

**SCHOOL DISTRICT OF THE
TOWNSHIP OF WEST MILFORD
COUNTY OF PASSAIC, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Township of West Milford School District

Board of Education

West Milford, New Jersey

For the Fiscal Year Ended June 30, 2023

WEST MILFORD BOARD OF EDUCATION

West Milford, New Jersey

TOWNSHIP OF WEST MILFORD

BOARD OF EDUCATION

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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Not Applicable

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INTRODUCTORY SECTION



WEST MILFORD PUBLIC SCHOOLS

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Lydia E. Furnari, Ed.D.
Interim Superintendent

William Scholts, CPA, PSA
Business Administrator/Board Secretary

Daniel Novak
Director of Education

Derek Ressa, Ed.D.
Director of Special Services

"Success Starts Here"

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

Dear Board Members/Citizens:

It is with pleasure that we submit the Annual Comprehensive Financial Report (ACFR) of the West Milford Township School District (District) for the fiscal year ending June 30, 2023. This ACFR includes the District's Basic Financial Statements in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- ◆ The Introductory section includes this transmittal letter, the District's organizational chart and a list of Principal Officials;
- ◆ The Financial section includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information, as well as the auditor's report thereon;
- ◆ The Statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District generally presented on a multi-year basis;
- ◆ The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Board of Education of the Township of West Milford is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 14. All funds and account groups of the District are included in this report. The West Milford Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 12. These include regular, vocational as well as special education for the District's special needs population. The District's current instructional facilities include six elementary schools (grades Pre-Kindergarten through grade 5), one middle school (grades 6, 7 and 8), and one high school (grades 9 through 12). During the 2022-23 school year, the District began the process of consolidating its six elementary school buildings into five elementary school buildings, and repurposing an elementary school building to serve other District needs. This change will be effective for the 2023-24 school year. The District completed the 2022-23 fiscal year with an average daily enrollment of 3,051. The following details the changes in the student enrollment of the District over the last 12 years.

Student Enrollment Data

Fiscal Year	Student Enrollment	Percent Change
2022-23	3,131	-0.06%
2021-22	3,133	+4.47%
2020-21	2,999	-7.47%
2019-20	3,241	-4.51%
2018-19	3,394	-1.08%
2017-18	3,431	-2.64%
2016-17	3,524	-2.46%
2015-16	3,613	-2.61%
2014-15	3,710	-1.54%
2013-14	3,768	-1.21%
2012-13	3,814	-2.10%
2011-12	3,896	-1.22%

The Board of Education, comprised of nine members, meets on the third Tuesday of each month for the workshop Board meeting and the fourth Tuesday of each month for the regular Board meeting. For months where workshop & regular meetings are combined, the Board meets on the third Tuesday of the month.

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

2. ECONOMIC CONDITION AND OUTLOOK:

West Milford Township is a rural/suburban residential community with its working population primarily employed by the Board of Education, local businesses, and various businesses in the surrounding area. According to the most recent demographics data available from the Census Bureau released in July of 2022, the Township's population of 24,382 has decreased by 1.9%, in comparison to the Township's population of 24,862 in April of 2020, and has decreased by approximately 5.7% in comparison to the Township's population of 25,850 in April of 2010. West Milford's current unemployment rate of 7.4% is below the Passaic County long term average of 7.53%. Per capita personal income is approximately 1.4 times the amount in Passaic County.

Since the last U.S. Census, the Township has experienced a slight decrease in population. There was a brief increase when the pandemic provided opportunities for people to work from home, and West Milford became very attractive to new families and the available housing inventory has since been significantly reduced. While the Highlands Act has always impeded new development, there were pockets of new homes being built, and many homes being renovated. The Township has had continued success with the redevelopment of existing commercial properties to attract new rateables. The Board of Education and Central Office Administration keep the lines of communication open with the community to listen to their concerns and suggestions. The district has implemented social media accounts as well as School Messenger announcements to provide information on important events in the District. The District's state aid has been reduced by over \$7.8 million over the last six years. While the Board of Education and Central Office Administration is committed to containing expenses to maximize the dollars spent on education and to address facilities improvements, the state aid reductions are making it more difficult to maintain our comprehensive academic programs while placing a greater burden on the Township's taxpayers.

3. MAJOR INITIATIVES:

In our commitment to personalized learning, we have licensed a new student diagnostic system called iReady. This system is designed for grades K-8 and aims to assess students' strengths and areas for improvement in real-time. iReady's adaptive technology helps tailor instruction based on individual student needs, ensuring a customized learning experience for each student. By implementing iReady, we aim to provide targeted support to students, fostering their academic growth and success.

The District has recently purchased a comprehensive K-5 Math Program known as Eureka Math(2). This curriculum is designed to provide a strong foundation in mathematical concepts for students in the early stages of their education. Eureka Math(2) is recognized for its rigorous approach to teaching mathematics, aligning with current educational standards, and promoting critical thinking skills. We believe that this program will contribute significantly to the mathematical development of our students in the crucial formative years.

Recognizing the importance of ongoing professional development for our educators, we have made a strategic investment in Mathematics Professional Development. Nancy Schultz, an esteemed expert in the field, leads the training sessions focused on Conquer Math. This professional development opportunity is open to all teachers across K-12 and aims to enhance their pedagogical skills, deepen their understanding of mathematics instruction, and empower them to create engaging learning environments. We believe that investing in our teachers is essential for the success of our students.

The continued maintenance of our 1 to 1 Chromebook program remains a significant cost and major initiative for the school district.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Wielkott & Company, LLC. In addition to meeting the requirements of the Single Audit Act of 1996, the Uniform Guidance, and N.J. OMB Circular 15-08 the auditor's report on the general purpose financial statements, and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGMENTS:

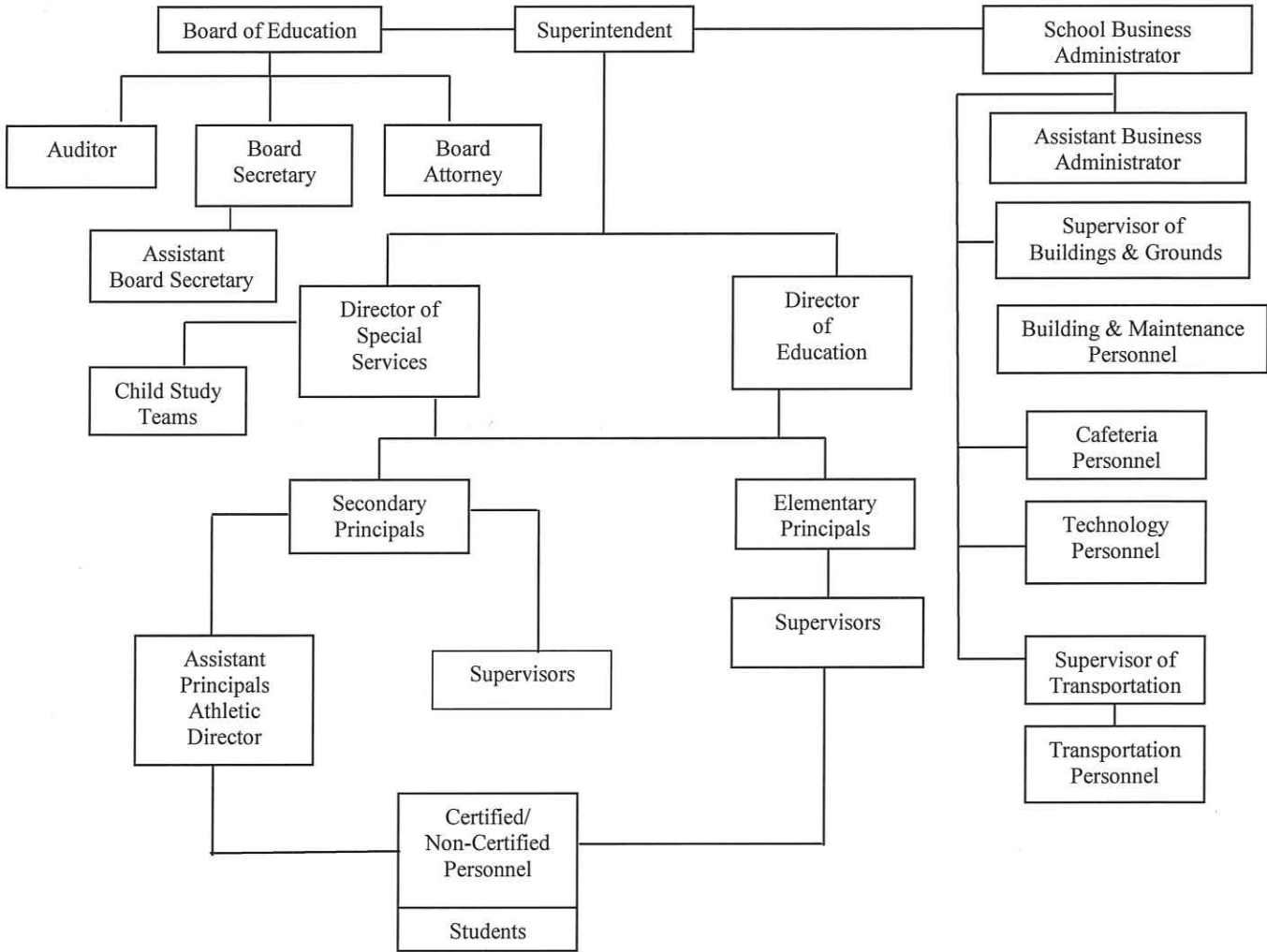
We would like to express our appreciation to the members of the West Milford Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,



William Scholts, CPA, PSA
Business Administrator/Board Secretary

WEST MILFORD BOARD OF EDUCATION
Organizational Chart
(Unit Control)



Adopted: 25 April 2012

Revised: 24 September 2013

Revised: 27 May 2014

Revised: 19 June 2018

Revised: 19 February 2019

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

June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kate Romeo, President	2024
Claire Lockwood, Vice President	2024
William Cytowicz	2025
Teresa Dwyer	2024
Raymond Guarino	2023
Peter Lippe	2025
Debbie O'Brien	2023
Tara Racano	2025
Lynda Van Dyk	2023

Other Officials:

Alex Anemone, Ed.D., Superintendent

Barbara Francisco, Business Administrator/Board Secretary

Daniel Novak, Director of Education

Elizabeth McQuaid, OTD, Director of Special Services
(July 1, 2022, through December 31, 2022)

Karen D'Avino, Ed.D., Interim Director of Special Services
(January 3, 2023, through June 30, 2023)

**WEST MILFORD BOARD OF EDUCATION
2022-2023
Consultants and Advisors**

ARCHITECTS

FKA Architects
306 Ramapo Valley Road
Oakland, New Jersey 07436

LAN Associates
445 Godwin Avenue
Midland Park, New Jersey 07432

Settembrino Architects
37 East Washington Avenue
Atlantic Highlands, New Jersey 07716

AUDIT FIRM

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401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

BOARD ATTORNEY

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150 Clove Road
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Little Falls, New Jersey 07424

LABOR NEGOTIATOR

Scarinci Hollenbeck, LLC
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Little Falls, New Jersey 07424

SPECIAL EDUCATION ATTORNEY

Scarinci Hollenbeck, LLC
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9th Floor
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OFFICIAL DEPOSITORY

Lakeland Bank
West Milford, New Jersey

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Township of West Milford School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Township of West Milford Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Township of West Milford Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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 Township West Milford Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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



Honorable President and
Members of the Board of Education
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- 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 Township of West 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of West 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Honorable President and
Members of the Board of Education
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Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of West Milford Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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 the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Honorable President and
Members of the Board of Education
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023 on our consideration of the Township of West Milford Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of West Milford Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 12, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

WEST MILFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
WEST MILFORD TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(UNAUDITED)

The discussion and analysis of West Milford Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2022-23) and the prior year (2021-22) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2023 are as follows:

- ◆ General revenues accounted for \$81,015.84 in revenue or 94.04% percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,137,919 or 5.96% percent of total revenues of \$86,153,759.
- ◆ The School District had \$83,521,438 in expenses; \$5,137,919 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$81,015,841 were adequate to provide for these programs.
- ◆ The General Fund had \$87,449,804 in revenues, \$87,645,749 in expenditures and \$(285,740) in other financing sources/(uses). The General Fund's balance increased by \$(481,686) in 2023. Revenues do not include funds used from fund balance resulting in expenses exceeding revenues.

Using this Annual Comprehensive Financial Report (ACFR)

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

Reporting the School District as a Whole

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

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

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022-23?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for 2023 with comparative data.

Table 1

**Net Position
June 30,**

	<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>
Assets:						
Current and Other Assets	\$14,820,744	\$15,658,383	\$856,131	\$666,247	\$15,676,875	\$16,324,630
Capital Assets, net	<u>33,444,824</u>	<u>34,933,179</u>	<u>149,873</u>	<u>94,068</u>	<u>33,594,696</u>	<u>35,027,247</u>
Total Assets	<u>48,265,568</u>	<u>50,591,562</u>	<u>1,006,003</u>	<u>760,315</u>	<u>49,271,571</u>	<u>51,351,877</u>
Deferred Outflows:						
Deferred Outflows of Resources						
Related to PERS	<u>2,368,467</u>	<u>1,780,581</u>	<u>—</u>	<u>—</u>	<u>2,368,467</u>	<u>1,780,581</u>
Liabilities:						
Current Liabilities	3,790,241	3,927,031	87,671	116,097	3,877,912	4,043,128
Noncurrent Liabilities	<u>29,317,106</u>	<u>27,968,492</u>	<u>-</u>	<u>-</u>	<u>29,317,106</u>	<u>27,968,492</u>
Total Liabilities	<u>33,107,346</u>	<u>31,985,523</u>	<u>87,671</u>	<u>116,097</u>	<u>33,195,018</u>	<u>32,011,620</u>
Deferred Inflows:						
Deferred Inflows of Resources						
Related to PERS	<u>4,551,283</u>	<u>9,859,421</u>	<u>-</u>	<u>-</u>	<u>4,551,283</u>	<u>9,859,421</u>
Net Position:						
Net Investment in Capital Assets	22,008,235	22,183,508	149,873	94,068	22,158,107	22,277,576
Restricted	8,811,747	9,846,006	-	-	8,811,747	9,846,006
Unrestricted	<u>(17,844,576)</u>	<u>(21,412,315)</u>	<u>768,459</u>	<u>550,149</u>	<u>(17,076,117)</u>	<u>(20,862,166)</u>
Total Net Position	<u>\$12,975,406</u>	<u>\$10,617,199</u>	<u>\$918,332</u>	<u>\$644,217</u>	<u>\$13,893,738</u>	<u>\$11,261,416</u>

The District's combined net position was \$13,893,738 on June 30, 2023.

Table 2 shows the changes in net position for fiscal year 2023, with a comparative analysis of district-wide data.

Table 2

**Changes in Net Position
Year Ended June 30,**

	<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 and Sales	\$901,178	\$1,018,933	\$1,495,330	\$394,219	\$2,396,507	\$1,413,152
Operating Grants and Contributions	2,045,428	2,163,706	695,984	2,059,048	2,741,411	4,222,754
General Revenues:						
Property Taxes	60,015,033	58,960,514	-	-		58,960,514
Federal and State Aid Not Restricted	20,133,464	24,859,353				24,859,353
Restricted Federal and State Aid	494,520	263,172	-	-		
Miscellaneous Income	365,286	408,531	7,538	419	372,824	408,950
Transfers						
Total Revenues and Transfers	<u>83,954,908</u>	<u>87,674,209</u>	<u>2,198,851</u>	<u>2,453,686</u>	<u>85,659,239</u>	<u>89,864,723</u>
Expenses:						
Governmental Activities:						
Instruction	44,762,235	47,113,616			44,762,235	47,113,616
Support services:						
Tuition and Student and Instruction	14,127,298	12,947,666			14,127,298	12,947,666
Related Services						
General, School, and central Administrative Services	7,364,777	7,911,976			7,364,777	7,911,976
Plant Operations and Maintenance	8,375,188	8,076,078			8,375,188	8,076,078
Pupil Transportation	6,790,468	5,713,851			6,790,468	5,713,851
Non-instructional Services	1,399	-			1,399	-
Capital Outlay – Non Depreciable	27,501	27,501			27,501	27,501
Interest on Long Term Debt	82,408	92,889			82,408	92,889
Charter School	65,427	44,402			65,427	44,402
Food Service	-	-	1,649,632	1,643,110	1,649,632	1,643,110
School Aged Child Care			<u>275,104</u>	<u>245,141</u>	<u>275,104</u>	<u>245,141</u>
Total Expenditures and Transfers	<u>81,596,701</u>	<u>81,927,979</u>	<u>1,924,736</u>	<u>1,888,251</u>	<u>83,521,438</u>	<u>83,816,230</u>
Increase or (Decrease) in Net Position	<u>\$2,358,207</u>	<u>\$5,746,230</u>	<u>\$274,115</u>	<u>\$565,435</u>	<u>\$2,137,801</u>	<u>\$6,048,493</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 71.48% of revenues for governmental activities for the West Milford Township Public School District for fiscal year 2023. The District's total revenues were \$83,954,804 for the fiscal year ended June 30, 2023. Federal, state and local grants accounted for another 24.23%. The balance of the revenues is from other miscellaneous sources including interest, rentals, tuition, and budgeted fund balance.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions with comparative data from 2021-22.

Table 3

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$44,762,235	\$43,198,946	\$47,113,616	\$45,019,277
Support Services				
Pupils and instructional staff	14,127,298	12,745,381	12,947,666	11,859,366
General, Central, and School Admin	7,364,777	7,364,777	7,911,976	7,911,976
Operations & Maintenance of Facilities	8,375,188	8,375,188	8,076,078	8,076,078
Pupil transportation	6,790,468	6,790,468	5,713,851	5,713,851
Interest on Long Term Debt	82,408	82,408	92,889	92,889
Other	<u>94,327</u>	<u>92,928</u>	<u>71,903</u>	<u>71,903</u>
Total governmental expenses	<u>\$81,596,701</u>	<u>\$78,650,096</u>	<u>\$81,927,979</u>	<u>\$78,745,340</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities. Extracurricular activities includes expenses related to student activities provided by the School district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

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

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

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

Other includes unallocated depreciation, amortization and non-depreciable capital outlay.

Business-Type Activities

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

- ◆ Food service revenues exceeded expenses by \$130,708.
- ◆ Charges for services represent \$1,084,357 of revenue. This represents amount paid by patrons for daily food services. Additionally, non-operating revenues were \$4,494.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$695,584.

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

- ◆ SACC (School Aged Child Care) revenues exceeded expenses by \$135,869.

Charges for services represent \$410,973 of total revenue while non-operating revenues were \$3,044.

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$91,099,558 and expenditures of \$91,945,775. Additionally, there were other financing activities (sources and uses) netting to \$-0- of net financing sources.

