	7/1/21-9/30/22	119,110	(68,115)			91,664	27,727			(4,178)	-		(4,178)
I.D.E.A. Preschool	84.173A	H173A210114	7/1/22 - 9/30/23	29,929		27,331	(27,331)	39,820	46,327			(17,440)	10,933		(6,507)
I.D.E.A. Preschool	84.173A	H173A200114	7/1/21 - 9/30/22	27,527	(3,323)	(27,331)	27,331	3,749	426			(56)	56		-
IDEA ARP Preschool	84.173X	H173X210114	7/1/21-9/30/22	10,162	(10,162)	-	-	10,162	-			-	-		-
Total Special Education Cluster (IDEA)					(232,383)	-	-	1,038,325	872,940	-	-	(143,655)	74,823	1,834	(68,832)

NEW MILFORD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Unearned		Cash	Budgetary	Repayment of	Adjustments		Balance, June 30, 2023		Due to	Memo
					Revenue	Account				Unearned	Unearned	(Accounts	Unearned		
					Balance,	Carryover	Carryover	Expenditures	Prior Years'	Revenue	Receivable)	Revenue/			
					July 1, 2022	Amount	Amount	Received	Balances		Receivable)				Receivable
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	\$ (3,040)	-	-	\$ 3,040			-	\$ (232)	\$ 232		\$ -
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	(125,454)			222,104	96,650		-	-			-
Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	37,331	-			6,750	6,750		-	-			-
Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(457)			22,115	21,659	1	-	-			-
American Rescue Plan ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,307,349	(14,303)				565,067		(1,307,349)	727,979			(579,370)
Accelerated Learning Coach & Educator Support	84.425U	S425U210027	3/13/20-9/30/24	173,394	-				116,680		(173,394)	56,714			(116,680)
Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	-				34,690		(40,000)	5,310			(34,690)
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	-	-	-		43,231	-	(45,000)	1,769			(43,231)
Total ESSER Cluster					(143,654)	-	-	254,009	884,727	-	1	(1,605,975)	831,604	-	(774,371)
Total Special Revenue Fund					(414,779)	-	-	1,447,969	1,992,266	391	\$ 97	(1,914,055)	952,851	1,834	(961,204)
Total Federal Awards					\$ (493,163)	\$ -	\$ -	\$ 1,954,510	\$ 2,432,446	\$ 391	\$ 97	\$ (1,926,748)	\$ 953,521	\$ 1,834	\$ (973,897)

