# SCHOOL DISTRICT
# OF

# NEW MILFORD

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

# ANNUAL COMPREHENSIVE

# FINANCIAL REPORT

# of the

# New Milford Board of Education

# New Milford, New Jersey

# For The Fiscal Year Ended June 30, 2025

**Prepared by**

**Business Office**

# NEW MILFORD BOARD OF EDUCATION
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# INTRODUCTORY SECTION

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

December 23, 2025

Honorable President and
Members of the Board of Education
New Milford School District
New Milford, 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, 2025 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.

**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 2024-2025 fiscal year with an enrollment of 1998 students. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENTOLLMENT

| Fiscal Year | Student Enrollment | Percent Change |
|---|---|---|
| 2024-25 | 1,998 | -0.99% |
| 2023-24 | 2,018 | -0.20% |
| 2022-23 | 2,022 | -0.39% |
| 2021-22 | 2,030 | 2.58% |
| 2020-21 | 1,979 | -1.05% |
| 2019-20 | 2,000 | -0.05% |
| 2018-19 | 2,001 | 0.55% |
| 2017-18 | 1,990 | 1.43% |
| 2016-17 | 1,962 | -1.75% |
| 2015-16 | 1,997 | 0.91% |

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

**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 2025 87% of the graduates plan to pursue higher education. 65% will be attending four-year colleges in the fall. 22% will be participating in two-year community college. 5.2% will be attending a trade school. The remaining 7.8% intend to enter the job market immediately or plan to take a gap year.

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

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

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

**BUDGETARY CONTROLS**: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general 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, 2025.

**DEBT ADMINISTRATION**: At June 30, 2025 the District had no outstanding general obligations bonds.

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

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

**OTHER INFORMATION**:

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

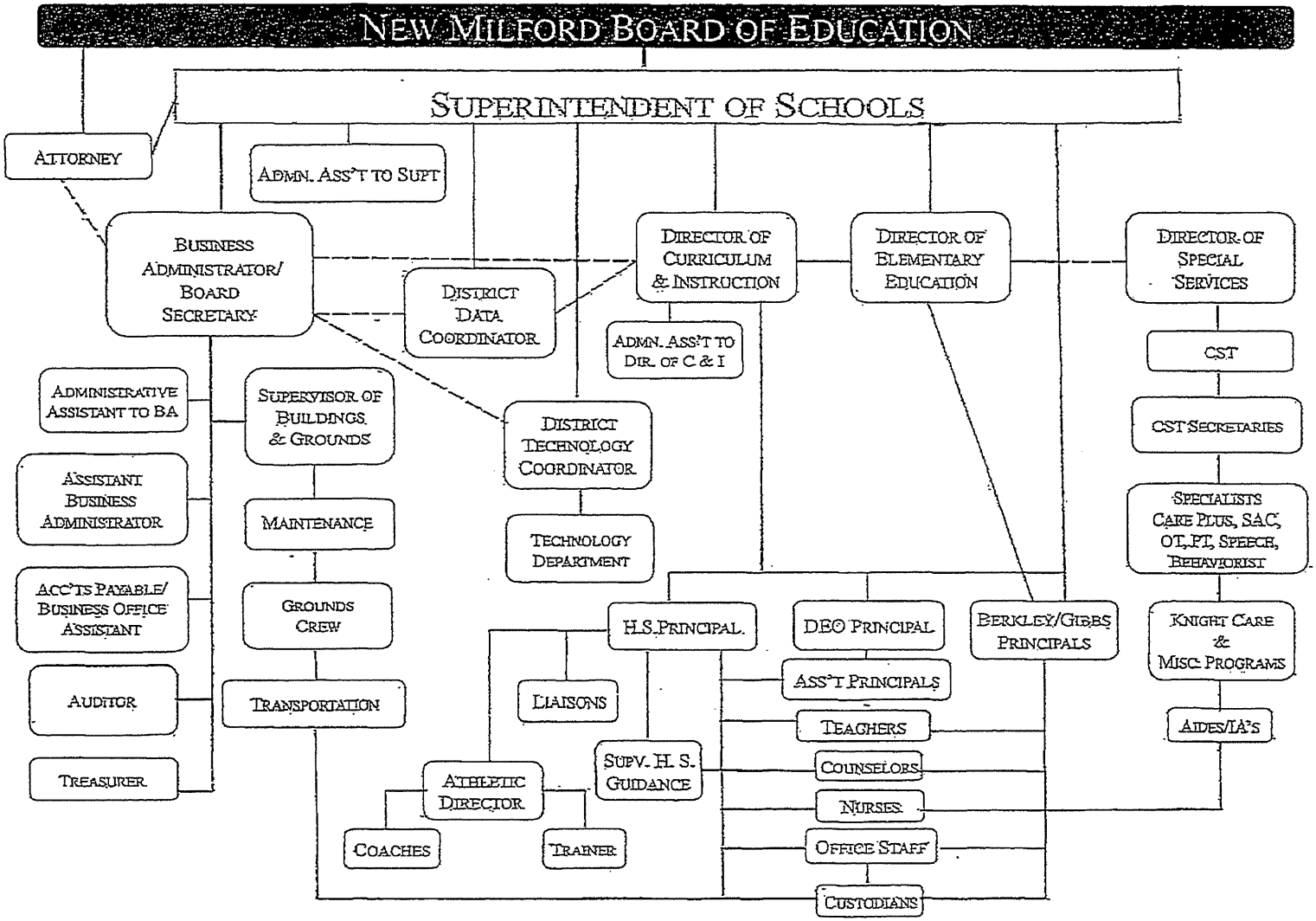
**ACKNOWLEDGMENTS**:

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

Respectfully submitted,

Peter Galasso
Superintendent

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


NEW MILFORD BOARD OF EDUCATION
SUPERINTENDENT OF SCHOOLS
ATTORNEY
ADMN. ASS'T TO SUPT
BUSINESS ADMINISTRATOR/ BOARD SECRETARY
DIRECTOR OF CURRICULUM & INSTRUCTION
DIRECTOR OF ELEMENTARY EDUCATION
DIRECTOR OF SPECIAL SERVICES
DISTRICT DATA COORDINATOR
ADMN. ASS'T TO DIR. OF C & I
CST
CST SECRETARIES
ADMINISTRATIVE ASSISTANT TO BA
SUPERVISOR OF BUILDINGS & GROUNDS
DISTRICT TECHNOLOGY COORDINATOR
SPECIALISTS CARE PLUS, SAC, OT, PT, SPEECH, BEHAVIORIST
ASSISTANT BUSINESS ADMINISTRATOR
MAINTENANCE
TECHNOLOGY DEPARTMENT
ACC'TS PAYABLE/ BUSINESS OFFICE ASSISTANT
GROUNDS CREW
H.S. PRINCIPAL
DEO PRINCIPAL
BERKLEY/GIBBS PRINCIPALS
KNIGHT CARE & MISC. PROGRAMS
AUDITOR
TRANSPORTATION
LIAISONS
ASS'T PRINCIPALS
AIDES/IA'S
TREASURER
TEACHERS
ATHLETIC DIRECTOR
SUPV. H. S. GUIDANCE
COUNSELORS
NURSES
COACHES
TRAINER
OFFICE STAFF
CUSTODIANS

# NEW MILFORD BOARD OF EDUCATION
# ROSTER OF OFFICIALS
# JUNE 30, 2025

| Members of the Board of Education | Term Expires |
|---|---|
| Heather Gomez, President | 12/2025 |
| Nicole Dunne, Vice-President | 12/2026 |
| Anthony Albro | 12/2026 |
| Cheryll Calderson | 12/2027 |
| John DaCosta | 12/2025 |
| Stephanie Kauffunger | 12/2027 |
| Andrew Lombardi | 12/2025 |
| Joseph Loonam | 12/2027 |
| Paige Ryan | 12/2026 |

**Other Officials**

Peter Galasso, Superintendent of Schools

Lauren Odoksta, Assistant Superintendent

Stephanie Kuchar, 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, LLC
96 Pompton Avenue
2nd Floor, Suite 200
Verona, NJ 07044

### Audit Firm

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

### Attorney

Fogarty, Hara, LaPira & Cherry, LLC
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 and each major fund of the New Milford Board of Education, as of and for the fiscal year ended June 30, 2025 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 and each major fund of the New Milford Board of Education as of June 30, 2025, 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 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 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 December 23, 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

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

Gary J. Vinci

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 23, 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, 2025. 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 (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 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 $24,476,723 (net position).