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As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2022</u>	<u>Percent Increase (Decrease)</u>
<u>Revenue</u>				
Local Services	\$61,300,670	67.29%	\$928,491	1.54%
State Sources	27,338,938	30.01%	(370,463)	-1.34%
Federal Sources	<u>2,459,950</u>	<u>2.70%</u>	<u>176,412</u>	7.73%
Total	<u>\$91,099,558</u>	<u>100.0%</u>	<u>734,440</u>	

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2023.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2022</u>	<u>Percent Increase (Decrease)</u>
<u>Expenditures</u>				
Current:				
Instruction	\$29,258,906	31.82%	\$(544,367.43)	-1.83%
Undistributed Expenditures	60,637,153	65.95%	3,393,900.42	5.93%
Capital Outlay	1,370,640	1.49%	(7,900,714.78)	-85.22%
Non-instructional Services	1,399	0.00%	1,399.00	
Transfer to Charter School	65,427	0.07%	21,025.00	
Principal	525,000	0.57%	25,000.00	5.00%
Interest	<u>87,250</u>	<u>0.09%</u>	<u>(10,250.00)</u>	10.51%
Total	<u>\$91,945,775</u>	<u>100.00%</u>	<u>\$(5,014,008)</u>	

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2023, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Capital Assets

At the end of the fiscal year 2023, the School District had \$33,444,824 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

Capital Assets	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$2,327,249	\$2,327,249	\$ -	\$ -
Construction in Progress	966,636	975,430	-	-
Building and Improvements	25,560,083	26,803,697	-	-
Machinery and Equipment	<u>4,590,855</u>	<u>4,826,803</u>	<u>149,873</u>	<u>94,068</u>
	<u>\$3,444,824</u>	<u>\$34,933,179</u>	<u>\$149,873</u>	<u>\$94,068</u>

Overall capital assets increased \$1,432,550 from fiscal year 2022 to fiscal year 2023. The capital asset increase was due primarily to the completion of the upgrades to the phone system, asbestos abatement measures, water system remediation, and the paving of Macopin School Lot. Additionally, there were purchase of various pieces of equipment throughout the District.

Debt Administration

At June 30, 2023, the School District had total debt issued of \$6,500,000 with an outstanding balance of \$4,100,000. This debt was issued through serial bonds. In December 2015, the voters of West Milford Township approved a referendum to replace the roofs at the High School and Macopin School in the amount of \$7,990,000 of which \$6,500,000 was issued as debt in July 2016.

<u>Debt Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Balance Due</u>
Bonds of 2016	7/15/2016	<u>\$6,500,000</u>	<u>\$4,100,000</u>

For the Future

The West Milford Township Public School District is in good financial condition presently. Major concerns facing the district include aging infrastructure, increased reliance on local property taxes, potential residential development, and increases in expenses which exceed the state imposed budget cap. Decreases in State Aid funding also present a major concern to the District's financial standing.

For the Future

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at West Milford Township Board of Education, 46 Highlander Drive, West Milford, N.J. 07480; 973-697-1700 extension 5050.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and Cash Equivalents	9,214,777	700,003	9,914,781
Receivables, net	2,880,760	137,129	3,017,888
Inventory	-	18,999	18,999
Restricted Assets:			
Cash and Cash Equivalents	2,725,207	-	2,725,207
Capital Assets:			
Land	2,327,249	-	2,327,249
Construction in Progress	966,636	-	966,636
Other Capital Assets, net	30,150,938	149,873	30,300,811
Total Assets	<u>48,265,568</u>	<u>1,006,003</u>	<u>49,271,571</u>
Deferred Outflows:			
Deferred Outflows of Resources Related to PERS	<u>2,368,467</u>	<u>-</u>	<u>2,368,467</u>
Liabilities:			
Accounts Payable:			
Other	621,526	49,218	670,744
Related to Pensions	1,465,072	-	1,465,072
Accrued Interest Payable	37,811	-	37,811
Contracts Payable	88,028	-	88,028
Intergov. Accounts Payables	178,027	-	178,027
Unearned Revenue	45,629	38,454	84,083
Noncurrent Liabilities:			
Due Within One Year	1,354,147	-	1,354,147
Due Beyond One Year	29,317,106	-	29,317,106
Total Liabilities	<u>33,107,346</u>	<u>87,671</u>	<u>33,195,018</u>
Deferred Inflows:			
Deferred Inflows of Resources Related to PERS	<u>4,551,283</u>	<u>-</u>	<u>4,551,283</u>
Net Position:			
Net Investment in Capital Assets	22,008,235	149,873	22,158,107
Restricted for:			
Capital Projects	2,098,749	-	2,098,749
Maintenance	650,000	-	650,000
Excess Surplus	1,393,863	-	1,393,863
Unemployment Compensation	1,003,874	-	1,003,874
Scholarships	308,668	-	308,668
Student Activities	324,531	-	324,531
Other Purposes	3,032,062	-	3,032,062
Unrestricted	(17,844,576)	768,459	(17,076,117)
Total Net Position	<u><u>12,975,406</u></u>	<u><u>918,332</u></u>	<u><u>13,893,738</u></u>

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

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	20,179,933	11,535,609	95,455	1,467,834	(30,152,253)	-	(30,152,253)
Special Education	7,097,968	4,106,335	-	-	(11,204,303)	-	(11,204,303)
Other Special Instruction	341,143	-	-	-	(341,143)	-	(341,143)
Other Instruction	1,501,247	-	-	-	(1,501,247)	-	(1,501,247)
Support Services:							
Tuition	3,548,527	-	-	-	(3,548,527)	-	(3,548,527)
Student & Instruction Related Services	8,298,530	2,280,242	805,723	576,195	(9,196,854)	-	(9,196,854)
General Administrative Services	1,235,209	371,676	-	-	(1,606,885)	-	(1,606,885)
School Administrative Services	2,372,998	1,745,318	-	-	(4,118,316)	-	(4,118,316)
Central Services and Admin. Info. Tech.	1,167,034	472,543	-	-	(1,639,576)	-	(1,639,576)
Plant Operations and Maintenance	6,473,606	1,901,582	-	-	(8,375,188)	-	(8,375,188)
Pupil Transportation	5,358,353	1,432,115	-	-	(6,790,468)	-	(6,790,468)
Non-instructional Services	1,399	-	-	1,399	-	-	-
Capital Outlay - Non-depreciable	27,501	-	-	-	(27,501)	-	(27,501)
Charter School	65,427	-	-	-	(65,427)	-	(65,427)
Interest on Long-term Debt	82,408	-	-	-	(82,408)	-	(82,408)
Total Governmental Activities	57,751,281	23,845,420	901,178	2,045,428	(78,650,096)	-	(78,650,096)
Business-type Activities:							
Food Service	1,640,148	9,485	1,084,357	695,984	-	130,708	130,708
School Aged Child Care	274,852	252	410,973	-	-	135,869	135,869
Total Business-type Activities	1,915,000	9,737	1,495,330	695,984	-	266,577	266,577
Total Primary Government	59,666,281	23,855,157	2,396,507	2,741,411	(78,650,096)	266,577	(78,383,519)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					59,710,949	-	59,710,949
Taxes Levied for Debt Service					304,084	-	304,084
Federal and State Aid not Restricted					20,133,464	-	20,133,464
State Aid - Restricted for Debt Service					208,165	-	208,165
Investment Earnings - Unrestricted					-	7,538	7,538
Investment Earnings - Restricted					16,269	-	16,269
Federal Aid - Capital Outlay					286,355	-	286,355
Miscellaneous Income - Unrestricted					349,017	-	349,017
Total General Revenues, Special Items, Extraordinary Items and Transfers					81,008,303	7,538	81,015,841
Change in Net Position					2,358,207	274,115	2,632,321
Net Position, July 1					10,617,199	644,217	11,261,416
Net Position - Ending					12,975,406	918,331	13,893,737

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

FUND FINANCIAL STATEMENTS

**WEST MILFORD BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and Cash Equivalents	8,360,144	633,199	117,432	104,002	9,214,777
Interfund Loan Receivables	143,414	-	-	-	143,414
Receivables from Federal Government	-	344,827	-	-	344,827
Receivables from State Government	2,278,770	-	-	-	2,278,770
Receivables from Other Governments	220,092	-	-	-	220,092
Other Accounts Receivable	23,863	9,844	-	-	33,707
Interest Receivable on Investments	3,363	-	-	-	3,363
Restricted Cash and Cash Equivalents	2,725,207	-	-	-	2,725,207
Total Assets	<u>13,754,854</u>	<u>987,870</u>	<u>117,432</u>	<u>104,002</u>	<u>14,964,158</u>
Liabilities and Fund Balances:					
Liabilities:					
Interfund Loans Payable	-	137,552	5,862	-	143,414
Intergov. Accounts Payable - State	-	178,027	-	-	178,027
Accounts Payable:					
Payroll Deductions and Withholding Payable	10,370	-	-	-	10,370
Unemployment Compensation Claims Payable	71,761	-	-	-	71,761
Other	502,791	36,605	-	-	539,396
Contracts Payable	-	-	88,028	-	88,028
Unearned Revenue	43,142	2,488	-	-	45,629
Total Liabilities	<u>628,063</u>	<u>354,671</u>	<u>93,890</u>	<u>-</u>	<u>1,076,624</u>
Fund Balances:					
Assigned to:					
Other Purposes	948,858	-	-	-	948,858
Designated For Subsequent Year's expenditures	1,990,296	-	-	104,002	2,094,298
Restricted for:					
Capital Reserve Account	2,075,207	-	-	-	2,075,207
Maintenance Reserve Account	650,000	-	-	-	650,000
Excess Surplus	1,393,863	-	-	-	1,393,863
Excess Surplus Designated for Subsequent Year's Expenditures	2,083,204	-	-	-	2,083,204
Capital Projects Fund	-	-	23,542	-	23,542
Unemployment Compensation	1,003,874	-	-	-	1,003,874
Scholarships	-	308,668	-	-	308,668
Student Activities	-	324,531	-	-	324,531
Unassigned:					
General Fund	2,981,489	-	-	-	2,981,489
Total Fund Balances (Deficit)	<u>13,126,790</u>	<u>633,199</u>	<u>23,542</u>	<u>104,002</u>	<u>13,887,534</u>
Total Liabilities and Fund Balances	<u>13,754,854</u>	<u>987,870</u>	<u>117,432</u>	<u>104,002</u>	

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

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(37,811)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$69,155,285 and the accumulated depreciation is \$35,710,461.	33,444,824
Accounts Payable for subsequent Pension payment is not a payable in the funds	(1,465,072)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	2,368,467
Deferred Inflows of Resources Related to PERS Pension Liability	(4,551,283)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(30,671,253)
Net Position of Governmental Activities	<u>12,975,406</u>

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues:					
Local Sources:					
Local Tax Levy	59,710,949	-	-	304,084	60,015,033
Tuition Charges	95,455	-	-	-	95,455
Interest Earned on Capital Reserve Funds	16,269	-	-	-	16,269
Local Grants and Funds	-	824,895 *	-	-	824,895
Rents and Royalties	21,960	-	-	-	21,960
Unrestricted Miscellaneous Revenues	327,057	-	-	-	327,057
Total - Local Sources	60,171,691	824,895	-	304,084	61,300,670
State Sources	27,111,653	19,120	-	208,165	27,338,938
Federal Sources	166,460	2,293,490	-	-	2,459,950
Total Revenues	87,449,804	3,137,506	-	512,249	91,099,558
Expenditures:					
Current:					
Instruction:					
Regular Instruction	18,712,099	1,467,834	-	-	20,179,933
Special Education Instruction	7,097,968	-	-	-	7,097,968
Other Special Instruction	341,143	-	-	-	341,143
Other Instruction	1,639,862	-	-	-	1,639,862
Support Services and Undistributed Costs:					
Tuition	3,548,527	-	-	-	3,548,527
Student & Instruction Related Services	6,886,431	1,412,099 **	-	-	8,298,530
General Administrative Services	1,255,907	-	-	-	1,255,907
School Administrative Services	2,413,946	-	-	-	2,413,946
Central Services and Admin. Infor. Tech.	1,167,034	-	-	-	1,167,034
Plant Operations and Maintenance	6,540,647	-	-	-	6,540,647
Pupil Transportation	5,879,134	-	-	-	5,879,134
Unallocated Employee Benefits	31,533,430	-	-	-	31,533,430
Operation of Non-Instructional Services	-	1,399	-	-	1,399
Capital Outlay	564,196	286,355	520,088.78	-	1,370,640
Transfer to Charter School	65,427	-	-	-	65,427
Debt Service:					
Principal	-	-	-	525,000	525,000
Interest and Other Charges	-	-	-	87,250	87,250
Total Expenditures	87,645,749	3,167,687	520,089	612,250	91,945,775
Excess (Deficiency) of Revenues Over Expenditures	(195,945)	(30,182)	(520,089)	(100,001)	(846,217)
Other Financing Sources/(Uses)					
Transfers in - from Capital Projects	239,260	-	(343,262)	104,002	(0)
Transfers in - from Capital Reserve	-	-	525,000	-	525,000
Transfers out - to Capital Projects	(525,000)	-	-	-	(525,000)
Total Other Financing Sources and Uses	(285,740)	-	181,738	104,002	(0)
Net Change in Fund Balances	(481,686)	(30,182)	(338,351)	4,001	(846,217)
Fund Balance—July 1	13,608,476	663,381	361,893	100,001	14,733,751
Fund Balance—June 30	13,126,790	633,199	23,542	104,002	13,887,534

* Special Revenue Fund now includes revenues from student activities and Scholarships.

** Special Revenue Fund now includes expenditures from student activities and Scholarships.

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

**WEST MILFORD BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Total net change in fund balances - governmental funds (from B-2) (846,217)

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

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expense	(2,831,494)	
Capital Outlay	<u>1,343,139</u>	(1,488,355)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

Principal Payments on Financed Purchases	788,083
Principal Payments on Bonds Payable	525,000

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

(Increase) Decrease in Compensated Absences Payable	116,855
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District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	1,369,065	
Less: Pension Expense	<u>(1,888,935)</u>	
(Increase)/Decrease in Pension Expense		3,258,000

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

Decrease in On-behalf State Aid TPAF Pension	(7,029,668)
Decrease in On-behalf TPAF Pension Expense	7,029,668

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

Increase in On-behalf State Aid TPAF Post Retirement Medical Revenue	(114,981)
Increase in On-behalf State Aid TPAF Post Retirement Medical Expense	114,981

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an (increase)/decrease in the reconciliation.

Increase in Accrued Interest	<u>4,842</u>
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Change in net position of governmental activities	<u><u>2,358,207</u></u>
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WEST MILFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities - Enterprise Funds		Total Enterprise Fund
	Food Service	School Age Child Care	
Assets:			
Current Assets:			
Cash and Cash Equivalents	442,586	257,417	700,003
Intergovernmental Receivables:			
State	4,391	-	4,391
Federal	118,280	-	118,280
Other Accounts Receivable	12,984	1,473	14,457
Inventories	18,999	-	18,999
Total Current Assets	<u>597,241</u>	<u>258,890</u>	<u>856,131</u>
Non-Current Assets:			
Furniture, Machinery & Equipment	343,178	2,520	345,697
Less Accumulated Depreciation	<u>(194,422)</u>	<u>(1,403)</u>	<u>(195,825)</u>
Total Non-Current Assets	<u>148,756</u>	<u>1,117</u>	<u>149,873</u>
 Total Assets	 <u><u>745,997</u></u>	 <u><u>260,007</u></u>	 <u><u>1,006,003</u></u>
Liabilities:			
Current Liabilities:			
Accounts Payable			
Other	46,548	2,669	49,218
Deferred Revenue	30,660	7,794	38,454
Total Current Liabilities	<u>77,209</u>	<u>10,463</u>	<u>87,671</u>
Net Position:			
Invested in Capital Assets Net of			
Related Debt	148,756	1,117	149,873
Unreserved Retained Earnings	520,032	248,427	768,459
Total Net Position	<u>668,788</u>	<u>249,544</u>	<u>918,332</u>

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

WEST MILFORD BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Fund		Total Enterprise Fund
	Food Service	School Age Child Care	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Lunch Programs	150,958	-	150,958
Daily Sales - Non-Reimbursable Programs	871,157	-	871,157
Special Functions	4,528	-	4,528
Miscellaneous	57,714	410,973	468,687
Total Operating Revenues	<u>1,084,357</u>	<u>410,973</u>	<u>1,495,330</u>
Operating Expenses:			
Cost of Sales- Reimbursable	360,394	-	360,394
Cost of Sales - Non-Reimbursable	322,414	-	322,414
Salaries	161,633	246,030	407,663
Employee Benefits	172,144	18,821	190,965
Management Fees	80,552	-	80,552
Other Purchased Services	486,439	6,860	493,299
Repairs	9,554	-	9,554
Supplies and Materials	44,518	3,141	47,659
Depreciation	9,484	252	9,736
Miscellaneous	2,500	-	2,500
Total Operating Expenses	<u>1,649,632</u>	<u>275,104</u>	<u>1,924,736</u>
Operating Income/(Loss)	<u>(565,275)</u>	<u>135,869</u>	<u>(429,406)</u>
Non-Operating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	22,772	-	22,772
State School Breakfast Program	297	-	297
Local Food Grant	992	-	992
Federal Sources:			
National School Lunch Program	437,509	-	437,509
Supply-chain Assistance Program	91,265	-	91,265
School Breakfast Program	23,848	-	23,848
Food Distribution Program	90,336	-	90,336
USDA Equipment Grant	28,964	-	28,964
Interest and Investment Revenue	4,494	3,044	7,538
Total Non-Operating Revenues/(Expenses)	<u>700,477</u>	<u>3,044</u>	<u>703,521</u>
Income/(Loss) Before Contributions & Transfers	135,202	138,913	274,115
Total Net Position - Beginning	<u>533,586</u>	<u>110,631</u>	<u>644,217</u>
Total Net Position—Ending	<u><u>668,788</u></u>	<u><u>249,544</u></u>	<u><u>918,332</u></u>

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

**WEST MILFORD BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-type Activities - Enterprise Funds		Total Enterprise Fund
	Food Service	School Age Child Care	
Cash Flows from Operating Activities			
Receipts from Customers	1,076,137	418,322	1,494,459
Payments to Employees	(161,633)	(246,030)	(407,663)
Payments to Suppliers	(1,513,308)	(29,167)	(1,542,475)
Net Cash Provided by/(Used for) Operating Activities	<u>(598,804)</u>	<u>143,126</u>	<u>(455,678)</u>
Cash Flows from Non-capital Financing Activities			
State Sources	22,494	-	22,494
Federal Sources	754,385	-	754,385
Net Cash Provided by/(Used for) Non-capital Financing Activities	<u>776,879</u>	<u>-</u>	<u>776,879</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	(65,541)	-	(65,541)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	<u>(65,541)</u>	<u>-</u>	<u>(65,541)</u>
Cash Flows from Investing Activities			
Interest and Dividends	4,494	3,044	7,538
Net Cash Provided by/(Used for) Investing Activities	<u>4,494</u>	<u>3,044</u>	<u>7,538</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	117,028	146,170	263,198
Balances—Beginning of Year	<u>325,558</u>	<u>111,247</u>	<u>436,805</u>
Balances—End of Year	<u><u>442,586</u></u>	<u><u>257,417</u></u>	<u><u>700,003</u></u>
Reconciliation of Operating Income/(loss) to Net Cash Provided/ (Used) by Operating Activities:			
Operating Income/(Loss)	(565,275)	135,869	(429,406)
Adjustments to Reconcile Operating Loss to Net Cash Provided by/(Used for) Operating Activities			
Depreciation	9,484	252	9,736
(Increase)/Decrease in Accounts Receivable	(7,931)	662	(7,269)
(Increase)/Decrease in Inventories	(313)	-	(313)
Increase/(Decrease) in Accounts Payable	(34,480)	(345)	(34,824)
Increase/(Decrease) in Deferred Revenue	(289)	6,688	6,399
Total Adjustments	<u>(33,528)</u>	<u>7,257</u>	<u>(26,272)</u>
Net Cash Provided by/(Used for) Operating Activities	<u><u>(598,804)</u></u>	<u><u>143,126</u></u>	<u><u>(455,678)</u></u>

Non-cash Non-capital Financing Activities:

During the year, the District received \$90,336 of food commodities from the U.S. Department of Agriculture.

