

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**OF THE**

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

**For the Fiscal Year Ended June 30, 2024**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

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

January 10, 2025

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

Dear Board Members and Constituents of New Milford:

The annual comprehensive financial report of the New Milford Board of Education (District) for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the New Milford Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

**1) REPORTING ENTITY AND ITS SERVICES:** New Milford School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The New Milford Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2023-2024 fiscal year with an enrollment of 2,031 students. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Student Enrollment	Percent Change
2023-24	2,018	-0.06%
2022-23	2,031	-1.1%
2021-22	2,054	0
2020-21	2,054	0.79%
2019-20	2,038	1.01%
2018-19	2,012	1.11%
2017-18	1,990	1.43%
2016-17	1,962	-1.75%
2015-16	1,997	0.91%
2014-15	1,979	-1.74%

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

**3) MAJOR INITIATIVES/POST GRADUATION PLANS:** The district continues to prioritize the increased social and emotional needs of students, faculty and staff. Of the Class of 2024 93.7% of the graduates plan to pursue higher education. 74% will be attending four-year colleges in the fall. 19.7% will be participating in two-year community college. 3.6% will be attending a trade school. The remaining 3.7% intend to enter the job market immediately or plan to take a gap year.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments/commitments of fund balance at June 30, 2024.

**6) DEBT ADMINISTRATION:** At June 30, 2024 the District had no outstanding debt of general obligations.

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

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

**9) OTHER INFORMATION:**

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

**10) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

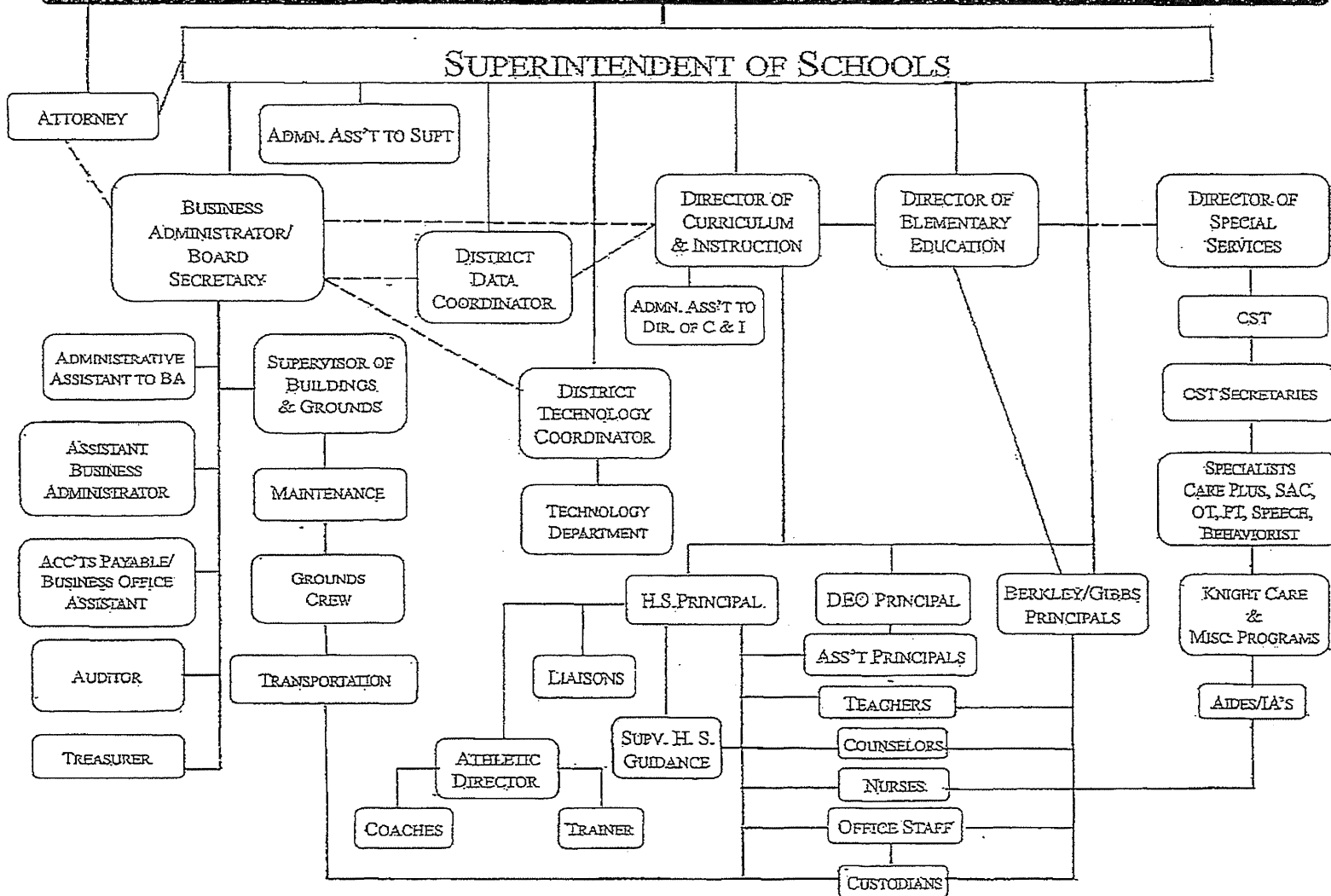
A handwritten signature in blue ink that reads "Peter Galasso". The signature is written in a cursive style with a large initial "P".

Peter Galasso  
Superintendent

A handwritten signature in blue ink that reads "Stephanie E. Kuchar". The signature is written in a cursive style with a large initial "S".

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

# NEW MILFORD BOARD OF EDUCATION



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

**ROSTER OF OFFICIALS  
JUNE 30, 2024**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Heather Gomez, President	12/2025
Nicole Dunne, Vice-President	12/2026
Anthony Albro	12/2026
Cheryll Calderson	12/2024
John DaCosta	12/2025
Stephanie Kauffunger	12/2024
Andrew Lombardi	12/2025
Joseph Loonam	12/2024
Paige Ryan	12/2026

**Other Officials**

Danielle Shanley, Superintendent of Schools (through February 29, 2024)

Lauren Odoksta, Assistant Superintendent for Curriculum and Instruction; Acting Superintendent effective March 1, 2024

Stephanie Kuchar, School Business Administrator/Board Secretary

Kelly Ippolito, Treasurer of School Monies

Steven Fogarty, Esq., Solicitor

# **NEW MILFORD BOARD OF EDUCATION**

## **Consultants and Advisors**

### **Architect**

Solutions Architecture  
96 Pompton Avenue  
2<sup>nd</sup> Floor, Suite 200  
Verona, NJ 07044

### **Audit Firm**

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

### **Attorney**

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

### **Official Depository**

Valley Bank  
Washington Township Office



## **FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Milford Board of Education, as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Milford Board of Education as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Milford Board of Education's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the New Milford Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

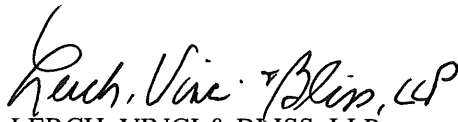
### ***Other Information***


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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2025 on our consideration of the New Milford Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Milford Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the New Milford Board of Education's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 10, 2025

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **NEW MILFORD BOARD OF EDUCATION**

## **Management's Discussion and Analysis**

This section of New Milford Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the New Milford Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$24,003,212 (net position).
- Overall District revenues were \$56,371,973. General revenues accounted for \$41,076,642 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15,295,331 of total revenues.
- The School District had \$51,416,439 in expenses for governmental activities; only \$13,824,171 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$41,029,839 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$13,322,428 an increase of \$2,470,669 when compared to the ending fund balance at June 30, 2023 of \$10,851,759.
- The General Fund unassigned fund balance at June 30, 2024 was in a deficit position of \$239,404, a decrease of \$403,610 when compared with the ending unassigned fund balance of \$164,206 at June 30, 2023.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$1,027,397 which represents a decrease of \$581,072 when compared to the ending unassigned fund balance at June 30, 2023 of \$1,608,469.

# NEW MILFORD BOARD OF EDUCATION

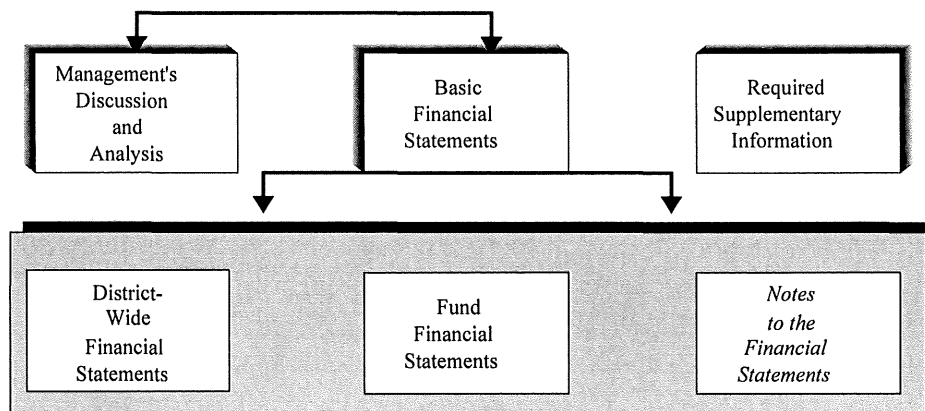
## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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





# NEW MILFORD BOARD OF EDUCATION

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

# NEW MILFORD BOARD OF EDUCATION

## Management's Discussion and Analysis

### District-Wide Financial Statements

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

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. Property taxes, State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service and Knight Care Latchkey Program Funds are included here.

### Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

# NEW MILFORD BOARD OF EDUCATION

## Management's Discussion and Analysis

### Fund Financial Statements (Continued)

The District has two kinds of funds:

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

### Notes to the Financial Statements

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

### Other Information

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

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

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

# NEW MILFORD BOARD OF EDUCATION

## Management's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,003,212 and \$20,492,743 as of June 30, 2024 and 2023, respectively, as shown below.

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

Statement of Net Position As of June 30, 2024 and 2023						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
		(Restated)		(Restated)		(Restated)
<b>Assets</b>						
Current and Other Assets	\$ 14,310,413	\$ 11,617,294	\$ 982,424	\$ 1,032,007	\$ 15,292,837	\$ 12,649,301
Capital Assets	18,775,258	19,273,309	107,676	19,033	18,882,934	19,292,342
<b>Total Assets</b>	<b>33,085,671</b>	<b>30,890,603</b>	<b>1,090,100</b>	<b>1,051,040</b>	<b>34,175,771</b>	<b>31,941,643</b>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	308,119	831,764	-	-	308,119	831,764
<b>Total Deferred Outflows of Resources</b>	<b>308,119</b>	<b>831,764</b>	<b>-</b>	<b>-</b>	<b>308,119</b>	<b>831,764</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>33,393,790</b>	<b>31,722,367</b>	<b>1,090,100</b>	<b>1,051,040</b>	<b>34,483,890</b>	<b>32,773,407</b>
<b>Liabilities</b>						
Long-Term Liabilities	8,745,019	9,816,347			8,745,019	9,816,347
Other Liabilities	999,951	793,783	96,260	121,992	1,096,211	915,775
<b>Total Liabilities</b>	<b>9,744,970</b>	<b>10,610,130</b>	<b>96,260</b>	<b>121,992</b>	<b>9,841,230</b>	<b>10,732,122</b>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	638,793	1,547,872			638,793	1,547,872
Deferred Commodities Revenue	-	-	655	670	655	670
<b>Total Deferred Inflows of Resources</b>	<b>638,793</b>	<b>1,547,872</b>	<b>655</b>	<b>670</b>	<b>639,448</b>	<b>1,548,542</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>10,383,763</b>	<b>12,158,002</b>	<b>96,915</b>	<b>122,662</b>	<b>10,480,678</b>	<b>12,280,664</b>
<b>Net Position</b>						
Net Investment in Capital Assets	18,381,901	18,216,125	107,676	19,033	18,489,577	18,235,158
Restricted	9,172,161	6,092,833			9,172,161	6,092,833
Unrestricted	(4,544,035)	(4,744,593)	885,509	909,345	(3,658,526)	(3,835,248)
<b>Total Net Position</b>	<b>\$ 23,010,027</b>	<b>\$ 19,564,365</b>	<b>\$ 993,185</b>	<b>\$ 928,378</b>	<b>\$ 24,003,212</b>	<b>\$ 20,492,743</b>

# NEW MILFORD BOARD OF EDUCATION

## Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

Change in Net Position For the Fiscal Years Ended June 30, 2024 and 2023						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,860,989	\$ 1,711,225	\$ 1,138,170	\$ 1,207,017	\$ 2,999,159	\$ 2,918,242
Operating Grants and Contributions	11,963,182	11,658,056	332,990	419,761	12,296,172	12,077,817
General Revenues						
Property Taxes	38,001,050	36,583,745			38,001,050	36,583,745
State Aid - Unrestricted	2,354,977	3,145,788			2,354,977	3,145,788
Other	673,812	320,658	46,803	8,329	720,615	328,987
<b>Total Revenues</b>	<u>54,854,010</u>	<u>53,419,472</u>	<u>1,517,963</u>	<u>1,635,107</u>	<u>56,371,973</u>	<u>55,054,579</u>
<b>Expenses</b>						
Instruction						
Regular	17,000,333	18,408,579			17,000,333	18,408,579
Special Education	9,377,485	8,672,035			9,377,485	8,672,035
Other Instruction	1,906,044	1,446,399			1,906,044	1,446,399
School Sponsored Activities and Athletics	1,905,691	1,863,972			1,905,691	1,863,972
Support Services						
Student and Instruction Related Services	7,331,751	6,953,911			7,331,751	6,953,911
General Administrative Services	1,257,596	1,238,884			1,257,596	1,238,884
School Administrative Services	3,399,942	3,504,008			3,399,942	3,504,008
Central and Other Support Services	1,443,450	1,700,368			1,443,450	1,700,368
Plant Operation and Maintenance	6,023,445	5,548,569			6,023,445	5,548,569
Pupil Transportation	1,753,851	1,601,956			1,753,851	1,601,956
Interest on Debt	16,851	24,394			16,851	24,394
Food Service			937,756	967,992	937,756	967,992
Knight Care Latchkey Program	-	-	507,310	454,383	507,310	454,383
<b>Total Expenses</b>	<u>51,416,439</u>	<u>50,963,075</u>	<u>1,445,066</u>	<u>1,422,375</u>	<u>52,861,505</u>	<u>52,385,450</u>
Increase (Decrease) in Net Position Before Transfers	3,437,571	2,456,397	72,897	212,732	3,510,468	2,669,129
Transfers	8,090	48,703	(8,090)	(48,703)	-	-
Change in Net Position	3,445,661	2,505,100	64,807	164,029	3,510,468	2,669,129
<b>Beginning of Year, Net Position</b>	19,564,366	18,030,266	928,378	803,101	20,492,744	18,833,367
<b>Prior Period Adjustment</b>	-	(971,001)	-	(38,752)	-	(1,009,753)
<b>End of Year, Net Position</b>	<u>\$ 23,010,027</u>	<u>\$ 19,564,365</u>	<u>\$ 993,185</u>	<u>\$ 928,378</u>	<u>\$ 24,003,212</u>	<u>\$ 20,492,743</u>

# NEW MILFORD BOARD OF EDUCATION

## Management's Discussion and Analysis

### Governmental Activities

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

**Total and Net Cost of Governmental Activities.** The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

#### Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2024 and 2023

<u>Governmental Activities</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 17,000,333	\$ 18,977,586	\$ 13,613,999	\$ 14,586,505
Special Education	9,377,485	7,212,136	4,456,533	3,739,955
Other Instruction	1,906,044	893,439	743,785	735,161
School Sponsored Activities and Athletics	1,905,691	1,574,059	1,335,804	1,366,636
Support Services				
Student and Instruction Related Services	7,331,751	7,294,390	5,896,833	5,456,214
General Administration	1,257,596	1,265,728	1,012,804	1,101,264
School Administration Services	3,399,942	3,224,004	2,856,495	2,901,856
Central and Other Support Services	1,443,450	1,544,515	1,324,485	1,579,156
Plant Operation and Maintenance	6,023,445	4,945,126	5,217,399	5,071,389
Pupil Transportation	1,753,851	1,502,388	1,117,280	1,031,264
Interest on Debt	16,851	76,863	16,851	24,394
<b>Total Governmental Activities</b>	<b>\$ 51,416,439</b>	<b>\$ 48,510,234</b>	<b>\$ 37,592,268</b>	<b>\$ 37,593,794</b>

# NEW MILFORD BOARD OF EDUCATION

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

#### Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$13,322,428, an increase of \$2,470,669 from last year's fund balance of \$10,851,759.

Revenues for the District's governmental funds were \$58,570,485; total expenditures were \$56,107,906.

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

Revenues of the General Fund were \$55,143,833 for the fiscal year ended June 30, 2024. State sources amounted to \$15,103,668, federal sources totaled \$13,174 and local sources were \$40,026,991.

Expenditures of the General Fund were \$52,723,010. Instructional expenditures were \$30,887,161, support services were \$20,578,215, debt service expenditures were \$732,455 and capital expenditures totaled \$525,179 for the fiscal year ended June 30, 2024.

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

Revenues of the Special Revenue Fund were \$3,426,652 for the fiscal year ended June 30, 2024. State sources amounted to \$521,714, federal sources totaled \$2,286,142 and local sources were \$618,796.

Expenditures of the Special Revenue Fund were \$3,384,896. Instructional expenditures were \$2,114,353, and support services were \$830,020 and capital expenditures totaled \$440,523 for the fiscal year ended June 30, 2024.

#### Proprietary Funds

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

**Enterprise Fund** - The District uses Enterprise Funds to report activities related to the Food Services program. In addition, the District maintains a Knightcare/Latchkey Program. The Summer Music Program was discontinued and closed during the 2023/24 school year. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

# NEW MILFORD BOARD OF EDUCATION

## Management's Discussion and Analysis

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2023 encumbrances.

### CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$18,882,934 and \$18,321,341 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$1,463,753 for governmental activities and \$14,964 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

Capital Assets As of June 30, 2024 and 2023						
	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u> (Restated)	<u>2024</u>	<u>2023</u> (Restated)	<u>2024</u>	<u>2023</u> (Restated)
Land	\$ 3,255,000	\$ 3,255,000			\$ 3,255,000	\$ 3,255,000
Land Improvements	4,656,706	4,634,931			4,656,706	4,634,931
Buildings and Building Improvements	30,329,941	29,806,421			30,329,941	29,806,421
Right-to-Use Leased Buildings	154,368	154,368				
Machinery and Equipment	<u>4,981,987</u>	<u>4,561,580</u>	<u>\$ 727,448</u>	<u>\$ 363,509</u>	<u>5,709,435</u>	<u>4,925,089</u>
Total	43,378,002	42,412,300	727,448	363,509	44,105,450	42,775,809
Less: Accumulated Depreciation	<u>(24,602,744)</u>	<u>(23,138,991)</u>	<u>\$ (619,772)</u>	<u>\$ (344,476)</u>	<u>(25,222,516)</u>	<u>(23,483,467)</u>
Total Capital Assets, Net (Restated)	<u>\$ 18,775,258</u>	<u>\$ 19,273,309</u>	<u>\$ 107,676</u>	<u>\$ 19,033</u>	<u>\$ 18,882,934</u>	<u>\$ 19,292,342</u>

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



## **NEW MILFORD BOARD OF EDUCATION**

### **Management's Discussion and Analysis**

#### **LONG TERM LIABILITIES**

At June 30, 2024, the District's long-term liabilities consisted of compensated absences payable of \$368,979, capital financing agreements of \$393,357 and net pension liability of \$7,982,683 totaling \$8,745,019. This is in comparison to long-term liabilities at June 30, 2023 of \$9,816,346 or a decrease of \$1,071,327.

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

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

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

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

**NEW MILFORD BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 13,687,058	\$ 950,267	\$ 14,637,325
Receivables, Net:			
Receivables from Other Governments	386,826	11,307	398,133
Other	180,082	18,714	198,796
Internal Balances	56,447	(56,447)	-
Inventories		2,136	2,136
Capital Assets Not Being Depreciated	3,255,000		3,255,000
Capital Assets, Being Depreciated	<u>15,520,258</u>	<u>107,676</u>	<u>15,627,934</u>
Total Assets	<u>33,085,671</u>	<u>1,033,653</u>	<u>34,119,324</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>308,119</u>	<u>-</u>	<u>308,119</u>
Total Deferred Outflows of Resources	<u>308,119</u>	<u>-</u>	<u>308,119</u>
Total Assets and Deferred Outflows of Resources	<u>33,393,790</u>	<u>1,033,653</u>	<u>34,427,443</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	889,681	17,030	906,711
Payable to Other Governments	83,533		83,533
Accrued Interest Payable	11,966		11,966
Unearned Revenue	14,771	22,783	37,554
Noncurrent Liabilities :			
Due Within One Year	221,325		221,325
Due Beyond One Year	<u>8,523,694</u>	<u>-</u>	<u>8,523,694</u>
Total Liabilities	<u>9,744,970</u>	<u>39,813</u>	<u>9,784,783</u>

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

**NEW MILFORD BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	\$ 638,793		\$ 638,793
Deferred Commodities Revenue	<u>-</u>	<u>\$ 655</u>	<u>655</u>
Total Deferred Inflows of Resources	<u>638,793</u>	<u>655</u>	<u>639,448</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,383,763</u>	<u>40,468</u>	<u>10,424,231</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 18,381,901	107,676	18,489,577
Restricted for:			
Capital Projects	7,774,408		7,774,408
Other Purposes	1,397,753		1,397,753
Unrestricted	<u>(4,544,035)</u>	<u>885,509</u>	<u>(3,658,526)</u>
Total Net Position	<u>\$ 23,010,027</u>	<u>\$ 993,185</u>	<u>\$ 24,003,212</u>

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

**NEW MILFORD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Governmental Activities</b>						
Instruction:						
Regular	\$ 17,000,333	\$ 85,820	\$ 3,300,514	\$ (13,613,999)		\$ (13,613,999)
Special Education	9,377,485	1,221,042	3,699,910	(4,456,533)		(4,456,533)
Other Instruction	1,906,044		1,162,259	(743,785)		(743,785)
School Sponsored Activities and Athletics	1,905,691	508,860	61,027	(1,335,804)		(1,335,804)
<b>Support Services</b>						
Student and Instruction Related Services	7,331,751		1,434,918	(5,896,833)		(5,896,833)
General Administrative Services	1,257,596		244,792	(1,012,804)		(1,012,804)
School Administrative Services	3,399,942		543,447	(2,856,495)		(2,856,495)
Central and Other Support Services	1,443,450		118,965	(1,324,485)		(1,324,485)
Plant Operations and Maintenance	6,023,445		806,046	(5,217,399)		(5,217,399)
Pupil Transportation	1,753,851	45,267	591,304	(1,117,280)		(1,117,280)
Interest on Debt	16,851	-	-	(16,851)	-	(16,851)
<b>Total Governmental Activities</b>	<b>51,416,439</b>	<b>1,860,989</b>	<b>11,963,182</b>	<b>(37,592,268)</b>	<b>-</b>	<b>(37,592,268)</b>
<b>Business-Type Activities</b>						
Food Service	937,756	660,118	332,990		\$ 55,352	55,352
Knight Care Latch Key Program	507,310	478,052	-	-	(29,258)	(29,258)
<b>Total Business-Type Activities</b>	<b>1,445,066</b>	<b>1,138,170</b>	<b>332,990</b>	<b>-</b>	<b>26,094</b>	<b>26,094</b>
<b>Total Primary Government</b>	<b>\$ 52,861,505</b>	<b>\$ 2,999,159</b>	<b>\$ 12,296,172</b>	<b>(37,592,268)</b>	<b>26,094</b>	<b>(37,566,174)</b>
<b>General Revenues:</b>						
Property Taxes -						
General Purposes				38,001,050		38,001,050
State Aid, Unrestricted				2,354,977		2,354,977
Interest Income				568,122	46,803	614,925
Miscellaneous Income				105,690		105,690
<b>Transfers</b>				<b>8,090</b>	<b>(8,090)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>				<b>41,037,929</b>	<b>38,713</b>	<b>41,076,642</b>
<b>Change in Net Position</b>				<b>3,445,661</b>	<b>64,807</b>	<b>3,510,468</b>
<b>Net Position, Beginning of Year (Restated)</b>				<b>19,564,366</b>	<b>928,378</b>	<b>20,492,744</b>
<b>Net Position, End of Year</b>				<b>\$ 23,010,027</b>	<b>\$ 993,185</b>	<b>\$ 24,003,212</b>

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

## **FUND FINANCIAL STATEMENTS**

**NEW MILFORD BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 12,692,114	\$ 994,944		\$ 13,687,058
Receivables, Net				
Receivables from Other Governments	193,501	193,325		386,826
Accounts	180,082			180,082
Due from Other Funds	516,810	-	-	516,810
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	\$ 13,582,507	\$ 1,188,269	\$ -	\$ 14,770,776
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	\$ 370,479	\$ 115,430		\$ 485,909
Accrued Salaries and Wages	212,526			212,526
Compensated Absences Payable	145,800			145,800
Payroll Deductions and Withholdings Payable	45,446			45,446
Payable to State Government		83,533		83,533
Due to Other Funds		460,363		460,363
Unearned Revenue	-	14,771	-	14,771
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	774,251	674,097	-	1,448,348
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund Balances				
Restricted Fund Balance				
Capital Reserve	4,251,398			4,251,398
Capital Reserve - Designated for				
Subsequent Year's Budget	3,523,010			3,523,010
Maintenance Reserve	674,097			674,097
Emergency Reserve	400,324			400,324
Unemployment Compensation Reserve	209,484			209,484
Excess Surplus	1,500,000			1,500,000
Excess Surplus - Designated for				
Subsequent Year's Budget	2,356,623			2,356,623
Student Activities		217,171		217,171
Scholarship Awards		297,001		297,001
Committed Fund Balance				-
Year End Encumbrances	3,800			3,800
Assigned Fund Balance				
Year End Encumbrances	128,924			128,924
Unassigned Fund Balance	(239,404)	-	-	(239,404)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	12,808,256	514,172	-	13,322,428
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balances	\$ 13,582,507	\$ 1,188,269	\$ -	\$ 14,770,776
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

**NEW MILFORD BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2024**

**Total Fund Balances (Exhibit B-1)** **\$ 13,322,428**

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$43,378,002 and the accumulated depreciation is \$24,602,744.

18,775,258

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources  
Deferred Inflows of Resources

\$ 308,119  
(638,793)

(330,674)

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

(11,966)

Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported as liabilities in the funds

Capital Financing Agreements  
Compensated Absences  
Net Pension Liability

(393,357)  
(368,979)  
(7,982,683)

(8,745,019)

**Net Position of Governmental Activities (Exhibit A-1)**

**\$ 23,010,027**



**NEW MILFORD BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Taxes	\$ 38,001,050			\$ 38,001,050
Tuition	1,306,862			1,306,862
Transportation Fees	45,267			45,267
Interest	568,122			568,122
Miscellaneous	105,690	\$ 618,796	-	724,486
Total - Local Sources	40,026,991	618,796	-	40,645,787
State Sources	15,103,668	521,714		15,625,382
Federal Sources	13,174	2,286,142	-	2,299,316
Total Revenues	55,143,833	3,426,652	-	58,570,485
<b>EXPENDITURES</b>				
Instruction				
Regular	19,069,576	118,882		19,188,458
Special Education	9,543,871	514,652		10,058,523
Other Instruction	1,052,242	980,800		2,033,042
School-Sponsored Activities and Athletics	1,221,472	500,019		1,721,491
Support Services				
Student and Instruction Related Services	7,434,989	487,710		7,922,699
General Administrative Services	1,342,537			1,342,537
School Administrative Services	3,793,378			3,793,378
Central and Other Support Services	1,413,165			1,413,165
Plant Operations and Maintenance	4,883,985	342,310		5,226,295
Pupil Transportation	1,710,161			1,710,161
Debt Service				
Principal	699,322			699,322
Interest	33,133			33,133
Capital Outlay	525,179	440,523	-	965,702
Total Expenditures	52,723,010	3,384,896	-	56,107,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,420,823	41,756	-	2,462,579
<b>OTHER FINANCING SOURCES</b>				
Transfers In	19,692			19,692
Transfers Out	-	-	\$ (11,602)	(11,602)
Total Other Financing Sources	19,692	-	(11,602)	8,090
Net Change in Fund Balances	2,440,515	41,756	(11,602)	2,470,669
Fund Balance, Beginning of Year	10,367,741	472,416	11,602	10,851,759
Fund Balance, End of Year	\$ 12,808,256	\$ 514,172	\$ -	\$ 13,322,428

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

**NEW MILFORD BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ 2,470,669**

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

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

Capital Outlay	\$ 965,702	
Depreciation Expense	<u>(1,463,753)</u>	(498,051)

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

Decrease in Compensated Absences	55,920	
Decrease in Pension Expense	<u>701,519</u>	757,439

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

Capital Financing Principal	657,701	
Other Financing Principal	35,495	
Leases Payable	<u>6,126</u>	699,322

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

Decrease in Accrued Interest		<u>16,282</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 3,445,661**

NEW MILFORD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2024

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Knight Care Latchkey Program</u>	<u>Non-Major Summer Music</u>	<u>Totals</u>
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 817,538	\$ 132,729		\$ 950,267
Receivables, Net				
Intergovernmental	11,307			11,307
Accounts	18,714			18,714
Inventories	2,136	-	-	2,136
	<u>849,695</u>	<u>132,729</u>	<u>-</u>	<u>982,424</u>
Total Current Assets				
Capital Assets				
Equipment	587,103	140,345		727,448
Less: Accumulated Depreciation	(479,427)	(140,345)	-	(619,772)
	<u>107,676</u>	<u>-</u>	<u>-</u>	<u>107,676</u>
Total Capital Assets, Net				
Total Assets	<u>957,371</u>	<u>132,729</u>	<u>-</u>	<u>1,090,100</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	14,970	2,060		17,030
Due to Other Funds	56,447			56,447
Unearned Revenue	22,783	-	-	22,783
	<u>94,200</u>	<u>2,060</u>	<u>-</u>	<u>96,260</u>
Total Current Liabilities				
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Commodities Revenue	655	-	-	655
	<u>655</u>	<u>-</u>	<u>-</u>	<u>655</u>
Total Deferred Inflows of Resources				
Total Liabilities and Deferred Inflow of Resources	<u>94,855</u>	<u>2,060</u>	<u>-</u>	<u>96,915</u>
<b>NET POSITION</b>				
Investment in Capital Assets	107,676	-	-	107,676
Unrestricted	754,840	130,669	-	885,509
	<u>862,516</u>	<u>130,669</u>	<u>-</u>	<u>993,185</u>
Total Net Position				

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

NEW MILFORD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Business-Type Activities - Enterprise Fund</u>			
	<u>Food Service</u>	<u>Knight Care Latchkey Program</u>	<u>Non-Major Summer Music</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for Services				
Daily Sales				
Reimbursable Programs	\$ 409,819			\$ 409,819
Non-Reimbursable Programs	205,618			205,618
Other Sales	44,681			44,681
Program Fees	-	\$ 478,052	-	478,052
Total Operating Revenues	660,118	478,052	-	1,138,170
<b>OPERATING EXPENSES</b>				
Salaries and Employee Benefits	363,986	460,263		824,249
Cost of Sales				
Reimbursable Programs	276,728			276,728
Non-Reimbursable Programs	138,842			138,842
Purchased Management Services	68,740			68,740
Other Purchased Services	20,756	1,246		22,002
Supplies and Materials	49,746	45,801		95,547
Miscellaneous	3,994			3,994
Depreciation	14,964	-	-	14,964
Total Operating Expenses	937,756	507,310	-	1,445,066
Operating Income (Loss)	(277,638)	(29,258)	-	(306,896)
<b>NONOPERATING REVENUES</b>				
Federal Sources				
National School Lunch Program	187,631			187,631
Food Distribution Program	74,373			74,373
Pandemic Electronic Benefits Transfer (P-EBT) Program	51,646			51,646
Supply Chain Assistance	653			653
Local Food for Schools Cooperative Grant	3,778			3,778
State Sources				
State School Lunch Program	14,909			14,909
Interest Earnings	36,707	10,096	-	46,803
Total Nonoperating Revenues	369,697	10,096	-	379,793
Change in Net Position Before Transfers	92,059	(19,162)	-	72,897
Transfers Out	-	-	\$ (8,090)	(8,090)
Change in Net Position	92,059	(19,162)	(8,090)	64,807
Total Net Position, Beginning of Year (Restated)	770,457	149,831	8,090	928,378
Total Net Position, End of Year	\$ 862,516	\$ 130,669	\$ -	\$ 993,185

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

NEW MILFORD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Business-Type Activities - Enterprise Fund</u>			
	<u>Food Service</u>	<u>Knight Care Latchkey Program</u>	<u>Non-Major Summer Music</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 670,948	\$ 479,982		\$ 1,150,930
Cash Payments for Employees' Salaries and Benefits	(363,986)	(508,178)		(872,164)
Cash Payments to Suppliers for Goods and Services	(565,180)	(1,246)		(566,426)
Cash Payments to Customers - Refunds	(824)	(1,930)	-	(2,754)
Net Cash Provided by (Used for) by Operating Activities	(259,042)	(31,372)	-	(290,414)
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash Received from State and Federal Subsidy Reimbursements	260,693			260,693
Cash Payments from/(to) Other Funds	-	10,505	\$ (8,090)	2,415
Net Cash Provided by (Used for) by Noncapital Financing Activities	260,693	10,505	(8,090)	263,108
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of Capital Assets	(103,607)	-	-	(103,607)
Net Cash (Used for) by Capital and Related Financing Activities	(103,607)	-	-	(103,607)
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	36,707	10,096	-	46,803
Net Cash Provided by Investing Activities	36,707	10,096	-	46,803
Net Change in Cash and Cash Equivalents	(65,249)	(10,771)	(8,090)	(84,110)
Cash and Cash Equivalents, Beginning of Year	882,787	143,500	8,090	1,034,377
Cash and Cash Equivalents, End of Year	\$ 817,538	\$ 132,729	\$ -	\$ 950,267
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) by Operating Activities</b>				
Operating Income (Loss)	\$ (277,638)	\$ (29,258)	\$ -	\$ (306,896)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) by Operating Activities				
Depreciation	14,964			14,964
Food Distribution Program (USDA Commodities)	74,373			74,373
Change in Assets, Liabilities and Deferred Inflows of Resources				
(Increase)/Decrease in Accounts Receivable	9,698			9,698
(Increase)/Decrease in Inventories	1,718			1,718
Increase/(Decrease) in Accounts Payable	(79,773)	(2,114)		(81,887)
Increase/(Decrease) in Interfund Payable	(2,077)			(2,077)
Increase/(Decrease) in Unearned Revenue	(292)			(292)
Increase/(Decrease) in Deferred Inflow of Resources	(15)	-	-	(15)
Total Adjustments	18,596	(2,114)	-	16,482
Net Cash Provided/(Used) by Operating Activities	\$ (259,042)	\$ (31,372)	\$ -	\$ (290,414)
<b>Non-Cash Investing, Capital and Financing Activities</b>				
Value Received - Food Distribution Program	\$ 74,358	\$ -	\$ -	\$ 74,358

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The New Milford Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

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

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

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

**B. New Accounting Standards**

During fiscal year 2024, the District adopted the following GASB statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

**C. Basis of Presentation - Financial Statements**

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

**District-Wide Financial Statements**

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

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

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



NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

Reclassifications

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

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

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

**1. *Cash, Cash Equivalents and Investments***

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

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

**2. *Receivables***

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**3. *Inventories***

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

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

**4. *Capital Assets***

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

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

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

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

**5. *Deferred Outflows/Inflows of Resources***

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**5. *Deferred Outflows/Inflows of Resources (Continued)***

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

**6. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Fund employees are not eligible to accumulate unused vacation and sick leave benefits in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**7. *Pensions***

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

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

**8. *Leases***

**Leases Payable**

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

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

NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Financing Agreements*

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

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

10. *Long-Term Obligations*

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

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

*Capital Reserve - Designated for Subsequent Year's Budget* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2024/2025 original budget certified for taxes.

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

NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that was appropriated in the 2024/2025 original budget certified for taxes.

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

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

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

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

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

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

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

12. *Fund Balance Policies*

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**12. *Fund Balance Policies (Continued)***

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

**3. *Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2022-2023 and 2023-2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *On-Behalf Payments***

Revenues and expenditures of the General Fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of Governmental Activities include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$381,776 and the special revenue fund by \$2,593,858. The increases were funded by the additional appropriation of unassigned fund balance, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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



**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Deficit Fund Equity**

The District has an unassigned fund deficit of \$239,404 in the General Fund as of June 30, 2024 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2023/2024 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General and Special Revenue Fund deficits do not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficits in the GAAP (fund) financial statements of \$239,404 in the General Fund is less than the delayed state aid payments at June 30, 2024.