- Overall District revenues were $55,875,529. General revenues accounted for $40,655,063 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $15,220,466 of total revenues.

- The School District had $52,524,710 in expenses for governmental activities; only $13,681,321 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of $40,605,886 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 $11,810,271 a decrease of $1,512,157 when compared to the ending fund balance at June 30, 2024 of $13,322,428.

- The General Fund unassigned fund balance at June 30, 2025 was in a deficit position of $98,503. The General Fund unassigned fund balance at June 30, 2024 was in a deficit position of $239,404.

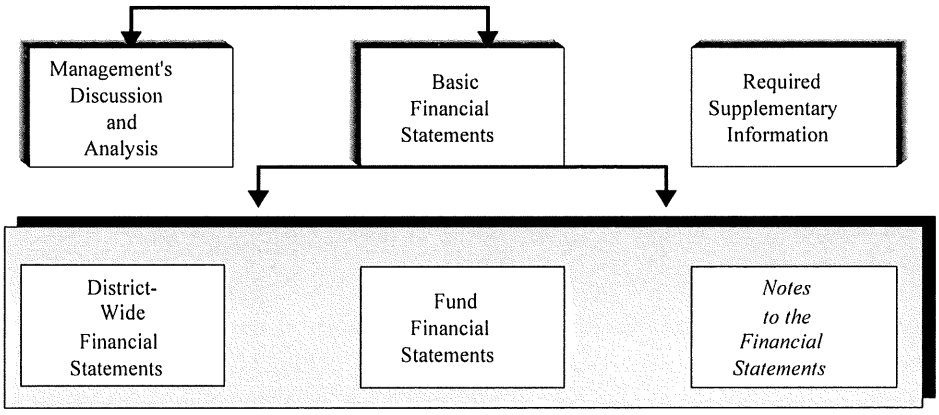
- The General Fund unassigned budgetary fund balance at June 30, 2025 was $1,315,982 which represents an increase of $288,585 when compared to the ending unassigned fund balance at June 30, 2024 of $1,027,397.

## 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.



## 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<br>Statement of Activities | Balance Sheet<br>Statement of Revenues, Expenditures and Changes in Fund Balances | Statement of Net Position<br>Statement of Revenues, Expenses, and Changes in Net Position<br>Statement of Cash Flows |
| Accounting Basis and Measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term | Generally, assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included | All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or Paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid. |

**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).

**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 and individual financial schedules are presented immediately following the major budgetary comparisons if required.

## 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 $24,476,723 and $22,850,186 as of June 30, 2025 and 2024, 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, 2025 and 2024**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 (Restated) | 2025 | 2024 | 2025 | 2024 (Restated) |
| **Assets** | | | | | | |
| Current and Other Assets | $ 12,085,225 | $ 14,310,413 | $ 615,675 | $ 925,977 | $ 12,700,900 | $ 15,236,390 |
| Capital Assets | 21,298,207 | 18,775,258 | 276,117 | 107,676 | 21,574,324 | 18,882,934 |
| **Total Assets** | 33,383,432 | 33,085,671 | 891,792 | 1,033,653 | 34,275,224 | 34,119,324 |
| **Deferred Outflows of Resources** | | | | | - | - |
| Deferred Amounts on Net Pension Liability | 668,190 | 308,119 | - | - | 668,190 | 308,119 |
| **Total Deferred Outflows of Resources** | 668,190 | 308,119 | - | - | 668,190 | 308,119 |
| **Total Assets and Deferred Outflows of Resources** | 34,051,622 | 33,393,790 | 891,792 | 1,033,653 | 34,943,414 | 34,427,443 |
| **Liabilities** | | | | | | |
| Long-Term Liabilities | 9,648,646 | 9,898,045 | | | 9,648,646 | 9,898,045 |
| Other Liabilities | 281,476 | 999,951 | 34,025 | 39,813 | 315,501 | 1,039,764 |
| **Total Liabilities** | 9,930,122 | 10,897,996 | 34,025 | 39,813 | 9,964,147 | 10,937,809 |
| **Deferred Inflows of Resources** | | | | | | |
| Deferred Amounts on Net Pension Liability | 502,002 | 638,793 | | | 502,002 | 638,793 |
| Deferred Commodities Revenue | - | - | 542 | 655 | 542 | 655 |
| **Total Deferred Inflows of Resources** | 502,002 | 638,793 | 542 | 655 | 502,544 | 639,448 |
| **Total Liabilities and Deferred Inflows of Resources** | 10,432,124 | 11,536,789 | 34,567 | 40,468 | 10,466,691 | 11,577,257 |
| **Net Position** | | | | | | |
| Net Investment in Capital Assets | 21,076,175 | 18,381,901 | 276,117 | 107,676 | 21,352,292 | 18,489,577 |
| Restricted | 9,253,351 | 9,172,161 | | | 9,253,351 | 9,172,161 |
| Unrestricted | (6,710,028) | (5,697,061) | 581,108 | 885,509 | (6,128,920) | (4,811,552) |
| **Total Net Position** | $ 23,619,498 | $ 21,857,001 | $ 857,225 | $ 993,185 | $ 24,476,723 | $ 22,850,186 |

The changes in net position for fiscal years ended 2025 and 2024 are as follows:

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 (Restated) | 2025 | 2024 | 2025 | 2024 (Restated) |
| **Revenues** | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | $ 1,521,604 | $ 1,860,989 | $ 1,179,630 | $ 1,138,170 | $ 2,701,234 | $ 2,999,159 |
| Operating Grants and Contributions | 10,686,250 | 11,963,182 | 359,515 | 332,990 | 11,045,765 | 12,296,172 |
| Capital Grants and Contributions | 1,473,467 | | | | 1,473,467 | - |
| General Revenues | | | | | | |
| Property Taxes | 39,022,322 | 38,001,050 | | | 39,022,322 | 38,001,050 |
| State Aid - Unrestricted | 820,566 | 2,354,977 | | | 820,566 | 2,354,977 |
| Other | 762,998 | 673,812 | 49,177 | 46,803 | 812,175 | 720,615 |
| **Total Revenues** | 54,287,207 | 54,854,010 | 1,588,322 | 1,517,963 | 55,875,529 | 56,371,973 |
| **Expenses** | | | | | | |
| Instruction | | | | | | |
| Regular | 17,048,041 | 17,294,155 | | | 17,048,041 | 17,294,155 |
| Special Education | 10,658,653 | 9,428,374 | | | 10,658,653 | 9,428,374 |
| Other Instruction | 1,577,578 | 1,928,282 | | | 1,577,578 | 1,928,282 |
| School Sponsored Activities and Athletics | 1,589,788 | 1,909,946 | | | 1,589,788 | 1,909,946 |
| Support Services | | | | | | |
| Student and Instruction Related Services | 7,504,488 | 7,484,281 | | | 7,504,488 | 7,484,281 |
| General Administrative Services | 1,262,189 | 1,328,375 | | | 1,262,189 | 1,328,375 |
| School Administrative Services | 3,301,377 | 3,617,575 | | | 3,301,377 | 3,617,575 |
| Central and Other Support Services | 1,654,222 | 1,535,979 | | | 1,654,222 | 1,535,979 |
| Plant Operation and Maintenance | 5,933,549 | 6,231,128 | | | 5,933,549 | 6,231,128 |
| Pupil Transportation | 1,987,572 | 1,794,519 | | | 1,987,572 | 1,794,519 |
| Interest on Debt | 7,253 | 16,851 | | | 7,253 | 16,851 |
| Food Service | | | 1,117,206 | 937,756 | 1,117,206 | 937,756 |
| Knight Care Latchkey Program | - | - | 607,076 | 507,310 | 607,076 | 507,310 |
| **Total Expenses** | 52,524,710 | 52,569,465 | 1,724,282 | 1,445,066 | 54,248,992 | 54,014,531 |
| Increase (Decrease) in Net Position Before Transfers | 1,762,497 | 2,284,545 | (135,960) | 72,897 | 1,626,537 | 2,357,442 |
| Transfers | - | 8,090 | - | (8,090) | - | - |
| Change in Net Position | 1,762,497 | 2,292,635 | (135,960) | 64,807 | 1,626,537 | 2,357,442 |
| **Net Position Beginning of Year** | 21,857,001 | 19,564,366 | 993,185 | 928,378 | 22,850,186 | 20,492,744 |
| **Net Position End of Year** | $ 23,619,498 | $ 21,857,001 | $ 857,225 | $ 993,185 | $ 24,476,723 | $ 22,850,186 |