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

NOTES TO THE FINANCIAL STATEMENTS

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation:

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. Currently the District does not have any 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.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

GOVERNMENTAL FUNDS

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

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

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

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GOVERNMENTAL FUNDS, (continued)

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

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

The Board's Enterprise Fund is comprised of the Food Service Fund and the School Age Child Care.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus:

District-wide Financial Statements

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

Fund Financial Statements

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

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

C. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting: (continued)

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

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

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

Expenses/Expenditures

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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

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

Encumbrances

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

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash, Cash Equivalents and Investments

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

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

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

Tuition Revenues/Receivable

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

Tuition Payable

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

Inventories

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Short-Term Interfund Receivables/Payables

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

Capital Assets

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

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 29, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets, (continued)

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

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

Compensated Absences

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

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

Unearned revenue

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrued Liabilities and Long-term Obligations

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

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

Interfund Activity

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

Accounting and Financial Reporting for Pensions

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

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting and Financial Reporting for Pensions, (continued)

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

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

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bond Discounts/Premiums

Bond discounts/premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Deferred Outflows/Inflows of Resources

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

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

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.

Right to Use Assets

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related issue.

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balances

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

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

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), 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.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

Operating Revenues and Expenses

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

Extraordinary and Special Items

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

Allocation of Indirect Expenses

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

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

New Accounting Standard

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves 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 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. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

GASB Statement No. 101, *Compensated Absences*. 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. The Statement will become effective for the School District in the fiscal year ending June 30, 2025 although earlier application is encouraged. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$-0- of the District's bank balance of \$15,233,075 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

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

Concentration of Credit Risk

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

NOTE 4. RECEIVABLES

Receivables at June 30, 2023 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$2,278,770	\$4,391	\$2,283,161
Federal Aid	344,827	118,415	463,242
Interfunds	143,414	-	-
Other	<u>257,162</u>	<u>14,322</u>	<u>271,485</u>
Gross Receivables	3,024,173	137,128	3,017,888
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$3,024,173</u>	<u>\$137,128</u>	<u>\$3,017,888</u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balance due to/from other funds at June 30, 2023 consist of the following:

\$137,552	Due to the General Fund from the Special Revenue Fund for short-term loans.
<u>5,862</u>	Due to the General Fund from the Capital Projects Fund for interest earned and cash receipt due to General Fund.
<u>\$143,414</u>	

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 5. INTERFUND BALANCES AND ACTIVITY (continued)

Interfund transfers for the year ended June 30, 2023 consisted of the following:

\$525,000	From the General Fund capital reserve to fund capital projects.
239,260	From Capital Projects to General Fund Capital Reserve
<u>104,002</u>	From the capital projects fund to the debt service fund for future debt payments
<u>\$868,262</u>	

NOTE 6. INTERFUND LOAN RECEIVABLE

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

\$143,414

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Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023

NOTE 7. CAPITAL ASSETS

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

	Balance 6/30/22	Additions	Deletions	Adjustments	Balance 6/30/23
Governmental Activities:					
Capital Assets Not Being					
Land	\$2,327,249	\$ -	\$ -	\$ -	\$2,327,249
Construction in Progress	975,430	373,494		(382,288)	966,636
Total Capital Assets Not Being Depreciated	<u>3,302,679</u>	<u>373,494</u>	<u>0</u>	<u>(382,288)</u>	<u>3,293,885</u>
Capital Assets Being Depreciated:					
Building and Improvements	50,846,749	189,875		382,288	51,418,912
Machinery & Equipment	13,662,717	779,770		-	14,442,487
Totals at Historical Cost	<u>64,509,466</u>	<u>969,645</u>	<u>0</u>	<u>382,288</u>	<u>65,861,399</u>
Less Accumulated Depreciation:					
Building and Improvements	(24,043,053)	(1,815,777)			(25,858,830)
Equipment	(8,835,914)	(1,015,717)			(9,851,631)
Total Accumulated Depreciation	<u>(32,878,967)</u>	<u>(2,831,494)</u>	<u>0</u>		<u>(35,710,461)</u>
Total Capital Assets Being Net of Accumulated Depreciation	<u>31,630,500</u>	<u>(1,861,850)</u>		<u>382,288</u>	<u>30,150,938</u>
Governmental Activities Capital Assets, Net	<u>34,933,179</u>	<u>(1,488,356)</u>	<u>0</u>	<u>0</u>	<u>33,444,823</u>
Business Type Activities:					
Equipment:					
Food Services	294,268	65,541	(16,632)	-	343,177
School Age Child Care	2,520	-	-	-	2,520
Total	<u>296,788</u>	<u>65,541</u>	<u>(16,632)</u>	<u>-</u>	<u>345,697</u>
Less Accumulated Depreciation:					
Equipment:					
Food Services	(201,570)	(9,484)	16,632	-	(194,422)
Community School	(1,151)	(252)	-	-	(1,403)
	<u>(202,721)</u>	<u>(9,736)</u>	<u>16,632</u>	<u>-</u>	<u>(195,825)</u>
Business Type Activities Capital Assets, Net	<u>\$94,067</u>	<u>\$55,805</u>	<u>-</u>	<u>-</u>	<u>\$149,872</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 7. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Instruction:

Regular Education	\$1,722,106
Special Education	119,994
Student & Instruction Related Services	237,688
General Administration	43,859
School Administration	83,116
Central Services & Admin. Info. Tech.	43,859
Plant Operations & Maintenance	306,625
Pupil Transportation	<u>274,247</u>
 Total Depreciation Expense	 <u><u>\$2,831,494</u></u>

NOTE 8. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the fiscal year ended June 30, 2023, were as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Financed Purchases Payable	\$8,124,670	\$	(\$788,083)	\$7,336,587	\$829,147
Compensated Absences	2,967,468		(116,855)	2,850,613	
Bonds Payable	4,625,000		(525,000)	4,100,000	525,000
Net Pension Liability-PERS	<u>13,842,034</u>	<u>2,542,017</u>		<u>16,384,051</u>	
	<u>\$29,559,172</u>	<u>\$2,542,017</u>	<u>(\$1,429,938)</u>	<u>\$30,671,251</u>	<u>\$1,354,147</u>

A. Bonds Payable:

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

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

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023

NOTE 8. LONG-TERM OBLIGATION ACTIVITY (continued)

A. Bonds Payable: (continued)

Outstanding Bonds Payable at June 30, 2023 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2023</u>
School Bonds of 2016	7/15/16	1.00-2.00%	7/15/29	<u>\$4,100,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	525,000	76,750	\$601,750
2025	550,000	66,000	616,000
2026	550,000	55,000	605,000
2027	590,000	43,600	633,600
2028	600,000	31,700	631,700
2029-2030	<u>1,285,000</u>	<u>26,500</u>	<u>1,311,500</u>
Total	<u>\$4,100,000</u>	<u>\$299,550</u>	<u>\$4,399,550</u>

B. Financed Purchases Payable:

The District entered into a Financed Purchases agreement to fund an Energy Savings Incentive Program (ESIP) in 2020. The proceeds of that agreement totaled \$7,490,000 to be repaid over a 20 year period with an interest rate of 2.123%. The project was completed in 2022 with total costs of \$7,212,401. The unspent funds, plus interest earned on deposits will be applied to the October 15, 2022 payment. The District also has Financed Purchases for various equipment. All equipment Financed Purchases are for terms between three to eight years.

Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023

NOTE 8. LONG-TERM OBLIGATION ACTIVITY (continued)

B. Financed Purchases Payable: (continued)

The following is a schedule of the future minimum Financed Purchases payments, and the present value of the net minimum Financed Purchases payments at June 30, 2023.

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$1,008,907
2025	815,579
2026	627,889
2027	466,740
2028	477,444
2029-2033	2,554,807
2034-2038	<u>2,164,673</u>
Total Minimum Financed Purchases Payments	8,116,038
Less: Amount representing interest	<u>(1,115,734)</u>
Present Value of net minimum Financed Purchases	<u><u>\$7,000,304</u></u>

Maturities of Financed Purchases payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	<u>\$841,871</u>
2025	676,533
2026	508,776
2027	361,160
2028	379,532
2029-2033	2,194,330
2034-2038	<u>2,038,102</u>
Total	<u><u>\$7,000,304</u></u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS

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

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

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**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS: (continued)

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS: (continued)

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

Defined Contribution Retirement Program

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

Defined Contribution Retirement Program (continued)

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

Contributions Requirements Fund Based Statements

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

<u>Year Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/23	\$1,369,065	\$54,783
6/30/22	1,368,390	48,790
6/30/21	1,311,472	45,694

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

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>LTD Liability</u>
6/30/23	\$10,726,277	\$2,856,861	\$148,815	\$3,221
6/30/22	11,400,591	2,701,219	160,846	3,328
6/30/21	8,325,168	2,658,617	158,397	4,019

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,111,353 during the 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 included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS)

At June 30, 2023, the District had a liability of \$16,384,051 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was 0.1085656514 percent, which was a decrease of 0.0082792843 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$(1,889,935). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$118,253	\$104,282
Changes of assumptions	50,763	2,453,341
Net difference between projected and actual earnings on pension plan investments	678,121	-
Changes in proportion	56,258	1,993,660
District contributions subsequent to the measurement date	<u>1,465,072</u>	<u> </u>
Total	<u>\$2,368,467</u>	<u>\$4,551,283</u>

The \$1,465,072 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

Year ended June 30:	
2023	(\$1,405,408)
2024	(716,008)
2025	(349,183)
2026	761,786
2027	(1,673)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2022 and June 30, 2021 are as follows:

	June 30, 2022	June 30, 2021
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,846,499,172
District's Proportion	0.1085656514%	0.1168449357%

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

Actuarial Assumptions

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

Inflation	2.25 Percent
Salary Increases	2.75-6.55 Percent (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

Mortality Rates

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 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 to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	1% Decrease 6.00%	June 30, 2022 At Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the pension liability	\$21,226,967	\$16,384,051	\$12,519,378

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:

District’s proportionate share	\$ -
State's proportionate share associated with the District	<u>142,884,602</u>
	<u><u>\$142,884,602</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was 0.2769381144%.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

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

Teachers Pensions and Annuity Fund (TPAF) (continued)

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$3,845,424 for contributions provided by the State in the District-Wide Financial Statements.

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

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

Teachers Pensions and Annuity Fund (TPAF) (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 9. PENSION PLANS (continued)

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

Teachers Pensions and Annuity Fund (TPAF) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 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 to determine the total pension liability.

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

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

NOTE 10. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 10. POST EMPLOYMENT BENEFITS (continued)

State Health Benefit State Retired Employees Plan, (continued)

represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

Total OPEB Liability (continued)

OPEB Liability:	
District's proportionate share	\$ -
State's proportionate share associated with the District	<u>164,808,363</u>
	<u>\$164,808,363</u>

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 10. POST EMPLOYMENT BENEFITS (continued)

Actual Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

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

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**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 10. POST EMPLOYMENT BENEFITS (continued)

Total Nonemployer OPEB Liability (continued)

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

(a) *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 4.50% 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%.

(b) *Discount Rate*

The discount rate used to measure the total OPEB Liability 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.

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

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

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 10. POST EMPLOYMENT BENEFITS (continued)

Total Nonemployer OPEB Liability (continued)

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,741,880 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

NOTE 11. RISK MANAGEMENT

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

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

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

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

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

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 11. RISK MANAGEMENT, (continued)

Fiscal Year	Interest Earnings/ District Contributions	Employee Contributions	State of NJ Reimbursement	Balance
2022-2023	\$17,549	\$70,822	\$115,126	\$1,003,874
2021-2022	1,878	70,082	0	1,030,629
2020-2021	5,002	65,423	0	958,669

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of West Milford Board of Education by inclusion of \$10,000 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$2,144,678
Increased by:	
Cancellation of Capital Projects	239,260
Interest Earnings	16,269
Deposit - Board Resolution	<u>200,000</u>
	2,600,207
Decreased by:	
Budgeted Withdrawal from Capital Reserve	<u>(525,000)</u>
Ending balance, June 30, 2023	<u><u>\$2,075,207</u></u>

The balance in the capital reserve account at June 30, 2023, does not exceed the balance of local support costs of uncompleted capital projects in its LRFP. Withdrawals from the capital reserve were for use in a DDE approved facilities project, consistent with the District's long-range facilities plan.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 13. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Board of Education resolution adopted on June 26, 2012 in the amount of \$500,000. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

The activity of the maintenance reserve account for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$750,000
Deposit - Board Resolution	50,000
Budgeted withdrawal from	<u>(150,000)</u>
Ending balance, June 30, 2023	<u>\$650,000</u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$13,126,790 General Fund fund balance at June 30, 2023, \$948,858 is reserved for encumbrances; \$3,477,067 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$2,083,204 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$2,075,207 has been reserved in the Capital Reserve Account; \$650,000 has been reserved in the Maintenance Reserve Account; \$1,003,874 has been reserved in the Unemployment Account; \$1,990,296 has been designated as revenue for the year ending June 30, 2024; and \$2,981,489 is unreserved and undesignated.

Debt Service Fund (Exhibit B-1) - Of the \$104,002 Debt Service Fund fund balance at June 30, 2023, \$100,001 has been appropriated and included as anticipated revenue for the year ending June 30, 2024.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$3,477,067 of which \$1,393,863 is the result of current year operations.

**Township of West Milford School District
Notes to the Basic Financial Statements
for the Fiscal Year Ended June 30, 2023**

NOTE 16. INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$10,037
Supplies	<u>8,962</u>
	<u>\$18,999</u>

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

NOTE 17. CONTINGENT LIABILITIES

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

Litigation - The District's General Counsel and Special Legal Counsel advises us that there are no material litigation pending against the Board.

NOTE 18. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 12, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	59,710,949	-	59,710,949	59,710,949	-
Tuition - Individuals	48,000	-	48,000	45,000	(3,000)
Tuition From Other LEAS Within the State	177,000	-	177,000	-	(177,000)
Tuition From Other Sources	-	-	-	50,455	50,455
Transportation Fees From Other LEAs	40,000	-	40,000	-	(40,000)
Interest Income on Operating Accounts	-	-	-	181,384	181,384
Rents and Royalties	125,000	-	125,000	21,960	(103,040)
Unrestricted Miscellaneous Revenue	200,000	-	200,000	145,674	(54,326)
Interest Earned on Capital Reserve Funds	-	-	-	16,269	16,269
Total - Local Sources	60,300,949	-	60,300,949	60,171,691	(129,258)
State Sources:					
Categorical Transportation Aid	842,009	-	842,009	842,009	-
Extraordinary Aid	800,000	-	800,000	2,155,133	1,355,133
Categorical Special Education Aid	2,725,234	-	2,725,234	2,725,234	-
Equalization Aid	2,858,451	-	2,858,451	2,858,451	-
Categorical Security Aid	339,929	-	339,929	-	-
Stabilization Aid	-	1,316,260	1,316,260	2,104,370	788,110
Non-Public Transportation Aid	-	-	-	19,344	19,344
State Reimbursement from Securing Our Children's Future Bond Act	-	-	-	6,477	6,477
On-behalf TPAF Pension (non-budgeted)	-	-	-	10,726,277	10,726,277
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	148,815	148,815
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	2,856,861	2,856,861
On-Behalf TPAF Long-Term Disability Insurance (non-budgeted)	-	-	-	3,221	3,221
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	2,111,353	2,111,353
Total State Sources	7,565,623	1,316,260	8,881,883	26,897,474	18,015,591
Federal Sources:					
Medicaid Reimbursement	129,179	-	129,179	149,765	20,586
FFCRA - ARRA	-	-	-	16,695	16,695
Total Federal Sources	129,179	-	129,179	166,460	37,281
Total Revenues	67,995,751	1,316,260	69,312,011	87,235,625	17,923,614
Expenditures:					
General Current Expenses:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	970,413	(133,000)	837,413	830,871	6,542
Grades 1-5 - Salaries of Teachers	6,374,190	105,000	6,479,190	6,464,037	15,153
Grades 6-8 - Salaries of Teachers	3,997,880	(56,000)	3,941,880	3,928,381	13,499
Grades 9-12 - Salaries of Teachers	6,511,086	(353,894)	6,157,192	6,150,457	6,735
Regular Programs - Home Instruction:					
Salaries of Teachers	40,000	30,000	70,000	62,306	7,694
Purchased Professional-Educational Services	25,000	25,000	50,000	29,858	20,142
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	286,210	(70,000)	216,210	208,475	7,735
Purchased Professional-Educational Services	153,007	14,950	167,957	126,647	41,310
Purchased Technical Services	24,800	-	24,800	13,020	11,780
Other Purchased Services (400-500 Series)	42,064	-	42,064	37,236	4,828
General Supplies	993,539	491,215	1,484,754	780,920	703,834
Textbooks	135,524	(17,996)	117,528	55,057	62,471
Other Objects	12,720	15,080	27,800	24,834	2,966
Total Regular Programs - Instruction	19,566,433	50,355	19,616,788	18,712,099	904,689
Learning and/or Language Disabilities - Mild to Moderate					
Salaries of Teachers	407,780	(11,000)	396,780	393,046	3,734
Other Salaries for Instruction	255,672	(29,000)	226,672	220,872	5,800
General Supplies	2,283	-	2,283	742	1,541
Textbooks	415	-	415	-	415
Total Learning and/or Language Disabilities - Mild to Moderate	666,150	(40,000)	626,150	614,661	11,489
Emotional Regulation Impairment					
Salaries of Teachers	466,825	11,000	477,825	471,070	6,756
Other Salaries for Instruction	295,586	(68,000)	227,586	213,727	13,859
General Supplies	10,230	565,260	575,490	54,855	520,635
Other Objects	750	-	750	299	451
Total Emotional Regulation Impairment	773,391	508,260	1,281,651	739,950	541,701
Multiple Disabilities:					
Salaries of Teachers	268,000	15,000	283,000	279,492	3,508
Other Salaries for Instruction	202,959	82,000	284,959	283,439	1,520
General Supplies	2,000	-	2,000	1,631	369
Textbooks	750	-	750	-	750
Total Multiple Disabilities	473,709	97,000	570,709	564,562	6,147