**C. Capital Reserve**

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

Funds placed in the capital reserve are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 4,735,345
Increased by:	
Interest Earnings	\$ 118,931
Transfer from Capital Projects Fund	11,602
Deposits Approved by Board Resolution	<u>3,887,530</u>
	<u>4,018,063</u>
	8,753,408
Decreased by:	
Withdrawals Approved in District Budget	<u>979,000</u>
Balance, June 30, 2024	<u>\$ 7,774,408</u>

The June 30, 2024 LRFP balance of the total costs of uncompleted capital projects is estimated by management to \$75,717,746. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. \$3,523,010 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Maintenance Reserve**

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 647,236
Increased by:	
Interest Earnings	<u>26,861</u>
Balance, June 30, 2024	<u>\$ 674,097</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,818,880.

**E. Emergency Reserve**

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	<u>\$ 400,324</u>
Balance, June 30, 2024	<u>\$ 400,324</u>

**F. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2024 is \$3,856,623. Of this amount, \$2,356,623 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$1,500,000 will be appropriated in the 2025/2026 original budget certified for taxes.

NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits was \$14,637,325 and bank and brokerage firm balances of the Board's deposits amounted to \$15,301,725. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 15,220,959
Uninsured and Collateralized	<u>80,766</u>
	<u>\$ 15,301,725</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board's bank balance of \$80,766 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 80,766</u>
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Investments

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

As of June 30, 2024, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

**B. Receivables**

Receivables as of June 30, 2024 for the district's individual major funds in the aggregate including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental:				
State	\$ 193,501		\$ 845	\$ 194,346
Federal		\$ 193,325	10,462	203,787
Accounts	<u>180,082</u>	<u>-</u>	<u>18,714</u>	<u>198,796</u>
Total Gross Receivables	<u>\$ 373,583</u>	<u>\$ 193,325</u>	<u>\$ 30,021</u>	<u>\$ 596,929</u>

**C. Unearned Revenue**

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 10,964
Grant Draw Downs Year-End Encumbrances	<u>3,807</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 14,771</u>

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Adjustment	Increases	Decreases	Balance, June 30, 2024
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 3,255,000				\$ 3,255,000
Construction in Progress	-	-	-	-	-
Total Capital Assets, Not Being Depreciated	3,255,000	-	-	-	3,255,000
Capital Assets, Being Depreciated:					
Land Improvements	4,634,931		\$ 21,775		4,656,706
Buildings and Building Improvements	29,806,421		523,520		30,329,941
Right-to-Use Leased Buildings	154,368				154,368
Machinery and Equipment	6,493,063	\$ (1,931,483)	420,407	-	4,981,987
Total Capital Assets Being Depreciated	41,088,783	(1,931,483)	965,702	-	40,123,002
Less Accumulated Depreciation for:					
Land Improvements	(2,349,039)		(296,674)		(2,645,713)
Buildings and Building Improvements	(17,077,741)		(760,415)		(17,838,156)
Right-to-Use Leased Buildings	(148,470)		(5,898)		(154,368)
Machinery and Equipment	(4,524,223)	960,482	(400,766)	-	(3,964,507)
Total Accumulated Depreciation	(24,099,473)	960,482	(1,463,753)	-	(24,602,744)
Total Capital Assets, Being Depreciated, Net	16,989,310	(971,001)	(498,051)	-	15,520,258
Governmental Activities Capital Assets, Net	\$ 20,244,310	\$ (971,001)	\$ (498,051)	\$ -	\$ 18,775,258
	Balance July 1, 2023	Adjustment	Increases	Decreases	Balance, June 30, 2024
<b>Business-Type Activities:</b>					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 402,261	\$ 221,580	\$ 103,607	-	\$ 727,448
Total Capital Assets Being Depreciated	402,261	221,580	103,607	-	727,448
Less Accumulated Depreciation for:					
Machinery and Equipment	(344,476)	(260,332)	(14,964)	-	(619,772)
Total Accumulated Depreciation	(344,476)	(260,332)	(14,964)	-	(619,772)
Total Capital Assets, Being Depreciated, Net	57,785	(38,752)	88,643	-	107,676
Business-Type Activities Capital Assets, Net	\$ 57,785	\$ (38,752)	\$ 88,643	\$ -	\$ 107,676

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction

Regular	\$ 38,968
Special Education	2,824
School-Sponsored Activities and Athletics	221,720
Total Instruction	<u>263,512</u>

Support Services

Student and Instruction Related Services	85,564
Central and Other Support Services	125,573
Plant Operations and Maintenance	907,982
Pupil Transportation	81,122
Total Support Services	<u>1,200,241</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,463,753</u>
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**Business-Type Activities:**

Food Service Fund	<u>\$ 14,964</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 14,964</u>
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The District's capital asset values were adjusted to agree with the report prepared by an independent appraisal company. The Governmental and Business-Type Activities June 30, 2023 reported amounts were adjusted accordingly.

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2024, is as follows:

**Due To/From Other Funds**

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	\$ 460,363
General Fund	Food Service Enterprise Fund	<u>56,447</u>
Total		<u>\$ 516,810</u>

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

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund Transfers**

	<u>Transfers In:</u>
	<u>General Fund</u>
Transfers Out:	
Capital Projects Fund	\$ 11,602
Summer Music Program Enterprise Fund	<u>8,090</u>
Total	<u>\$ 19,692</u>

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

**F. Leases**

**Leases Payable**

On July 15, 2020, the District entered into a three year lease for the use of a building. An initial lease liability was recorded in the amount of \$101,172. The lease has an interest rate of 2%. The District was required to make monthly payments ranging from \$2,814 to \$2,985. In addition, the District has the option to renew the lease for two one (1) year terms. As of June 30, 2024 the value of the lease liability was \$0. The building has a three year estimated useful life. The value of the right -to-use asset as of June 30, 2024 is \$101,172 and had accumulated depreciation of \$101,172.

On August 23, 2021, the District entered into a two year lease for the use of a middle school building trailer. An initial lease liability was recorded in the amount of \$32,275. The lease has an interest rate of 2%. The District was required to make monthly payments of \$1,373. As of June 30, 2024 the value of the lease liability was \$0. The building has a two year estimated useful life. The value of the right -to-use asset as of June 30, 2024 is \$32,275 and had accumulated depreciation of \$32,275.

On September 3, 2021, the District entered into a two year lease for the use of an elementary school building trailer. An initial lease liability was recorded in the amount of \$20,921. The lease has an interest rate of 2%. The District was required to make monthly payments of \$890. As of June 30, 2024 the value of the lease liability was \$0. The building has a two year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$20,921 and had accumulated depreciation of \$20,921.

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Financing Agreements**

**Capital Financing Agreements**

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

Capital financing agreements at June 30, 2024 are comprised of the following:

\$111,392, fiscal year 2020 Agreement for the acquisition of a school bus for a term of 5 years due in annual principal installments of \$22,789 on October 15, 2024 interest at 2.15%	\$ 22,789
\$163,660, fiscal year 2020 Agreement for the acquisition of security cameras for a term of 5 years due in annual principal installment of \$34,227 on July 1, 2024 interest at 4.03%	34,227
\$188,614, fiscal year 2019 Agreement for the acquisition of copiers for a term of 5 years due in monthly principal installment of \$3,511 on July 15, 2024	3,511
\$16,529, fiscal year 2021 Agreement for the acquisition of a copier for a term of 39 months due in monthly principal installment of \$458 on July 15, 2024	458
\$117,930, fiscal year 2022 Agreement for the acquisition of bus for a term of 4 years due in annual principal installment of \$29,943 on September 1, 2021 interest at 3.28%	29,943
\$411,361, Fiscal year 2023 Agreement for the purchase of copiers for a term of 6 years due in monthly principal installments of \$31,449 to \$86,621 through January 15, 2028	<u>302,429</u>
Total	<u>\$ 393,357</u>



**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Financing Agreements (Continued)**

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

**Governmental Activities:**

Ending June 30,	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 171,325	\$ 12,697	\$ 184,022
2026	83,422	6,806	90,228
2027	86,620	3,607	90,227
2028	<u>51,990</u>	<u>643</u>	<u>52,633</u>
Total	<u>\$ 393,357</u>	<u>\$ 23,753</u>	<u>\$ 417,110</u>

**H. Long-Term Debt**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 96,167,277
Less: Net Debt Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 96,167,277</u>

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Capital Finance Agreements	\$ 1,051,058		\$ 657,701	\$ 393,357	\$ 171,325
Other Finance Agreements	35,495		35,495		
Leases Payable	6,126		6,126		
Compensated Absences Payable	424,899		55,920	368,979	50,000
Net Pension Liability	<u>8,298,768</u>	<u>\$ 385,434</u>	<u>701,519</u>	<u>7,982,683</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 9,816,346</u>	<u>\$ 385,434</u>	<u>\$ 1,456,761</u>	<u>\$ 8,745,019</u>	<u>\$ 221,325</u>

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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

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

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

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024	None	\$ 47,774	\$ 9,749	\$ 165,801	\$ 209,484
2023	\$ 150,000	46,564	1,293	26,969	226,234
2022	None	43,854	240	39,336	74,941

**B. Contingent Liabilities**

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2024, the District has no estimated arbitrage earnings due to the IRS.

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

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

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

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

The following represents the membership tiers for PERS:

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

The following represent the membership tiers for TPAF:

<b>Tier</b>	<b>Definition</b>
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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for their respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

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

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Other Pension Funds**

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

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

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

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

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

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

In the July 1, 2022 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2024.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2024 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended		On-behalf	
<u>June 30,</u>	<u>PERS</u>	<u>TPAF</u>	<u>DCRP</u>
2024	\$ 736,593	\$ 6,725,282	\$ 14,197
2023	693,452	6,292,508	11,479
2022	645,307	5,875,917	10,359

**NEW MILFORD BOARD OF EDUCATION  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$3,028, \$2,662 and \$2,558, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,271,748 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$7,982,683 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the District's proportionate share was 0.05511 percent, which was an increase of 0.00012 percent from its proportionate share measured as of June 30, 2022 of 0.05499 percent.

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$35,074 for PERS. The pension contribution made by the District during the current 2023/2024 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 76,325	\$ 32,631
Changes of Assumptions	17,536	483,785
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	36,761	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>177,497</u>	<u>122,377</u>
Total	<u>\$ 308,119</u>	<u>\$ 638,793</u>

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<b><u>Year Ending June 30,</u></b>	<b><u>Total</u></b>
2025	\$ (470,294)
2026	(345,051)
2027	288,863
2028	(68,748)
2029	264,556
Thereafter	<u>-</u>
	<u>\$ (330,674)</u>



**NEW MILFORD BOARD OF EDUCATION  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Actuarial Assumptions***

The District's total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

***Mortality Rates***

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

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

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***Sensitivity of Net Pension Liability***

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>10,391,755</u>	\$ <u>7,982,683</u>	\$ <u>5,932,244</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability at as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District’s net pension liability at June 30, 2023 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**NEW MILFORD BOARD OF EDUCATION  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF)**

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2023, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,903,376 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the District is \$77,476,651. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was 0.15182 percent, which was an increase of 0.01107 percent from its proportionate share measured as of June 30, 2022 of 0.14075 percent.

**NEW MILFORD BOARD OF EDUCATION  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	
	2.75-4.25%
	Based on Years of Service
Investment Rate of Return	7.00%

***Mortality Rates***

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**NEW MILFORD BOARD OF EDUCATION  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Sensitivity of Net Pension Liability***

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 91,359,031	\$ 77,476,651	\$ 65,784,388

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2023 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

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

**E. Post-Retirement Medical Benefits (Continued)**

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</u>

**Measurement Focus and Basis of Accounting**

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

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.



**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2024, 2023 and 2022 were \$1,830,376, \$1,653,027 and \$1,372,852, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,935,807. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$65,300,622. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was 0.12471 percent, which was an increase of 0.00105 percent from its proportionate share measured as of June 30, 2022 of 0.12366 percent.

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Actuarial Assumptions**

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55%	2.75% to 4.25%
	Based on Years of Service	Based on Years of Service

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Discount Rate**

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 62,628,183
Changes Recognized for the Fiscal Year:	
Service Cost	3,262,015
Interest on the Total OPEB Liability	2,299,808
Differences Between Expected and Actual Experience	(1,287,201)
Changes of Assumptions	131,619
Gross Benefit Payments	(1,792,738)
Contributions from the Member	58,936
Net Changes	\$ 2,672,439
Balance, June 30, 2023 Measurement Date	\$ 65,300,622

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023.

NEW MILFORD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 76,553,769	\$ 65,300,622	\$ 56,265,652

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

	1% Decrease <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 54,209,584	\$ 65,300,622	\$ 79,813,274

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

F. Subsequent Events

On August 28, 2024 the Board approved the withdrawal and appropriation of \$51,842 from the General Fund Maintenance Reserve account for the replacement of the High School main drain.

On October 16, 2024 the Board approved the withdrawal and appropriation of \$212,465 from the General Fund Capital Reserve account to fund additional cost relating to the ROD grant projects.

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS**

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

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

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded in excess of \$1.8 million in federal aid to address the effects of the COVID-19 pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**NEW MILFORD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 38,001,050		\$ 38,001,050	\$ 38,001,050	
Tuition from Individuals	50,000		50,000	85,820	\$ 35,820
Tuition from Other LEAs Within the State	1,209,043		1,209,043	1,221,042	11,999
Transportation Fees from Other LEA's	35,938		35,938	45,267	9,329
Interest Earned				412,581	412,581
Interest Earned on Maintenance Reserve				26,861	26,861
Interest Earned on Capital Reserve				118,931	118,931
Interest Earned on Unemployment Compensation				9,749	9,749
Miscellaneous	-	-	-	105,690	105,690
Total Local Sources	<u>39,296,031</u>	<u>-</u>	<u>39,296,031</u>	<u>40,026,991</u>	<u>730,960</u>
State Sources					
Special Education Aid	1,294,330		1,294,330	1,294,330	-
Equalization Aid	2,277,949		2,277,949	2,277,949	-
Security Aid	73,366		73,366	73,366	-
Transportation Aid	430,582		430,582	430,582	-
Extraordinary Aid	850,000		850,000	888,050	38,050
Nonpublic Transportation Aid				131,495	131,495
On-Behalf TPAF (Non-Budget)					
Pension Contribution				6,649,449	6,649,449
NCGI Premium				75,833	75,833
Post Retirement Medical Contribution				1,830,376	1,830,376
Long Term Disability Insurance				3,028	3,028
Social Security Reimbursements	-	-	-	1,271,748	1,271,748
Total State Sources	<u>4,926,227</u>	<u>-</u>	<u>4,926,227</u>	<u>14,926,206</u>	<u>9,999,979</u>
Federal Sources					
Medicaid Reimbursement	31,291	-	31,291	13,174	(18,117)
Total Federal Sources	<u>31,291</u>	<u>-</u>	<u>31,291</u>	<u>13,174</u>	<u>(18,117)</u>
Total Revenues	<u>44,253,549</u>	<u>-</u>	<u>44,253,549</u>	<u>54,966,371</u>	<u>10,712,822</u>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	204,407	\$ (42,536)	161,871	161,871	-
Kindergarten	488,072	35,307	523,379	523,379	-
Grades 1-5	3,299,346	197,309	3,496,655	3,496,655	-
Grades 6-8	2,429,000	(69,950)	2,359,050	2,356,114	2,936
Grades 9-12	3,995,048	(335,890)	3,659,158	3,632,657	26,501
Regular Programs - Home Instruction					
Salaries of Teachers	20,000	-	20,000	2,103	17,897
Purchased Professional/Educational Services		33,147	33,147	30,667	2,480
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	28,300	280	28,580	14,030	14,550
Purchased Professional/Educational Services	10,500	(2,122)	8,378	2,340	6,038
Purchased Technical Services	40,680	10,352	51,032	51,032	-
Other Purchased Services	163,160	-	163,160	162,711	449
General Supplies	570,307	23,102	593,409	435,722	157,687
Textbooks	48,830	(28,315)	20,515	13,810	6,705
Other Objects	11,500	10,070	21,570	16,971	4,599
Total Regular Programs	<u>11,309,150</u>	<u>(169,246)</u>	<u>11,139,904</u>	<u>10,900,062</u>	<u>239,842</u>



**NEW MILFORD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES (Continued)</b>					
CURRENT (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 136,295	\$ 6,672	\$ 142,967	\$ 142,967	
Other Salaries for Instruction	268,000	72,237	340,237	340,237	
General Supplies	5,500	-	5,500	1,162	\$ 4,338
Textbooks	3,850	-	3,850	1,984	1,866
Total Learning and/or Language Disabilities	413,645	78,909	492,554	486,350	6,204
Multiple Disabilities					
Salaries of Teachers	143,740	(3,468)	140,272	140,272	-
Other Salaries for Instruction	264,566	(61,315)	203,251	203,251	-
General Supplies	17,550	-	17,550	7,809	9,741
Textbooks	4,500	-	4,500		4,500
Other Objects	6,500	-	6,500	2,871	3,629
Total Multiple Disabilities	436,856	(64,783)	372,073	354,203	17,870
Resource Room/Resource Center					
Salaries of Teachers	1,657,120	(75,307)	1,581,813	1,579,945	1,868
Other Salaries for Instruction	786,500	4,621	791,121	745,762	45,359
Purchased Professional/Educational Services	3,000	-	3,000	1,000	2,000
General Supplies	9,842	-	9,842	2,285	7,557
Textbooks	13,163	-	13,163	4,594	8,569
Total Resource Room/Resource Center	2,469,625	(70,686)	2,398,939	2,333,586	65,353
Autism					
Salaries of Teachers	395,900	(865)	395,035	383,962	11,073
Other Salaries for Instruction	991,430	-	991,430	746,406	245,024
General Supplies	22,910	(3,197)	19,713	7,201	12,512
Total Autism	1,410,240	(4,062)	1,406,178	1,137,569	268,609
Preschool Disabilities - Part-Time					
Salaries of Teachers	124,486	3,384	127,870	127,870	-
Other Salaries for Instruction	65,500	(703)	64,797	64,797	-
Total Preschool Disabilities - Part-Time	189,986	2,681	192,667	192,667	-
Preschool Disabilities - Full-Time					
Salaries of Teachers	115,980	39,833	155,813	153,220	2,593
Other Salaries for Instruction	198,000	29,238	227,238	225,787	1,451
General Supplies	2,000	3,197	5,197	5,077	120
Total Preschool Disabilities - Full-Time	315,980	72,268	388,248	384,084	4,164
Home Instruction					
Salaries of Teachers	10,000	-	10,000	-	10,000
Total Home Instruction	10,000	-	10,000	-	10,000
Total Special Education	5,246,332	14,327	5,260,659	4,888,459	372,200
Basic Skills/Remedial					
Salaries of Teachers	431,765	(77,308)	354,457	354,457	-
General Supplies	-	-	-	-	-
Total Basic Skills/Remedial	431,765	(77,308)	354,457	354,457	-