## 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, 2025 and 2024.

**Total and Net Cost of Governmental Activities**
**For the Fiscal Years Ended June 30, 2025 and 2024**

| Governmental Activities | Total Cost of Services 2025 | Total Cost of Services 2024 | Net Cost of Services 2025 | Net Cost of Services 2024 |
|---|---|---|---|---|
| Instruction | | | | |
| Regular | $ 17,048,041 | $ 17,294,155 | $ 14,444,711 | $ 13,907,821 |
| Special Education | 10,658,653 | 9,428,374 | 6,120,582 | 4,507,422 |
| Other Instruction | 1,577,578 | 1,928,282 | 1,120,922 | 766,023 |
| School Sponsored Activities and Athletics | 1,589,788 | 1,909,946 | 1,069,688 | 1,340,059 |
| Support Services | | | | |
| Student and Instruction Related Services | 7,504,488 | 7,484,281 | 6,498,125 | 6,049,363 |
| General Administration | 1,262,189 | 1,328,375 | 1,163,722 | 1,083,583 |
| School Administration Services | 3,301,377 | 3,617,575 | 2,892,583 | 3,074,128 |
| Central and Other Support Services | 1,654,222 | 1,535,979 | 1,539,462 | 1,417,014 |
| Plant Operation and Maintenance | 5,933,549 | 6,231,128 | 2,671,379 | 5,425,082 |
| Pupil Transportation | 1,987,572 | 1,794,519 | 1,314,962 | 1,157,948 |
| Interest on Debt | 7,253 | 16,851 | 7,253 | 16,851 |
| **Total Governmental Activities** | $ 52,524,710 | $ 52,569,465 | $ 38,843,389 | $ 38,745,294 |

## 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 $11,810,271, a decrease of $1,512,157 from last year's fund balance of $13,322,428.

Revenues for the District's governmental funds were $58,730,527; total expenditures were $60,242,684.

**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 $56,732,879 for the fiscal year ended June 30, 2025. State sources amounted to $15,876,186, federal sources totaled $20,446 and local sources were $40,836,247.

Expenditures of the General Fund were $58,263,859. Instructional expenditures were $32,669,589, support services totaled $21,439,844, debt service charges were $184,022 and capital expenditures totaled $3,970,404 for the fiscal year ended June 30, 2025.

**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 $1,997,648 for the fiscal year ended June 30, 2025. State sources amounted to $442,668, federal sources totaled $1,078,363 and local sources were $476,617.

Expenditures of the Special Revenue Fund were $1,978,825. Instructional expenditures were $1,502,766, support service expenditures were $363,279 and capital expenditures totaled $112,780 for the fiscal year ended June 30, 2025.

### 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 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.

## 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, 2024 encumbrances.

## CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2025 and 2024 amounts to $21,574,324 and $18,882,934 (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 2024-2025 amounted to $1,560,235 for governmental activities and $28,085 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2025 and 2024.

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Land | $ 3,255,000 | $ 3,255,000 | | | $ 3,255,000 | $ 3,255,000 |
| Land Improvements | 4,656,706 | 4,656,706 | | | 4,656,706 | 4,656,706 |
| Buildings and Building Improvements | 34,092,890 | 30,329,941 | | | 34,092,890 | 30,329,941 |
| Right-to-Use Leased Buildings | 154,368 | 154,368 | | | | |
| Machinery and Equipment | 5,302,222 | 4,981,987 | $ 923,974 | $ 727,448 | 6,226,196 | 5,709,435 |
| Total | 47,461,186 | 43,378,002 | 923,974 | 727,448 | 48,385,160 | 44,105,450 |
| Less: Accumulated Depreciation | (26,162,979) | (24,602,744) | $ (647,857) | $ (619,772) | (26,810,836) | (25,222,516) |
| Total Capital Assets, Net | $ 21,298,207 | $ 18,775,258 | $ 276,117 | $ 107,676 | $ 21,574,324 | $ 18,882,934 |

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

## LONG TERM LIABILITIES

At June 30, 2025, the District's long-term liabilities consisted of compensated absences payable of $1,490,544, capital financing agreements of $222,032 and net pension liability of $7,936,070 totaling $9,648,646. This is in comparison to the restated long-term liabilities at June 30, 2024 of $9,898,045 or a decrease of $249,399.

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 2025-2026 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 repairs to 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, 2025

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and Cash Equivalents | $ 11,527,575 | $ 612,117 | $ 12,139,692 |
| Receivables, Net: | | | |
| Receivables from Other Governments | 447,740 | 21,561 | 469,301 |
| Other | 63,588 | 25,988 | 89,576 |
| Internal Balances | 46,322 | (46,322) | - |
| Inventories | | 2,331 | 2,331 |
| Capital Assets Not Being Depreciated | 3,255,000 | | 3,255,000 |
| Capital Assets, Being Depreciated | 18,043,207 | 276,117 | 18,319,324 |
| Total Assets | 33,383,432 | 891,792 | 34,275,224 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Deferred Amounts on Net Pension Liability | 668,190 | - | 668,190 |
| Total Deferred Outflows of Resources | 668,190 | - | 668,190 |
| Total Assets and Deferred Outflows of Resources | 34,051,622 | 891,792 | 34,943,414 |
| **LIABILITIES** | | | |
| Accounts Payable and Other Current Liabilities | 241,886 | 11,875 | 253,761 |
| Payable to Other Governments | 24,878 | | 24,878 |
| Accrued Interest Payable | 6,522 | | 6,522 |
| Unearned Revenue | 8,190 | 22,150 | 30,340 |
| Noncurrent Liabilities : | | | |
| Due Within One Year | 83,422 | | 83,422 |
| Due Beyond One Year | 9,565,224 | - | 9,565,224 |
| Total Liabilities | 9,930,122 | 34,025 | 9,964,147 |

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



(Continued)

# NEW MILFORD BOARD OF EDUCATION
## STATEMENT OF NET POSITION
## AS OF JUNE 30, 2025

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred Amounts on Net Pension Liability | $ 502,002 | | $ 502,002 |
| Deferred Commodities Revenue | - | $ 542 | 542 |
| Total Deferred Inflows of Resources | 502,002 | 542 | 502,544 |
| Total Liabilities and Deferred Inflows of Resources | 10,432,124 | 34,567 | 10,466,691 |
| **NET POSITION** | | | |
| Net Investment in Capital Assets | $ 21,076,175 | 276,117 | 21,352,292 |
| Restricted for: | | | |
| Capital Projects | 7,766,543 | | 7,766,543 |
| Other Purposes | 1,486,808 | | 1,486,808 |
| Unrestricted | (6,710,028) | 581,108 | (6,128,920) |
| Total Net Position | $ 23,619,498 | $ 857,225 | $ 24,476,723 |