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

**Exhibit C-1
Page 2 of 6**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center:					
Salaries of Teachers	3,591,995	(85,862)	3,506,133	3,506,133	-
Other Salaries for Instruction	594,377	(45,888)	548,489	546,243	2,245
General Supplies	18,655	2,104	20,759	15,483	5,276
Textbooks	450	271	721	637	84
Other Objects	1,000	-	1,000	480	520
Total Resource Room/Resource Center	<u>4,206,477</u>	<u>(129,375)</u>	<u>4,077,102</u>	<u>4,068,976</u>	<u>8,126</u>
Autism:					
Salaries of Teachers	320,900	-	320,900	320,675	225
Other Salaries for Instruction	280,440	80,000	360,440	356,291	4,149
General Supplies	8,700	5,000	13,700	5,036	8,664
Total Autism	<u>610,040</u>	<u>85,000</u>	<u>695,040</u>	<u>682,002</u>	<u>13,038</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	190,050	38,000	228,050	227,057	993
Other Salaries for Instruction	134,823	45,000	179,823	178,838	985
General Supplies	4,500	-	4,500	4,157	343
Total Preschool Disabilities - Part-Time	<u>329,373</u>	<u>83,000</u>	<u>412,373</u>	<u>410,052</u>	<u>2,321</u>
Home Instruction					
Purchased Professional - Educational Services	35,000	-	35,000	17,765	17,235
Total Home Instruction	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>17,765</u>	<u>17,235</u>
Total Special Education - Instruction	<u>7,094,140</u>	<u>603,885</u>	<u>7,698,025</u>	<u>7,097,968</u>	<u>600,057</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	287,200	(45,000)	242,200	238,585	3,615
General Supplies	3,275	-	3,275	2,614	661
Total Basic Skills/Remedial - Instruction	<u>290,475</u>	<u>(45,000)</u>	<u>245,475</u>	<u>241,199</u>	<u>4,276</u>
Bilingual Education - Instruction					
Salaries of Teachers	97,750	-	97,750	97,750	-
Other Purchased Services (400-500 Series)	600	250	850	833	17
General Supplies	1,257	-	1,257	1,257	-
Other Objects	130	-	130	104	26
Total Bilingual Education - Instruction	<u>99,737</u>	<u>250</u>	<u>99,987</u>	<u>99,943</u>	<u>44</u>
School-Spon. Co/Extra Curr. Actvts. - Instruction					
Salaries	225,875	(1,309)	224,566	209,497	15,069
Other Objects	4,000	-	4,000	-	4,000
Total School-Spon. Co/Extra Curr. Actvts. - Instruction	<u>229,875</u>	<u>(1,309)</u>	<u>228,566</u>	<u>209,497</u>	<u>19,069</u>
School-Sponsored Athletics - Instruction					
Salaries	666,530	(30,000)	636,530	626,956	9,574
Purchased Services (300-500 Series)	182,370	-	182,370	119,091	63,279
Supplies and Materials	115,176	(23,042)	92,134	62,243	29,890
Other Objects	104,949	-	104,949	88,170	16,779
Total School-Sponsored Athletics - Instruction	<u>1,069,025</u>	<u>(53,042)</u>	<u>1,015,983</u>	<u>896,460</u>	<u>119,523</u>
Other Suppl/At-Risk Prog - Instruction					
Salaries of Reading Specialists	560,500	(25,000)	535,500	533,905	1,595
Total Other Suppl/At-Risk - Instruction	<u>560,500</u>	<u>(25,000)</u>	<u>535,500</u>	<u>533,905</u>	<u>1,595</u>
Total Instruction	<u>28,910,185</u>	<u>530,139</u>	<u>29,440,324</u>	<u>27,791,071</u>	<u>1,649,252</u>
Undistributed Expenditures - Instruction (Tuition)					
Tuition to Other LEAs Within the State - Regular	51,066	(33,868)	17,199	7,222	9,977
Tuition to Other LEAs Within the State - Special	-	5,374	5,374	5,374	-
Tuition to County Voc. School Dist.- Regular	1,351,051	(140,427)	1,210,624	1,207,685	2,939
Tuition to County Voc. School Dist.- Special	78,674	(48,000)	30,674	24,970	5,704
Tuition to CSSD & Reg. Day Schools	450,778	270,394	721,172	691,942	29,230
Tuition to Priv.Sch. for the Disabled W/I State	1,868,801	(232,000)	1,636,801	1,611,333	25,468
Total Undistributed Expenditures - Instruction (Tuition)	<u>3,800,370</u>	<u>(178,526)</u>	<u>3,621,844</u>	<u>3,548,527</u>	<u>73,317</u>
Undist. Expend.-Attendance and Social Work					
Salaries	29,337	-	29,337	29,337	-
Total Undist. Expend. - Attendance and Social Work	<u>29,337</u>	<u>-</u>	<u>29,337</u>	<u>29,337</u>	<u>-</u>
Undist. Expenditures- Health Services					
Salaries	633,850	47,000	680,850	679,858	992
Purchased Professional and Technical Services	74,985	(1,000)	73,985	51,621	22,364
Supplies and Materials	52,060	-	52,060	23,081	28,979
Total Undist. Expenditures- Health Services	<u>760,895</u>	<u>46,000</u>	<u>806,895</u>	<u>754,559</u>	<u>52,336</u>

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

**Exhibit C-1
Page 3 of 6**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend.-Speech, OT, PT and Related SVCS					
Salaries	1,190,775	(57,000)	1,133,775	1,123,756	10,019
Purchased Professional - Educational Services	395,620	164,000	559,620	463,435	96,185
Supplies and Materials	30,277	(287)	29,990	28,262	1,728
Total Undist. Expend.-Speech, OT, PT and Related SVCS	<u>1,616,672</u>	<u>106,713</u>	<u>1,723,385</u>	<u>1,615,453</u>	<u>107,932</u>
Undist. Expend. - Extraordinary Services					
Purchased Professional - Educational Services	110,370	(50,250)	60,120	33,305	26,815
Total Undist. Expend. - Extraordinary Services	<u>110,370</u>	<u>(50,250)</u>	<u>60,120</u>	<u>33,305</u>	<u>26,815</u>
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	836,000	-	836,000	830,252	5,748
Salaries of Secretarial and Clerical Assistants	160,275	4,917	165,192	158,501	6,691
Purchased Professional - Educational Services	1,250	-	1,250	839	411
Other Purchased Prof. And Tech. Services	27,100	(145)	26,955	20,294	6,661
Supplies and Materials	10,685	-	10,685	8,037	2,648
Total Undist. Expenditures - Guidance	<u>1,035,310</u>	<u>4,771</u>	<u>1,040,081</u>	<u>1,017,923</u>	<u>22,159</u>
Undist. Expenditures -Child Study Teams					
Salaries of Other Professional Staff	2,096,693	(63,435)	2,033,258	2,032,858	400
Salaries of Secretarial and Clerical Assistants	246,989	14	247,003	237,112	9,891
Purchased Professional - Educational Services	20,990	(19,000)	1,990	-	1,990
Other Purchased Services (400-500 series)	1,908	-	1,908	1,908	-
Supplies and Materials	25,508	(1,200)	24,308	18,664	5,643
Other Objects	2,855	-	2,855	1,800	1,055
Total Undist. Expenditures -Child Study Teams	<u>2,394,943</u>	<u>(83,621)</u>	<u>2,311,322</u>	<u>2,292,342</u>	<u>18,980</u>
Undist. Expend.-Improv. Of Inst. Serv.					
Sal of Supervisor of Instruction	564,523	(55,000)	509,523	471,019	38,504
Sal of Secr and Clerical Assist.	27,836	-	27,836	27,836	0
Other Purchased Services (400-500)	9,550	3,500	13,050	9,578	3,472
Other Objects	12,485	-	12,485	11,392	1,093
Total Undist. Expend.-Improv. Of Inst. Serv.	<u>614,394</u>	<u>(51,500)</u>	<u>562,894</u>	<u>519,824</u>	<u>43,070</u>
Undist. Expend.-Edu. Media Serv./Library					
Salaries	495,725	-	495,725	495,725	-
Supplies and Materials	103,735	(3,092)	100,643	82,126	18,517
Other Objects	175	-	175	-	175
Total Undist. Expend.-Edu. Media Serv./Library	<u>599,635</u>	<u>(3,092)</u>	<u>596,543</u>	<u>577,851</u>	<u>18,692</u>
Undist. Expend.-Instr. Staff Training Serv.					
Salaries of Supervisors of Instruction	39,708	-	39,708	27,968	11,740
Other Purchased Prof. and Tech. Services	25,500	(23,180)	2,320	1,400	920
Other Purchased Services (400-500 series)	9,400	4,600	14,000	4,886	9,114
Supplies and Materials	1,279	-	1,279	-	1,279
Other Objects	84,745	(6,311)	78,434	11,584	66,850
Total Undist. Expend.-Instr. Staff Training Serv.	<u>160,632</u>	<u>(24,891)</u>	<u>135,741</u>	<u>45,838</u>	<u>89,904</u>
Undist. Expend.-Support Serv.-Gen. Admin					
Salaries	663,598	-	663,598	658,874	4,724
Legal Services	136,000	(46,000)	90,000	76,891	13,109
Audit Fees	97,125	-	97,125	39,050	58,075
Architectural/Engineering Services	36,336	45,000	81,336	23,475	57,861
Other Purchased Professional Services	18,750	17,000	35,750	27,340	8,410
Purchased Technical Services	73,151	-	73,151	64,381	8,770
Communications / Telephone	204,165	(3,275)	200,890	163,007	37,884
BOE Other Purchased Services	10,600	1,440	12,040	7,597	4,443
Misc. Purch Serv (400-500)(Other than 530 & 585)	87,616	-	87,616	83,211	4,405
General Supplies	29,110	-	29,110	15,371	13,739
Judgment Against The School District	25,000	24,000	49,000	48,400	600
Miscellaneous Expenditures	31,789	(1,440)	30,349	19,787	10,562
BOE Membership Dues and Fees	30,000	-	30,000	28,522	1,478
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>1,443,241</u>	<u>36,725</u>	<u>1,479,966</u>	<u>1,255,907</u>	<u>224,059</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Asst. Principals/Prog. Dir	1,401,012	125,000	1,526,012	1,512,464	13,548
Salaries of Secretarial and Clerical Assistants	924,659	(49,917)	874,742	866,700	8,042
Purchased Professional and Technical Services	16,270	-	16,270	8,432	7,839
Other Purchased Services (400-500 Series)	8,352	-	8,352	8,352	-
Supplies and Materials	19,978	-	19,978	13,449	6,529
Other Objects	8,035	(230)	7,805	4,550	3,255
Total Undist. Expend. - Support Serv. - School Admin.	<u>2,378,306</u>	<u>74,853</u>	<u>2,453,159</u>	<u>2,413,946</u>	<u>39,213</u>

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

Exhibit C-1
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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	459,724	-	459,724	456,074	3,650
Purchased Technical Services	24,700	(1,515)	23,185	20,039	3,147
Misc. Purchased Services (400-500)[O/T 594]	900	1,500	2,400	1,974	426
Supplies and Materials	15,216	-	15,216	8,393	6,823
Miscellaneous Expenditures	7,700	(1,500)	6,200	3,234	2,966
Total Undist. Expend. - Central Services	<u>508,240</u>	<u>(1,515)</u>	<u>506,725</u>	<u>489,713</u>	<u>17,012</u>
Undist. Expend. - Admin. Info. Technology					
Salaries	470,945	(1,000)	469,945	468,082	1,863
Purchased Technical Services	153,304	52,850	206,154	206,145	9
Other Purchased Services (400-500 Series)	2,500	1,000	3,500	2,623	877
Supplies and Materials	1,294	-	1,294	471	823
Total Undist. Expend. - Admin. Info. Technology	<u>628,043</u>	<u>52,850</u>	<u>680,893</u>	<u>677,321</u>	<u>3,572</u>
Undist. Expend.-Required Maint For Sch Fac.					
Salaires	412,853	(5,000)	407,853	406,676	1,177
Cleaning, Repair and Maintenance Services	444,838	(94,415)	350,422	312,380	38,043
General Supplies	135,490	(28,500)	106,990	102,853	4,137
Total Undist. Expend.-Required Maint For Sch Fac.	<u>993,181</u>	<u>(127,915)</u>	<u>865,266</u>	<u>821,909</u>	<u>43,356</u>
Undist. Expend. - Custodial Services					
Salaries	2,402,865	(108,000)	2,294,865	2,287,996	6,869
Salaries of Non-Instructional Aides	195,021	10,000	205,021	200,172	4,849
Purchased Professional and Technical Services	18,332	(5,380)	12,952	12,941	11
Cleaning, Repair and Maintenance Services	159,725	(21,157)	138,569	109,384	29,185
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	93,379	4,388	97,767	95,112	2,655
Other Purchased Property Services	243,989	15,195	259,184	257,880	1,304
Insurance	973,132	40,249	1,013,381	1,013,381	-
General Supplies	317,776	(52,819)	264,957	257,226	7,732
Energy (Natural Gas)	291,620	(8,379)	283,241	274,792	8,450
Energy (Electricity)	317,660	92,917	410,577	402,352	8,225
Energy (Oil)	80,856	30,988	111,844	111,844	-
Other Objects	48,771	14,550	63,321	39,821	23,500
Interest - Energy Savings Impr. Prog. Bonds	141,671	-	141,671	141,670	1
Principal - Energy Savings Impr. Prog. Bonds	44,640	(11,000)	33,640	33,099	541
Total Undist. Expend. - Custodial Services	<u>5,329,438</u>	<u>1,552</u>	<u>5,330,989</u>	<u>5,237,669</u>	<u>93,320</u>
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	223,387	-	223,387	223,387	0
General Supplies	55,250	71,972	127,222	120,080	7,142
Total Care and Upkeep of Grounds	<u>278,637</u>	<u>71,972</u>	<u>350,609</u>	<u>343,467</u>	<u>7,142</u>
Undist. Expend. - Security					
Salaries	111,376	4,000	115,376	111,536	3,840
Purchased Professional and Technical Services	2,000	2,875	4,875	4,875	-
Other Objects	24,300	(2,700)	21,600	21,190	410
Total Undist. Expend. - Security	<u>137,676</u>	<u>4,175</u>	<u>141,851</u>	<u>137,602</u>	<u>4,249</u>
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.					
	<u>6,738,932</u>	<u>(50,216)</u>	<u>6,688,715</u>	<u>6,540,647</u>	<u>148,069</u>
Undist. Expend.-Student Transportation Serv.					
Salaries of Non-Instructional Aides	152,740	20,000	172,740	157,409	15,331
Sal. For Pupil Trans(Bet Home & Sch)-Reg	2,189,494	(403,528)	1,785,966	1,657,272	128,693
Sal. For Pupil Trans(Bet Home & Sch)-Sp Ed	452,487	(67,508)	384,979	346,765	38,214
Sal. For Pupil Trans(Other than Bet. Home & Sch)	188,536	(23,326)	165,210	132,308	32,901
Management Fee - ESC & CTSA Trans. Program	36,400	(7,500)	28,900	23,919	4,981
Other Purchased Prof. and Technical Serv.	54,850	(8,500)	46,350	40,380	5,970
Cleaning, Repair, & Maint. Services	18,964	(6,387)	12,577	8,110	4,467
Lease Purchase Payments - School Buses	685,665	22,527	708,192	572,302	135,890
Contr Serv - Aid in Lieu Pymts - NonPub Sch	90,000	(26,852)	63,148	61,298	1,850
Contr Serv (Bet. Home and Sch) - Vendors	722,000	229,500	951,500	951,090	410
Contr Serv (Oth. Than Bet Home&Sch) - Vendors	84,250	-	84,250	57,827	26,423
Contr Serv (Bet. Home and Sch) - Joint Ventures	-	21,056	21,056	21,056	-
Contr Serv (Special Ed) - Vendors	764,587	707,497	1,472,084	1,458,087	13,997
Misc. Purchased Services - Transportation	17,100	(17,100)	-	-	-
Transportation Supplies	481,602	(33,297)	448,305	390,843	57,462
Other Objects	6,450	(5,983)	467	467	-
Total Undist. Expend.-Student Transportation Serv.	<u>5,945,125</u>	<u>400,600</u>	<u>6,345,725</u>	<u>5,879,134</u>	<u>466,591</u>