**NEW MILFORD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES (Continued)</b>					
CURRENT (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 235,011	\$ 2,172	\$ 237,183	\$ 237,183	-
Total Bilingual Education	<u>235,011</u>	<u>2,172</u>	<u>237,183</u>	<u>237,183</u>	<u>-</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	237,843	-	237,843	198,653	\$ 39,190
Purchased Services	10,800	126	10,926	5,772	5,154
Supplies and Materials	16,020	(266)	15,754	7,043	8,711
Other Objects	<u>6,500</u>	<u>(1,832)</u>	<u>4,668</u>	<u>1,809</u>	<u>2,859</u>
Total School Sponsored Co/Extra Curricular Activities	<u>271,163</u>	<u>(1,972)</u>	<u>269,191</u>	<u>213,277</u>	<u>55,914</u>
School Sponsored Athletics					
Salaries	476,451		476,451	468,080	8,371
Purchased Services	135,250	15,756	151,006	150,236	770
Supplies and Materials	75,000	(6,297)	68,703	65,769	2,934
Other Objects	<u>20,825</u>	<u>(1,468)</u>	<u>19,357</u>	<u>19,165</u>	<u>192</u>
Total School Sponsored Athletics	<u>707,526</u>	<u>7,991</u>	<u>715,517</u>	<u>703,250</u>	<u>12,267</u>
Total Instruction	<u>18,200,947</u>	<u>(224,036)</u>	<u>17,976,911</u>	<u>17,296,688</u>	<u>680,223</u>
Undistributed Expenditures					
Instruction (Tuition)					
Tuition to Other LEAs w/i State - Special	741,323	(141,588)	599,735	301,977	297,758
Tuition to County Voc. School Dist.-Regular	550,000	(200,000)	350,000	283,052	66,948
Tuition to County Voc. School Dist.- Special	253,450	-	253,450	239,283	14,167
Tuition to CSSD & Reg. Day Schools	175,000	72,695	247,695	21,075	226,620
Tuition to Priv.Sch. For the Disabled W/I State	<u>1,522,205</u>	<u>8,419</u>	<u>1,530,624</u>	<u>1,061,108</u>	<u>469,516</u>
Total Undistributed Expenditures - Instruction (Tuition)	<u>3,241,978</u>	<u>(260,474)</u>	<u>2,981,504</u>	<u>1,906,495</u>	<u>1,075,009</u>
Attendance and Social Work					
Salaries	133,054	983	134,037	134,037	-
Purchased Professional and Technical Services	84,400	(2,507)	81,893	59,100	22,793
Other Purchased Services	12,000	(155)	11,845	82	11,763
Supplies and Materials	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>1,615</u>	<u>385</u>
Total Attendance and Social Work	<u>231,454</u>	<u>(1,679)</u>	<u>229,775</u>	<u>194,834</u>	<u>34,941</u>
Health Services					
Salaries	306,053	77,494	383,547	377,147	6,400
Purchased Professional and Technical Services	25,077	9,618	34,695	26,625	8,070
Supplies and Materials	<u>10,700</u>	<u>(2,940)</u>	<u>7,760</u>	<u>7,273</u>	<u>487</u>
Total Health Services	<u>341,830</u>	<u>84,172</u>	<u>426,002</u>	<u>411,045</u>	<u>14,957</u>
Speech, OT, PT & Related Serv.					
Salaries	503,065	10,939	514,004	481,118	32,886
Purchased Professional/Educational Services	305,000	(1,483)	303,517	190,254	113,263
Supplies and Materials	<u>20,456</u>	<u>-</u>	<u>20,456</u>	<u>2,956</u>	<u>17,500</u>
Total Speech, OT, PT, & Related Serv.	<u>828,521</u>	<u>9,456</u>	<u>837,977</u>	<u>674,328</u>	<u>163,649</u>
Other Support Services - Students - Extra Serv.					
Salaries		10,964	10,964	10,964	-
Purchased Professional/Educational Services	<u>717,300</u>	<u>(9,948)</u>	<u>707,352</u>	<u>299,302</u>	<u>408,050</u>
Total Other Supp.Serv. Student - Extra Serv.	<u>717,300</u>	<u>1,016</u>	<u>718,316</u>	<u>310,266</u>	<u>408,050</u>

**NEW MILFORD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES (Continued)</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 684,460	\$ (26,665)	\$ 657,795	\$ 656,533	\$ 1,262
Salaries of Secretarial & Clerical Assistants	42,792	(17,792)	25,000	25,000	-
Purchased Professional-Educational Services	525	162	687	687	-
Other Purchased Professional and Technical Svcs.	18,125	-	18,125	8,439	9,686
Supplies and Materials	28,440	-	28,440	23,050	5,390
Other Objects	950	-	950	728	222
Total Guidance	<u>775,292</u>	<u>(44,295)</u>	<u>730,997</u>	<u>714,437</u>	<u>16,560</u>
Child Study Team					
Salaries of Other Professional Staff	1,151,558	32,426	1,183,984	1,183,984	-
Salaries of Secretarial & Clerical Assistants	140,784	39,215	179,999	179,999	-
Purchased Professional-Educational Services	38,000	2,300	40,300	25,621	14,679
Other Purchased Services	6,785	-	6,785	1,303	5,482
Supplies and Materials	35,600	(1,511)	34,089	17,101	16,988
Other Objects	4,000	-	4,000	2,195	1,805
Total Child Study Team	<u>1,376,727</u>	<u>72,430</u>	<u>1,449,157</u>	<u>1,410,203</u>	<u>38,954</u>
Educational Media/School Library					
Salaries	245,906	(26,002)	219,904	219,904	-
Salaries of Technology Coordinators	157,388	246	157,634	157,634	-
Purchased Professional and Technical Services	10,500	(3,935)	6,565	6,565	-
Supplies and Materials	24,100	-	24,100	13,251	10,849
Total Educational Media/School Library	<u>437,894</u>	<u>(29,691)</u>	<u>408,203</u>	<u>397,354</u>	<u>10,849</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	9,600	(9,100)	500	500	-
Purchased Professional-Educational Services	302,400	433,349	735,749	735,749	-
Other Purchased Services	24,100	(20,071)	4,029	4,029	-
Total Instructional Staff Training Services	<u>336,100</u>	<u>404,178</u>	<u>740,278</u>	<u>740,278</u>	<u>-</u>
General Administration					
Salaries	646,469	(58,289)	588,180	588,180	-
Legal Services	75,000	-	75,000	47,451	27,549
Audit Fees	50,000	33,800	83,800	41,781	42,019
Architectural / Engineering Services	50,000	73,299	123,299	123,299	-
Other Purchased Professional Services	55,000	(2,445)	52,555	52,555	-
Communications/Telephone	62,400	29,433	91,833	88,308	3,525
BOE Other Purchased Services	19,000	(1,037)	17,963	13,758	4,205
Miscellaneous Purchased Services	33,000	(28,063)	4,937	1,519	3,418
General Supplies		1,380	1,380	1,380	-
BOE In-House Training/Meeting Supplies	1,000	(67)	933	933	-
Miscellaneous Expenditures	5,825	1,566	7,391	7,391	-
BOE Membership Dues and Fees	14,000	15,531	29,531	29,531	-
Total General Administration	<u>1,011,694</u>	<u>65,108</u>	<u>1,076,802</u>	<u>996,086</u>	<u>80,716</u>
School Administration					
Salaries of Principals/Asst. Principals/Prog Director	1,081,675	(9,141)	1,072,534	1,069,334	3,200
Salaries of Other Professional Staff	600,685	35,626	636,311	635,287	1,024
Salaries of Secretarial and Clerical Assistants	488,219	11,064	499,283	489,283	10,000
Other Purchased Services	36,850	-	36,850	19,385	17,465
Supplies and Materials	37,825	(4,078)	33,747	20,179	13,568
Other Objects	6,667	4,121	10,788	9,048	1,740
Total School Administration	<u>2,251,921</u>	<u>37,592</u>	<u>2,289,513</u>	<u>2,242,516</u>	<u>46,997</u>

**NEW MILFORD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES (Continued)</b>					
<b>CURRENT (Continued)</b>					
<b>Undistributed Expenditures (Continued)</b>					
Central Services					
Salaries	\$ 439,684	\$ 10,395	\$ 450,079	\$ 450,079	-
Purchased Professional Services	5,000	(1,846)	3,154	900	\$ 2,254
Purchased Technical Services	32,952	(3,910)	29,042	29,042	-
Misc. Purchased Services	6,500	(3,745)	2,755	2,143	612
Supplies and Materials	6,500	(1,488)	5,012	5,012	-
Interest on Lease Purchase Agreements	43,628	-	43,628	43,628	-
Miscellaneous Expenditures	-	9,155	9,155	1,827	7,328
Total Central Services	534,264	8,561	542,825	532,631	10,194
Admin. Info. Tech.					
Salaries	322,097	3,334	325,431	325,431	-
Purchased Professional Services	7,000	(4,000)	3,000	3,000	-
Purchased Technical Services	62,805	422	63,227	62,867	360
Other Purchased Services	3,500	(422)	3,078	2,441	637
Supplies and Materials	71,400	1,846	73,246	71,002	2,244
Total Admin. Info. Tech.	466,802	1,180	467,982	464,741	3,241
Required Maintenance for School Facilities					
Salaries	365,077	20,542	385,619	375,705	9,914
Cleaning, Repair and Maintenance Services	320,250	1,304	321,554	118,555	202,999
General Supplies	115,500	-	115,500	42,674	72,826
Total Required Maintenance for School Facilities	800,827	21,846	822,673	536,934	285,739
Custodial Services					
Salaries	1,281,608	146,566	1,428,174	1,341,436	86,738
Salaries of Non-Instructional Aides	149,450	-	149,450	131,512	17,938
Purchased Professional-Technical Services	41,000	(2,287)	38,713	28,104	10,609
Cleaning, Repair and Maintenance Services	363,173	17,625	380,798	213,437	167,361
Other Purchased Property Services	84,000	-	84,000	44,113	39,887
Insurance	430,000	72,988	502,988	502,988	-
Miscellaneous Purchased Services	8,800	-	8,800	1,447	7,353
General Supplies	97,000	2,921	99,921	91,368	8,553
Energy (Natural Gas)	244,748	13,500	258,248	210,099	48,149
Energy (Electricity)	373,635	51,802	425,437	411,623	13,814
Energy (Gasoline)	6,500	-	6,500	6,000	500
Other Objects	950	-	950	800	150
Total Custodial Services	3,080,864	303,115	3,383,979	2,982,927	401,052
Care and Upkeep of Grounds					
Salaries	131,455	1,206	132,661	120,925	11,736
Cleaning, Repair and Maintenance Services	239,500	(49,996)	189,504	95,788	93,716
General Supplies	24,000	2,789	26,789	8,454	18,335
Total Care and Upkeep of Grounds	394,955	(46,001)	348,954	225,167	123,787
Security					
Purchased Professional-Technical Services	240,000	(72,871)	167,129	167,129	-
Cleaning, Repair and Maintenance Services	91,500	2,992	94,492	82,604	11,888
Total Security	331,500	(69,879)	261,621	249,733	11,888

**NEW MILFORD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES (Continued)</b>					
<b>CURRENT (Continued)</b>					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 100,000	\$ 42,299	\$ 142,299	\$ 139,213	\$ 3,086
Salaries for Pupil Transportation (Between Home and and School) - Regular	47,128		47,128	31,051	16,077
Salaries for Pupil Transportation (Between Home and School) - Spec. Ed.	304,420	58,749	363,169	363,169	-
Salaries for Pupil Transportation (Other Than Between Home and School)	159,330	10,144	169,474	131,744	37,730
Other Purchased Professional and Technical Svs.	8,400	(1,435)	6,965	6,965	-
Cleaning, Repair and Maintenance Services	38,000	37,362	75,362	75,362	-
Lease Purchase Payment - School Buses	76,631		76,631	76,631	-
Contracted Services - Aid in Lieu Payments-Nonpublic Schools	225,000	110,242	335,242	330,983	4,259
Contracted Services - Aid in Lieu Payments - Charter School	4,800	(2,891)	1,909	1,909	-
Contracted Services - Aid in Lieu Payments - Choice Sch. Students	12,000	(7,340)	4,660	4,660	-
Contracted Services (Other Than Between Home and and School ) - Vendors	17,500		17,500	11,992	5,508
Contracted Services (Between Home and School) - Joint Agreement	69,000		69,000	19,379	49,621
Contracted Services (Special Ed Students) - Joint Agreement	12,000		12,000		12,000
Contracted Services (Reg. Students) - ESCs & CTSA's	50,000		50,000		50,000
Contracted Serv. (Spl. Ed. Students)- ESCs & CTSA's	460,000	(84,640)	375,360	227,868	147,492
General Supplies	6,000		6,000	2,948	3,052
Transportation Supplies	55,000		55,000	36,787	18,213
Other Objects	3,300	-	3,300	1,896	1,404
<b>Total Student Transportation Services</b>	<b>1,648,509</b>	<b>162,490</b>	<b>1,810,999</b>	<b>1,462,557</b>	<b>348,442</b>
<b>Unallocated Benefits- Employee Benefits</b>					
Group Insurance	37,500	4,057	41,557	41,557	-
Social Security Contributions	700,000	-	700,000	692,075	7,925
Other Retirement Contributions - PERS	800,000	(3,058)	796,942	736,618	60,324
Other Retirement Contributions - Regular	20,000	-	20,000	14,197	5,803
Unemployment Compensation	55,000	-	55,000		55,000
Unemployment Compensation (Non-Budgeted)				26,499	(26,499)
Workmen's Compensation	245,000	(999)	244,001	161,551	82,450
Health Benefits	7,021,198	(297,982)	6,723,216	6,263,642	459,574
Tuition Reimbursement	58,400	-	58,400	36,247	22,153
Other Employee Benefits	200,000	33,436	233,436	232,913	523
Unused Sick Payment to Terminated/Retired Staff	60,000	(24,493)	35,507	35,507	-
<b>Total Unallocated Benefits</b>	<b>9,197,098</b>	<b>(289,039)</b>	<b>8,908,059</b>	<b>8,240,806</b>	<b>667,253</b>
<b>On-Behalf TPAF (Non-Budget)</b>					
Pension Contribution				6,649,449	(6,649,449)
NCGI Premium				75,833	(75,833)
Post Retirement Medical Contribution				1,830,376	(1,830,376)
Long Term Disability Insurance				3,028	(3,028)
Social Security Reimbursements	-	-	-	1,271,748	(1,271,748)
<b>Total On-Behalf TPAF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,830,434</b>	<b>(9,830,434)</b>
<b>Total Undistributed Expenditures</b>	<b>28,005,530</b>	<b>430,086</b>	<b>28,435,616</b>	<b>34,523,772</b>	<b>(6,088,156)</b>
<b>Total Current Expenditures</b>	<b>46,206,477</b>	<b>206,050</b>	<b>46,412,527</b>	<b>51,820,460</b>	<b>(5,407,933)</b>

**NEW MILFORD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Regular Programs - Instruction					
Grades 1-5	\$ 22,000	\$ (743)	\$ 21,257	\$ 9,734	\$ 11,523
Grades 6-8	11,000	-	11,000	7,708	3,292
Grades 9-12	11,000	743	11,743	11,743	-
Undistributed					
Instruction	302,000	(76,272)	225,728		225,728
Admin. Info. Tech.	30,000	(23,850)	6,150	6,150	-
Required Maintenance for School Facilities		7,107	7,107	3,307	3,800
Care and Upkeep		112,330	112,330	108,903	3,427
Security		79,970	79,970	79,970	-
School Buses	-	36,580	36,580	36,580	-
Total Equipment	<u>376,000</u>	<u>135,865</u>	<u>511,865</u>	<u>264,095</u>	<u>247,770</u>
Facilities Acquisition and Construction Services					
Construction Services	979,000	39,861	1,018,861	189,861	829,000
Lease Purchase Agreements - Principal	383,036	-	383,036	383,036	-
Assessment for Debt Service on SDA Funding	40,094	-	40,094	40,094	-
Total Facilities Acquisition and Construction Services	<u>1,402,130</u>	<u>39,861</u>	<u>1,441,991</u>	<u>612,991</u>	<u>829,000</u>
Total Capital Outlay	<u>1,778,130</u>	<u>175,726</u>	<u>1,953,856</u>	<u>877,086</u>	<u>1,076,770</u>
Transfer of Funds to Charter Schools	<u>31,115</u>	<u>-</u>	<u>31,115</u>	<u>25,464</u>	<u>5,651</u>
Total General Fund Expenditures	<u>48,015,722</u>	<u>381,776</u>	<u>48,397,498</u>	<u>52,723,010</u>	<u>(4,325,512)</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>(3,762,173)</u>	<u>(381,776)</u>	<u>(4,143,949)</u>	<u>2,243,361</u>	<u>6,387,310</u>
Other Financing Sources (Uses)					
Transfers In - Summer Music				8,090	8,090
Transfer In - Capital Projects Fund to Capital Reserve	-	-	-	11,602	11,602
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,692</u>	<u>19,692</u>
Net Change in Fund Balances	<u>(3,762,173)</u>	<u>(381,776)</u>	<u>(4,143,949)</u>	<u>2,263,053</u>	<u>6,407,002</u>
Fund Balance, Beginning of Year	<u>11,812,004</u>	<u>-</u>	<u>11,812,004</u>	<u>11,812,004</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,049,831</u>	<u>\$ (381,776)</u>	<u>\$ 7,668,055</u>	<u>\$ 14,075,057</u>	<u>\$ 6,407,002</u>
<b>Reconciliation of Governmental Funds Statements (GAAP)</b>					
Restricted Fund Balance					
Capital Reserve				\$ 4,251,398	
Capital Reserve - Designated for Subsequent Year's Budget				3,523,010	
Maintenance Reserve				674,097	
Emergency Reserve				400,324	
Unemployment Compensation Reserve				209,484	
Excess Surplus				1,500,000	
Excess Surplus - Designated for Subsequent Year's Budget				2,356,623	
Committed Fund Balance					
Year End Encumbrances				3,800	
Assigned Fund Balance					
Year End Encumbrances				128,924	
Unassigned Fund Balance				<u>1,027,397</u>	
Fund Balance- Budgetary Basis				14,075,057	
Less: State Aid Revenue not recognized on GAAP basis				<u>(1,266,801)</u>	
Fund Balance per Governmental Funds Statements (GAAP)				<u>\$ 12,808,256</u>	