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, 2025

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities | Net (Expense) Revenue and Changes in Net Position: Business-Type Activities | Net (Expense) Revenue and Changes in Net Position: Total |
|---|---|---|---|---|---|---|---|
| Governmental Activities | | | | | | | |
| Instruction: | | | | | | | |
| Regular | $ 17,048,041 | $ 94,634 | $ 2,508,696 | | $ (14,444,711) | | $ (14,444,711) |
| Special Education | 10,658,653 | 918,306 | 3,619,765 | | (6,120,582) | | (6,120,582) |
| Other Instruction | 1,577,578 | | 456,656 | | (1,120,922) | | (1,120,922) |
| School Sponsored Activities and Athletics | 1,589,788 | 470,677 | 49,423 | | (1,069,688) | | (1,069,688) |
| Support Services | | | | | - | | |
| Student and Instruction Related Services | 7,504,488 | | 1,006,363 | | (6,498,125) | | (6,498,125) |
| General Administrative Services | 1,262,189 | | 98,467 | | (1,163,722) | | (1,163,722) |
| School Administrative Services | 3,301,377 | | 408,794 | | (2,892,583) | | (2,892,583) |
| Central and Other Support Services | 1,654,222 | | 114,760 | | (1,539,462) | | (1,539,462) |
| Plant Operations and Maintenance | 5,933,549 | | 1,788,703 | $ 1,473,467 | (2,671,379) | | (2,671,379) |
| Pupil Transportation | 1,987,572 | 37,987 | 634,623 | - | (1,314,962) | | (1,314,962) |
| Interest on Debt | 7,253 | - | - | - | (7,253) | - | (7,253) |
| Total Governmental Activities | 52,524,710 | 1,521,604 | 10,686,250 | 1,473,467 | (38,843,389) | - | (38,843,389) |
| Business-Type Activities | | | | | | | |
| Food Service | 1,117,206 | 647,520 | 359,515 | - | | (110,171) | (110,171) |
| Knight Care Latch Key Program | 607,076 | 532,110 | - | - | - | (74,966) | (74,966) |
| Total Business-Type Activities | 1,724,282 | 1,179,630 | 359,515 | - | - | (185,137) | (185,137) |
| Total Primary Government | $ 54,248,992 | $ 2,701,234 | $ 11,045,765 | $ 1,473,467 | (38,843,389) | (185,137) | (39,028,526) |
| **General Revenues:** | | | | | | | |
| Property Taxes - | | | | | | | |
| General Purposes | | | | | 39,022,322 | | 39,022,322 |
| State Aid, Unrestricted | | | | | 820,566 | | 820,566 |
| Interest Income | | | | | 495,482 | 49,177 | 544,659 |
| Miscellaneous Income | | | | | 267,516 | - | 267,516 |
| Total General Revenues | | | | | 40,605,886 | 49,177 | 40,655,063 |
| Change in Net Position | | | | | 1,762,497 | (135,960) | 1,626,537 |
| Net Position, Beginning of Year (Restated) | | | | | 21,857,001 | 993,185 | 22,850,186 |
| Net Position, End of Year | | | | | $ 23,619,498 | $ 857,225 | $ 24,476,723 |

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, 2025

| | General Fund | Special Revenue Fund | Total Governmental Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and Cash Equivalents | $ 10,994,580 | $ 532,995 | $ 11,527,575 |
| Receivables, Net | | | |
| Receivables from Other Governments | 231,671 | 216,069 | 447,740 |
| Accounts | 63,588 | | 63,588 |
| Due from Other Funds | 229,242 | - | 229,242 |
| Total Assets | $ 11,519,081 | $ 749,064 | $ 12,268,145 |
| **LIABILITIES AND FUND BALANCES** | | | |
| Liabilities | | | |
| Accounts Payable | $ 217,899 | $ 81 | $ 217,980 |
| Accrued Salaries and Wages | 15,319 | | 15,319 |
| Payroll Deductions and Withholdings Payable | 8,587 | | 8,587 |
| Payable to State Government | | 24,878 | 24,878 |
| Due to Other Funds | | 182,920 | 182,920 |
| Unearned Revenue | - | 8,190 | 8,190 |
| Total Liabilities | 241,805 | 216,069 | 457,874 |
| Fund Balances | | | |
| Restricted Fund Balance | | | |
| Capital Reserve | 5,766,543 | | 5,766,543 |
| Capital Reserve - Designated for Subsequent Year's Budget | 2,000,000 | | 2,000,000 |
| Maintenance Reserve | 812,424 | | 812,424 |
| Emergency Reserve | 400,324 | | 400,324 |
| Unemployment Compensation Reserve | 141,389 | | 141,389 |
| Excess Surplus | 640,000 | | 640,000 |
| Excess Surplus - Designated for Subsequent Year's Budget | 1,503,917 | | 1,503,917 |
| Student Activities | | 200,106 | 200,106 |
| Scholarship Awards | | 332,889 | 332,889 |
| Committed Fund Balance | | | - |
| Year End Encumbrances | 19,280 | | 19,280 |
| Assigned Fund Balance | | | |
| Year End Encumbrances | 91,902 | | 91,902 |
| Unassigned Fund Balance | (98,503) | - | (98,503) |
| Total Fund Balances | 11,277,276 | 532,995 | 11,810,271 |
| Total Liabilities and Fund Balances | $ 11,519,081 | $ 749,064 | $ 12,268,145 |

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, 2025**

| | | |
|---|---|---|
| **Total Fund Balances (Exhibit B-1)** | | $ 11,810,271 |
| 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 $47,461,186 and the accumulated depreciation is $26,162,979. | | 21,298,207 |
| 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 | $ 668,190 | |
| Deferred Inflows of Resources | (502,002) | |
| | | 166,188 |
| The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: | | (6,522) |
| 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 | (222,032) | |
| Compensated Absences | (1,490,544) | |
| Net Pension Liability | (7,936,070) | |
| | | (9,648,646) |
| **Net Position of Governmental Activities (Exhibit A-1)** | | $ 23,619,498 |

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

# NEW MILFORD BOARD OF EDUCATION
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
## GOVERNMENTAL FUNDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | General Fund | Special Revenue Fund | Total Governmental Funds |
|---|---|---|---|
| **REVENUES** | | | |
| Local Sources | | | |
| Property Taxes | $ 39,022,322 | | $ 39,022,322 |
| Tuition | 1,012,940 | | 1,012,940 |
| Transportation Fees | 37,987 | | 37,987 |
| Interest | 495,482 | | 495,482 |
| Miscellaneous | 267,516 | $ 476,617 | 744,133 |
| Total - Local Sources | 40,836,247 | 476,617 | 41,312,864 |
| State Sources | 15,876,186 | 442,668 | 16,318,854 |
| Federal Sources | 20,446 | 1,078,363 | 1,098,809 |
| Total Revenues | 56,732,879 | 1,997,648 | 58,730,527 |
| **EXPENDITURES** | | | |
| Instruction | | | |
| Regular | 19,482,322 | 218,333 | 19,700,655 |
| Special Education | 10,711,931 | 646,824 | 11,358,755 |
| Other Instruction | 1,458,761 | 301,455 | 1,760,216 |
| School-Sponsored Activities and Athletics | 1,016,575 | 336,154 | 1,352,729 |
| Support Services | | | |
| Student and Instruction Related Services | 7,916,529 | 315,523 | 8,232,052 |
| General Administrative Services | 1,356,262 | | 1,356,262 |
| School Administrative Services | 3,740,949 | | 3,740,949 |
| Central and Other Support Services | 1,609,816 | | 1,609,816 |
| Plant Operations and Maintenance | 4,915,998 | 47,756 | 4,963,754 |
| Pupil Transportation | 1,900,290 | | 1,900,290 |
| Debt Service | | | |
| Principal | 171,325 | | 171,325 |
| Interest | 12,697 | | 12,697 |
| Capital Outlay | 3,970,404 | 112,780 | 4,083,184 |
| Total Expenditures | 58,263,859 | 1,978,825 | 60,242,684 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,530,980) | 18,823 | (1,512,157) |
| Fund Balance, Beginning of Year | 12,808,256 | 514,172 | 13,322,428 |
| Fund Balance, End of Year | $ 11,277,276 | $ 532,995 | $ 11,810,271 |

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

EXHIBIT B-3

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, 2025

| | | |
|---|---|---|
| **Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** | | $ (1,512,157) |
| 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 capital outlay exceeds depreciation in the current period. | | |
| Capital Outlay | $ 4,083,184 | |
| Depreciation Expense | (1,560,235) | |
| | | 2,522,949 |
| 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 | 31,461 | |
| Decrease in Pension Expense | 543,475 | |
| | | 574,936 |
| 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 | | 171,325 |
| 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 | | 5,444 |
| **Change in Net Position of Governmental Activities (Exhibit A-2)** | | $ 1,762,497 |