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

**Exhibit C-1
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	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	910,000	40,500	950,500	941,684	8,816
Other Retirement Contributions - PERS	1,512,612	(87,489)	1,425,123	1,424,299	824
Other Retirement Contributions - Regular	-	755	755	755	-
Workmen's Compensation	409,880	(64,004)	345,876	342,863	3,013
Health Benefits	11,582,471	1,202,974	12,785,445	12,661,646	123,799
Tuition Reimbursement	111,000	-	111,000	105,000	6,000
Other Employee Benefits	68,252	32,084	100,337	94,594	5,743
Unused Sick Payments to Term/Retired Staff	-	116,205	116,205	116,063	143
Total Unallocated Benefits	<u>14,594,215</u>	<u>1,241,025</u>	<u>15,835,241</u>	<u>15,686,903</u>	<u>148,337</u>
On-Behalf Contributions					
On-behalf TPAF Pension (non-budgeted)	-	-	-	10,726,277	(10,726,277)
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	148,815	(148,815)
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	2,856,861	(2,856,861)
On-Behalf TPAF Long-Term Disability Insurance (non-budgeted)	-	-	-	3,221	(3,221)
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	2,111,353	(2,111,353)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,846,527</u>	<u>(15,846,527)</u>
Total Personal Services - Employee Benefits	<u>14,594,215</u>	<u>1,241,025</u>	<u>15,835,241</u>	<u>31,533,430</u>	<u>(15,698,189)</u>
Total Undistributed Expenditures	<u>43,358,658</u>	<u>1,519,926</u>	<u>44,878,585</u>	<u>59,225,054</u>	<u>(14,346,470)</u>
Total General Current Expense	<u>72,268,843</u>	<u>2,050,065</u>	<u>74,318,908</u>	<u>87,016,126</u>	<u>(12,697,217)</u>
Capital Outlay					
Equipment					
Grades 1-5	150,162	-	150,162	150,162	-
Grades 6-8	31,188	-	31,188	31,188	-
Grades 9-12	47,152	5,303	52,455	52,455	-
School-Sponsored and Other Instructional Program	20,000	23,042	43,042	40,630	2,411
Undist. Expend. - Instruction	24,907	24,987	49,895	32,569	17,326
Undist. Expend. - Required Maint for School Fac.	10,557	9,500	20,057	20,057	-
Undist. Expend. - Custodial Services	-	6,204	6,204	6,204	-
Undist. Expend. - Care and Upkeep of Grounds	55,966	-	55,966	46,966	9,000
Undist. Expend. - Security	3,539	-	3,539	3,539	-
Undist. Expend. - Student Transportation Services - Non-Instructional Equip.	-	13,213	13,213	13,213	-
Total Equipment	<u>343,471</u>	<u>82,248</u>	<u>425,719</u>	<u>396,982</u>	<u>28,737</u>
Facilities Acquisition and Const. Serv.					
Construction Services	226,091	46,494	272,584	139,713	132,871
Assessment for Debt Service on SDA Funding	27,501	-	27,501	27,501	-
Total Facilities Acquisition and Const. Serv.	<u>253,592</u>	<u>46,494</u>	<u>300,085</u>	<u>167,214</u>	<u>132,871</u>
Total Capital Outlay	<u>597,063</u>	<u>128,742</u>	<u>725,805</u>	<u>564,196</u>	<u>161,608</u>
Transfer of Funds to Charter Schools	<u>-</u>	<u>65,427</u>	<u>65,427</u>	<u>65,427</u>	<u>-</u>
Total Expenditures	<u>72,865,906</u>	<u>2,244,234</u>	<u>75,110,140</u>	<u>87,645,749</u>	<u>(12,535,609)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,870,155)</u>	<u>(927,974)</u>	<u>(5,798,129)</u>	<u>(410,124)</u>	<u>5,388,005</u>
Other Financing Sources (Uses):					
Capital Reserve - Transfer to Capital Projects	(525,000)	-	(525,000)	(525,000)	-
Capital Projects - Transfer to Capital Reserve	-	-	-	239,260	239,260
Total Other Financing Sources:	<u>(525,000)</u>	<u>-</u>	<u>(525,000)</u>	<u>(285,740)</u>	<u>239,260</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(5,395,155)</u>	<u>(927,974)</u>	<u>(6,323,129)</u>	<u>(695,865)</u>	<u>5,627,265</u>
Fund Balance, July 1	<u>14,450,237</u>	<u>-</u>	<u>14,450,237</u>	<u>14,450,237</u>	<u>-</u>
Fund Balance, June 30	<u>9,055,082</u>	<u>(927,974)</u>	<u>8,127,108</u>	<u>13,754,372</u>	<u>5,627,265</u>
Recapitulation of excess (deficiency) of revenues under expenditures:					
Adjustment for Prior Year Encumbrances	(720,155)	-	(720,155)	(720,155)	-
Budgeted Fund Balance	(4,000,000)	(927,974)	(4,927,974)	193,762	5,121,736
Budgeted Withdrawal from Capital Reserve	(525,000)	-	(525,000)	(525,000)	-
Budgeted Transfer from Maintenance Reserve	(150,000)	-	(150,000)	(150,000)	-
Increase in Maintenance Reserve:					
Principal	-	-	-	50,000	50,000
Increase in Capital Reserve:					
Principal	-	-	-	439,260	439,260
Interest	-	-	-	16,269	16,269
	<u>(5,395,155)</u>	<u>(927,974)</u>	<u>(6,323,129)</u>	<u>(695,865)</u>	<u>5,627,265</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
<hr/>					
Restricted Fund Balance:					
Capital Reserve				2,075,207	
Maintenance Reserve				650,000	
Excess Surplus				1,393,863	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,083,204	
Unemployment Compensation				1,003,874	
Assigned Fund Balance:					
Year End Encumbrances				948,858	
Designated for Subsequent Year's Expenditures				1,990,296	
Unassigned Fund Balance				3,609,071	
				13,754,372	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(627,582)	
				13,126,790	

* Includes interest earnings on the Unemployment Compensation Bank Account

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

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>	
Revenues:						
Local Sources	-	20,503	20,503	825,042	804,539	Note 1
State Sources	-	73,436	73,436	73,436	-	
Federal Sources	1,174,663	3,424,662	4,599,325	3,463,058	(1,136,267)	
Total Revenues	<u>1,174,663</u>	<u>3,518,601</u>	<u>4,693,264</u>	<u>4,361,536</u>	<u>(331,728)</u>	
Expenditures:						
Instruction:						
Salaries of Teachers	305,172	840,999	1,146,171	527,088	619,083	
Other Purchased Services (400-500 series)	775,000	91,029	866,029	866,029	-	
Instructional Supplies	-	377,526	377,526	375,701	1,825	
Total Instruction	<u>1,080,172</u>	<u>1,309,554</u>	<u>2,389,726</u>	<u>1,768,818</u>	<u>620,908</u>	
Support Services:						
Salaries - Support	94,491	(68,140)	26,351	10,512	15,839	
Salaries of Secretarial and Clerical Assistants	-	10,000	10,000	10,000	-	
Employee Benefits	-	415,326	415,326	239,999	175,327	
Purchased Professional and Tech Services	-	353,852	353,852	160,621	193,231	
Purchased Property Services	-	8,000	8,000	2,000	6,000	
Other Purchased Services	-	196,813	196,813	107,811	89,002	
Supplies and Materials	-	74,885	74,885	53,619	21,265	
Scholarships Awarded	-	-	-	14,000	(14,000)	Note 1
Student Activities	-	-	-	821,905	(821,905)	Note 1
Total Support Services	<u>94,491</u>	<u>990,735</u>	<u>1,085,226</u>	<u>1,420,467</u>	<u>(335,241)</u>	
Operation of Non-Instructional Services:						
General Supplies	-	1,419	1,419	1,399	20	
Total Operation of Non-Instructional Services	<u>-</u>	<u>1,419</u>	<u>1,419</u>	<u>1,399</u>	<u>20</u>	
Facilities Acquisition and Construction Services:						
Buildings	-	1,137,979	1,137,979	1,122,121	15,858	
Instructional Equipment	-	5,477	5,477	5,477	-	
Noninstructional Equipment	-	73,436	73,436	73,436	-	
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>1,216,892</u>	<u>1,216,892</u>	<u>1,201,034</u>	<u>15,858</u>	
Total Expenditures	<u>1,174,663</u>	<u>3,518,601</u>	<u>4,693,264</u>	<u>4,391,718</u>	<u>301,546</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,182)</u>	<u>(30,182)</u>	
Fund Balance, July 1				<u>663,381</u>		
Fund Balance, June 30				<u>633,199</u>		
Recapitulation:						
Restricted:						
Scholarships				308,668		
Student Activities				324,531		
Total Fund Balance				<u>633,199</u>		

Note 1 Not required to budget for these funds.

**WEST MILFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	87,235,625	[C-2]	4,361,536
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Add: Prior Year Encumbrances		N/A		30,260
Less: Current Year Encumbrances		N/A		(1,254,291)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognized the related expense (GASB 33)				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(627,582)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		<u>841,761</u>		<u>-</u>
Total revenues as reported on the statement of revenues, expenditure: and changes in fund balances - governmental funds	[B-2]	<u>87,449,804</u>	[B-2]	<u>3,137,506</u>
 Uses/Outflows of Resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	87,645,749	[C-2]	4,391,718
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
Add: Prior Year Encumbrances		N/A		30,260
Less: Current Year Encumbrances		<u>N/A</u>		<u>(1,254,291)</u>
Total revenues as reported on the statement of revenue: expenditures, and changes in fund balances - governmental funds	[B-2]	<u>87,645,749</u>	[B-2]	<u>3,167,687</u>

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

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

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payrol -PERS Employee's	DISTRICT'S Proportion Share of the Net Pension Liability (Asset) as a perecentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.1247985140%	\$ 23,365,197	\$ 8,721,195	267.91%	52.08%
2016	0.1275700160%	28,636,912	8,485,838	337.47%	47.93%
2017	0.1274011928%	37,732,759	8,609,095	438.29%	59.86%
2018	0.1244999422%	28,981,597	8,490,515	341.34%	48.10%
2019	0.1258679051%	24,782,763	8,510,503	291.20%	53.60%
2020	0.1196533870%	21,559,725	8,518,227	253.10%	56.27%
2021	0.1198839548%	19,549,938	7,967,996	245.36%	58.32%
2022	0.1168449357%	13,842,034	8,220,034	168.39%	70.33%
2023	0.1085656514%	16,384,051	8,036,980	203.86%	62.91%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year o GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until te years of data is presented.

WEST MILFORD BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - PERS
*LAST 10 FISCAL YEARS**

Fiscal Year Ending June30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2015	\$ 1,028,799	\$ (1,028,799)	\$ -	\$ 8,721,195	11.80%
2016	1,096,760	(1,096,760)	-	8,485,838	12.92%
2017	1,131,814	(1,131,814)	-	8,609,095	13.15%
2018	1,153,359	(1,153,359)	-	8,490,515	13.58%
2019	1,251,979	(1,251,979)	-	8,510,503	14.71%
2020	1,163,881	(1,163,881)	-	8,518,227	13.66%
2021	1,311,472	(1,311,472)	-	7,967,996	16.46%
2022	1,368,390	(1,368,390)	-	8,220,034	16.65%
2023	1,369,065	(1,369,065)	-	8,036,980	17.03%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

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

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payrol TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a perecentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.2941957073%	\$ -	\$ 157,238,031	\$ 29,048,328	0.00%	33.64%
2016	0.2854159332%	-	180,395,058	29,529,656	0.00%	28.71%
2017	0.2880639774%	-	226,609,466	30,487,554	0.00%	28.75%
2018	0.2842699377%	-	191,665,042	31,509,557	0.00%	34.07%
2019	0.2914283214%	-	185,400,438	31,395,034	0.00%	26.49%
2020	0.2907659254%	-	178,445,793	31,090,627	0.00%	26.95%
2021	0.2925037311%	-	192,610,187	30,380,526	0.00%	24.60%
2022	0.2863954181%	-	137,685,138	30,260,922	0.00%	35.52%
2023	0.2769381144%	-	142,884,602	30,018,916	0.00%	32.29%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**WEST MILFORD BOARD OF EDUCATION
NOTE TO REQUIRED SCHEDULES OF SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDING 2023**

Public Employees' Retirement System (PERS)

Change in benefit terms

None

Change in assumptions

None

Teachers Pension and Annuity Fund (TPAF)

Change in benefit terms

None

Change in assumptions

None

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	\$ 7,158,087	\$ 8,397,737	\$ 4,744,430	\$ 4,685,800	\$ 5,228,766	\$ 6,293,216
Interest on Total OPEB Liability	4,367,603	5,028,390	4,883,515	6,118,117	6,513,196	5,641,364
Change on Benefit Terms	-	(206,318)	-	-	-	-
Difference Between Expected and Actual Experiences	7,842,377	(35,168,631)	36,802,469	(27,571,149)	(13,166,469)	-
Changes in Assumptions	(44,211,322)	191,237	40,082,150	2,037,027	(17,835,284)	(22,884,143)
Gross Benefit Payments	138,788	(3,960,963)	(3,820,079)	(4,193,851)	(4,155,890)	(4,138,899)
Contribution from the Member	(4,326,240)	128,551	115,786	124,317	143,634	152,405
Net Changes in total Share of OPEB Liability	(29,030,707)	(25,589,997)	82,808,271	(18,799,739)	(23,272,047)	(14,936,057)
Total OPEB Liability - Beginning	193,839,070	219,429,067	136,620,796	155,420,535	178,692,582	193,628,639
Total OPEB Liability - Ending	\$ 164,808,363	\$ 193,839,070	\$ 219,429,067	\$ 136,620,796	\$ 155,420,535	\$ 178,692,582
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	164,808,363	193,839,070	219,429,067	136,620,796	155,420,535	178,692,582
Total OPEB Liability - Ending	\$ 164,808,363	\$ 193,839,070	\$ 219,429,067	\$ 136,620,796	\$ 155,420,535	\$ 178,692,582
District's Covered Employee Payroll	\$ 38,480,956	\$ 38,348,522	\$ 38,348,522	\$ 39,608,854	\$ 39,905,537	\$ 40,000,072
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

Notes to Schedule:

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

Change in assumptions Assumptions used in calculating the OPEB liability are presented in Note 10.

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

Other Supplementary Information

SPECIAL REVENUE FUND

**WEST MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

	Title I - Part A Improving Basic Programs	Title II - Part A Teacher/Principal Training & Recruiting	Title III Immigrant	Title IV - Part A Student Support and Academic Enrichment	Total 2023
Revenues:					
Federal Sources	3,022,681	96,485	5,103	27,632	3,454,911
State Sources	73,436	-	-	-	73,436
Local Sources	833,189	-	-	-	833,189
Total Revenues	<u>3,929,307</u>	<u>96,485</u>	<u>5,103</u>	<u>27,632</u>	<u>4,361,537</u>
Expenditures:					
Instruction:					
Salaries of Teachers	367,622	3,834	-	6,678	537,600
Purchased Services	866,029	-	-	-	866,029
Instructional Supplies	375,701	-	-	-	375,701
Total Instruction	<u>1,609,353</u>	<u>3,834</u>	<u>-</u>	<u>6,678</u>	<u>1,779,331</u>
Support Services:					
Salaries of Secretarial and Clerical Assistants	10,000	-	-	-	10,000
Employee Benefits	148,449	293	-	509	239,999
Professional Tech Services	61,926	51,442	5,103	6,150	160,621
Purchased Property Services	2,000	-	-	-	2,000
Other Purchased Services	83,895	16,834	-	6,483	107,811
Supplies and Materials	21,006	24,082	-	2,335	53,619
Scholarships Awarded	14,000	-	-	-	14,000
Student Activities	821,905	-	-	-	821,905
Total Support Services	<u>1,153,180</u>	<u>92,651</u>	<u>5,103</u>	<u>15,477</u>	<u>1,409,955</u>
Operation of Non-Instructional Services:					
General Supplies	1,399	-	-	-	1,399
Total Operation of Non-Instructional Services	<u>1,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,399</u>
Facilities Acquisition and Construction Services:					
Buildings	1,122,121	-	-	-	1,122,121
Instructional equipment	-	-	-	5,477	5,477
Non-Instructional Equipment	73,436	-	-	-	73,436
Total Facilities Acquisition and Construction Services	<u>1,195,557</u>	<u>-</u>	<u>-</u>	<u>5,477</u>	<u>1,201,034</u>
Total Expenditures	<u>3,959,488</u>	<u>96,485</u>	<u>5,103</u>	<u>27,632</u>	<u>4,391,718</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,182)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,182)</u>
Fund Balance, July 1	663,381	-	-	-	663,381
Fund Balance, June 30	<u>633,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>633,199</u>

**WEST MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

	I.D.E.A.		C.R.R.S.A.		Total
	Basic	Preschool	E.S.S.E.R. II	Learning Acceleration	Brought Forward from (Ex. E-1b)
Revenues:					
Federal Sources	866,029	41,055	377,021	513	1,697,063
State Sources	-	-	-	-	73,436
Local Sources	-	-	-	-	833,189
Total Revenues	866,029	41,055	377,021	513	2,603,689
Expenditures:					
Instruction:					
Salaries of Teachers	-	-	16,215	-	351,407
Purchased Services	866,029	-	-	-	-
Instructional Supplies	-	-	359,566	398	1,875
Total Instruction	866,029	-	375,781	398	353,283
Support Services:					
Other Salaries	-	-	-	-	-
Employee Benefits	-	-	1,240	-	147,209
Professional Tech Services	-	41,055	-	-	1,200
Purchased Property Services	-	-	-	-	2,000
Other Purchased Services	-	-	-	115	83,779
Supplies and Materials	-	-	-	-	13,540
Scholarships Awarded	-	-	-	-	14,000
Student Activities	-	-	-	-	821,905
Total Support Services	-	41,055	1,240	115	1,083,632
Operation of Non-Instructional Services:					
General Supplies	-	-	-	-	1,399
Total Operation of Non-Instructional Services	-	-	-	-	1,399
Facilities Acquisition and Construction Services:					
Buildings	-	-	-	-	1,122,121
Instructional equipment	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	73,436
Total Facilities Acquisition and Construction Services	-	-	-	-	1,195,557
Total Expenditures	866,029	41,055	377,021	513	2,633,871
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(30,182)
Fund Balance, July 1	-	-	-	-	663,381
Fund Balance, June 30	-	-	-	-	633,199
					3,929,307
					3,022,681
					73,436
					833,189
					1,609,353
					148,449
					61,926
					2,000
					83,895
					21,006
					14,000
					821,905
					1,153,180
					1,399
					1,399
					1,122,121
					-
					73,436
					1,195,557
					3,959,488
					(30,182)
					663,381
					633,199

**WEST MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

	Total Brought Forward from (Ex. E-1c)	E.S.S.E.R.	Accelerated Learning	A.R.P. Summer Learning	Beyond School Day	Homeless Youth	Total Carried Forward to (Ex. E-1a)
Revenues:							
Federal Sources	-	1,607,173	67,660.00	6,746	15,220	265	1,697,063
State Sources	73,436	-	-	-	-	-	73,436
Local Sources	833,189	-	-	-	-	-	833,189
Total Revenues	906,625	1,607,173	67,660.00	6,746	15,220	265	2,603,689
Expenditures:							
Instruction:							
Salaries of Teachers	12,996	324,213	-	-	13,952	246	351,407
Purchased Services	-	-	-	-	-	-	-
Instructional Supplies	1,675	-	-	-	200	-	1,875
Total Instruction	14,671	324,213	-	-	14,152	246	353,283
Support Services:							
Other Salaries	-	-	-	-	-	-	-
Employee Benefits	994	145,128	-	-	1,067	19	147,209
Professional Tech Services	1,200	-	-	-	-	-	1,200
Purchased Property Services	-	-	-	2,000	-	-	2,000
Other Purchased Services	-	15,711	67,660.00	409	-	-	83,779
Supplies and Materials	9,202	-	-	4,337	-	-	13,540
Scholarships Awarded	14,000	-	-	-	-	-	14,000
Student Activities	821,905	-	-	-	-	-	821,905
Total Support Services	847,301	160,839	67,660.00	6,746	1,067	19	1,083,632
Operation of Non-Instructional Services:							
General Supplies	1,399	-	-	-	-	-	1,399
Total Operation of Non-Instructional Services	1,399	-	-	-	-	-	1,399
Facilities Acquisition and Construction Services:							
Buildings	-	1,122,121	-	-	-	-	1,122,121
Instructional equipment	-	-	-	-	-	-	-
Non-Instructional Equipment	73,436	-	-	-	-	-	73,436
Total Facilities Acquisition and Construction Services	73,436	1,122,121	-	-	-	-	1,195,557
Total Expenditures	936,807	1,607,173	67,660	6,746	15,220	265	2,633,871
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,182)	-	-	-	-	-	(30,182)
Fund Balance, July 1	663,381	-	-	-	-	-	663,381
Fund Balance, June 30	633,199	-	-	-	-	-	633,199