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, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2023			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	23-495-034-5120-078	7/1/22 - 6/30/23	\$ 2,880,215			\$ 2,604,701	\$ 2,880,215		\$ (275,514)				\$ 2,880,215	
Equalization Aid	22-495-034-5120-078	7/1/21 - 6/30/22	1,184,837	(110,004)		110,004			-				-	
Special Education Aid	23-495-034-5120-089	7/1/22 - 6/30/23	1,294,330			1,170,518	1,294,330		(123,812)				1,294,330	
Special Education Aid	22-495-034-5120-089	7/1/21 - 6/30/22	1,294,330	(120,170)		120,170			-				-	
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	73,366			66,348	73,366		(7,018)				73,366	
Security Aid	22-495-034-5120-084	7/1/21 - 6/30/22	73,366	(6,812)	-	6,812	-		-				-	
Additional Supplemental Stabilization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	397,496			397,496	397,496		-				397,496	
Subtotal State Aid Public Cluster				(236,986)	-	4,476,049	4,645,407	-	(406,344)	-	-	-	4,645,407	
Transportation Aid														
Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	430,582			389,393	430,582		(41,189)				430,582	
Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	430,582	(39,977)		39,977			-				-	
Non-Public Transportation	23-495-034-5120-014	7/1/22 - 6/30/23	76,056				76,056		(76,056)			(76,056)	76,056	
Non-Public Transportation	22-495-034-5120-014	7/1/21 - 6/30/22	73,038	(73,038)	-	73,038	-		-			-	-	
Subtotal Transportation Cluster				(113,015)	-	502,408	506,638	-	(117,245)	-	-	(76,056)	506,638	
Extraordinary Aid														
Extraordinary Aid	23-100-034-5120-044	7/1/22 - 6/30/23	996,730				996,730		(996,730)				996,730	
Extraordinary Aid	22-100-034-5120-044	7/1/21 - 6/30/22	1,073,409	(1,073,409)		1,073,409			-				-	
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	7/1/22 - 6/30/23	1,294,784			1,168,313	1,294,784		(126,471)			(126,471)	1,294,784	
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	7/1/21 - 6/30/22	1,281,527	(62,373)		62,373			-			-	-	
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	7/1/22 - 6/30/23	6,206,401			6,206,401	6,206,401		-				6,206,401	
On-Behalf TPAF Pension - NCGI Premium	23-495-034-5094-004	7/1/22 - 6/30/23	86,107			86,107	86,107		-				86,107	
On-Behalf TPAF Pension - LTDI	23-495-034-5094-004	7/1/22 - 6/30/23	2,662			2,662	2,662		-				2,662	
Oh-Behalf TPAF Post Retirement													-	
Medical Contribution	23-495-034-5094-001	7/1/22 - 6/30/23	1,653,027	-	-	1,653,027	1,653,027	-	-	-	-	-	1,653,027	
Total General Fund				(1,485,783)	-	15,230,749	15,391,756	-	(1,646,790)	-	-	(202,527)	15,391,756	
New Jersey Nonpublic Aid:														
Nursing Services	23-100-034-5120-070	7/1/22 - 6/30/23	60,032			60,032	60,032		-				60,032	
Textbook Aid	23-100-034-5120-064	7/1/22 - 6/30/23	33,330			33,330	28,052			\$ 5,278			28,052	
Textbook Aid	22-100-034-5120-064	7/1/21 - 6/30/22	30,671		697			\$ 697					-	
Technology	23-100-034-5120-373	7/1/22 - 6/30/23	21,210			21,210	21,135				75		21,135	
Technology	22-100-034-5120-373	7/1/21 - 6/30/22	21,462		624					624			-	
Technology	20-100-034-5120-373	7/1/19 - 6/30/20	21,096		103					103			-	
Security Aid	23-100-034-5120-509	7/1/22 - 6/30/23	109,880			109,880	108,640				1,240		108,640	
Security Aid	22-100-034-5120-509	7/1/21 - 6/30/22	96,425		116								-	
Auxiliary Services (Chapter 192):														
Compensatory Education	23-100-034-5120-067	7/1/22 - 6/30/23	82,523			82,523	46,758				35,765		46,758	
Compensatory Education	22-100-034-5120-067	7/1/21 - 6/30/22	85,638		43,869								-	
English as a Second Language	23-100-034-5120-067	7/1/22 - 6/30/23	19,443			19,443	15,836		43,869				15,836	
English as a Second Language	22-100-034-5120-067	7/1/21 - 6/30/22	18,270		6,332				6,332				-	
Total Auxiliary Services (Chapter 192 Cluster)				-	50,201	101,966	62,594	50,201	-	-	39,372	-	62,594	
Handicapped Services (Chapter 193):														
Examination and Classification	23-100-034-5120-066	7/1/22 - 6/30/23	47,788			47,788	30,282				17,506		30,282	
Examination and Classification	22-100-034-5120-066	7/1/21 - 6/30/22	34,899		1,908								-	
Corrective Speech	23-100-034-5120-066	7/1/22 - 6/30/23	32,364			32,364	29,946		1,908		2,418		29,946	
Corrective Speech	22-100-034-5120-066	7/1/21 - 6/30/22	25,296		6,231								-	
Supplementary Instruction	23-100-034-5120-066	7/1/22 - 6/30/23	39,648			39,648	26,515		6,231		13,133		26,515	
Supplementary Instruction	22-100-034-5120-066	7/1/21 - 6/30/22	36,344		7,914				7,914				-	
Total Handicapped Services (Chapter 193 Cluster)				-	16,053	119,800	86,743	16,053	-	-	33,057	-	86,743	
Total Special Revenue Fund														
				-	67,794	446,218	367,196	67,794	-	-	79,022	-	367,196	
Total State Department of Education														
				(1,485,783)	67,794	15,676,967	15,758,952	67,794	(1,646,790)	-	79,022	(202,527)	15,758,952	