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

NEW MILFORD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

| | Business-Type Activities - Enterprise Fund | | |
|---|---|---|---|
| | Food Service | Knight Care Latchkey Program | Totals |
| **ASSETS** | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | $ 531,973 | $ 80,144 | $ 612,117 |
| Receivables, Net | | | |
| Intergovernmental | 21,561 | | 21,561 |
| Accounts | 25,988 | | 25,988 |
| Inventories | 2,331 | - | 2,331 |
| Total Current Assets | 581,853 | 80,144 | 661,997 |
| Capital Assets | | | |
| Equipment | 783,629 | 140,345 | 923,974 |
| Less: Accumulated Depreciation | (507,512) | (140,345) | (647,857) |
| Total Capital Assets, Net | 276,117 | - | 276,117 |
| Total Assets | 857,970 | 80,144 | 938,114 |
| **LIABILITIES** | | | |
| Current Liabilities | | | |
| Accounts Payable | 3,370 | 8,505 | 11,875 |
| Due to Other Funds | 46,322 | | 46,322 |
| Unearned Revenue | 22,150 | - | 22,150 |
| Total Current Liabilities | 71,842 | 8,505 | 80,347 |
| **DEFERRED INFLOW OF RESOURCES** | | | |
| Deferred Commodities Revenue | 542 | - | 542 |
| Total Deferred Inflows of Resources | 542 | - | 542 |
| Total Liabilities and Deferred Inflow of Resources | 72,384 | 8,505 | 80,889 |
| **NET POSITION** | | | |
| Investment in Capital Assets | 276,117 | - | 276,117 |
| Unrestricted | 509,469 | 71,639 | 581,108 |
| Total Net Position | $ 785,586 | $ 71,639 | $ 857,225 |

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, 2025

| | Business-Type Activities - Enterprise Fund | | |
|---|---|---|---|
| | Food Service | Knight Care Latchkey Program | Totals |
| **OPERATING REVENUES** | | | |
| Charges for Services | | | |
| Daily Sales | | | |
| Reimbursable Programs | $ 408,506 | | $ 408,506 |
| Non-Reimbursable Programs | 192,521 | | 192,521 |
| Other Sales | 46,493 | | 46,493 |
| Program Fees | - | $ 532,110 | 532,110 |
| Total Operating Revenues | 647,520 | 532,110 | 1,179,630 |
| **OPERATING EXPENSES** | | | |
| Salaries and Employee Benefits | 557,876 | 554,017 | 1,111,893 |
| Cost of Sales | | | |
| Reimbursable Programs | 355,545 | | 355,545 |
| Non-Reimbursable Programs | 52,752 | | 52,752 |
| Purchased Management Services | 70,492 | | 70,492 |
| Other Purchased Services | 17,428 | 1,716 | 19,144 |
| Supplies and Materials | 29,414 | 51,343 | 80,757 |
| Miscellaneous | 5,614 | | 5,614 |
| Depreciation | 28,085 | - | 28,085 |
| Total Operating Expenses | 1,117,206 | 607,076 | 1,724,282 |
| Operating Income/(Loss) | (469,686) | (74,966) | (544,652) |
| **NONOPERATING REVENUES** | | | |
| Federal Sources | | | |
| National School Lunch Program | 251,126 | | 251,126 |
| Food Distribution Program | 76,672 | | 76,672 |
| Summer Electronic Benefits Tranfer (S-EBT) Program | 322 | | 322 |
| Local Food for Schools Cooperative Grant | 4,113 | | 4,113 |
| State Sources | | | |
| State School Lunch Program | 26,961 | | 26,961 |
| Summer Electronic Benefits Tranfer (S-EBT) Program | 321 | | 321 |
| Interest Income | 33,241 | 15,936 | 49,177 |
| Total Nonoperating Revenues | 392,756 | 15,936 | 408,692 |
| Change in Net Position | (76,930) | (59,030) | (135,960) |
| Total Net Position, Beginning of Year | 862,516 | 130,669 | 993,185 |
| Total Net Position, End of Year | $ 785,586 | $ 71,639 | $ 857,225 |

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, 2025

| | Business-Type Activities - Enterprise Fund | | |
|---|---|---|---|
| | Food Service | Knight Care Latchkey Program | Totals |
| **Cash Flows from Operating Activities** | | | |
| Cash Received from Customers | $ 640,586 | $ 533,650 | $ 1,174,236 |
| Cash Payments for Employees' Salaries and Benefits | (557,876) | (598,915) | (1,156,791) |
| Cash Payments to Suppliers for Goods and Services | (477,335) | (1,716) | (479,051) |
| Cash Payments to Customers - Refunds | (373) | (1,540) | (1,913) |
| Net Cash Provided by (Used for) by Operating Activities | (394,998) | (68,521) | (463,519) |
| **Cash Flows from Noncapital Financing Activities** | | | |
| Cash Received from State and Federal Subsidy Reimbursements | 272,589 | | 272,589 |
| Cash Payments from/(to) Other Funds | 129 | - | 129 |
| Net Cash Provided by (Used for) by Noncapital Financing Activities | 272,718 | - | 272,718 |
| **Cash Flows from Capital and Related Financing Activities** | | | |
| Purchase of Capital Assets | (196,526) | - | (196,526) |
| Net Cash (Used for) by Capital and Related Financing Activities | (196,526) | - | (196,526) |
| **Cash Flows from Investing Activities** | | | |
| Interest Income | 33,241 | 15,936 | 49,177 |
| Net Cash Provided by Investing Activities | 33,241 | 15,936 | 49,177 |
| Net Change in Cash and Cash Equivalents | (285,565) | (52,585) | (338,150) |
| Cash and Cash Equivalents, Beginning of Year | 817,538 | 132,729 | 950,267 |
| Cash and Cash Equivalents, End of Year | $ 531,973 | $ 80,144 | $ 612,117 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) by Operating Activities** | | | |
| Operating Income (Loss) | $ (469,686) | $ (74,966) | $ (544,652) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) by Operating Activities | | | |
| Depreciation | 28,085 | | 28,085 |
| Food Distribution Program (USDA Commodities) | 76,672 | | 76,672 |
| Change in Assets, Liabilities and Deferred Inflows of Resources | | | |
| (Increase)/Decrease in Accounts Receivable | (17,528) | | (17,528) |
| (Increase)/Decrease in Inventories | (195) | | (195) |
| Increase/(Decrease) in Accounts Payable | (11,600) | 6,445 | (5,155) |
| Increase/(Decrease) in Unearned Revenue | (633) | | (633) |
| Increase/(Decrease) in Deferred Inflow of Resources | (113) | - | (113) |
| Total Adjustments | 74,688 | 6,445 | 81,133 |
| Net Cash Provided/(Used) by Operating Activities | $ (394,998) | $ (68,521) | $ (463,519) |
| **Non-Cash Investing, Capital and Financing Activities** | | | |
| Value Received - Food Distribution Program | $ 76,559 | $ - | $ 76,559 |

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

# NOTES TO THE FINANCIAL STATEMENTS

## 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 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 2025, the District adopted the following GASB statements:

- GASB Statement No. 101, *Compensated Absences,* was 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.

- GASB Statement No. 102, *Certain Risk Disclosures*, was 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.

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

### B. New Accounting Standards (Continued)

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

- 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.

- GASB Statement No. 104, *Disclosure of Certain Capital Assets,* will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

### 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.

## 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 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 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.

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.

## 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.

### Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

### 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.

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

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

#### *2. Receivables*

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

#### *3. Inventories*

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

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

#### *4. Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of $2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. 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:

| Assets | Years |
|---|---|
| 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 |

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

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

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under a modified accrual basis of accounting. The 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.

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

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

#### *8. Financing Agreements*

Capital 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 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 governmental fund financial statements, capital 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.

#### *9. 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.

#### *10. 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 2D).

*Capital Reserve - Designated for Subsequent Year's Budget* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2025/2026 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 2E).

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

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

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

***10. Net Position/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 2F).

*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, 2025 audited excess surplus that is required to be appropriated in the 2026/2027 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, 2024 audited excess surplus that was appropriated in the 2025/2026 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.

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

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

#### *11. Fund Balance Policies*

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

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

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

### F. Revenues and Expenditures/Expenses

#### *1. Program Revenues*

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

#### *2. Property Taxes*

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

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

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

*Tuition Expenditures* - Tuition charges for the fiscal years 2023-2024 and 2024-2025 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.