**WEST MILFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

	SDA Emergent Need & Capital Maintenance	Local Grant	Student Activities	Scholarship Funds	Total Carried Forward to (Ex. E-1b)
Revenues:					
Federal Sources	-	-	-	-	-
State Sources	73,436	-	-	-	73,436
Local Sources	-	27,467	790,126	15,597	833,189
Total Revenues	<u>73,436</u>	<u>27,467</u>	<u>790,126</u>	<u>15,597</u>	<u>906,625</u>
Expenditures:					
Instruction:					
Salaries of Teachers	-	12,996	-	-	12,996
Purchased Services	-	-	-	-	-
Instructional Supplies	-	1,675	-	-	1,675
Total Instruction	<u>-</u>	<u>14,671</u>	<u>-</u>	<u>-</u>	<u>14,671</u>
Support Services:					
Other Salaries	-	-	-	-	-
Employee Benefits	-	994	-	-	994
Professional Tech Services	-	1,200	-	-	1,200
Purchased Property Services	-	-	-	-	-
Other Purchased Services	-	-	-	-	-
Supplies and Materials	-	9,202	-	-	9,202
Scholarships Awarded	-	-	-	14,000	14,000
Student Activities	-	-	821,905	-	821,905
Total Support Services	<u>-</u>	<u>11,397</u>	<u>821,905</u>	<u>14,000</u>	<u>847,301</u>
Operation of Non-Instructional Services:					
General Supplies	-	1,399	-	-	1,399
Total Operation of Non-Instructional Services	<u>-</u>	<u>1,399</u>	<u>-</u>	<u>-</u>	<u>1,399</u>
Facilities Acquisition and Construction Services:					
Buildings	-	-	-	-	-
Instructional equipment	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>73,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,436</u>
Total Expenditures	<u>73,436</u>	<u>27,467</u>	<u>821,905</u>	<u>14,000</u>	<u>936,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(31,779)</u>	<u>1,597</u>	<u>(30,182)</u>
Fund Balance, July 1	-	-	356,310	307,071	663,381
Fund Balance, June 30	-	-	324,531	308,668	633,199

CAPITAL PROJECTS FUND

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE -BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	525,000
Total Revenues and Other Financing Sources	525,000
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	99,887
Construction Services	368,123
Capital Projects Equipment	52,078
Transfers to Other Funds	343,262
Total Expenditures and Other Financing Uses	863,351
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and other Financing Sources (Uses)	(338,351)
Fund Balance - Beginning of Year	361,893
Fund Balance - End of Year	23,542

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds	3,797,359	-	3,797,359	3,797,359
Total Revenues	<u>3,797,359</u>	<u>-</u>	<u>3,797,359</u>	<u>3,797,359</u>
Expenditures and Other Financing Uses:				
Architectural/Engineering Services	44	-	44	44
Other Purchased Professional and Technical Services	22,993	-	22,993	22,993
Construction Services	3,370,319	-	3,370,319	3,474,321
Transferred to Debt Service	300,001	104,002	404,003	300,001
Total Expenditures and Other Financing Uses	<u>3,693,357</u>	<u>104,002</u>	<u>3,797,359</u>	<u>3,797,359</u>
Excess (Deficiency) or Revenues Over (under) Expenditures	<u>104,002</u>	<u>(104,002)</u>	<u>-</u>	<u>-</u>
Additional Project Information:				
Original Authorized Costs			3,797,359	
Additional Authorized Costs			(404,003)	
Revised Authorized Costs			3,393,356	
Percentage Increase over Original Authorized Costs			-10.64%	
Percentage of Completion			100.00%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
UPGRADES TO PHONE SYSTEM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	280,000	-	280,000	280,000
Total Revenues	<u>280,000</u>	<u>-</u>	<u>280,000</u>	<u>280,000</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	69,871	99,887	169,758	200,000
Capital Project Equipment	63,808	12,897	76,705	80,000
Cancelled to Capital Reserve	-	33,537	33,537	33,537
Total Expenditures and Other Financing Uses	<u>133,679</u>	<u>146,321</u>	<u>280,000</u>	<u>313,537</u>
Excess (Deficiency) or Revenues Over (under) Expenditures	<u>146,321</u>	<u>(146,321)</u>	<u>-</u>	<u>(33,537)</u>
Additional Project Information:				
Original Authorized Costs			280,000	
Additional Authorized Costs			-	
Revised Authorized Costs			280,000	
Percentage Increase over Original Authorized Costs			0.00%	
Percentage of Completion			100.00%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
VESTIBULE SECURITY UPGRADES - MACOPIN AND HIGH SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	300,000	-	300,000	300,000
Total Revenues	300,000	-	300,000	300,000
Expenditures and Other Financing Uses:				
Construction Services	188,430	88,028	276,458	300,000
Total Expenditures and Other Financing Uses	188,430	88,028	276,458	300,000
Excess (Deficiency) or Revenues Over (under) Expenditures	<u>111,570</u>	<u>(88,028)</u>	<u>23,542</u>	<u>-</u>
Additional Project Information:				
Original Authorized Costs			300,000	
Additional Authorized Costs			-	
Revised Authorized Costs			300,000	
Percentage Increase over Original Authorized Costs			0.00%	
Percentage of Completion			92.15%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
ASBESTOS ABATEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:			
Transfer from Capital Reserve	166,647	166,647	166,647
Total Revenues	166,647	166,647	166,647
Expenditures and Other Financing Uses:			
Construction Services	127,466	127,466	127,466
Capital Projects Equipment	39,181	39,181	39,181
Total Expenditures and Other Financing Uses	166,647	166,647	166,647
Excess (Deficiency) or Revenues Over (under) Expenditures	-	-	-
 Additional Project Information:			
Original Authorized Costs		166,647	
Additional Authorized Costs		-	
Revised Authorized Costs		166,647	
Percentage Increase (Decrease) over Original Authorized Costs		0.00%	
Percentage of Completion		100.00%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
WATER SYSTEM REMEDIATION
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:			
Transfer from Capital Reserve	90,000	90,000	90,000
Total Revenues	90,000	90,000	90,000
Expenditures and Other Financing Uses:			
Transfers from Capital Projects	90,000	90,000	90,000
Total Expenditures and Other Financing Uses	90,000	90,000	90,000
Excess (Deficiency) or Revenues Over (under) Expenditures	-	-	-
 Additional Project Information:			
Original Authorized Costs		90,000	
Additional Authorized Costs		-	
Revised Authorized Costs		90,000	
Percentage Increase over Original Authorized Costs		0.00%	
Percentage of Completion		100.00%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
PAVING OF THE MACOPIN SCHOOL LOT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:			
Transfer from Capital Reserve	168,353	168,353	168,353
Total Revenues	168,353	168,353	168,353
Expenditures and Other Financing Uses:			
Construction Services	152,629	152,629	152,629
Transfer to Capital Reserve	15,724	15,724	15,724
Total Expenditures and Other Financing Uses	168,353	168,353	168,353
Excess (Deficiency) or Revenues Over (under) Expenditures	-	-	-
 Additional Project Information:			
Original Authorized Costs		168,353	
Additional Authorized Costs			
Revised Authorized Costs		168,353	
Percentage Increase (Decrease) over Original Authorized Costs		0.00%	
Percentage of Completion		100.00%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
UPGRADES TO PHONE SYSTEM - PHASE 2
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:			
Transfer from Capital Reserve	100,000	100,000	100,000
Total Revenues	100,000	100,000	100,000
Expenditures and Other Financing Uses:			
Transfer to Capital Reserve	100,000	100,000	100,000
Total Expenditures and Other Financing Uses	100,000	100,000	100,000
Excess (Deficiency) or Revenues Over (under) Expenditures	-	-	-
 Additional Project Information:			
Original Authorized Costs		100,000	
Additional Authorized Costs		-	
Revised Authorized Costs		100,000	
Percentage Increase over Original Authorized Costs		0.00%	
Percentage of Completion		100.00%	

**WEST MILFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

<u>Project Description</u>	<u>Appropriation</u>	<u>Expenditures</u>		<u>Canceled</u>	<u>Unexpended Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>		
High School Roof Replacement	3,797,359	3,693,357	-	104,002	-
Phone System Upgrades	280,000	133,679	112,785	33,536	-
Macopin & HS Security - Vestibule Improvement:	300,000	188,430	88,028	-	23,542
Asbestos Abatement	166,647	-	166,647	-	-
Water System Remediation	90,000	-	-	90,000	-
Paving of the Macopin School Lot	168,353	-	152,629	15,724	-
Phone System Upgrades - Phase 2	100,000	-	-	100,000	-
	<u>4,902,359</u>	<u>4,015,466</u>	<u>520,089</u>	<u>343,262</u>	<u>23,542</u>

LONG-TERM DEBT

**WEST MILFORD BOARD OF EDUCATION
GENERAL LONG TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
JUNE 30, 2023**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Retired	Balance June 30, 2023
			Date	Amount				
School Bonds of 2016	7/15/2016	6,500,000	7/15/2023	525,000	2.00%	4,625,000	525,000	4,100,000
			7/15/2024	550,000	2.00%			
			7/15/2025	550,000	2.00%			
			7/15/2026	590,000	2.00%			
			7/15/2027	600,000	2.00%			
			7/15/2028	625,000	2.00%			
7/15/2029	660,000	2.00%						
						<u>4,625,000</u>	<u>525,000</u>	<u>4,100,000</u>

**WEST MILFORD BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Issue	Interest Rate Payables	Amount of Original Issue	Amount Outstanding on July 1, 2022	Retired in Current Year	Amount Outstanding on June 30, 2023
2019 School Buses (4-54 Pass., 2-24 Pass.) Grandstand, Bleachers, and Press Box	4.20%	498,610	103,808	103,808	-
2020 School Buses (3-54 Pass., 5-24 Pass.)	5.60%	672,000	138,615	138,615	-
2021 School Buses (2-54 Pass., 2-24 Pass.)	4.58%	639,384	261,087	127,621	133,466
1 - 2021 John Deer Gator, 1 - 2021 Ford F-350	3.70%	747,836	447,778	143,672	304,106
34 Savin Digital Copiers	4.30%	87,957	42,758	20,698	22,060
2022 School Buses (3-24 Pass., 5-54 Pass.)	3.50%	206,230	134,868	40,948	93,920
Energy Savings Incentive Program	3.94%	763,841	600,235	145,680	454,555
	2.13%	7,490,000	6,395,523	67,041	6,328,482
Total			<u>8,124,672</u>	<u>788,083</u>	<u>7,336,589</u>

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Revenues:				
Local sources:				
Local tax levy	304,084	304,084	304,084	-
Total revenues - local sources	<u>304,084</u>	<u>304,084</u>	<u>304,084</u>	<u>-</u>
State sources:				
Debt service aid type II	208,165	208,165	208,165	-
Total state sources	<u>208,165</u>	<u>208,165</u>	<u>208,165</u>	<u>-</u>
Total Revenues	<u>512,249</u>	<u>512,249</u>	<u>512,249</u>	<u>-</u>
Expenditures:				
Regular debt service:				
Interest on Bonds	87,250	87,250	87,250	-
Redemption of principal	525,000	525,000	525,000	-
Total regular debt service	<u>612,250</u>	<u>612,250</u>	<u>612,250</u>	<u>-</u>
Total Expenditures	<u>612,250</u>	<u>612,250</u>	<u>612,250</u>	<u>-</u>
Other Financing Sources/(Uses):				
Capital Projects - Transfer to Debt Services for Repayment of Debt	100,001	100,001	104,002	4,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	4,001	4,001
Fund Balances, July 1	100,001	100,001	100,001	-
Fund Balances, June 30	<u>100,001</u>	<u>100,001</u>	<u>104,002</u>	<u>4,001</u>
Recapitulation of excess (deficiency) of revenues under expenditures:				
Budgeted Fund Balance	<u>-</u>	<u>-</u>	<u>4,001</u>	<u>4,001</u>
Recapitulation:				
Assigned:				
Designated for Subsequent Year's Expenditures			<u>104,002</u>	
			<u>104,002</u>	

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
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Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
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- J-18 School Building Information*
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- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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

WEST MILFORD BOARD OF EDUCATION

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	12,491,734	14,025,039	19,535,989	17,423,192	18,571,495	19,369,256	20,808,409	21,550,828	22,183,508	22,008,235
Restricted	8,164,505	7,957,499	7,082,783	9,830,847	8,137,799	7,860,210	8,412,347	10,528,465	9,846,006	8,811,747
Unrestricted	(3,767,616)	(28,031,456)	(28,842,210)	(31,564,210)	(31,874,212)	(31,571,082)	(30,178,977)	(27,208,323)	(21,412,315)	(17,844,576)
Total governmental activities net position	16,888,623	(5,448,918)	(2,223,437)	(4,310,171)	(5,164,918)	(4,341,616)	(958,221)	4,870,969	10,617,199	12,975,406
Business-type activities										
Invested in capital assets, net of related debt	247,464	123,999	59,175	65,339	64,065	66,394	66,474	78,781	94,068	149,873
Restricted	38,950	48,552	47,906	42,950	43,050	4,100	-	-	-	-
Unrestricted	33,812	143,241	77,415	58,736	21,680	92,412	21,231	-	550,149	768,459
Total business-type activities net position	320,226	315,792	184,495	167,025	128,795	162,906	87,705	78,781	644,217	918,332
District-wide										
Invested in capital assets, net of related debt	12,739,198	14,749,038	19,595,164	17,488,531	18,635,560	19,435,650	20,874,883	21,629,609	22,277,576	22,158,108
Restricted	8,203,455	8,006,050	7,130,689	9,873,797	8,180,849	7,864,310	8,412,347	10,528,465	9,846,006	8,811,747
Unrestricted	(3,733,804)	(27,888,215)	(28,764,795)	(31,505,474)	(31,852,531)	(31,478,670)	(30,157,746)	(27,208,323)	(20,862,166)	(17,076,117)
Total district net position	17,208,849	(5,133,127)	(2,038,942)	(4,143,146)	(5,036,123)	(4,178,710)	(870,516)	4,949,751	11,261,416	13,893,738

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	30,060,451	33,688,879	35,397,999	39,420,525	40,763,496	37,390,157	34,111,561	38,662,244	33,760,938	31,715,542
Special education	9,811,680	10,880,659	11,785,583	13,745,328	14,226,531	12,933,182	12,010,835	13,552,176	11,542,240	11,204,303
Other special education	375,189	307,127	313,341	288,723	301,309	319,072	346,903	271,003	373,907	341,143
Other instruction	1,188,725	1,262,218	1,339,603	1,471,639	1,473,306	1,413,154	1,320,817	1,358,065	1,436,531	1,501,247
Support Services:										
Tuition	4,606,754	4,687,173	4,113,329	4,768,524	4,313,254	3,905,318	3,738,633	3,408,345	2,775,994	3,548,527
Student & instruction related services	8,762,336	9,566,003	10,020,550	11,196,726	11,511,824	11,103,269	10,438,181	10,921,286	10,171,672	10,578,772
General administrative services	1,579,493	1,564,216	1,715,623	1,852,747	1,832,412	1,736,709	1,689,065	1,655,487	1,655,487	1,606,885
School administrative services	3,614,528	4,174,086	4,803,145	5,465,106	5,494,488	4,933,840	4,552,472	5,256,009	4,362,945	4,118,316
Central Services and Admin. Info. Tech.	1,331,554	1,548,677	1,626,964	1,856,924	1,866,713	1,738,594	1,630,974	1,829,219	1,893,543	1,639,577
Plant operations and maintenance	7,153,738	7,936,484	8,021,118	8,978,761	8,977,810	8,680,486	8,321,824	9,850,384	8,076,078	8,375,187
Pupil transportation	5,452,455	5,751,379	5,704,056	6,287,804	6,701,989	6,571,627	5,647,451	5,998,229	5,713,852	6,790,467
Charter Schools	31,679	33,960	27,501	29,237	-	-	-	42,825	44,402	65,427
Non-instructional services	-	-	-	-	-	221	-	-	-	1,399
Interest on Long term debt	64,698	49,060	28,340	130,386	91,701	114,395	135,338	102,441	92,889	82,408
Capital Outlay - Non-depreciable	27,501	27,501	32,777	27,501	27,501	174,018	27,501	27,501	27,501	27,501
Unallocated Benefits	-	17,208	17,656	-	-	-	-	-	-	-
Total governmental activities expenses	74,060,781	81,494,628	84,947,584	95,519,929	97,582,335	91,013,821	83,967,946	92,968,792	81,927,979	81,596,701
Business-type activities:										
Food service	1,261,766	1,233,017	1,240,543	1,314,371	1,307,906	1,335,322	1,095,866	945,551	1,643,110	1,649,633
School Aged Child Care	238,844	286,769	471,027	427,969	420,506	452,933	362,871	126,418	245,141	275,104
Total business-type activities expense	1,500,610	1,519,786	1,711,569	1,742,341	1,728,412	1,788,255	1,458,736	1,071,969	1,888,251	1,924,737
Total district expenses	75,561,391	83,014,414	86,659,153	97,262,270	99,310,747	92,802,076	85,426,683	94,040,761	83,816,230	83,521,438
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	144,926	346,766	363,804	342,190	298,606	242,559	188,738	126,062	319,242	95,455
Support Services	-	-	-	-	-	-	-	228,165	699,691	805,723
Plant operations and maintenance	-	-	-	-	-	-	2,077	-	-	-
Pupil transportation	19,406	34,747	465	13,572	-	-	-	-	-	-
Operating grants and contributions	1,466,993	1,405,774	1,423,795	1,381,971	1,319,278	1,297,061	1,226,983	1,617,983	2,163,706	2,045,428
Total governmental activities program revenues	1,631,325	1,787,288	1,788,064	1,737,734	1,617,885	1,539,620	1,417,798	1,972,209	3,182,639	2,946,606
Business-type activities:										
Charges for services:										
Food service	787,385	762,535	763,809	792,535	853,813	888,221	606,128	750	38,724	1,084,357
School Aged Child Care	324,504	395,322	396,731	403,564	382,121	480,825	287,647	77,271	355,495	410,973
Operating grants and contributions	339,714	353,519	355,600	371,102	387,264	384,616	316,567	797,134	2,059,048	695,984
Total business type activities program revenues	1,451,603	1,511,375	1,516,140	1,567,200	1,623,197	1,753,662	1,210,342	875,156	2,453,267	2,191,313
Total district program revenues	3,082,928	3,298,663	3,304,204	3,304,934	3,241,082	3,293,282	2,628,140	2,847,365	5,635,906	5,137,919