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

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance, June 30, 2022</u>		<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior Years' Balances</u>	<u>Balance, June 30, 2023</u>			<u>MEMO</u>	
				<u>Unearned Revenue/ (Accts Rec.)</u>	<u>Due to Grantor</u>				<u>(Accounts Receivable)</u>	<u>Unearned Revenue</u>	<u>Due to Grantor</u>	<u>GAAP Receivable</u>	<u>Combined Total Expenditures</u>
Department of Agriculture													
National School Lunch Program (State Share)	23-100-010-3350-023	7/1/22 - 6/30/23	\$ 13,168			\$ 12,477	\$ 13,168		\$ (691)	\$ -		\$ (691)	\$ 13,168
National School Lunch Program (State Share)	22-100-010-3350-023	7/1/21 - 6/30/22	25,139	(1,826)	-	1,826	-	-	-	-	-	-	-
Total Department of Agriculture (Food Service Fund)				(1,826)	-	14,303	13,168	-	(691)	-	-	(691)	13,168
Total State Financial Assistance Subject to Single Audit Determination				(1,487,609)	\$ 67,794	\$ 15,691,270	\$ 15,772,120	\$ 67,794	(1,647,481)	-	\$ 79,022	(203,218)	15,772,120
State Financial Assistance													
Not Subject to Major Program Determination													
General Fund													
On-Behalf TPAF Pension Benefit Contribution	23-495-034-5094-002	7/1/22 - 6/30/23	6,206,401			(6,206,401)	(6,206,401)						(6,206,401)
On-Behalf TPAF Pension -NCGI Premium	23-495-034-5094-004	7/1/22 - 6/30/23	86,107			(86,107)	(86,107)						(86,107)
On-Behalf TPAF Pension -LTDI	23-495-034-5094-004	7/1/22 - 6/30/23	2,662			(2,662)	(2,662)						(2,662)
On-Behalf TPAF Post-Retirement Medical	23-495-034-5094-001	7/1/22 - 6/30/23	1,653,027			(1,653,027)	(1,653,027)						(1,653,027)
Total State Financial Assistance Subject to Major Program Determination				\$ (1,487,609)	\$ 67,794	\$ 7,743,073	\$ 7,823,923	\$ 67,794	(1,647,481)	\$ -	\$ 79,022	(203,218)	\$ 7,823,923

**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, 2023**

NOTE 1 REPORTING ENTITY

The New Milford Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 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 \$93,891 for the general fund and a decrease of \$285,854 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	\$ 33,587	\$ 15,297,865	\$ 15,331,452
Special Revenue Fund	1,695,549	378,059	2,073,608
Food Service Fund	<u>406,593</u>	<u>13,168</u>	<u>419,761</u>
Total Financial Assistance	<u>\$ 2,135,729</u>	<u>\$ 15,689,092</u>	<u>\$ 17,824,821</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, 2023**

NOTE 5 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 6 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 \$1,294,784 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$6,292,508, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,653,027 and TPAF Long-Term Disability Insurance in the amount of \$2,662 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 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 8 DE MINIMIS INDIRECT COST RATE

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

**NEW MILFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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? X yes 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>84.027A</u>	<u>H027A210100</u>	<u>I.D.E.A. Part B, Basic</u>
<u>84.027X</u>	<u>H027X210100</u>	<u>I.D.E.A. ARP Basic</u>
<u>84.173A</u>	<u>H173A210114</u>	<u>I.D.E.A. Preschool</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan (ARP)</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>ESSER II</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, 2023**

Part I – Summary of Auditor’s Results

State 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 N.J. Circular Letter 15-08 ? _____ yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Aid
23-495-034-5120-084	Security Aid
23-100-034-5120-044	Extraordinary Aid

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, 2023**

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, 2023**

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

Finding 2023-001

Our audit of salary charges to the ARP ESSER grant program revealed that three employees charged to the program did not have a time and effort activity reports on file.

State program information:

ARP ESSER	84.425U
-----------	---------

Criteria or specific requirement:

Federal Grant Compliance Supplement – Employee Time and Effort

Condition:

The time and effort report was not provided for three (3) individuals.

Questioned Costs:

Undeterminable.

Context:

We noted the time and effort report was not provided for three (3) individuals charged to the ARP ESSER program.

Effect:

Personnel charged to Federal grants may not be allowable grant charges.

Cause:

Unknown.

Recommendation:

Time and effort activity reports be available for all employees charged to the ARP ESSER grant program.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

NEW MILFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 STATE AWARDS

There were none.

**NEW MILFORD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

There were none.