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

### F. Revenues and Expenditures/Expenses

#### *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 employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system, including on-behalf payments for post-retirement medical contributions for employees enrolled in the Public Employees Retirement System (PERS)

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 employees enrolled in the TPAF retirement system, including the on-behalf actuarial determined post-retirement medical benefit amounts attributable to the District for employees enrolled in the PERS retirement system.

#### *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. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

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

### A. Budgetary Information (Continued)

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 2024/2025. Also, during 2024/2025 the Board increased the original budget of the general fund by $345,189 and the special revenue fund by $1,544,424. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, state aid, 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.

### B. Excess Expenditures Over Appropriations

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

| General Fund | Final Budget | Actual | Unfavorable Variance |
|---|---|---|---|
| Regular Programs - Undistributed Instruction | | | |
| General Supplies | $ 522,607 | $ 604,895 | $ (82,288) |

The above variances were offset with other available resources.

### C. Deficit Fund Equity

The District has an unassigned fund deficit of $98,503 in the General Fund as of June 30, 2025 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 $98,503 in the General Fund is less than the delayed state aid payments at June 30, 2025.

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

### D. 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, 2025 is as follows:

| | | |
|---|---|---|
| Balance, July 1, 2024 | | $ 7,774,408 |
| Increased by: | | |
| State Aid Reimbursements | $ 1,473,467 | |
| Return of Unencumbered Budget Withdrawals | 103,948 | |
| Deposits Approved by Board Resolution | 2,150,196 | |
| | | 3,727,611 |
| | | 11,502,019 |
| Decreased by: | | |
| Withdrawals Approved in District Budget | 3,523,010 | |
| Withdrawals Approved by Board Resolution | 212,466 | |
| | | 3,735,476 |
| Balance, June 30, 2025 | | $ 7,766,543 |

The June 30, 2025 LRFP balance of the total costs of uncompleted capital projects is estimated by management to $72,559,446. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. $2,000,000 of the capital reserve balance at June 30, 2025 was designated and appropriated for use in the 2025/2026 original budget certified for taxes.

### E. 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.

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

### E. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2025 is as follows:

| | |
|---|---|
| Balance, July 1, 2024 | $ 674,097 |
| Increased by: | |
| Deposits Approved by Board Resolution | 138,327 |
| Balance, June 30, 2025 | $ 812,424 |

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of $1,818,880.

### F. 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, 2025 is as follows:

| | |
|---|---|
| Balance, July 1, 2024 | $ 400,324 |
| Balance, June 30, 2025 | $ 400,324 |

### G. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2025 is $2,143,917. Of this amount, $1,503,917 was designated and appropriated in the 2025/2026 original budget certified for taxes and the remaining amount of $640,000 will be appropriated in the 2026/2027 original budget certified for taxes.

## NOTE 3 DETAILED NOTES ON ALL FUNDS

### A. Cash Deposits and Investments

#### Cash Deposits

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

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, 2025, the book value of the Board's deposits was $12,139,692 and bank and brokerage firm balances of the Board's deposits amounted to $13,253,233. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

| | |
|---|---|
| Insured | $ 13,197,454 |
| Uninsured and Collateralized | 55,779 |
| | $ 13,253,233 |

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, 2025 the Board's bank balance of $55,779 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 | $ 55,779 |

#### 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.

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

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

**Investments (Continued)**

As of June 30, 2025, 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, 2025 for the District's individual major funds in the aggregate including the applicable allowances for uncollectible accounts, are as follows:

| | General | Special Revenue | Food Service | Total |
|---|---|---|---|---|
| Receivables: | | | | |
| Intergovernmental: | | | | |
| State | $ 231,671 | $ 7,005 | $ 2,262 | $ 240,938 |
| Federal | | 209,064 | 19,299 | 228,363 |
| Accounts | 63,588 | - | 25,988 | 89,576 |
| Total Gross Receivables | $ 295,259 | $ 216,069 | $ 47,549 | $ 558,877 |

### 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 | $ 8,190 |

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

### D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

| | Balance July 1, 2024 | Increases | Decreases | Balance, June 30, 2025 |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | $ 3,255,000 | - | - | $ 3,255,000 |
| Total Capital Assets, Not Being Depreciated | 3,255,000 | - | - | 3,255,000 |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | 4,656,706 | | | 4,656,706 |
| Buildings and Building Improvements | 30,329,941 | $ 3,762,949 | | 34,092,890 |
| Right-to-Use Leased Buildings | 154,368 | | | 154,368 |
| Machinery and Equipment | 4,981,987 | 320,235 | - | 5,302,222 |
| Total Capital Assets Being Depreciated | 40,123,002 | 4,083,184 | - | 44,206,186 |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | (2,645,713) | (286,887) | | (2,932,600) |
| Buildings and Building Improvements | (17,838,156) | (948,704) | | (18,786,860) |
| Right-to-Use Leased Buildings | (154,368) | | | (154,368) |
| Machinery and Equipment | (3,964,507) | (324,644) | - | (4,289,151) |
| Total Accumulated Depreciation | (24,602,744) | (1,560,235) | - | (26,162,979) |
| Total Capital Assets, Being Depreciated, Net | 15,520,258 | 2,522,949 | - | 18,043,207 |
| Governmental Activities Capital Assets, Net | $ 18,775,258 | $ 2,522,949 | $ - | $ 21,298,207 |

| | Balance July 1, 2024 | Increases | Decreases | Balance, June 30, 2025 |
|---|---|---|---|---|
| **Business-Type Activities:** | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Machinery and Equipment | $ 727,448 | $ 196,526 | - | $ 923,974 |
| Less Accumulated Depreciation for: | | | | |
| Machinery and Equipment | (619,772) | (28,085) | - | (647,857) |
| Business-Type Activities Capital Assets, Net | $ 107,676 | $ 168,441 | $ - | $ 276,117 |

## 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 | $ 41,536 |
| Special Education | 3,010 |
| School-Sponsored Activities and Athletics | 236,334 |
| Total Instruction | 280,880 |
| | |
| Support Services | |
| Student and Instruction Related Services | 91,204 |
| Central and Other Support Services | 133,850 |
| Plant Operations and Maintenance | 967,832 |
| Pupil Transportation | 86,469 |
| Total Support Services | 1,279,355 |
| | |
| Total Depreciation Expense - Governmental Activities | $ 1,560,235 |
| | |
| **Business-Type Activities:** | |
| Food Service Fund | $ 28,085 |
| | |
| Total Depreciation Expense-Business-Type Activities | $ 28,085 |

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

The composition of interfund balances as of June 30, 2025, is as follows:

**Due To/From Other Funds**

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Special Revenue Fund | $ 182,920 |
| General Fund | Food Service Enterprise Fund | 46,322 |
| Total | | $ 229,242 |

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.

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

### F. 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, 2025 are comprised of the following:

| | |
|---|---|
| $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 | $ 222,032 |
| Total | $ 222,032 |

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

**Governmental Activities:**

| Ending June 30, | Capital Agreements Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 83,422 | $ 6,806 | $ 90,228 |
| 2027 | 86,620 | 3,607 | 90,227 |
| 2028 | 51,990 | 643 | 52,633 |
| Total | $ 222,032 | $ 11,056 | $ 233,088 |

### G. Long-Term Debt

#### Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

| | |
|---|---|
| 4% of Equalized Valuation Basis (Municipal) | $ 106,367,373 |
| Less: Net Debt Issued | - |
| Remaining Borrowing Power | $ 106,367,373 |

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

### G. Long-Term Debt (Continued)

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

| | Balance July 1, 2024 (Restated) | Additions | Reductions | Balance June 30, 2025 | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Capital Financing Agreements | $ 393,357 | | $ 171,325 | $ 222,032 | $ 83,422 |
| Compensated Absences Payable | 1,522,005 | | 31,461 | 1,490,544 | |
| Net Pension Liability | 7,982,683 | $ 748,122 | 794,735 | 7,936,070 | - |
| Governmental Activities Long-Term Liabilities | $ 9,898,045 | $ 748,122 | $ 997,521 | $ 9,648,646 | $ 83,422 |

*The change in compensated absences liability is presented as a net change.

For the governmental activities, the liabilities for capital financing agreements and net pension liability are generally liquidated by the general fund.

## NOTE 4 OTHER INFORMATION

### A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims. NESBIG also provides insured coverage (multi-peril) to its member school districts.

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.