**NEW MILFORD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State		\$ 619,733	\$ 619,733	\$ 521,714	\$ (98,019)
Federal	\$ 548,000	770,071	1,318,071	1,991,599	673,528
Local Sources	-	11,000	11,000	618,796	607,796
Total Revenues	548,000	1,400,804	1,948,804	3,132,109	1,183,305
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	548,000	(299,668)	248,332	198,855	49,477
Purchased Professional/Technical Services		289,819	289,819	212,872	76,947
Other Purchased Services		713,445	713,445	713,445	-
General Supplies		534,664	534,664	166,652	368,012
Textbooks		28,501	28,501	27,135	1,366
Co-Curricular-Extra-Curricular Activities				413,469	(413,469)
Athletic Activities	-	-	-	86,550	(86,550)
Total Instruction	548,000	1,266,761	1,814,761	1,818,978	(4,217)
Support Services					
Salaries of Other Professional Staff		98,680	98,680	88,360	10,320
Purchased Professional & Technical Services		415,359	415,359	394,103	21,256
Purchased Professional - Educational Services		87,303	87,303	47,454	39,849
Other Purchased Services		2,230	2,230	2,217	13
Supplies and Materials		175,252	175,252	152,301	22,951
Scholarship Awards	-	-	-	71,651	(71,651)
Total Support Services	-	778,824	778,824	756,086	22,738
Unallocated Benefits					
Employee Benefits	-	33,816	33,816	832	32,984
Facilities Acquisition and Equipment					
Construction Services					
Building		288,740	288,740	288,740	-
Instructional Equipment		133,400	133,400	133,400	-
Non-Instructional Equipment	-	92,317	92,317	92,317	-
Total Facilities Acquisition and Equipment	-	514,457	514,457	514,457	-
Total Expenditures	548,000	2,593,858	3,141,858	3,090,353	51,505
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	(1,193,054)	(1,193,054)	41,756	(1,234,810)
Fund Balance, Beginning of Year	472,416	-	472,416	472,416	-
Fund Balance, End of Year	\$ 472,416	\$ (1,193,054)	\$ (720,638)	\$ 514,172	\$ (1,234,810)
<b>Recapitulation of Fund Balance</b>					
<b>Restricted Fund Balance</b>					
Student Activities				\$ 217,171	
Scholarships				297,001	
Total Fund Balance				\$ 514,172	

**NEW MILFORD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual revenues (budgetary basis)	(C-1) \$ 54,966,371	(C-2) \$ 3,132,109
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances June 30, 2024		(3,807)
Encumbrances June 30, 2023		298,350
State Aid payments not recognized for GAAP purposes, recognized for budgetary statements. 2022/2023 State Aid	1,444,263	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. 2023/2024 State Aid	<u>(1,266,801)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>55,143,833</u>	(B-2) \$ <u>3,426,652</u>
<b>Uses/outflows of resources</b>		
Actual expenditures (budgetary basis)	(C-1) \$ 52,723,010	(C-2) \$ 3,090,353
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances June 30, 2024		(3,807)
Encumbrances June 30, 2023	<u>-</u>	<u>298,350</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>52,723,010</u>	(B-2) \$ <u>3,384,896</u>



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

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

Public Employees Retirement System

Last Ten Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Position Liability (Asset)	0.05511%	0.05499%	0.05510%	0.05332%	0.05533%	0.05621%	.04963%	.05169%	0.04849%	0.04851%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 7,982,683</u>	<u>\$ 8,298,768</u>	<u>\$ 6,527,643</u>	<u>\$ 8,695,501</u>	<u>\$ 9,969,313</u>	<u>\$ 11,067,253</u>	<u>\$ 11,554,454</u>	<u>\$ 15,308,376</u>	<u>\$ 10,986,056</u>	<u>\$ 9,084,183</u>
District's Covered Payroll	<u>\$ 4,509,392</u>	<u>\$ 4,093,355</u>	<u>\$ 3,928,152</u>	<u>\$ 3,947,937</u>	<u>\$ 3,807,580</u>	<u>\$ 3,741,803</u>	<u>\$ 3,703,403</u>	<u>\$ 3,319,832</u>	<u>\$ 3,404,892</u>	<u>\$ 3,226,012</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	177.02%	202.74%	166.18%	220.25%	261.83%	295.77%	312.00%	461.12%	322.66%	281.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

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

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 736,592	\$ 693,452	\$ 645,307	\$ 583,322	\$ 538,183	\$ 559,097	\$ 459,824	\$ 459,185	\$ 420,753	\$ 399,988
Contributions in Relation to the Contractually Required Contribution	<u>736,592</u>	<u>693,452</u>	<u>645,307</u>	<u>583,322</u>	<u>538,183</u>	<u>559,097</u>	<u>459,824</u>	<u>459,185</u>	<u>420,753</u>	<u>399,988</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 4,972,911</u>	<u>\$ 4,509,392</u>	<u>\$ 4,093,355</u>	<u>\$ 3,928,152</u>	<u>\$ 3,947,937</u>	<u>\$ 3,807,580</u>	<u>\$ 3,741,803</u>	<u>\$ 3,703,403</u>	<u>\$ 3,319,832</u>	<u>\$ 3,404,892</u>
Contributions as a Percentage of Covered Payroll	14.81%	15.38%	15.76%	14.85%	13.63%	14.68%	12.29%	12.40%	12.67%	11.75%

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

**Teachers Pension and Annuity Fund**

**Last Ten Fiscal Years\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>77,476,651</u>	<u>72,618,829</u>	<u>66,264,359</u>	<u>90,184,760</u>	<u>85,416,541</u>	<u>83,487,984</u>	<u>87,478,841</u>	<u>103,954,407</u>	<u>80,628,389</u>	<u>65,249,801</u>
Total	<u>\$ 77,476,651</u>	<u>\$ 72,618,829</u>	<u>\$ 66,264,359</u>	<u>\$ 90,184,760</u>	<u>\$ 85,416,541</u>	<u>\$ 83,487,984</u>	<u>\$ 87,478,841</u>	<u>\$ 103,954,407</u>	<u>\$ 80,628,389</u>	<u>\$ 65,249,801</u>
District's Covered Payroll	<u>\$ 18,032,970</u>	<u>\$ 17,696,433</u>	<u>\$ 16,632,433</u>	<u>\$ 15,544,743</u>	<u>\$ 14,674,961</u>	<u>\$ 14,509,326</u>	<u>\$ 14,227,154</u>	<u>\$ 13,462,181</u>	<u>\$ 13,137,889</u>	<u>\$ 13,064,513</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0	0	0	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

**NEW MILFORD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Change of Benefit Terms:** None.

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

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

**POSTEMPLOYMENT HEALTH BENEFIT PLAN**

Last Seven Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 3,262,015	\$ 4,178,254	\$ 4,737,986	\$ 2,595,388	\$ 2,548,006	\$ 2,723,092	\$ 3,316,095
Interest on Total OPEB Liability	2,299,808	1,659,716	1,896,378	1,842,007	2,186,399	2,290,845	1,955,197
Changes of Benefit Terms		-	(77,810)	-			-
Differences Between Expected and Actual Experience	(1,287,201)	2,078,681	(16,054,391)	14,879,290	(7,940,069)	(4,595,442)	-
Changes of Assumptions	131,619	(16,800,572)	72,122	15,339,239	756,479	(6,276,705)	(8,186,710)
Gross Benefit Payments	(1,792,738)	(1,643,998)	(1,493,815)	(1,461,925)	(1,557,447)	(1,462,567)	(1,716,096)
Contribution from the Member	<u>58,936</u>	<u>52,740</u>	<u>48,481</u>	<u>44,311</u>	<u>46,167</u>	<u>50,549</u>	<u>63,191</u>
Net Change in Total OPEB Liability	2,672,439	(10,475,179)	(10,871,049)	33,238,310	(3,960,465)	(7,270,228)	(4,568,323)
Total OPEB Liability - Beginning	<u>62,628,183</u>	<u>73,103,362</u>	<u>83,974,411</u>	<u>50,736,101</u>	<u>54,696,566</u>	<u>61,966,794</u>	<u>66,535,117</u>
Total OPEB Liability - Ending	<u>\$ 65,300,622</u>	<u>\$ 62,628,183</u>	<u>\$ 73,103,362</u>	<u>\$ 83,974,411</u>	<u>\$ 50,736,101</u>	<u>\$ 54,696,566</u>	<u>\$ 61,966,794</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>65,300,622</u>	<u>62,628,183</u>	<u>73,103,362</u>	<u>83,974,411</u>	<u>50,736,101</u>	<u>54,696,566</u>	<u>61,966,794</u>
Total OPEB Liability - Ending	<u>\$ 65,300,622</u>	<u>\$ 62,628,183</u>	<u>\$ 73,103,362</u>	<u>\$ 83,974,411</u>	<u>\$ 50,736,101</u>	<u>\$ 54,696,566</u>	<u>\$ 61,966,794</u>
District's Covered-Employee Payroll	<u>\$ 22,542,362</u>	<u>\$ 21,789,788</u>	<u>\$ 20,560,585</u>	<u>\$ 19,492,680</u>	<u>\$ 18,482,541</u>	<u>\$ 18,251,129</u>	<u>\$ 17,930,557</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%

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

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

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

**NEW MILFORD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**



**SPECIAL REVENUE FUND**

**NEW MILFORD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>REVENUES</b>	<b>Title I</b>	<b>Title II</b>	<b>Title III</b>	<b>Title IV</b>	<b>SDA Emergent and Capital Needs</b>	<b>Total Page 2</b>	<b>Total Page 3</b>	<b>Total Page 4</b>	<b>Grand Total</b>
Intergovernmental									
State					\$ 85,689	\$ 6,535	\$ 212,872	\$ 216,618	\$ 521,714
Federal	\$ 239,246	\$ 54,828	\$ 24,068	\$ 6,900		995,842	670,715	-	1,991,599
Local Sources	-	-	-	-	-	-	-	618,796	618,796
<b>Total Revenues</b>	<b>\$ 239,246</b>	<b>\$ 54,828</b>	<b>\$ 24,068</b>	<b>\$ 6,900</b>	<b>\$ 85,689</b>	<b>\$ 1,002,377</b>	<b>\$ 883,587</b>	<b>\$ 835,414</b>	<b>\$ 3,132,109</b>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers	\$ 28,091					\$ 166,768	-	\$ 3,996	\$ 198,855
Purchased Professional & Technical Services						-	\$ 212,872	-	212,872
Other Purchased Services						182,640	468,885	61,920	713,445
General Supplies	21,197		\$ 10,589			54,010	39,232	41,624	166,652
Textbooks						-	-	27,135	27,135
Co-Curricular/Extra-Curricular Activities						-	-	413,469	413,469
Athletic Activities	-	-	-	-	-	-	-	86,550	86,550
<b>Total Instruction</b>	<b>49,288</b>	<b>-</b>	<b>10,589</b>	<b>-</b>	<b>-</b>	<b>403,418</b>	<b>720,989</b>	<b>634,694</b>	<b>1,818,978</b>
Support Services									
Salaries of Other Professional Staff	13,600					74,760	-	-	88,360
Personal Services Employee-Benefits						832	-	-	832
Purchased Professional & Technical Services	162,732	\$ 52,193		\$ 5,383		63,655	110,140	-	394,103
Purchased Professional - Educational Services						-	47,454	-	47,454
Other Purchased Services			2,217			-	-	-	2,217
Supplies and Materials	13,626	2,635	4,562	1,517	\$ 18,383	111,578	-	-	152,301
Scholarship Awards	-	-	-	-	-	-	-	71,651	71,651
<b>Total Support Services</b>	<b>189,958</b>	<b>54,828</b>	<b>6,779</b>	<b>6,900</b>	<b>18,383</b>	<b>250,825</b>	<b>157,594</b>	<b>71,651</b>	<b>756,918</b>
Capital Outlay									
Building					67,306	221,434	-	-	288,740
Instructional Equipment			\$ 6,700			126,700	-	-	133,400
Non - Instructional Equipment	-	-	-	-	-	-	5,004	87,313	92,317
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>6,700</b>	<b>-</b>	<b>67,306</b>	<b>348,134</b>	<b>5,004</b>	<b>87,313</b>	<b>514,457</b>
<b>Total Expenditures</b>	<b>\$ 239,246</b>	<b>\$ 54,828</b>	<b>\$ 24,068</b>	<b>\$ 6,900</b>	<b>\$ 85,689</b>	<b>\$ 1,002,377</b>	<b>\$ 883,587</b>	<b>\$ 793,658</b>	<b>\$ 3,090,353</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	41,756	41,756
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	472,416	472,416
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 514,172	\$ 514,172

NEW MILFORD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Home Instruction</u>	<u>ACSERS</u>	<u>High Impact Tutoring</u>	<u>ARP ESSER</u>	<u>ARP Learning Acceleration</u>	<u>ARP Summer</u>	<u>ARP Afterschool</u>	<u>ARP Mental Health</u>	Page 2 <u>Total</u>
<b>REVENUES</b>									
Intergovernmental									
State	\$ 6,535								\$ 6,535
Federal	-	\$ 159,883	\$ 51,990	\$ 685,926	\$ 51,364	\$ 5,310	\$ 39,600	\$ 1,769	995,842
	<u>\$ 6,535</u>	<u>\$ 159,883</u>	<u>\$ 51,990</u>	<u>\$ 685,926</u>	<u>\$ 51,364</u>	<u>\$ 5,310</u>	<u>\$ 39,600</u>	<u>\$ 1,769</u>	<u>\$ 1,002,377</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers			\$ 44,000	\$ 83,370			\$ 39,398		\$ 166,768
Other Purchased Services	\$ 6,535	\$ 159,883		14,972		\$ 1,250			182,640
General Supplies	-	-	2,798	51,212	-	-	-	-	54,010
Total Instruction	<u>6,535</u>	<u>159,883</u>	<u>46,798</u>	<u>149,554</u>	<u>-</u>	<u>1,250</u>	<u>39,398</u>	<u>-</u>	<u>403,418</u>
Support Services									
Salaries of Other Professional Staff			5,000	69,760					74,760
Personal Services Employee-Benefits			192	640					832
Purchased Professional & Technical Services				8,231	\$ 51,364	4,060			63,655
Supplies and Materials	-	-	-	109,607	-	-	202	\$ 1,769	111,578
Total Support Services	<u>-</u>	<u>-</u>	<u>5,192</u>	<u>188,238</u>	<u>51,364</u>	<u>4,060</u>	<u>202</u>	<u>1,769</u>	<u>250,825</u>
Capital Outlay									
Building				221,434					221,434
Instructional Equipment	-	-	-	126,700	-	-	-	-	126,700
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,134</u>
Total Expenditures	<u>\$ 6,535</u>	<u>\$ 159,883</u>	<u>\$ 51,990</u>	<u>\$ 685,926</u>	<u>\$ 51,364</u>	<u>\$ 5,310</u>	<u>\$ 39,600</u>	<u>\$ 1,769</u>	<u>\$ 1,002,377</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NEW MILFORD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Non-Public Chapter 192		Non-Public Chapter 193			IDEA	IDEA	Page 3
	Compensatory Education	ESL	Exam/ Classification	Corrective Speech	Supplemental Instruction	Basic	Preschool	Total
<b>REVENUES</b>								
Intergovernmental								
State	\$ 60,191	\$ 21,242	\$ 47,967	\$ 44,733	\$ 38,739			\$ 212,872
Federal	-	-	-	-	-	\$ 631,129	\$ 39,586	670,715
	<u>\$ 60,191</u>	<u>\$ 21,242</u>	<u>\$ 47,967</u>	<u>\$ 44,733</u>	<u>\$ 38,739</u>	<u>\$ 631,129</u>	<u>\$ 39,586</u>	<u>\$ 883,587</u>
<b>EXPENDITURES</b>								
Instruction								
Purchased Professional & Technical Services	\$ 60,191	\$ 21,242	\$ 47,967	\$ 44,733	\$ 38,739			\$ 212,872
Other Purchased Services						\$ 439,650	\$ 29,235	468,885
General Supplies	-	-	-	-	-	32,281	6,951	39,232
	<u>60,191</u>	<u>21,242</u>	<u>47,967</u>	<u>44,733</u>	<u>38,739</u>	<u>471,931</u>	<u>36,186</u>	<u>720,989</u>
Support Services								
Purchased Professional & Technical Services						106,740	3,400	110,140
Purchased Professional - Educational Services	-	-	-	-	-	47,454	-	47,454
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,194</u>	<u>3,400</u>	<u>157,594</u>
Capital Outlay								
Non - Instructional Equipment	-	-	-	-	-	5,004	-	5,004
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,004</u>	<u>-</u>	<u>5,004</u>
Total Expenditures	<u>\$ 60,191</u>	<u>\$ 21,242</u>	<u>\$ 47,967</u>	<u>\$ 44,733</u>	<u>\$ 38,739</u>	<u>\$ 631,129</u>	<u>\$ 39,586</u>	<u>\$ 883,587</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NEW MILFORD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Nonpublic <u>STEM</u>	Nonpublic <u>Textbook</u>	Nonpublic <u>Technology</u>	Nonpublic <u>Nursing</u>	Nonpublic <u>Security</u>	Local <u>Grant</u>	Student <u>Activities</u>	Scholarships <u>Awards</u>	Page 4 <u>Total</u>
<b>REVENUES</b>									
Intergovernmental									
State	\$ 3,996	\$ 27,135	\$ 22,504	\$ 61,920	\$ 101,063				\$ 216,618
Local Sources	-	-	-	-	-	\$ 5,370	\$ 508,860	\$ 104,566	618,796
	<u>\$ 3,996</u>	<u>\$ 27,135</u>	<u>\$ 22,504</u>	<u>\$ 61,920</u>	<u>\$ 101,063</u>	<u>\$ 5,370</u>	<u>\$ 508,860</u>	<u>\$ 104,566</u>	<u>\$ 835,414</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers	\$ 3,996								\$ 3,996
Other Purchased Services				\$ 61,920					61,920
General Supplies			\$ 22,504		\$ 13,750	\$ 5,370			41,624
Textbooks		\$ 27,135							27,135
Co-Curricular/Extra-Curricular Activities							\$ 413,469		413,469
Athletic Activities	-	-	-	-	-	-	86,550	-	86,550
Total Instruction	<u>3,996</u>	<u>27,135</u>	<u>22,504</u>	<u>61,920</u>	<u>13,750</u>	<u>5,370</u>	<u>500,019</u>	<u>-</u>	<u>634,694</u>
Support Services									
Scholarship Awards	-	-	-	-	-	-	-	\$ 71,651	71,651
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,651</u>	<u>71,651</u>
Capital Outlay									
Non - Instructional Equipment	-	-	-	-	87,313	-	-	-	87,313
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,313</u>
Total Expenditures	<u>\$ 3,996</u>	<u>\$ 27,135</u>	<u>\$ 22,504</u>	<u>\$ 61,920</u>	<u>\$ 101,063</u>	<u>\$ 5,370</u>	<u>\$ 500,019</u>	<u>\$ 71,651</u>	<u>\$ 793,658</u>
Excess (Deficiency) of Revenues and Other									
Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	8,841	32,915	41,756
Fund Balance, Beginning of Year	-	-	-	-	-	-	208,330	264,086	472,416
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,171</u>	<u>\$ 297,001</u>	<u>\$ 514,172</u>