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental activities	(72,429,456)	(79,707,341)	(83,159,519)	(93,782,196)	(95,964,450)	(89,474,201)	(82,550,049)	(90,996,582)	(78,745,340)	(78,650,095)
Business-type activities	(49,007)	(8,410)	(195,430)	(175,140)	(105,214)	(34,593)	(248,394)	(196,813)	565,016	266,576
Total district-wide net expense	<u>(72,478,463)</u>	<u>(79,715,751)</u>	<u>(83,354,949)</u>	<u>(93,957,336)</u>	<u>(96,069,665)</u>	<u>(89,508,794)</u>	<u>(82,798,443)</u>	<u>(91,193,396)</u>	<u>(78,180,324)</u>	<u>(76,383,519)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	53,042,837	53,542,837	53,542,837	53,542,837	55,015,708	56,113,022	56,113,022	57,515,848	58,666,165	59,710,949
Taxes levied for debt service	497,390	537,742	524,720	514,393	360,313	270,260	270,260	299,710	294,349	304,084
Unrestricted grants and contributions	28,431,736	31,308,436	37,326,592	40,647,902	34,490,148	29,159,726	29,159,726	36,545,689	24,859,353	20,419,819
Restricted State Aid	893	893	893	60,818	184,621	190,740	190,740	205,913	203,150	208,165
Miscellaneous income	973,247	1,093,234	467,602	409,242	311,123	370,486	370,486	817,172	468,553	365,286
Transfers	(135,588)	(157,608)	(156,547)	(65,488)	(64,410)	(170,791)	(170,791)	(187,700)	-	-
Total governmental activities	<u>82,810,515</u>	<u>86,325,533</u>	<u>91,706,097</u>	<u>95,109,703</u>	<u>90,297,503</u>	<u>85,933,443</u>	<u>85,933,443</u>	<u>95,196,633</u>	<u>84,491,570</u>	<u>81,008,302</u>
Business-type activities:										
Investment earnings	1,213	1,122	1,254	1,496	4,293	2,403	2,403	190	419	7,538
Transfers	136,801	157,608	156,547	65,488	64,410	170,791	170,791	187,700	-	-
Total business-type activities	<u>138,014</u>	<u>158,730</u>	<u>157,801</u>	<u>66,984</u>	<u>68,703</u>	<u>173,194</u>	<u>173,194</u>	<u>187,890</u>	<u>419</u>	<u>7,538</u>
Total district-wide	<u>82,947,316</u>	<u>86,484,263</u>	<u>91,863,898</u>	<u>95,176,688</u>	<u>90,366,206</u>	<u>86,106,637</u>	<u>86,106,637</u>	<u>95,384,522</u>	<u>84,491,989</u>	<u>81,015,840</u>
Change in Net Position										
Governmental activities	10,381,059	6,618,193	8,546,577	1,327,508	(5,666,947)	(3,540,758)	3,383,394	4,200,050	5,746,230	2,358,207
Business-type activities	87,794	150,320	(37,629)	(108,156)	(36,511)	138,601	(75,201)	(8,924)	565,435	274,114
Total district	<u>10,468,853</u>	<u>6,768,512</u>	<u>8,508,948</u>	<u>1,219,352</u>	<u>(5,703,459)</u>	<u>(3,402,157)</u>	<u>3,308,194</u>	<u>4,191,126</u>	<u>6,311,665</u>	<u>2,632,321</u>

Source: ACFR Schedule A-2

WEST MILFORD BOARD OF EDUCATION

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund	7,228,611	7,029,480	7,469,447	6,678,225	6,707,127	6,094,059	6,639,112	8,661,334	8,100,557	7,206,148
Restricted										
Committed	868,416	879,734	770,194	732,086	620,762	1,125,221	1,544,059	543,609	2,628,090	2,939,154
Assigned	(10,028)	7,639	(22,246)	(2,441)	283,906	588,100	482,026	2,723,707	2,879,809	2,981,489
Unassigned	8,086,999	7,916,852	8,217,395	7,407,871	7,611,795	7,807,380	8,665,197	11,928,649	13,608,456	13,126,791
Total general fund										
All Other Governmental Funds										
Assigned:										
Debt service fund	-	-	-	-	-	-	-	100,001	100,001	104,002
Committed	-	-	91,595	113,921	3,897	737	-	-	-	-
Restricted:										
Special revenue fund								660,356	663,381	633,199
Capital projects fund	213,115	44,806	(1,248,454)	2,306,613	871,498	540,191	1,043,149	663,167	361,893	23,542
Debt service fund	43,478	3,479	1	2	2	100,003	100,003	-	-	-
Total all other governmental funds	256,593	48,285	(1,156,857)	2,420,536	875,398	640,931	1,143,152	1,423,524	1,125,275	760,743

Source: ACFR Schedule B-1

WEST MILFORD BOARD OF EDUCATION

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	52,496,334	53,540,227	54,080,579	54,067,557	54,057,230	55,376,021	56,383,282	57,815,558	58,960,514	60,015,033
Tuition charges	144,926	346,766	363,804	342,190	298,606	242,559	188,738	126,062	319,242	95,455
Bond Proceeds	-	-	-	6,500,000	-	-	-	-	-	-
Miscellaneous	448,735	610,068	638,189	407,161	541,319	312,507	457,651	1,049,837	1,092,423	1,190,181
State sources	20,886,222	21,799,652	22,922,509	23,425,658	25,165,996	26,334,923	25,782,970	26,725,417	27,709,401	27,338,938
Federal sources	1,521,870	1,518,859	1,535,250	1,476,787	1,452,244	1,438,740	1,363,689	1,779,188	2,283,538	2,459,950
Total revenue	75,498,087	77,815,572	79,540,331	86,219,353	81,515,394	83,704,750	84,176,329	87,496,061	90,365,118	91,099,558
Expenditures										
Instruction										
Regular instruction	21,423,864	21,463,410	21,013,763	20,959,577	21,584,843	21,338,475	20,286,831	20,691,065	20,960,293	20,179,933
Special education instruction	6,416,302	6,120,814	6,241,784	6,550,956	6,790,092	6,815,361	6,847,921	6,753,995	6,901,403	7,097,968
Other special instruction	375,190	307,127	313,341	288,723	301,309	319,072	346,903	271,003	373,907	341,143
Other instruction	1,188,725	1,262,218	1,339,603	1,471,639	1,473,306	1,559,671	1,452,480	1,482,131	1,567,670	1,639,862
Support Services:										
Tuition	4,606,754	4,687,173	4,113,329	4,768,524	4,313,254	3,905,318	3,738,633	3,408,345	2,775,994	3,548,527
Student & instruction related services	6,994,280	7,029,828	7,090,211	7,419,527	7,594,501	7,846,180	7,666,076	7,285,752	7,623,901	8,298,530
General administrative services	1,309,895	1,182,703	1,266,389	1,242,662	1,199,448	1,209,560	1,232,821	1,123,395	1,225,087	1,255,907
School Administrative services	2,537,685	2,557,967	2,516,280	2,490,357	2,417,694	2,405,687	2,420,975	2,452,913	2,472,619	2,413,946
Central Services	951,232	1,012,607	1,014,190	1,066,400	1,047,457	1,058,774	1,050,362	1,070,631	1,115,144	1,167,034
Plant operations and maintenance	5,755,279	5,936,973	5,737,746	6,005,768	5,863,839	6,091,728	6,088,909	6,930,403	6,848,382	6,540,647
Pupil transportation	4,584,600	4,470,002	4,219,835	4,353,973	4,674,919	4,948,112	4,337,643	4,219,474	4,880,943	5,879,134
Unallocated employee benefits	17,462,024	18,592,142	19,402,412	21,129,834	22,691,016	23,607,853	23,908,633	26,972,418	30,301,182	31,533,430
Charter Schools	31,679	33,960	28,340	29,237	-	-	-	42,825	44,402	65,427
Operation of Non-Instructional Services										
Capital outlay	1,437,578	3,004,287	6,358,893	5,220,130	2,172,095	3,197,715	3,355,477	3,125,729	9,271,355	1,370,640
Debt Service:										
Principal	468,895	484,559	504,559	504,559	392,559	429,558	450,000	500,000	500,000	525,000
Interest and Other Charges	69,428	53,724	37,554	21,054	182,652	115,375	111,000	105,625	97,500	87,250
Total expenditures	75,613,410	78,199,493	81,198,209	83,522,918	82,698,985	84,848,439	83,284,884	86,435,705	96,959,782	91,945,775
Excess (Deficiency) of revenues over (under) expenditures	(115,323)	(383,921)	(1,657,877)	2,696,434	(1,183,590)	(1,143,689)	891,445	1,060,357	(6,594,664)	(846,217)
Other Financing sources (uses)										
Capital leases (non-budgeted)	511,770	330,169	910,885	227,982	-	1,234,704	639,384	1,042,024	7,972,642	-
Transfers in	-	1,544,113	2,538,568	1,706,250	300,000	100,000	1,601,870	959,102	913,434	525,000
Transfers out	(117,049)	(1,679,701)	(2,696,176)	(1,862,796)	(457,623)	(164,410)	(1,772,660)	(1,146,802)	(913,434)	(525,000)
Total other financing sources (uses)	394,721	194,581	753,277	71,435	(157,623)	1,170,294	468,594	854,324	7,972,642	-
Net change in fund balances	\$ 279,398	\$ (189,340)	\$ (904,600)	\$ 2,767,870	\$ (1,341,213)	\$ 26,605	\$ 1,360,039	\$ 1,914,681	\$ 1,377,878	\$ (846,217)
Debt service as a percentage of noncapital expenditures	0.726%	0.716%	0.724%	0.671%	0.714%	0.667%	0.702%	0.727%	0.681%	0.676%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

WEST MILFORD BOARD OF EDUCATION

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

Fiscal Year Ended June 30,	Interest on Investments	Rentals	Tuition	Transportation	Misc.	Total
2014	18,279	147,723	144,926	18,142	247,066	576,136
2015	20,754	134,298	346,766	34,747	414,551	951,116
2016	1,870	137,174	363,804	465	482,709	986,023
2017	1,846	126,793	342,190	13,572	258,326	742,728
2018	3,697	109,379	298,606	-	425,146	836,828
2019	10,312	24,955	242,559	-	275,857	553,683
2020	11,852	1,928	188,738	2,077	441,794	646,389
2021	1,304	441	126,062	-	815,427	943,234
2022	3,187	26,462	319,242	-	352,123	701,014
2023	16,269	21,960	95,455	-	327,057	460,741

Source: District Records, B-2

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Cfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	58,415,600	2,408,541,400	47,275,700	602,100	206,092,900	43,988,000	1,643,600	2,766,559,300	-	2,766,559,300	1.935	2,903,914,654
2015	71,583,700	2,400,609,100	45,479,600	568,800	203,852,000	42,403,800	1,643,600	2,766,140,600	-	2,766,140,600	1.955	3,061,922,394
2016	71,726,400	2,395,301,900	46,594,900	551,500	203,171,500	42,229,100	1,643,600	2,761,218,900	100	2,761,219,000	1.958	3,009,175,013
2017	71,272,800	2,389,560,800	47,925,600	557,500	194,201,100	42,229,100	1,643,600	2,747,390,500	-	2,747,390,500	1.968	2,987,917,990
2018	69,741,300	2,386,624,000	49,136,900	570,800	191,330,900	42,015,100	1,643,600	2,741,062,700	100	2,741,062,700	2.021	2,984,770,664
2019	69,399,300	2,389,459,300	47,526,600	592,600	190,758,100	42,015,100	1,543,600	2,741,294,600	100	2,741,294,700	2.057	3,137,210,675
2020	67,939,100	2,387,463,500	48,468,800	584,000	194,950,000	41,891,200	1,543,600	2,742,850,200	100	2,742,850,300	2.108	3,162,151,487
2021	70,991,000	2,384,412,800	48,351,700	593,500	181,994,300	41,891,200	1,543,600	2,729,778,100	100	2,729,778,200	2.160	3,430,231,340
2022	70,996,600	2,387,634,300	49,761,200	587,800	181,104,800	41,136,500	1,543,600	2,732,764,800	-	2,732,764,800	2.196	3,837,075,079
2023	69,872,200	2,392,565,100	50,753,100	676,000	180,891,700	41,256,700	1,543,600	2,737,558,400	100	2,737,558,500	2.290	4,182,032,486

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

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

Reassessment occurs when County Board of Taxation requests Treasury to order reassessment.

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

^b Tax rates are per \$100 of assessed value

^c Revaluation/Reassessment Year.

WEST MILFORD BOARD OF EDUCATION
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	West Milford Board of Education			Township of West Milford ^c	Passaic County	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct			
2014	1.917	0.018	1.935	0.883	0.758	3.577
2015	1.936	0.019	1.955	0.909	0.802	3.666
2016	1.939	0.019	1.958	0.925	0.826	3.709
2017	1.949	0.019	1.968	0.929	0.807	3.703
2018	2.008	0.013	2.021	0.865	0.800	3.686
2019	2.046	0.010	2.056	0.863	0.774	3.693
2020	2.098	0.010	2.108	0.863	0.774	3.745
2021	2.149	0.011	2.160	0.862	0.763	3.785
2022	2.185	0.011	2.196	0.878	0.794	3.868
2023	2.279	0.011	2.290	0.878	0.783	3.951

Source: District Records and Municipal Tax Collector

Note:

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

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

WEST MILFORD BOARD OF EDUCATION

Principal Property Tax Payers,
Current Year and Ten Years Ago

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
City of Newark	\$ 43,193,200	1	1.58%	\$ 25,284,400	1	0.91%
Tenneco Pipeline	25,284,400	2	0.92%	24,852,400	2	0.89%
Inserra/WMLLC	18,099,700	3	0.66%	17,096,800	3	0.61%
HCRI NY-NJ Properties LLC	11,619,000	4	0.42%			
Sprint - Overland Park	5,271,700	5	0.19%	6,457,800	6	0.23%
Lakeland State Bank	4,380,000	6	0.16%	5,970,600	7	0.21%
Suez Water NJ Inc	4,291,500	7	0.16%			
NSA Property Holdings, LLC	4,249,100	8	0.16%			
Bald Eagle Realty	4,000,000	9	0.15%	4,950,000	8	0.18%
KYH Properties, LLC	3,912,700	10	0.14%			
West Milford Shopping Plaza				16,864,400	4	0.61%
Bald Eagle Square				9,995,500	5	0.18%
LGP Realty of West Milford LLC				4,693,700	9	0.17%
69 Maple Ave Associates				4,650,000	10	0.17%
Total	\$ 124,301,300		4.54%	\$ 120,815,600		4.16%

Source: Municipal Tax Assessor's Office

WEST MILFORD BOARD OF EDUCATION

**Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	52,496,334	52,496,334	100.00%	-
2015	53,540,227	53,540,227	100.00%	-
2016	54,080,579	54,080,579	100.00%	-
2017	54,067,557	54,067,557	100.00%	-
2018	54,057,230	54,057,230	100.00%	-
2019	55,376,021	55,376,021	100.00%	-
2020	56,113,022	56,113,022	100.00%	-
2021	57,515,848	57,515,848	100.00%	-
2022	58,666,165	58,666,165	100.00%	-
2023	59,710,949	59,710,949	100.00%	-

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

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

WEST MILFORD BOARD OF EDUCATION

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans Payable	Capital Leases			
2014	1,868,000	22,792	740,945	2,631,737	0.2219%	100
2015	1,388,000	18,234	680,940	2,087,174	0.1715%	79
2016	888,000	13,676	1,173,897	2,075,572	0.1687%	79
2017	6,888,000	9,117	998,601	7,895,718	0.6333%	299
2018	6,500,000	4,559	606,306	7,110,864	0.5484%	270
2019	6,075,000	-	1,272,539	7,347,539	0.5451%	279
2020	5,625,000	-	1,296,544	6,921,544	0.4729%	264
2021	5,125,000	-	1,696,405	6,821,405	0.4660%	278
2022	4,625,000	-	1,729,148	6,354,148	Not available	261
2023	4,100,000	-	1,008,107	5,108,107	Not available	Not available

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

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

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

WEST MILFORD BOARD OF EDUCATION
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	1,868,000	-	1,868,000	0.07%	71
2015	1,388,000	-	1,388,000	0.05%	53
2016	888,000	-	888,000	0.03%	34
2017	6,888,000	-	6,888,000	0.25%	261
2018	6,500,000	-	6,500,000	0.24%	246
2019	6,075,000	-	6,075,000	0.22%	231
2020	5,625,000	-	5,625,000	0.21%	214
2021	5,125,000	-	5,125,000	0.19%	209
2022	4,625,000	-	4,625,000	0.17%	190
2023	4,100,000	-	4,100,000	0.15%	Not available

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

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

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

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

WEST MILFORD BOARD OF EDUCATION

Direct and Overlapping Governmental Activities Debt
Year Ended June 30, 2022

<u>Governmental Unit</u>	<u>(1) Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Township of West Milford	30,500,547	100.000%	30,500,547
Other debt Passaic County Passaic County Utility Authority	287,453,895 39,795,000	5.885% 5.885%	16,917,742 2,342,085
Subtotal, overlapping debt	49,760,374		49,760,374
West Milford Township School District Direct Debt			<u>4,100,000</u>
Total direct and overlapping debt			<u>\$ 53,860,374</u>

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

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

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

(1) Debt Information as of December 31, 2019

WEST MILFORD BOARD OF EDUCATION

Legal Debt Margin Information,
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2020	\$ 3,162,151,487
2021	\$ 3,430,231,340
2022	\$ 3,837,074,979
[A]	<u>\$ 10,429,457,806</u>
Average equalized valuation of taxable property	\$ 3,476,485,935
Debt limit (4% of average equalization value)	[B] 139,059,437
Total Net Debt Applicable to Limit	[C] <u>4,100,000</u>
Legal debt margin	[B-C] <u>\$ 134,959,437</u>

Fiscal Years Ending June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	125,220,894	119,942,363	119,507,258	119,666,827	120,786,868	120,265,054	121,972,197	124,295,311	129,727,912	139,059,437
Total net debt applicable to limit	<u>1,890,792</u>	<u>1,406,234</u>	<u>901,676</u>	<u>6,897,117</u>	<u>6,504,559</u>	<u>6,075,000</u>	<u>5,625,000</u>	<u>5,125,000,00</u>	<u>4,625,000,00</u>	<u>4,100,000</u>
Legal debt margin	\$ <u>123,330,102</u>	\$ <u>118,536,129</u>	\$ <u>118,605,582</u>	\$ <u>112,769,710</u>	\$ <u>114,282,309</u>	\$ <u>114,190,054</u>	\$ <u>116,347,197</u>	\$ <u>119,170,311</u>	\$ <u>125,102,912</u>	\$ <u>134,959,437</u>
Total net debt applicable to the limit as a percentage of debt limit	1.51%	1.17%	0.75%	5.76%	5.39%	5.05%	4.61%	4.12%	3.57%	2.95%

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

WEST MILFORD BOARD OF EDUCATION

Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2013	26,402	1,123,061,874	42,537	7.6%
2014	26,408	1,185,930,464	44,908	6.0%
2015	26,424	1,216,693,080	46,045	5.1%
2016	26,388	1,230,129,396	46,617	4.4%
2017	26,418	1,246,691,838	47,191	4.1%
2018	26,372	1,296,632,124	49,167	3.8%
2019	26,324	1,347,867,772	51,203	3.1%
2020	26,242	1,463,647,550	55,775	8.2%
2021	24,579	1,463,900,661	59,559	5.6%
2022	24,382	**	Not Available	3.3%

Source:

- (1) U.S. Bureau of the Census, Population Division, (Estimates April 1, 2012 to July 1, 2021)
- (2) Personal Income of the District is based on the County information.
- (3) U.S. Department of Commerce, County information 2012-2021.
- (4) N.J. Department of Labor.