## NOTE 4 OTHER INFORMATION (Continued)

### A. Risk Management (Continued)

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:

| Fiscal Year Ended June 30, | District Contributions | Employee Contributions | Interest Earnings | Amount Reimbursed | Ending Balance |
|---|---|---|---|---|---|
| 2025 | $ 75,301 | $ 49,920 | $ 7,255 | $ 200,620 | $ 141,389 |
| 2024 | None | 47,774 | 9,749 | 165,801 | 209,484 |
| 2023 | 150,000 | 46,564 | 1,293 | 26,969 | 226,234 |

### B. Contingent Liabilities

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2025, 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, 2025, 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.nj.gov/treasury/pensions/annual-reports.

## NOTE 4 OTHER INFORMATION (Continued)

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

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

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

The following represents the membership tiers for PERS:

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

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

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, 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.nj.gov/treasury/pensions/annual-reports.

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

The following represent the membership tiers for TPAF:

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

## NOTE 4 OTHER INFORMATION (Continued)

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

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

Service retirement benefits of 1/55$^{th}$ 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$^{th}$ 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.

### 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.nj.gov/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.

## NOTE 4 OTHER INFORMATION (Continued)

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

#### 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.nj.gov/treasury/doinvest.

#### Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 is $13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is $49.5 billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

#### Actuarial Methods and Assumptions

In the July 1, 2023 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.

## NOTE 4 OTHER INFORMATION (Continued)

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

**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 2025.

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, 2025 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 2025, 2024 and 2023 were equal to the required contributions.

During the fiscal years ended June 30, 2025, 2024 and 2023 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 June 30, | PERS | On-behalf TPAF | DCRP |
|---|---|---|---|
| 2025 | $ 794,735 | $ 6,154,211 | $ 16,800 |
| 2024 | 736,593 | 6,725,282 | 14,197 |
| 2023 | 693,452 | 6,292,508 | 11,479 |

In addition for fiscal years 2025, 2024 and 2023 the State contributed $3,224, $3,028 and $2,662, 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 $1,319,537 during the fiscal year ended June 30, 2025 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.

## 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**

**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, 2024. 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/(benefit) 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, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of $7,936,070 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. 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, 2024. At June 30, 2024, the District's proportionate share was 0.05840 percent, which was an increase of 0.00329 percent from its proportionate share measured as of June 30, 2023 of 0.05511 percent.

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense of $251,260 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, 2025 with a measurement date of the prior fiscal year end of June 30, 2024. 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, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference Between Expected and Actual Experience | $ 158,974 | $ 21,128 |
| Changes of Assumptions | 9,859 | 90,294 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | | 367,974 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | 499,357 | 22,606 |
| Total | $ 668,190 | $ 502,002 |

**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)**

At June 30, 2025, 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:

| Year Ending June 30, | Total |
|---|---|
| 2026 | $ 172,143 |
| 2027 | (154,513) |
| 2028 | (29,408) |
| 2029 | 177,966 |
| Thereafter | - |
| | $ 166,188 |

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**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, 2024) 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, 2024 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Risk Mitigation Strategies | 3.00% | 7.10% |
| Cash Equivalents | 2.00% | 3.57% |
| U.S. Treasuries | 4.00% | 3.57% |
| Investment Grade Credit | 7.00% | 5.37% |
| US Equity | 28.00% | 8.63% |
| Non-US Developed Markets Equity | 12.75% | 8.85% |
| Emerging Markets Equity | 5.50% | 10.66% |
| High Yield | 4.50% | 6.74% |
| Real Assets | 3.00% | 8.20% |
| Private Credit | 8.00% | 8.90% |
| Real Estate | 8.00% | 10.95% |
| Private Equity | 13.00% | 12.40% |
| International Small Cap Equity | 1.25% | 8.85% |

## 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, 2024. 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 as of the June 30, 2024 measurement date calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease 6.00% | Current Discount Rate 7.00% | 1% Increase 8.00% |
|---|---|---|---|
| District's Proportionate Share of the PERS Net Pension Liability | $ 10,545,086 | $ 7,936,070 | $ 5,715,812 |

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2024. A sensitivity analysis specific to the District's net pension liability at June 30, 2024 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.nj.gov/treasury/pensions.

## 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, 2024. 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, 2024, 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, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of $281,335 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, 2025 the State's proportionate share of the net pension liability attributable to the District is $77,123,675. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. 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, 2024. At June 30, 2024, the State's share of the net pension liability attributable to the District was 0.15604 percent, which was an increase of 0.00422 percent from its proportionate share measured as of June 30, 2023 of 0.15182 percent.

## 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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

| | |
|---|---|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | 2.75-5.65%<br>Based on Years<br>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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**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, 2024) 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, 2024 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Risk Mitigation Strategies | 3.00% | 7.10% |
| Cash Equivalents | 2.00% | 3.57% |
| U.S. Treasuries | 4.00% | 3.57% |
| Investment Grade Credit | 7.00% | 5.37% |
| US Equity | 28.00% | 8.63% |
| Non-US Developed Markets Equity | 12.75% | 8.85% |
| Emerging Markets Equity | 5.50% | 10.66% |
| High Yield | 4.50% | 6.74% |
| Real Assets | 3.00% | 8.20% |
| Private Credit | 8.00% | 8.90% |
| Real Estate | 8.00% | 10.95% |
| Private Equity | 13.00% | 12.40% |
| International Small Cap Equity | 1.25% | 8.85% |

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. 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.

**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 as of the June 30, 2024 measurement date 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 | $ 91,672,406 | $ 77,123,675 | $ 64,870,893 |

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, 2024. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2024 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.nj.gov/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, 2024. 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.

## NOTE 5 OTHER INFORMATION (Continued)

### G. 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.nj.gov/treasury/pensions.

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2023:

| | |
|---|---|
| Active Plan Members | 219,185 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 153,556 |
| Total | 372,741 |

**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, 2024 is $59.7 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, 2024 were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

## NOTE 5 OTHER INFORMATION (Continued)

### G. Post-Retirement Medical Benefits (Continued)

#### Actuarial Methods and Assumptions

In the July 1, 2023 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 $1.50 billion to the OPEB plan in fiscal year 2024.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an 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, 2025, 2024 and 2023 were $1,798,265, $1,830,376 and $1,653,027, 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, 2023 through June 30, 2024. 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, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of $3,790,491. 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, 2025 the State's proportionate share of the OPEB liability attributable to the District is $74,463,109. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. 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, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was 0.14221 percent, which was an increase of 0.01328 percent from its proportionate share measured as of June 30, 2023 of 0.12893 percent.

## NOTE 5 OTHER INFORMATION (Continued)

### G. 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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

| | PERS | TPAF |
|---|---|---|
| Salary Increases | 2.75% to 6.55%<br>Based on Years<br>of Service | 2.75% to 5.65%<br>Based on Years<br>of Service |

#### Mortality Rates

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 disables 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 July 1, 2023 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 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is, increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

## NOTE 5 OTHER INFORMATION (Continued)

### G. 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, 2024 was 3.93%. 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, 2025 (measurement date June 30, 2024) is as follows:

| | Total OPEB Liability (State Share 100%) |
|---|---|
| Balance, June 30, 2023 Measurement Date | $ 65,300,622 |
| Changes Recognized for the Fiscal Year: | |
| Service Cost | 3,341,654 |
| Interest on the Total OPEB Liability | 2,451,149 |
| Differences Between Expected and Actual Experience | (393,264) |
| Changes of Assumptions | 5,570,831 |
| Gross Benefit Payments | (1,871,982) |
| Contributions from the Member | 64,099 |
| Net Changes | $ 9,162,487 |
| Balance, June 30, 2024 Measurement Date | $ 74,463,109 |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

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, 2024.