**CAPITAL PROJECTS FUND**

NEW MILFORD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Transfer to General Fund</u>	<u>Balance June 30, 2024</u>
Installation of artificial turf on football and soccer fields and reconstruction of the track at the New Milford High School	\$ 2,619,300	\$ 2,607,698	\$ 11,602	\$ -
	<u>\$ 2,619,300</u>	<u>\$ 2,607,698</u>	<u>\$ 11,602</u>	<u>\$ -</u>
<b><u>Reconciliation to GAAP</u></b>				
Project Balance, June 30, 2024				\$ -
Fund Balance, June 30, 2024				<u>\$ -</u>
<b><u>Recapitulation of Fund Balance</u></b>				
Restricted				
Available for Capital Projects				<u>-</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ -</u>

**NEW MILFORD BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Fund Balance, July 1, 2023	\$ 11,602
Other Financing Uses:	
Transfer to Capital Reserve	<u>(11,602)</u>
Fund Balance - June 30, 2024	<u>\$ -</u>
<u>Reconciliation to GAAP Basis</u>	
Fund Balance, June 30, 2024 - Budgetary Basis	<u>\$ -</u>
Fund Balance, June 30, 2024 - GAAP Basis	<u>\$ -</u>



**NEW MILFORD BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**INSTALLATION OF ARTIFICIAL TURF ON FOOTBALL AND SOCCER FIELDS AND**  
**RECONSTRUCTION OF THE TRACK AT THE NEW MILFORD HIGH SCHOOL**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2024**

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

## **PROPRIETARY FUNDS**

**EXHIBIT G-1**

**NEW MILFORD BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

## **LONG-TERM DEBT**

NEW MILFORD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCE AGREEMENT, OTHER FINANCE AGREEMENTS AND LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2023</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
<b><u>Capital Financing Agreements</u></b>				
2019 28 Passenger School Bus	\$ 100,691	\$ 21,627	\$ 21,627	
2021 Bus Lease	111,392	45,096	22,307	\$ 22,789
HS Field Renovations	2,000,000	415,310	415,310	
Security Cameras	163,660	67,128	32,901	34,227
7 District Copiers	104,289	9,634	9,634	
8 District Copiers	188,614	44,618	41,107	3,511
8 District Copiers	158,522	2,989	2,989	
Copier	16,529	5,809	5,351	458
2022 54 Passenger bus	117,930	58,934	28,991	29,943
Copiers	411,361	<u>379,913</u>	<u>77,484</u>	<u>302,429</u>
Total Capital Financing Agreements		<u>\$ 1,051,058</u>	<u>\$ 657,701</u>	<u>\$ 393,357</u>
<b><u>Other Financing Agreements</u></b>				
Purchase of Chromebook Laptops and Supplies	139,860	<u>35,495</u>	<u>35,495</u>	<u>-</u>
<b><u>Leases Payable</u></b>				
Wings Building Lease	101,172	2,980	2,980	
DEO Trailers	32,275	1,371	1,371	
Gibbs Trailers	20,921	<u>1,775</u>	<u>1,775</u>	<u>-</u>
		<u>\$ 6,126</u>	<u>\$ 6,126</u>	<u>\$ -</u>
Totals		<u>\$ 1,092,679</u>	<u>\$ 699,322</u>	<u>\$ 393,357</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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

	As of June 30,									
	2015	2016 (Restated)	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 20,009,921	\$ 18,664,347	\$ 19,259,075	\$ 18,933,504	\$ 19,374,289	\$ 19,604,190	\$ 19,510,967	\$ 19,476,083	\$ 19,187,126	\$ 18,381,901
Restricted	852,217	547,609	405,594	930,816	1,318,968	1,879,309	2,920,581	4,807,527	6,092,833	9,172,161
Unrestricted	(7,113,835)	(7,111,050)	(8,603,737)	(8,832,036)	(8,977,492)	(8,182,757)	(7,109,321)	(6,253,344)	(4,744,593)	(4,544,035)
<b>Total Governmental Activities Net Position</b>	<u>\$ 13,748,303</u>	<u>\$ 12,100,906</u>	<u>\$ 11,060,932</u>	<u>\$ 11,032,284</u>	<u>\$ 11,715,765</u>	<u>\$ 13,300,742</u>	<u>\$ 15,322,227</u>	<u>\$ 18,030,266</u>	<u>\$ 20,535,366</u>	<u>\$ 23,010,027</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 87,431	\$ 73,037	\$ 114,265	\$ 114,669	\$ 98,325	\$ 94,225	\$ 62,407	\$ 73,604	\$ 57,785	\$ 107,676
Restricted	568,752	536,454	464,276	408,289	475,140	446,839	479,831	729,497	909,345	885,509
<b>Total Business-Type Activities Net Position</b>	<u>\$ 656,183</u>	<u>\$ 609,491</u>	<u>\$ 578,541</u>	<u>\$ 522,958</u>	<u>\$ 573,465</u>	<u>\$ 541,064</u>	<u>\$ 542,238</u>	<u>\$ 803,101</u>	<u>\$ 967,130</u>	<u>\$ 993,185</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 20,097,352	\$ 18,737,384	\$ 19,373,340	\$ 19,048,173	\$ 19,472,614	\$ 19,698,415	\$ 19,573,374	\$ 19,549,687	\$ 19,244,911	\$ 18,489,577
Restricted	852,217	547,609	405,594	930,816	1,318,968	1,879,309	2,920,581	4,807,527	6,092,833	9,172,161
Unrestricted	(6,545,083)	(6,574,596)	(8,139,461)	(8,423,747)	(8,502,352)	(7,735,918)	(6,629,490)	(5,523,847)	(3,835,248)	(3,658,526)
<b>Total District Net Position</b>	<u>\$ 14,404,486</u>	<u>\$ 12,710,397</u>	<u>\$ 11,639,473</u>	<u>\$ 11,555,242</u>	<u>\$ 12,289,230</u>	<u>\$ 13,841,806</u>	<u>\$ 15,864,465</u>	<u>\$ 18,833,367</u>	<u>\$ 21,502,496</u>	<u>\$ 24,003,212</u>

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

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

Source: District's financial statements



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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 16,008,564	\$ 16,374,576	\$ 17,780,774	\$ 18,898,048	\$ 18,874,564	\$ 18,785,647	\$ 20,706,252	\$ 18,977,586	\$ 18,408,579	\$ 17,000,333
Special Education	6,070,665	6,604,863	7,991,141	7,864,426	7,300,624	7,507,123	7,692,821	7,212,136	8,672,035	9,377,485
Other Instruction	504,294	580,206	703,985	756,966	706,321	741,526	930,282	893,439	1,446,399	1,906,044
School Sponsored Activities and Athletics	1,090,855	1,197,498	1,441,874	1,478,110	1,469,545	1,620,594	1,702,096	1,574,059	1,863,972	1,905,691
Support Services:										
Student & Instruction Related Services	6,151,420	6,056,812	6,835,530	7,020,879	7,097,604	6,723,080	7,692,662	7,294,390	6,953,911	7,331,751
General Administration Services	1,240,434	987,168	1,103,769	1,123,555	1,030,992	1,507,792	1,343,082	1,265,728	1,238,884	1,257,596
School Administrative Services	2,637,528	3,044,203	3,700,220	3,789,228	3,468,940	3,143,203	3,523,586	3,224,004	3,504,008	3,399,942
Central and Other Support Services	1,142,404	1,119,086	1,264,781	1,553,406	1,452,418	1,443,331	1,364,833	1,544,515	1,700,368	1,443,450
Plant Operations and Maintenance	4,576,492	4,842,898	5,055,523	5,443,789	5,326,676	5,244,712	5,249,631	4,945,126	5,548,569	6,023,445
Pupil Transportation	1,028,715	1,174,887	1,223,166	1,183,655	1,232,239	1,122,352	1,115,783	1,502,388	1,601,956	1,753,851
Interest On Long-Term Debt	98,437	84,856	68,297	46,488	35,955	88,524	47,753	76,863	24,394	16,851
Total Governmental Activities Expenses	40,549,808	42,067,053	47,169,060	49,158,550	47,995,878	47,927,884	51,368,781	48,510,234	50,963,075	51,416,439
Business-Type Activities:										
Food Service	688,173	758,581	753,051	888,859	764,959	577,310	222,204	1,000,369	967,992	937,756
Knight Care Latch Key Program	404,012	470,431	440,947	365,999	387,794	332,243	24,568	435,404	454,383	507,310
Broadway Kids Summer Enrichment Program	18,407	17,080	19,181	24,458	21,459	10,177				
After School Enrichment Program	13,062	6,181	10,747	11,107	12,652	1,500				
Summer Music Program	-	-	-	13,680	12,550	2,765				
Total Business-Type Activities Expense	1,123,654	1,252,273	1,223,926	1,304,103	1,199,414	923,995	246,772	1,435,773	1,422,375	1,445,066
Total District Expenses	\$ 41,673,462	\$ 43,319,326	\$ 48,392,986	\$ 50,462,653	\$ 49,195,292	\$ 48,851,879	\$ 51,615,553	\$ 49,946,007	\$ 52,385,450	\$ 52,861,505
<b>Program Revenues</b>										
Governmental Activities:										
Charges For Services:	\$ 198,843	\$ 379,164	\$ 410,227	\$ 510,419	\$ 757,574	\$ 1,056,415	\$ 1,107,633	\$ 1,314,690	\$ 1,711,225	\$ 1,860,989
Operating Grants And Contributions	5,406,842	9,297,379	10,267,657	13,123,587	14,947,976	12,883,561	12,191,311	15,695,987	11,658,056	11,963,182
Capital Grants And Contributions	77,215	798,271	-	63,532	13,145	242,099	79,003	57,331	-	-
Total Governmental Activities Program Revenues	5,682,900	10,474,814	10,677,884	13,697,538	15,718,695	14,182,075	13,377,947	17,068,008	13,369,281	13,824,171
Business-Type Activities:										
Charges For Services										
Food Service	549,519	548,960	611,632	605,142	617,570	603,824	415,018	1,697	737,133	660,118
Knight Care Latch Key Program	377,202	368,789	369,270	348,163	384,851	394,999	322,433		469,884	478,052
Broadway Kids Summer Enrichment Prgm	17,952	17,799	18,875	20,343	23,102	22,737	23,290			
After School Enrichment Program	24,240	15,400	9,770	13,545	12,440	17,745				
Summer Music Program					13,635	12,695	10,755			
Operating Grants And Contributions	184,209	171,149	194,753	204,233	195,703	195,791	139,431	246,117	419,761	332,990
Capital Grants And Contributions										
Total Business-Type Activities Program Revenues	1,153,122	1,122,097	1,204,300	1,191,426	1,247,301	1,247,791	910,927	247,814	1,626,778	1,471,160
Total District Program Revenues	\$ 6,836,022	\$ 11,596,911	\$ 11,882,184	\$ 14,888,964	\$ 16,965,996	\$ 15,429,866	\$ 14,288,874	\$ 17,315,822	\$ 14,996,059	\$ 15,295,331
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (34,866,908)	\$ (31,592,239)	\$ (36,491,176)	\$ (35,461,012)	\$ (32,277,183)	\$ (33,745,809)	\$ (37,990,834)	\$ (31,442,226)	\$ (37,593,794)	\$ (37,592,268)
Business-Type Activities	29,468	(130,176)	(19,626)	(112,677)	47,887	323,796	664,155	(1,187,959)	204,403	26,094
Total District-Wide Net Expense	\$ (34,837,440)	\$ (31,722,415)	\$ (36,510,802)	\$ (35,573,689)	\$ (32,229,296)	\$ (33,422,013)	\$ (37,326,679)	\$ (32,630,185)	\$ (37,389,391)	\$ (37,566,174)

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 28,580,617	\$ 29,412,229	\$ 30,557,436	\$ 31,437,772	\$ 32,368,991	\$ 33,492,415	\$ 34,441,752	\$ 35,163,154	\$ 36,583,745	\$ 38,001,050
Property Taxes Levied For Debt Service	524,500	523,725	530,300	517,800	495,300	477,900	455,600	433,500		
State Aid, Unrestricted	323,248	363,388	365,248	370,650	440,266	389,442	570,651	676,071	3,145,788	2,354,977
Investment Earnings	18,622	20,577	21,585	23,979	26,470	86,897	63,157	9,102	97,974	568,122
Miscellaneous Income	194,654	70,280	67,882	79,866	78,592	45,806	4,668	40,207	222,684	105,690
Transfers			1,969	1,481	1,588	4,824	3,668	224	48,703	8,090
Total Governmental Activities	<u>29,641,641</u>	<u>30,390,199</u>	<u>31,544,420</u>	<u>32,431,548</u>	<u>33,411,207</u>	<u>34,497,284</u>	<u>35,539,496</u>	<u>36,322,258</u>	<u>40,098,894</u>	<u>41,037,929</u>
Business-Type Activities:										
Investment Earnings	\$ 784	\$ 949	\$ 3,250	\$ 3,031	\$ 2,807	\$ 6,954	\$ 4,939	\$ 356	\$ 8,329	\$ 46,803
Transfers			(1,969)	(1,481)	(1,588)	(4,824)	(3,668)	(224)	(48,703)	(8,090)
Total Business-Type Activities	<u>784</u>	<u>949</u>	<u>1,281</u>	<u>1,550</u>	<u>1,219</u>	<u>2,130</u>	<u>1,271</u>	<u>132</u>	<u>(40,374)</u>	<u>38,713</u>
Total District-Wide	<u>\$ 29,642,425</u>	<u>\$ 30,391,148</u>	<u>\$ 31,545,701</u>	<u>\$ 32,433,098</u>	<u>\$ 33,412,426</u>	<u>\$ 34,499,414</u>	<u>\$ 35,540,767</u>	<u>\$ 36,322,390</u>	<u>\$ 40,058,520</u>	<u>\$ 41,076,642</u>
<b>Change In Net Position</b>										
Governmental Activities	\$ (5,225,267)	\$ (1,202,040)	\$ (4,946,756)	\$ (3,029,464)	\$ 1,134,024	\$ 751,475	\$ (2,451,338)	\$ 4,880,032	\$ 2,505,100	\$ 3,445,661
Business-Type Activities	30,252	(129,227)	(18,345)	(111,127)	49,106	325,926	665,426	(1,187,827)	164,029	64,807
Total District	<u>\$ (5,195,015)</u>	<u>\$ (1,331,267)</u>	<u>\$ (4,965,101)</u>	<u>\$ (3,140,591)</u>	<u>\$ 1,183,130</u>	<u>\$ 1,077,401</u>	<u>\$ (1,785,912)</u>	<u>\$ 3,692,205</u>	<u>\$ 2,669,129</u>	<u>\$ 3,510,468</u>