WEST MILFORD BOARD OF EDUCATION

Principal Employers,
Current Year and Ten Years Ago

Employer	2022			2013		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment

No Data is available for this schedule

WEST MILFORD BOARD OF EDUCATION

Full-time Equivalent District Employees by Function/Program,

Last Ten Fiscal Years

<u>Function/Program</u>	<u>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>
Instruction										
Regular	240.30	238.80	237.20	239.2	241	235.00	226.10	216.10	215.00	208.20
Special education	109.40	110.20	102.30	101.3	113.4	97.00	110.00	98.80	98.75	102.00
Other special education	14.40	11.20	16.50	17.00	15.60	16.00	15.60	14.60	16.60	16.50
Other instruction	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Support Services:										
Student & instruction related services	66.00	56.60	53.10	56.50	57.50	56.56	52.70	49.30	54.20	52.10
General administrative services	14.00	14.10	10.00	10.75	11.80	7.05	11.50	11.50	11.50	11.10
School administrative services	37.90	39.70	40.35	36.6	35.00	32.40	40.50	38.00	35.10	37.50
Central services and Admin.Infor. Tech.	16.00	11.10	15.28	20.2	18.25	12.20	18.60	18.00	18.75	19.25
Plant operations and maintenance	60.65	60.55	63.55	65.25	58.25	56.50	57.90	59.60	52.45	53.10
Pupil transportation	61.30	53.45	50.60	55.85	63.00	58.60	46.15	40.05	38.75	38.60
Food Service	17.35	15.06	15.00	15.00	12.00	11.00	8.20	7.10	7.60	7.60
Adult Community School	-	-	-	-	-	-	-	-	-	-
Total	640.30	611.76	604.88	618.65	626.8	583.31	588.25	554.05	549.7	546.95

Source: District Budget Records

WEST MILFORD BOARD OF EDUCATION

Operating Statistics

Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2014	3,768	73,637,509	19,543	4.79%	319	1:11	1:24	1:23	3,597.6	3,444.3	-0.78%	95.74%
2015	3,710	74,984,506	20,211	3.42%	308	1:15	1:29	1:14	3,597.3	3,442.2	-0.01%	95.70%
2016	3,613	74,297,203	20,564	1.75%	308	1:12	1:12	1:12	3,484.5	3,334.9	-3.14%	95.71%
2017	3,377	77,776,917	23,031	12.01%	320	1:11	1:11	1:10	3,387.9	3,225.8	-2.77%	95.21%
2018	3,288	79,951,679	24,316	5.59%	308	1:11	1:11	1:11	3,362.2	3,214.4	-0.76%	95.60%
2019	3,268	81,105,791	24,818	2.07%	300	1:11	1:12	1:11	3,294.0	3,144.8	-2.03%	95.47%
2020	3,241	79,368,186	24,489	-1.32%	288	1:11	1:08	1:11	3,163.0	3,063.0	-3.98%	96.84%
2021	3,089	82,704,350	26,774	9.34%	286	1:10	1:12	1:10	3,019.0	2,920.4	-4.55%	96.73%
2022	3,133	87,090,927	27,798	3.84%	276	1:10	1:12	1:10	3,051.6	2,874.0	1.08%	94.18%
2023	3,131	89,962,885	28,733	3.36%	255	1:12	1:22	1:14	3,050.9	2,838.7	-0.02%	93.02%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

WEST MILFORD BOARD OF EDUCATION

School Building Information

Last Ten Fiscal Years

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
Aphawa (1996)										
Square Feet	37,172	37,172	37,172	37,172	37,172	37,172	37,172	37,172	37,172	37,172
Capacity (students)	367	367	367	367	367	367	367	367	367	367
Enrollment	264	260	276	276	264	244	242	197	186	207
Maple Road (1968)										
Square Feet	46,947	46,947	46,947	46,947	46,947	46,947	46,947	46,947	46,947	46,947
Capacity (students)	373	373	373	373	373	373	373	373	416	416
Enrollment	327	282	274	275	295	295	285	228	231	238
Marshall Hill (1959)										
Square Feet	37,546	37,546	37,546	37,546	37,546	37,546	37,546	37,546	37,546	37,546
Capacity (students)	486	486	486	486	486	486	486	486	486	486
Enrollment	307	289	294	265	256	272	265	236	251	252
Paradise Knoll (1955)										
Square Feet	30,547	30,547	30,547	30,547	30,547	30,547	30,547	30,547	30,547	30,547
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	302	324	296	280	273	274	243	180	192	176
Upper Greenwood Lake (1966)										
Square Feet	36,155	36,155	36,155	36,155	36,155	36,155	36,155	36,155	36,155	36,155
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	283	328	302	298	306	307	298	199	192	197
Westbrook (1973)										
Square Feet	42,339	42,339	42,339	42,339	42,339	42,339	42,339	42,339	42,339	42,339
Capacity (students)	508	508	508	508	508	508	508	508	444	444
Enrollment	395	366	362	351	315	301	280	215	238	243

WEST MILFORD BOARD OF EDUCATION

School Building Information

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Middle School</u>										
Macopin (1959)										
Square Feet	105,066	105,066	105,066	105,066	105,066	105,066	105,066	105,066	105,066	105,066
Capacity (students)	869	869	869	869	869	869	869	869	869	869
Enrollment	615	576	540	526	519	535	518	761	777	747
<u>High School</u>										
West Milford (1976)										
Square Feet	182,514	182,514	182,514	182,514	182,514	182,514	182,514	182,514	182,514	182,514
Capacity (students)	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840
Enrollment	1,182	1,173	1,149	1,106	1,060	1,040	985	954	936	935
<u>Other</u>										
Administration Building (1976)										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Transportation Office (1976)										
Square Feet	980	980	980	980	980	980	980	980	980	980
Transportation Garage (1976)										
Square Feet	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Transportation Garage (2005)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Maintenance Pole Barn (1985)										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Hillcrest Community Center (1925)										
Square Feet	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005

Number of Schools at June 30, 2023

Elementary = 6

Middle School = 1

High School = 1

Other = 6

Source: District records, ASSA

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

WEST MILFORD BOARD OF EDUCATION

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

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

*School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
WEST MILFORD HIGH SCHOOL	N/A	93,911	142,327	171,895	218,730	161,736	190,743	273,852	157,713	262,992	205,938
APSHAWA	N/A	45,461	58,706	54,150	53,969	25,622	48,211	42,595	63,120	26,474	46,534
MACOPIN	N/A	181,760	127,421	209,531	90,305	77,241	111,315	135,015	110,186	160,368	125,260
MAPLE ROAD	N/A	90,823	74,963	93,811	107,914	68,818	70,909	53,892	59,152	57,431	67,017
MARSHALL HILL	N/A	56,759	53,748	114,461	50,545	146,260	48,852	39,206	51,590	36,144	51,995
PARADISE KNOLL	N/A	71,512	53,008	83,682	46,496	56,011	39,952	48,323	59,523	30,093	51,938
UPPER GREENWOOD LAKE	N/A	127,295	138,647	137,517	71,646	114,542	84,199	55,514	57,576	99,891	34,252
WEST BROOK	N/A	73,305	64,926	51,800	88,672	95,004	43,925	81,532	53,068	64,160	31,903
ADMINISTRATION	N/A	27,175	26,698	23,210	10,557	16,178	19,357	12,054	41,713	14,351	47,971
HILLCREST	N/A		2,993	8,640	6,685						
MAINTENANCE POLE BARN	N/A	8,121	18,800	30,858	47,717	53,487	32,207	88,914	73,257	92,437	36,569
TRANSPORTATION GARAGE	N/A	45,787	30,160	62,821	56,369	14,638	34,684	16,897	15,378	21,653	14,901
TOTAL SCHOOL FACILITIES		821,909	792,397	1,042,376	849,605	829,537	724,355	847,794	742,276	865,994	714,278

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

Source: District Records

WEST MILFORD SCHOOL DISTRICT

Insurance Schedule
June 30, 2023
Unaudited

	<u>Limit</u>	<u>Deductible</u>
Policy #GPNU-EP-0015775-02/000		
<u>Property & Casualty - National Union Fire Insurance</u>		
Company of Pittsburgh		
Building & Contents including Equipment Breakdown	\$ 131,260,930	5,000
Commercial General Liability:		
Per Occurrence	1,000,000	
Personal and Advertising Injury Limit	1,000,000	
Damage to Rented Premises	1,000,000	
Product/Completed Operations Aggregate	3,000,000	
General Aggregate - Policy Limit	3,000,000	
Medical Expenses	10,000	
Employee Benefits Liability	1,000,000	
Business Income	250,000	5,000
Extra Expense	5,000,000	5,000
Limited Pollution Liability Extension	1,000,000	
Employee Dishonesty including Faithful Performance	500,000	5,000
Forgery or Alteration	250,000	5,000
Ordinance or Law Coverage B&C	1,000,000	5,000
Form C Loss (Inside) Money & Securities	250,000	5,000
EDP Equipment Coverage	Per Schedule	5,000
Earthquake - Blanket Coverage	5,000,000	100,000
Flood (Outside Zones A,V or B)	20,000,000	50,000
(Zone B)	20,000,000	100,000
(Zone A, N or V)	7,500,000	500,000
Commercial Automobile Liability	1,000,000	
Comprehensive & Collision	Symbol 2 & 8	1,000
Towing & Labor	5,000	
	<u>Limit</u>	<u>Retention</u>
Commercial Umbrella - National Union Fire Insurance		
Company of Pittsburgh		
Policy GPNU-EP-0015775-001	\$ 9,000,000	10,000
Excess Liability - NJUIP	30,000,000	Excess of \$10 Million
Excess Liability - Fireman's Fund		
Policy USL009329223	25,000,000	Excess of \$40 Million
School Board Legal Liability E&O - XL Insurance		
Policy - ELL095035904	1,000,000	
Insuring Agreement A & C		25,000
Insuring Agreement B		50,000

WEST MILFORD SCHOOL DISTRICT

Insurance Schedule
June 30, 2023
Unaudited

	<u>Limit</u>	<u>Retention</u>
<u>Public Official Bonds</u>		
Barbara Francisco, Business Admin. Board Sec. Hanover Insurance Company Bond #BOY8903487 Bond Term: 7/31/22-7/31/23	\$ 450,000	N/A
Jacqueline Massaro, Treasurer Liberty Mutual Surety Bond #16L002060 Bond Term: 6/30/2022-6/30/2023	343,000	N/A
<u>Cyber Liability - National Specialty Insurance</u>		
Policy - BLUCBL6PUM4QZ1 Combined Policy Aggregate Limit Claims Made Form - Retro Date Coverage	1,000,000	25,000 Full Prior Acts
<u>Environmental Impairment Liability - Site Specific - Chubb (Markel Evanston Insurance Company)</u>		
Claims Made Form Policy MKLV1ENV103533 Per Pollution Condition Per Named Insured Sublimit Self-Insured - Retention Program Aggregate	1,000,000 3,000,000 10,000,000	25,000
<u>Storage Tank Third Party Liability - Nautilus Insurance Co.</u>		
Claims Made Form Policy - CST2003317-21 Each Claim Total all Claims Coverage E: Defense (Occ/Total) Retro Date Coverages A and B: 140 High Crest Drive 41 Henry Road 51 Highlander Drive Policy Term: 7/30/22-7/30/23	\$ 1,000,000 1,000,000 250,000	5,000 9/30/1998 7/1/1998 7/30/2011
<u>NFIP Flood Insurance Policy - Selective Ins. Co. of New England</u>		
Policy-FLD2296031 Building Contents Policy Term: 4/11/22-4/11/23 Policy Term: 4/11/23-4/11/24	100,000 50,000	1,000 1,000

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Township of West Milford School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 12, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Township of West Milford Board of Education’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of West Milford Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of West Milford Board of Education’s internal control.



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

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

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Township of West Milford School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated December 12, 2023.

Purpose of this Report

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

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 12, 2023





WIELKOTZ & COMPANY L.L.C.

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Township of West Milford School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of West Milford Board of Education’s major federal and state programs for the year ended June 30, 2023. The Township of West Milford Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of West Milford Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Township of West 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 Township of West 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, regulations, rules, and provisions of contracts or grant agreements applicable to Township of West 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 Township of West 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, the Uniform Guidance and N.J. 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 omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Township of West 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, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Township of West 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 Township of West 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 Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Township of West Milford's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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.



Honorable President and
Members of the Board of Education

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

Steven D. Wielkocz

Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 12, 2023

WEST MILFORD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ending June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From / To	MEMO		
				June 30, 2022 (Accounts Receivable)	Cash Received	Budgetary Expenditures
				June 30, 2023 (Accounts Receivable)	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:						
General Fund:						
Equalization Aid	495-034-5120-078	2,858,451	7/1/22-6/30/23	-	2,593,300	2,858,451
Stabilization Aid	495-034-5120-078	2,104,370	7/1/22-6/30/23	-	2,104,370	2,104,370
Categorical Special Education Aid	495-034-5120-089	2,725,234	7/1/22-6/30/23	-	2,472,440	2,725,234
Categorical Security Aid	495-034-5120-084	339,929	7/1/22-6/30/23	-	308,397	339,929
Subtotal State Aid - Public Cluster				-	7,478,507	8,027,984
Transportation Aid	495-034-5120-014	842,009	7/1/22-6/30/23	-	763,904	842,009
Extraordinary Special Education Aid	495-034-5120-473	1,727,974	7/1/21-6/30/22	(1,727,974)	1,727,974	1,727,974
Extraordinary Special Education Aid	495-034-5120-473	2,155,133	7/1/22-6/30/23	-	-	2,155,133
Nonpublic Transportation Aid	495-034-5120-014	21,170	7/1/21-6/30/22	(21,170)	21,170	21,170
Nonpublic Transportation Aid	495-034-5120-014	19,344	7/1/22-6/30/23	-	-	19,344
State Reimbursement for Securing Our Children's Future Bond Act	N/A	6,477	7/1/22-6/30/23	-	6,477	6,477
On-Behalf TPAF Pension	495-034-5094-006	10,726,277	7/1/22-6/30/23	-	10,726,277	10,726,277
On-Behalf TPAF NCGI Premium	495-034-5094-007	148,815	7/1/22-6/30/23	-	148,815	148,815
On-Behalf TPAF Post Retirement Medical	495-034-5094-001	2,856,861	7/1/22-6/30/23	-	2,856,861	2,856,861
On-Behalf TPAF Long-term Disability	495-034-5094-004	3,221	7/1/22-6/30/23	-	3,221	3,221
Reimbursed TPAF - Social Security	495-034-5094-003	2,146,895	7/1/21-6/30/22	(109,908)	109,908	2,146,895
Reimbursed TPAF - Social Security	495-034-5094-003	2,111,353	7/1/22-6/30/23	-	2,007,060	2,111,353
Total General Fund				(1,859,052)	25,850,174	30,793,513
Debt Service Fund:						
Debt Service Aid	495-034-5120-075	208,165	7/1/22-6/30/23	-	208,165	208,165
Total Debt Service Fund				-	208,165	208,165
Special Revenue Fund:						
School Development Authority	N/A	73,436	7/1/22-6/30/23	-	73,436	73,436
Emergent Need and Capital Maintenance						
Total Special Revenue Fund				-	73,436	73,436
State Department of Agriculture Enterprise Fund:						
State School Lunch Program	100-010-3350-023	39,670	7/1/21-6/30/22	(2,825)	2,825	39,670
State School Lunch Program	100-010-3350-023	22,772	7/1/22-6/30/23	-	18,438	22,772
State School Breakfast Program	100-010-3350-023	297	7/1/22-6/30/23	-	240	297
Total Enterprise Fund				(2,825)	21,503	62,739
Total State Financial Assistance				(1,861,877)	26,153,278	31,137,853
Less: On-Behalf Contributions:						
On-Behalf TPAF Pension	495-034-5094-006	10,726,277	7/1/22-6/30/23	-	10,726,277	10,726,277
On-Behalf TPAF NCGI Premium	495-034-5094-007	148,815	7/1/22-6/30/23	-	148,815	148,815
On-Behalf TPAF Post Retirement Medical	495-034-5094-001	2,856,861	7/1/22-6/30/23	-	2,856,861	2,856,861
On-Behalf TPAF Long-term Disability	495-034-5094-004	3,221	7/1/22-6/30/23	-	3,221	3,221
Total On-Behalf Contributions				-	13,735,174	13,735,174
Total For State Aid Financial Assistance Determination				(1,861,877)	12,418,104	17,402,679

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08 Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$214,179 for the general fund and \$(1,224,030) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (continued)

Additionally, as discussed further in Notes 9 and 10, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during 2022 fiscal year was \$13,735,174.

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$166,460	\$27,111,653	\$27,278,113
Special Revenue Fund	2,293,490	19,120	2,312,610
Debt Service Fund	-	208,165	208,165
Food Service	<u>671,923</u>	<u>24,061</u>	<u>695,984</u>
Total Financial Awards	<u>\$3,131,873</u>	<u>\$27,362,999</u>	<u>\$30,494,872</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2023. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

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

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

NOTE 7. INDIRECT COST RATE

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

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- | | | | | |
|----|--------------------------------------|---------------------|----------------------------|--|
| 1) | Material weakness(es) identified? | <u> </u> yes | <u> X </u> no | |
| 2) | Significant deficiencies identified? | <u> </u> yes | <u> X </u> none reported | |

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major federal programs:

- | | | | | |
|----|--------------------------------------|---------------------|----------------------------|--|
| 1) | Material weakness(es) identified? | <u> </u> yes | <u> X </u> no | |
| 2) | Significant deficiencies identified? | <u> </u> yes | <u> X </u> none reported | |

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section.516(a)? yes X no

Identification of major federal programs:

<u>CFDA #</u>	<u>FEIN #</u>	<u>Name of Federal Program or Cluster</u>
		Education Stabilization Fund Cluster:
84.425D	S425D210027	CRRSA - ESSER II
84.425D	S425D210027	CRRSA - Learning Acceleration
84.425D	S425D210027	CRRSA - Mental Health
84.425U	S425U210027	ARP ESSER
84.425U	S425U210027	ARP ESSER - Accelerated Learning
84.425U	S425U210027	ARP ESSER - Summer Learning
84.425U	S425U210027	ARP ESSER - Beyond the School Day
84.425W	S425W210027	ARP - Homeless

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

Auditee qualified as low-risk audited? X yes no

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major state programs:

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

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

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

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

Identification of major state programs:

<u>State Grant/Project #</u>	<u>Name of State Program</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF</u>
<u>495-034-5120-075</u>	<u>Debt Service Aid</u>
<u>100-034-5120-473</u>	<u>Extraordinary Aid</u>

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II - Schedule of Financial Statement Findings

NONE

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

NONE

**TOWNSHIP OF WEST MILFORD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Status of Prior Year Findings

None