Source: District's financial statements

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

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 2,405,943	\$ 2,109,441	\$ 2,424,438	\$ 3,040,838	\$ 3,771,901	\$ 5,443,651	\$ 6,489,417	\$ 7,336,993	\$ 9,800,682	\$ 12,914,936
Committed		305,410	29,350	31,250						3,800
Assigned	164,812	250,606	122,209	291,455	168,763	295,363	302,400	471,897	402,853	128,924
Unassigned	112,083	114,367	145,093	155,332	129,221	(22,423)	820,815	879,298	164,206	(239,404)
Total General Fund	<u>\$ 2,682,838</u>	<u>\$ 2,779,824</u>	<u>\$ 2,721,090</u>	<u>\$ 3,518,875</u>	<u>\$ 4,069,885</u>	<u>\$ 5,716,591</u>	<u>\$ 7,612,632</u>	<u>\$ 8,688,188</u>	<u>\$ 10,367,741</u>	<u>\$ 12,808,256</u>
All Other Governmental Funds										
Restricted	\$ 464,869	\$ 417,416			\$ 2,384,075	\$ 449,078	\$ 489,447	\$ 534,024	\$ 484,018	\$ 514,172
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 464,869</u>	<u>\$ 417,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,384,075</u>	<u>\$ 449,078</u>	<u>\$ 489,447</u>	<u>\$ 534,024</u>	<u>\$ 484,018</u>	<u>\$ 514,172</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Property Tax Levy	\$ 29,935,954	\$ 31,087,736	\$ 31,955,572	\$ 32,864,291	\$ 33,970,315	\$ 34,897,352	\$ 35,596,654	\$ 35,866,417	\$ 36,583,745	\$ 38,001,050
Tuition Charges	348,161	396,222	460,111	735,788	1,035,090	1,082,127	1,164,591	942,825	1,032,165	1,306,862
Transportation Fees	31,003	14,005	50,308	21,786	21,325	25,506	19,777	36,132	38,869	45,267
Interest Earnings	20,577	21,585	23,979	26,470	86,897	63,157	9,102	18,765	97,974	568,122
Miscellaneous	93,272	99,518	107,768	118,231	71,190	57,357	309,982	521,709	971,253	724,486
State Sources	6,191,925	5,929,987	6,318,996	7,423,035	8,530,150	8,964,067	10,041,391	12,792,022	15,675,924	15,625,382
Federal Sources	723,262	806,205	859,521	723,504	796,936	889,144	929,725	1,267,974	1,729,136	2,299,316
<b>Total Revenue</b>	<b>37,344,154</b>	<b>38,355,258</b>	<b>39,776,255</b>	<b>41,913,105</b>	<b>44,511,903</b>	<b>45,978,710</b>	<b>48,071,222</b>	<b>51,445,844</b>	<b>56,129,066</b>	<b>58,570,485</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	13,830,346	14,046,403	14,271,922	15,327,826	16,848,560	17,166,332	18,123,169	19,651,815	20,077,726	19,188,458
Special Education Instruction	5,608,445	6,065,636	6,901,456	6,780,102	6,698,391	7,057,272	6,994,956	7,463,634	9,266,524	10,058,523
Other Instruction	437,067	521,826	560,710	605,970	625,451	674,161	805,339	930,335	1,538,609	2,033,042
School Sponsored Activities And Athletics	1,072,133	1,134,459	1,185,135	1,220,107	1,317,189	1,317,586	1,345,376	1,414,367	1,708,725	1,721,491
Community Services										
<b>Support Services:</b>										
Student & Inst. Related Services	5,585,808	5,385,421	5,728,139	5,842,588	6,370,348	6,218,197	6,802,606	7,477,584	7,401,170	7,922,699
General Administration	1,153,479	928,460	972,996	985,583	957,026	1,447,131	1,242,060	1,308,433	1,325,688	1,342,537
School Administrative Services	2,309,082	2,631,224	2,951,974	3,061,723	3,058,175	2,910,704	3,087,239	3,367,979	3,836,467	3,793,378
Central and Other Support Services	1,052,279	1,003,752	1,023,690	1,213,495	1,258,037	1,279,417	1,150,633	1,478,961	1,662,417	1,413,165
Plant Operations And Maintenance	4,107,545	4,181,215	4,064,948	4,245,389	4,355,195	4,314,943	4,204,809	4,359,102	4,802,268	5,226,295
Pupil Transportation	968,408	1,114,732	1,113,337	1,045,392	1,098,112	1,016,186	998,194	1,459,327	1,563,064	1,710,161
Capital Outlay	2,613,175	527,431	954,241	165,541	698,556	2,785,010	408,221	880,551	898,302	965,702
<b>Debt Service:</b>										
Principal	635,057	656,547	714,464	556,054	669,303	1,116,756	1,016,929	799,905	829,672	699,322
Interest And Other Charges	116,260	110,588	86,030	67,138	46,825	61,061	66,897	65,866	48,951	33,133
<b>Total Expenditures</b>	<b>39,489,084</b>	<b>38,307,694</b>	<b>40,529,042</b>	<b>41,116,908</b>	<b>44,001,168</b>	<b>47,364,756</b>	<b>46,246,428</b>	<b>50,657,859</b>	<b>54,959,583</b>	<b>56,107,906</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	(2,144,930)	47,564	(752,787)	796,197	510,735	(1,386,046)	1,824,794	787,985	1,169,483	2,462,579
<b>Other Financing Sources (Uses)</b>										
Capital Finance Agreements & Other Finance Agreements	716,266		275,156		2,419,526	604,896	111,392	117,930	411,361	-
Lease Proceeds								53,196		-
Insurance Recoveries								160,878		-
Transfers In	1,750,042	1,969	418,897	1,588	604,824	3,668	49,709	98,854	79,703	19,692
Transfers Out	(1,750,042)		(417,416)	-	(600,000)		(49,485)	(98,710)	(31,000)	(11,602)
<b>Total Other Financing Sources (Uses)</b>	<b>716,266</b>	<b>1,969</b>	<b>276,637</b>	<b>1,588</b>	<b>2,424,350</b>	<b>608,564</b>	<b>111,616</b>	<b>332,148</b>	<b>460,064</b>	<b>8,090</b>
<b>Net Change In Fund Balances</b>	<b>\$ (1,428,664)</b>	<b>\$ 49,533</b>	<b>\$ (476,150)</b>	<b>\$ 797,785</b>	<b>\$ 2,935,085</b>	<b>\$ (777,482)</b>	<b>\$ 1,936,410</b>	<b>\$ 1,120,133</b>	<b>\$ 1,629,547</b>	<b>\$ 2,470,669</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	2.04%	2.03%	2.02%	1.52%	1.65%	2.64%	2.36%	1.74%	1.63%	1.33%

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District's financial statements

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

<b>Fiscal Year Ended June 30,</b>	<b><u>Tuition</u></b>	<b><u>Interest</u></b>	<b><u>Rentals</u></b>	<b><u>Transportation Fees</u></b>	<b><u>Student Activity Fees</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
2015	348,161	19,886	\$ 7,203	31,003	31,985	31,093	469,331
2016	396,222	21,585	10,503	14,005	32,565	24,814	499,694
2017	460,111	23,979	7,800	50,308	29,725	42,341	614,264
2018	735,788	26,470	12,100	21,786	29,615	36,877	862,636
2019	1,035,090	77,388	3,000	21,325	28,435	14,371	1,179,609
2020	1,082,127	53,366		25,506		4,668	1,165,667
2021	1,164,591	9,102		19,777		40,207	1,233,677
2022	942,825	18,765	8,731	36,132		198,929	1,205,382
2023	1,032,165	97,974		38,869		414,284	1,583,292
2024	1,306,862	568,122		45,267		105,690	2,025,941

Source: District's financial statements

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>a</sup>
2015	\$ 2,768,800	\$ 1,349,847,400	\$ 79,723,400	\$ 3,293,300	\$ 134,224,400	\$ 1,569,857,300	\$ 1,169,367	\$ 1,571,026,667	\$ 1,777,868,086	\$ 1.944
2016	2,574,300	1,359,100,000	79,168,400	3,292,300	134,224,400	1,578,359,400	988,151	1,579,347,551	1,835,425,401	1.997
2017	2,682,100	1,361,616,100	79,246,000	3,292,300	134,120,700	1,580,957,200	989,486	1,581,946,686	1,831,663,912	2.049
2018	2,610,800	1,360,700,600	76,545,300	3,892,300	133,120,700	1,576,869,700	977,593	1,577,847,293	1,834,707,153	2.118
2019	2,610,800	1,364,391,600	73,240,800	3,892,300	133,120,700	1,577,256,200	942,559	1,578,198,759	1,910,314,587	2.178
2020	2,530,500	1,368,677,100	84,637,100	3,892,300	133,120,700	1,592,857,700	923,429	1,593,781,129	1,992,497,749	2.212
2021	864,500	1,370,973,200	84,363,400	3,892,300	140,220,700	1,600,314,100	908,597	1,601,222,697	2,079,345,951	2.240
2022	864,500	1,371,874,000	84,089,800	3,892,800	140,220,700	1,600,941,800	890,825	1,601,832,625	2,136,649,585	2.284
2023	864,500	1,375,556,300	83,417,800	3,892,300	140,220,700	1,603,951,600	-	1,603,951,600	2,481,679,967	2.370
2024	864,500	1,379,118,100	83,453,300	3,892,300	139,769,600	1,607,097,800	-	1,607,097,800	2,611,812,716	2.428

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

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

Assessment Year	<u>Direct Rate</u>		<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
	New Milford School District	New Milford Borough	Bergen County		
2015	\$ 1.944	\$ 0.996	\$ 0.269	\$	3.209
2016	1.997	1.039	0.286		3.322
2017	2.049	1.035	0.296		3.380
2018	2.118	1.047	0.285		3.450
2019	2.178	1.070	0.295		3.543
2020	2.212	1.082	0.311		3.605
2021	2.240	1.082	0.326		3.648
2022	2.284	1.129	0.310		3.723
2023	2.370	1.175	0.370		3.915
2024	2.428	1.228	0.379		4.035

Source: Tax Duplicate, Borough of New Milford

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

Taxpayer	2024		Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Bal Bay Realty, LTD	\$ 43,336,400	2.27%	Bal Bay Realty, LTD	\$ 43,586,400	2.77%
Brookchester LLC	36,483,400	2.70%	Individual Taxpayer	36,733,400	2.34%
New Milford Redevelopment Agency	14,000,000	0.87%	NM Village LLC% Affiliated Mgmt Inc	28,958,500	1.84%
New Meditrust Co LLC	10,509,000	0.65%	Dorchester Manor	13,500,000	0.86%
NM Village LLC Affiliated Mgmt Inc.	10,462,000	0.65%	New Meditrust Co LLC % Woodcrest Hcc	13,130,200	0.84%
Young & Bon Inc NJ Corp	1,864,000	0.12%	Milford Arms	8,366,400	0.53%
C&G Assoc C/O AJ Clarke Real Est Co	1,850,000	0.12%	Inserra Associates	5,624,800	0.36%
Wayne Valley Investments LLC	1,600,000	0.10%	Brookchester Shopping Center	5,262,600	0.33%
B & P Rlty Co New Milford LLC	1,394,700	0.09%	Canterbury Village	3,773,800	0.24%
Individual Taxpayer	1,296,700	0.08%	Hackensack Water Co	5,517,100	0.35%
Total	<u>\$ 122,796,200</u>	<u>7.64%</u>		<u>\$ 164,453,200</u>	<u>10.47%</u>

Source: District ACFR & Municipal Tax Assessor



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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 29,935,954	\$ 29,935,954	100.00%	
2016	31,087,736	31,087,736	100.00%	
2017	31,955,572	31,955,572	100.00%	
2018	32,864,291	32,864,291	100.00%	
2019	33,970,315	33,970,315	100.00%	
2020	34,897,352	34,897,352	100.00%	
2021	35,596,654	35,596,564	100.00%	\$ 90
2022	35,866,417	35,866,417	100.00%	
2023	36,583,745	36,583,745	100.00%	
2024	38,001,050	38,001,050	100.00%	

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita
	School Bonds	Capital Finance Agreements	Other Financing Agreements	Leases Payable			
2015	\$ 2,600,000	\$ 423,931	\$ 102,917		\$ 3,126,848	16,590	\$ 188
2016	2,165,000	252,438	52,863		2,470,301	16,570	149
2017	1,725,000	305,993			2,030,993	16,590	122
2018	1,290,000	184,939			1,474,939	16,484	89
2019	855,000	2,161,663	208,499		3,225,162	16,427	196
2020	425,000	1,890,219	398,083		2,713,302	16,321	166
2021	-	1,511,785	189,753		1,701,538	16,893	101
2022	-	1,287,855	154,923	\$ 68,214	1,510,992	16,875	90
2023	-	1,051,058	35,495	6,126	1,092,679	16,889	65
2024	-	393,357			393,357	16,889 *	23

Source: District Records

\* Estimated

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

General Bonded Debt Outstanding

Fiscal Year Ended					
June 30,	School Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2015	\$ 2,600,000		\$ 2,600,000	0.17%	\$ 157
2016	2,165,000		2,165,000	0.14%	131
2017	1,725,000		1,725,000	0.11%	104
2018	1,290,000		1,290,000	0.08%	78
2019	855,000		855,000	0.05%	52
2020	425,000		425,000	0.03%	26
2021	-		-	0.00%	-
2022	-		-	0.00%	-
2023	-		-	0.00%	-
2024	-		-	0.00%	-

Source: District Records

**NEW MILFORD BOARD OF EDUCATION  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2023  
(Unaudited)**

<u>Governmental Unit</u>	<u>Total Debt</u>
<b>Municipal Debt: (1)</b>	
Borough of New Milford	\$ 17,500,225
<b>Overlapping Debt Apportioned to the Municipality</b>	
<b>Bergen County: (2) and (3)</b>	
County of Bergen (A)	18,773,751
Bergen County Utilities Authority - Waste Water (B)	<u>4,126,793</u>
 <b>Total direct and overlapping debt</b>	 <b><u>\$ 40,400,769</u></b>

(A) The debt for this entity was apportioned by dividing the Municipality's  
2023 equalized value by the total 2023 equalized value for Bergen County

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

**Sources:**

- (1) Borough of New Milford 2023 Annual Debt Statement
- (2) BCUA 2023 Audit
- (3) Bergen County 2023 Annual Debt Statement

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

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 70,976,454	\$ 71,104,773	\$ 72,306,008	\$ 73,101,215	\$ 74,185,497	\$ 76,161,923	\$ 79,232,020	\$ 82,318,660	\$ 88,999,460	\$ 96,167,277
Total net debt applicable to limit	<u>2,600,000</u>	<u>2,165,000</u>	<u>1,725,000</u>	<u>1,290,000</u>	<u>855,000</u>	<u>425,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 68,376,454</u>	<u>\$ 68,939,773</u>	<u>\$ 70,581,008</u>	<u>\$ 71,811,215</u>	<u>\$ 73,330,497</u>	<u>\$ 75,736,923</u>	<u>\$ 79,232,020</u>	<u>\$ 82,318,660</u>	<u>\$ 88,999,460</u>	<u>\$ 96,167,277</u>
Total net debt applicable to the limit as a percentage of debt limit	3.66%	3.04%	2.39%	1.76%	1.15%	0.56%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2023**

	Equalized valuation basis	
	2021	\$ 2,134,321,286
	2022	2,474,406,955
	2023	<u>2,603,817,532</u>
		<u>\$ 7,212,545,773</u>
Average equalized valuation of taxable property		<u>\$ 2,404,181,924</u>
Debt limit (4 % of average equalization value)		\$ 96,167,277
Total Net Debt Applicable to Limit		<u>-</u>
Legal debt margin		<u>\$ 96,167,277</u>

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

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

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>	
2015	16,537	\$ 77,323	4.2%	
2016	16,590	78,836	3.7%	
2017	16,570	81,024	3.4%	
2018	16,590	85,191	3.4%	
2019	16,494	88,241	2.7%	
2020	16,427	91,972	6.0%	
2021	16,321	97,343	6.0%	
2022	16,893	97,138	3.4%	
2023	16,889	97,138 *	3.8%	
2024	16,889 *	97,138 *	3.8%	*

**Source:**

United States Bureau of Census, Population Division estimates

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

\* Estimated

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

	2024		2015	
	Employees	% of Total Municipal Employment	Employees	% of Total Municipal Employment
Employer				

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	123.5	128.8	128.8	120.5	124.2	126.7	127.7	144.7	142.7	139.0
Special Education	22.5	26.4	27.7	31.3	34.0	37.8	38.0	35.0	35.0	36.0
Other Instruction	52.2	65.6	73.4	73.2	71.2	83.0	76.1	70.2	73.3	73.0
Support Services:										
Tuition										
Student & Instruction Related Services	29.6	37.7	39.0	36.6	36.6	41.3	50.0	43.7	46.5	39.0
General Administrative Services	4.4	5.4	6.4	8.8	8.8	4.4	5.0	8.0	9.0	8.0
School Administrative Services	23.5	19.7	22.1	19.9	19.5	18.1	19.1	23.6	22.6	24.5
Business Administrative Services	9.0	9.0	9.0	9.0	6.0	8.5	6.0	6.0	5.0	5.0
Plant Operations and Maintenance	30.5	33.3	19.6	28.5	28.5	25.5	25.8	26.8	25.8	25.0
Pupil Transportation	7.1	7.3	10.6	5.0	5.0	5.5	6.6	8.2	8.0	9.0
Child Care	<u>33.0</u>	<u>46.0</u>	<u>30.0</u>	<u>46.0</u>	<u>46.0</u>	<u>42.0</u>	<u>42.0</u>	<u>41.0</u>	<u>44.0</u>	<u>44.0</u>
Total	<u>335.3</u>	<u>379.2</u>	<u>366.6</u>	<u>378.7</u>	<u>379.8</u>	<u>392.8</u>	<u>396.3</u>	<u>407.2</u>	<u>411.9</u>	<u>402.5</u>

**Source:** District Records

**Notes:**

\* Information was not available.



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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	<u>Pupil/Teacher Ratio</u>		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Senior High School				
2015	1,998	\$ 36,124,592	\$ 18,080	13.06%	146	18:01	17:01	1,979	1,919	-4.21%	96.97%
2016	2,000	37,013,128	18,507	2.36%	155	18:01	19:01	1,997	1,937	0.91%	97.00%
2017	1,997	38,774,307	19,416	4.92%	157	19:01	18:01	1,962	1,898	-1.75%	96.74%
2018	1,993	40,328,175	20,235	4.22%	152	18:40	18:00	1,990	1,929	1.43%	96.93%
2019	2,036	42,586,484	20,917	3.37%	206	19:01	14:01	2,001	1,935	0.55%	96.70%
2020	2,030	43,401,929	21,380	2.22%	247	18:01	15:01	2,000	1,944	-0.05%	97.20%
2021	2,001	44,754,381	22,366	4.61%	218	11:01	10:01	1,979	1,931	-1.05%	97.57%
2022	2,035	48,911,537	24,035	7.46%	218	8:01	10:01	2,030	1,947	2.59%	95.88%
2023	2,012	53,182,658	26,433	9.98%	217	8:01	10:01	2,022	1,927	-0.41%	95.30%
2024	2,007	54,409,749	27,110	2.56%	205	9:01	12:01	2,018	1,906	-0.20%	94.45%

**Source:** District records

**Note:** Enrollment based on annual October district count  
 Operating expenditures equal total expenditures less debt service and capital outlay  
 Cost per pupil represents operating expenditures divided by enrollment

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Berkley Street School										
Square Feet	49,438	49,438	49,438	49,438	49,438	49,438	49,438	49,438	4,938	4,938
Capacity (students)	410	410	410	410	410	410	410	410	410	410
Enrollment	453	436	424	425	463	470	472	469	466	466
B.F. Gibbs School										
Square Feet	48,435	48,435	48,435	48,435	48,435	48,435	48,435	48,435	48,435	48,435
Capacity (students)	519	519	519	519	519	519	519	519	519	519
Enrollment	456	474	465	458	495	492	495	503	516	516
<b><u>Middle School</u></b>										
David E. Owens Middle School										
Square Feet	80,193	80,193	80,193	80,193	80,193	80,193	80,193	80,193	80,193	80,193
Capacity (students)	496	496	496	496	496	496	496	496	496	496
Enrollment	445	453	449	523	464	460	497	465	477	477
<b><u>High School</u></b>										
New Milford High School										
Square Feet	139,920	139,920	139,920	139,920	139,920	139,920	139,920	139,920	139,920	139,920
Capacity (students)	700	700	700	700	700	700	700	700	700	700
Enrollment	631	648	618	590	585	586	587	598	572	572
Number of Schools at June 30, 2024										
Elementary = 2										
Middle School = 1										
High School = 1										

Source: District records

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

<u>School Facilities</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Berkley Street Elementary	\$ 100,020	\$ 109,200	\$ 42,929	\$ 113,993	\$ 94,773	\$ 106,516	\$ 118,794	\$ 95,315	\$ 11,280	\$ 9,695
B. F. Gibbs Elementary	87,155	98,936	94,738	109,976	92,850	99,860	116,383	54,086	110,644	95,092
David E. Owens Middle School	174,255	266,628	222,760	181,264	153,730	166,433	192,694	251,034	183,191	157,443
New Milford High School	<u>283,826</u>	<u>378,179</u>	<u>252,546</u>	<u>313,670</u>	<u>268,227</u>	<u>292,921</u>	<u>336,211</u>	<u>255,818</u>	<u>319,630</u>	<u>274,704</u>
Total School Facilities	<u>\$ 645,256</u>	<u>\$ 852,943</u>	<u>\$ 612,973</u>	<u>\$ 718,903</u>	<u>\$ 609,580</u>	<u>\$ 665,730</u>	<u>\$ 764,082</u>	<u>\$ 656,253</u>	<u>\$ 624,745</u>	<u>\$ 536,934</u>

**NEW MILFORD BOARD OF EDUCATION  
INSURANCE SCHEDULE  
AS OF JUNE 30, 2024  
(Unaudited)**

	Coverage	Deductible
School Package Policy		
Property	\$ 119,254,968	
Flood within Special Flood A, N or V	7,500,000	\$ 25,000
Inland Marine	383,332	1,000
Crime	500,000	5,000
General Liability	1,000,000	10,000
Employee Benefits Liability	1,000,000	10,000
Automobile Coverages	1,000,000	10,000
School Board Legal & Environment Practices	1,000,000	Various
Employer's Liability	1,000,000	
Worker's Compensation	1,000,000	
Law Enforcement Liability	3,000,000	Various
Cyber	1,000,000	
AD&D	500,000	
Pollution	2,000,000	25,000
Student Accident Insurance	5,000,000	50,000
Surety Bonds		
Treasurer	300,000	
Board Secretary/School Business Administrator	300,000	

**SINGLE AUDIT SECTION**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Milford Board of Education as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the New Milford Board of Education's basic financial statements and have issued our report thereon dated January 10, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

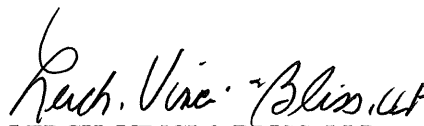
### **Report on Compliance and Other Matters**


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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the New Milford Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 10, 2025.

### **Purpose of this Report**

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

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 10, 2025





# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited the New Milford Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the New Milford Board of Education's major federal and state programs for the fiscal year ended June 30, 2024. The New Milford Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the New Milford Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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



## ***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## ***Report on Internal Control Over Compliance***

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


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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Milford Board of Education, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 10, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 10, 2025

**NEW MILFORD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor Program Title	Federal AL	FAIN	Project	Award	Balance,	Unearned Revenue	Account Receivable	Cash	Budgetary		Balance, June 30, 2024		Due to	Memo
	Number	Number	Period	Amount	July 1, 2023	Amount	Amount	Received	Expenditures	Adjustments	(Accounts Receivable)	Unearned Revenue/	Grantor	GAAP Receivable
U.S. Department of Agriculture Passed-Through State Department of Agriculture:														
National School Lunch Program	10.555													
Non-Cash Assistance		241NJ304N1099	7/1/23-6/30/24	\$ 74,358				\$ 74,358	\$ 73,703			\$ 655		
Non-Cash Assistance		231NJ304N1099	7/1/22-6/30/23	57,883	\$ 670				670					
Cash Assistance		241NJ304N1099	7/1/23-6/30/24	187,631				177,169	187,631		\$ (10,462)			\$ (10,462)
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	240,946	(12,693)			12,693						
Supply Chain Assistance		241NJ304N1099	7/1/23-6/30/24	51,646				51,646	51,646					-
P-EBT Administrative Cost Program	10.649	241NJ304S9009	7/1/23-6/30/24	653				653	653	-				-
Local Food for Schools Cooperative Grant	10.185	AM22CPLFS000C015	7/1/23-6/30/24	3,778	-	-	-	3,778	3,778	-	-	-	-	-
Total Child Nutrition Cluster / Enterprise Fund					(12,023)	-	-	320,297	318,081	-	(10,462)	655	-	(10,462)
U.S. Department of Health and Human Services Passed-Through State Department of Human Services:														
General Fund														
Medical Assistance Program	93.778	2405NJ5MAP	7/1/23-6/30/24	13,174	-	-	-	13,174	13,174	-	-	-	-	-
Total General Fund					-	-	-	13,174	13,174	-	-	-	-	-
U.S. Department of Education Passed-Through State Department of Education:														
Special Revenue Fund														
Title I	84.010A	S010A210030	7/1/23 - 9/30/24	242,501		\$ 14,775	\$ (14,775)	221,514	235,950		(35,762)	21,326		(14,436)
Title I	84.010A	S010A210030	7/1/22 - 9/30/23	82,609	(83,256)	(14,775)	14,775	86,552	3,296	-	-	-	-	-
Total Title I					(83,256)	-	-	308,066	239,246	-	(35,762)	21,326	-	(14,436)
Title II - Part A	84.367A	S367A210029	7/1/23 - 9/30/24	45,053		11,061	(11,061)	44,787	53,732		(11,327)	2,382		(8,945)
Title II - Part A	84.367A	S367A200029	7/1/22 - 9/30/23	42,921	(25,224)	(11,061)	11,061	26,320	1,096	-	-	-	-	-
Total Title II					(25,224)	-	-	71,107	54,828	-	(11,327)	2,382	-	(8,945)
Title III	84.365A	S365A210030	7/1/23 - 9/30/24	13,048		14,111	(14,111)	14,966	23,317		(12,193)	3,842		(8,351)
Title III	84.365A	S365A200030	7/1/22 - 9/30/23	14,111	(5,806)	(14,111)	14,111	5,920	751	\$ 637	-	-	-	-
Total Title III					(5,806)	-	-	20,886	24,068	637	(12,193)	3,842	-	(8,351)
Title IV	84.358B	S358B200100	7/1/23 - 9/30/24	10,000		10,000	(10,000)	6,899	6,900		(13,101)	13,100	-	(1)
Title IV	84.358B	S358B200100	7/1/22 - 9/30/23	10,000	(3,715)	(10,000)	10,000	3,715	-	-	-	-	-	-
Total Title IV					(3,715)	-	-	10,614	6,900	-	(13,101)	13,100	-	(1)

NEW MILFORD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal AL	FAIN	Project	Award	Balance,	Unearned Revenue	Account Receivable	Cash	Budgetary		Balance, June 30, 2024		Due to	Memo
	Number	Number	Period	Amount	July 1, 2023	Carryover Amount	Carryover Amount	Received	Expenditures	Adjustments	(Accounts Receivable)	Unearned Revenue/	Grantor	GAAP Receivable
<b>Special Revenue Fund (Continued)</b>														
I.D.E.A. Part B, Basic	84.027A	H027A210100	7/1/23 - 9/30/24	616,854		\$ 60,744	\$ (60,744)	\$ 583,455	\$ 628,039		\$ (94,143)	\$ 49,559		\$ (44,584)
I.D.E.A. Part B, Basic	84.027A	H027A210100	7/1/22 - 9/30/23	584,241	\$ (58,147)	(60,744)	60,744	61,237	3,090					-
I.D.E.A. Part B, Basic	84.027A	H027A190100	7/1/18 - 9/30/19	537,335	1,834					\$ (1,834)				-
I.D.E.A. ARP Basic	84.027X	H027X210100	7/1/21-9/30/22	119,110	(4,178)			4,178						-
I.D.E.A. Preschool	84.173A	H173A210114	7/1/23 - 9/30/24	29,716		10,507	(10,507)	39,586	39,160		(637)	1,063		426
I.D.E.A. Preschool	84.173A	H173A210114	7/1/22 - 9/30/23	29,929	(6,507)	(10,507)	10,507	6,933	426	-	-	-	-	-
Total Special Education Cluster (IDEA)					(66,998)	-	-	695,389	670,715	(1,834)	(94,780)	50,622	-	(44,158)
<b>American Rescue Plan (ARP)</b>														
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,307,349	(579,370)			1,211,852	685,926		(95,497)	42,053		(53,444)
Accelerated Learning Coach & Educator Support	84.425U	S425U210027	3/13/20-9/30/24	173,394	(116,680)			156,044	51,364		(17,350)	5,350		(12,000)
Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(34,690)			40,000	5,310		-	-		-
Evidence Based Comprehensive Beyond the Schoo	84.425U	S425U210027	3/13/20-9/30/24	40,000	(400)			40,000	39,600		-	-		-
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(43,231)			45,000	1,769		-	-		-
NJ High Impact Tutoring Grant	84.425V	E2400242	7/1/23-6/30/24	114,990	-	-	-	-	51,990	-	(114,990)	63,000	-	(51,990)
Total ESSER Cluster					(774,371)	-	-	1,492,896	835,959	-	(227,837)	110,403	-	(117,434)
Add/Comp Spec Ed and Related Serv Grant	21.027	SLFRDOE1SES	7/1/23-6/30/24	159,883	-	-	-	159,883	159,883	-	-	-	-	-
Total Special Revenue Fund					(959,370)	-	-	2,758,841	1,991,599	(1,197)	(395,000)	201,675	-	(193,325)
Total Federal Awards					\$ (971,393)	\$ -	\$ -	\$ 3,092,312	\$ 2,322,854	\$ (1,197)	\$ (405,462)	\$ 202,330	\$ -	\$ (203,787)

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

**NEW MILFORD BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2024			MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>													
Equalization Aid	24-495-034-5120-078	7/1/23 - 6/30/24	\$ 2,277,949			\$ 2,066,289	\$ 2,277,949		\$ (211,660)				\$ 2,277,949
Equalization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	2,880,215	\$ (275,514)		275,514							
Special Education Aid	24-495-034-5120-089	7/1/23 - 6/30/24	1,294,330			1,174,065	1,294,330		(120,265)				1,294,330
Special Education Aid	23-495-034-5120-089	7/1/22 - 6/30/23	1,294,330	(123,812)		123,812							
Security Aid	24-495-034-5120-084	7/1/23 - 6/30/24	73,366			66,549	73,366		(6,817)				73,366
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	73,366	(7,018)	-	7,018							
Subtotal State Aid Public Cluster				(406,344)	-	3,713,247	3,645,645	-	(338,742)	-	-	-	3,645,645
Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	430,582			390,573	430,582		(40,009)				430,582
Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	430,582	(41,189)		41,189							
Non-Public Transportation	24-495-034-5120-014	7/1/23 - 6/30/24	131,495			131,495			(131,495)			(131,495)	131,495
Non-Public Transportation	23-495-034-5120-014	7/1/22 - 6/30/23	76,056	(76,056)	-	76,056		-		-	-	-	
Subtotal Transportation Cluster				(117,245)	-	507,818	562,077	-	(171,504)	-	-	(131,495)	562,077
Extraordinary Aid	24-100-034-5120-044	7/1/23 - 6/30/24	888,050				888,050		(888,050)				888,050
Extraordinary Aid	23-100-034-5120-044	7/1/22 - 6/30/23	996,730	(996,730)		996,730							
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	7/1/23 - 6/30/24	1,271,748			1,209,742	1,271,748		(62,006)			(62,006)	1,271,748
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	7/1/22 - 6/30/23	1,294,784	(126,471)		126,471							
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	7/1/23 - 6/30/24	6,649,449			6,649,449							6,649,449
On-Behalf TPAF Pension - NCGI Premium	24-495-034-5094-004	7/1/23 - 6/30/24	75,833			75,833	75,833						75,833
On-Behalf TPAF Post-Retirement Medical	24-495-034-5094-001	7/1/23 - 6/30/24	1,830,376			1,830,376	1,830,376						1,830,376
Oh-Behalf TPAF LTDI	24-495-034-5094-004	7/1/23 - 6/30/24	3,028	-	-	3,028	3,028	-	-	-	-	-	3,028
Total General Fund				(1,646,790)	-	15,112,694	14,926,206	-	(1,460,302)	-	-	(193,501)	14,926,206
<b>New Jersey Nonpublic Aid:</b>													
Nursing Services	24-100-034-5120-070	7/1/23 - 6/30/24	61,920			61,920	61,920						61,920
Textbook Aid	24-100-034-5120-064	7/1/23 - 6/30/24	28,501			28,501	27,135			\$ 1,366			27,135
Textbook Aid	23-100-034-5120-064	7/1/22 - 6/30/23	33,330		\$ 5,278			\$ 5,278					
Technology	24-100-034-5120-373	7/1/23 - 6/30/24	24,157			24,157	22,504				1,653		22,504
Technology	23-100-034-5120-373	7/1/22 - 6/30/23	21,210		75			75					
Security Aid	24-100-034-5120-509	7/1/23 - 6/30/24	105,780			105,780	101,063				4,717		101,063
Security Aid	23-100-034-5120-509	7/1/22 - 6/30/23	109,880		1,240			1,240					
Home Instruction	N/A	7/1/23 - 6/30/24	6,535				6,535		(6,535)				6,535
Teach STEM	N/A	7/1/23 - 6/30/24	4,302			1,856	3,996		(2,446)	\$ 306			3,996
<b>Auxiliary Services (Chapter 192):</b>													
Compensatory Education	24-100-034-5120-067	7/1/23 - 6/30/24	74,624			74,624	60,191				14,433		60,191
Compensatory Education	23-100-034-5120-067	7/1/22 - 6/30/23	82,523		35,765			35,765	-				
English as a Second Language	24-100-034-5120-067	7/1/23 - 6/30/24	27,376			27,376	21,242				6,134		21,242
English as a Second Language	23-100-034-5120-067	7/1/22 - 6/30/23	19,443	-	3,607	-	-	3,607	-	-	-	-	
Total Auxiliary Services (Chapter 192 Cluster)				-	39,372	102,000	81,433	39,372	-	-	20,567	-	81,433
<b>Handicapped Services (Chapter 193):</b>													
Examination and Classification	24-100-034-5120-066	7/1/23 - 6/30/24	83,736			83,736	47,967				35,769		47,967
Examination and Classification	23-100-034-5120-066	7/1/22 - 6/30/23	47,788		17,506			17,506	-				
Corrective Speech	24-100-034-5120-066	7/1/23 - 6/30/24	56,265			56,265	44,733				11,532		44,733
Corrective Speech	23-100-034-5120-066	7/1/22 - 6/30/23	32,364		2,418			2,418	-				
Supplementary Instruction	24-100-034-5120-066	7/1/23 - 6/30/24	46,669			46,669	38,739				7,930		38,739
Supplementary Instruction	23-100-034-5120-066	7/1/22 - 6/30/23	39,648	-	13,133	-	-	13,133	-	-	-	-	
Total Handicapped Services (Chapter 193 Cluster)				-	33,057	186,670	131,439	33,057	-	-	55,231	-	131,439
<b>Schools Development Authority (SDA)</b>													
Emergent and Capital Maintenance Needs	N/A	N/A	48,894						(48,894)	48,894			
<b>Schools Development Authority (SDA)</b>													
Emergent and Capital Maintenance Needs	N/A	N/A	98,697	-	-	98,697	85,689	-	-	13,008	-	-	85,689
Total SDA				-	-	98,697	85,689	-	(48,894)	61,902	-	-	85,689
Total Special Revenue Fund				-	79,022	609,581	521,714	79,022	(57,875)	62,208	83,534	-	521,714
Total State Department of Education				(1,646,790)	79,022	15,722,275	15,447,920	79,022	(1,518,177)	62,208	83,534	(193,501)	15,447,920

NEW MILFORD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2024			MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Combined Total Expenditures
Department of Agriculture													
National School Lunch Program (State Share)	24-100-010-3350-023	7/1/23 - 6/30/24	\$ 14,909			\$ 14,064	\$ 14,909		\$ (845)	\$ -		\$ (845)	\$ 14,909
National School Lunch Program (State Share)	23-100-010-3350-023	7/1/22 - 6/30/23	13,168	\$ (691)	-	691	-	-	-	-	-	-	-
Total Department of Agriculture (Food Service Fund)				(691)	-	14,755	14,909	-	(845)	-	-	(845)	14,909
Total State Financial Assistance Subject to Single Audit Determination				(1,647,481)	\$ 79,022	\$ 15,737,030	\$ 15,462,829	\$ 79,022	(1,519,022)	62,208	\$ 83,534	(194,346)	15,462,829
State Financial Assistance													
Not Subject to Major Program Determination													
General Fund													
On-Behalf TPAF Pension Benefit Contribution	24-495-034-5094-002	7/1/23 - 6/30/24	6,649,449			(6,649,449)	(6,649,449)						(6,649,449)
On-Behalf TPAF Pension -NCGI Premium	24-495-034-5094-004	7/1/23 - 6/30/24	75,833			(75,833)	(75,833)				-		(75,833)
On-Behalf TPAF Post-Retirement Medical	24-495-034-5094-001	7/1/23 - 6/30/24	1,830,376			(1,830,376)	(1,830,376)						(1,830,376)
On-Behalf TPAF Pension -LTDI	24-495-034-5094-004	7/1/23 - 6/30/24	3,028	-	-	(3,028)	(3,028)	-	-	-	-	-	(3,028)
Total State Financial Assistance Subject to Major Program Determination				\$ (1,647,481)	\$ 79,022	\$ 7,178,344	\$ 6,904,143	\$ 79,022	\$ (1,519,022)	\$ 62,208	\$ 83,534	\$ (194,346)	\$ 6,904,143

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 REPORTING ENTITY**

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

**NOTE 2 BASIS OF PRESENTATION**

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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$177,462 for the general fund and an increase of \$294,543 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 13,174	\$ 15,103,668	\$ 15,116,842
Special Revenue Fund	2,286,142	521,714	2,807,856
Food Service Fund	<u>318,081</u>	<u>14,909</u>	<u>332,990</u>
Total Financial Assistance	<u>\$ 2,617,397</u>	<u>\$ 15,640,291</u>	<u>\$ 18,257,688</u>

**NEW MILFORD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 6 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,271,748 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$6,725,282, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,830,376 and TPAF Long-Term Disability Insurance in the amount of \$3,028 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

**NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

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

**NOTE 8 DE MINIMIS INDIRECT COST RATE**

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



**NEW MILFORD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

*Part I – Summary of Auditor's Results*

**Financial Statement Section**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

**Federal Awards Section**

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance?        yes   X   no

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan (ARP)</u>
<u>84.010A</u>	<u>S010A210030</u>	<u>Title I, Part A</u>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>

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

Auditee qualified as low-risk auditee?   X   yes        no

## State Awards Section

Identification of major programs:

24-495-034-5094-003	Reimbursed TPAF Social Security Contribution
24-495-034-5120-078	Equalization Aid
24-495-034-5120-089	Special Education Aid
24-495-034-5120-084	Security Aid

Auditee qualified as low-risk auditee?	X	yes	no
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**NEW MILFORD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***Part 2 – Schedule of Financial Statement Findings***

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

There are none.

**NEW MILFORD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**CURRENT YEAR FEDERAL AWARDS**

There were none.

**CURRENT YEAR STATE AWARDS**

There were none.

**NEW MILFORD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2023-001**

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

**Current Status**

Corrective action was taken.