## NOTE 5 OTHER INFORMATION (Continued)

### G. 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 as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

| | 1% Decrease (2.93%) | Current Discount Rate (3.93%) | 1% Increase (4.93%) |
|---|---|---|---|
| State's Proportionate Share of the OPEB Liability Attributable to the District | $ 87,212,248 | $ 74,463,109 | $ 64,210,155 |

*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 as of the June 30, 2024 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|---|---|---|---|
| State's Proportionate Share of the OPEB Liability Attributable to the District | $ 62,028,312 | $ 74,463,109 | $ 90,660,253 |

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

## NOTE 5 RESTATEMENT

During fiscal year 2025, the New Milford Board of Education determined that the compensated absence liability increased due to the implementation of GASB No. 101. The New Milford Board of Education has determined that the effect of the increase on the financial statements previously reported as of and for the fiscal year ended June 30, 2024 are as follows:

## NOTE 5 RESTATEMENT (Continued)

### Governmental Activities

The financial statements of the governmental activities as of June 30, 2024 have been restated to reflect certain activities related to compensated absences. The effect of this restatement is to decrease net position of governmental activities by $1,153,026 from $23,010,027 as previously reported to $21,857,001 as of June 30, 2024. Also, the effect of this restatement is to increase the liability for compensated absences by $1,153,026 from $368,979 as previously reported to $1,522,005 as of June 30, 2024.

| | District-wide Net Position | District Long Term Liabilities Compensated Absences |
|---|---|---|
| | Governmental Activities | Governmental Activities |
| Balance July 1, 2024 - As Reported | $ 23,010,027 | $ 368,979 |
| Change in Accounting Principle (Adoption of GASB No. 101) | (1,153,026) | 1,153,026 |
| Balance July 1, 2024 - Restated | $ 21,857,001 | $ 1,522,005 |

# 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, 2025**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Local Sources | | | | | |
| Property Taxes | $ 39,022,322 | | $ 39,022,322 | $ 39,022,322 | |
| Tuition from Individuals | 51,000 | | 51,000 | 94,634 | $ 43,634 |
| Tuition from Other LEAs Within the State | 1,230,045 | | 1,230,045 | 918,306 | (311,739) |
| Transportation Fees from Other LEA's | 36,648 | | 36,648 | 37,987 | 1,339 |
| Interest Earned | | | | 488,227 | 488,227 |
| Interest Earned on Unemployment Compensation | | | | 7,255 | 7,255 |
| Miscellaneous | - | - | - | 267,516 | 267,516 |
| Total Local Sources | 40,340,015 | - | 40,340,015 | 40,836,247 | 496,232 |
| State Sources | | | | | |
| Special Education Aid | 1,294,330 | | 1,294,330 | 1,294,330 | - |
| Equalization Aid | 2,267,219 | | 2,267,219 | 2,267,219 | - |
| Stabilized School Budget | | $ 4,829 | 4,829 | 4,829 | - |
| Security Aid | 73,366 | | 73,366 | 73,366 | - |
| Transportation Aid | 430,582 | | 430,582 | 430,582 | - |
| Extraordinary Aid | 850,000 | | 850,000 | 1,037,704 | 187,704 |
| Nonpublic Transportation Aid | | | | 148,506 | 148,506 |
| SDA ROD Grant | | | | 1,473,467 | 1,473,467 |
| Menstrual Product Reimbursement | | | | 18,630 | 18,630 |
| On-Behalf TPAF (Non-Budget) | | | | | |
| Pension Contribution | | | | 6,078,910 | 6,078,910 |
| NCGI Premium | | | | 75,301 | 75,301 |
| Post Retirement Medical Contribution | | | | 1,798,265 | 1,798,265 |
| Long Term Disability Insurance | | | | 3,224 | 3,224 |
| Social Security Reimbursements | - | - | - | 1,319,537 | 1,319,537 |
| Total State Sources | 4,915,497 | 4,829 | 4,920,326 | 16,023,870 | 11,103,544 |
| Federal Sources | | | | | |
| Medicaid Reimbursement | 34,023 | - | 34,023 | 20,446 | (13,577) |
| Total Federal Sources | 34,023 | - | 34,023 | 20,446 | (13,577) |
| Total Revenues | 45,289,535 | 4,829 | 45,294,364 | 56,880,563 | 11,586,199 |
| **EXPENDITURES** | | | | | |
| CURRENT | | | | | |
| Instruction - Regular Programs | | | | | |
| Salaries of Teachers | | | | | |
| Preschool | 131,292 | 10,473 | 141,765 | 141,765 | - |
| Kindergarten | 573,195 | (80,263) | 492,932 | 488,716 | 4,216 |
| Grades 1-5 | 3,666,668 | 94,019 | 3,760,687 | 3,734,712 | 25,975 |
| Grades 6-8 | 2,541,702 | (31,193) | 2,510,509 | 2,481,063 | 29,446 |
| Grades 9-12 | 3,767,921 | (263,492) | 3,504,429 | 3,502,159 | 2,270 |
| Regular Programs - Home Instruction | | | | | |
| Salaries of Teachers | 12,000 | 5,703 | 17,703 | 8,023 | 9,680 |
| Purchased Professional/Educational Services | 45,000 | (7,500) | 37,500 | 24,278 | 13,222 |
| Regular Programs - Undistributed Instruction | | | | | |
| Other Salaries for Instruction | 30,500 | 860 | 31,360 | 12,668 | 18,692 |
| Purchased Professional/Educational Services | 8,025 | - | 8,025 | | 8,025 |
| Purchased Technical Services | 51,974 | - | 51,974 | 32,006 | 19,968 |
| Other Purchased Services | 700 | 90,580 | 91,280 | 90,885 | 395 |
| General Supplies | 528,158 | (5,551) | 522,607 | 604,895 | (82,288) |
| Textbooks | 26,700 | (700) | 26,000 | 19,522 | 6,478 |
| Other Objects | 14,000 | 11,656 | 25,656 | 11,826 | 13,830 |
| Total Regular Programs | 11,397,835 | (175,408) | 11,222,427 | 11,152,518 | 69,909 |

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|---|---|---|---|---|
| **EXPENDITURES (Continued)** | | | | | |
| CURRENT (Continued) | | | | | |
| Learning and/or Language Disabilities | | | | | |
| Salaries of Teachers | $ 147,654 | $ 34,525 | $ 182,179 | $ 173,779 | $ 8,400 |
| Other Salaries for Instruction | 371,100 | 37,795 | 408,895 | 392,751 | 16,144 |
| General Supplies | 5,290 | (3,300) | 1,990 | 1,572 | 418 |
| Textbooks | 8,144 | (7,100) | 1,044 | 967 | 77 |
| Total Learning and/or Language Disabilities | 532,188 | 61,920 | 594,108 | 569,069 | 25,039 |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | 165,464 | 59,681 | 225,145 | 224,582 | 563 |
| Other Salaries for Instruction | 221,100 | 28,359 | 249,459 | 249,308 | 151 |
| General Supplies | 10,115 | (6,800) | 3,315 | 2,497 | 818 |
| Textbooks | 900 | (900) | | | - |
| Other Objects | 7,200 | - | 7,200 | 2,812 | 4,388 |
| Total Multiple Disabilities | 404,779 | 80,340 | 485,119 | 479,199 | 5,920 |
| Resource Room/Resource Center | | | | | |
| Salaries of Teachers | 1,794,323 | (290,126) | 1,504,197 | 1,501,730 | 2,467 |
| Other Salaries for Instruction | 1,037,750 | 20,788 | 1,058,538 | 913,769 | 144,769 |
| Purchased Professional/Educational Services | 1,500 | 52,150 | 53,650 | 3,998 | 49,652 |
| General Supplies | 5,770 | (1,100) | 4,670 | 4,442 | 228 |
| Textbooks | 4,050 | (3,250) | 800 | 694 | 106 |
| Total Resource Room/Resource Center | 2,843,393 | (221,538) | 2,621,855 | 2,424,633 | 197,222 |
| Autism | | | | | |
| Salaries of Teachers | 622,649 | (138,906) | 483,743 | 483,227 | 516 |
| Other Salaries for Instruction | 740,100 | 44,693 | 784,793 | 784,619 | 174 |
| General Supplies | 7,682 | - | 7,682 | 2,938 | 4,744 |
| Total Autism | 1,370,431 | (94,213) | 1,276,218 | 1,270,784 | 5,434 |
| Preschool Disabilities - Part-Time | | | | | |
| Salaries of Teachers | 118,086 | (73,984) | 44,102 | 44,102 | - |
| Other Salaries for Instruction | 75,950 | 26,911 | 102,861 | 87,679 | 15,182 |
| Total Preschool Disabilities - Part-Time | 194,036 | (47,073) | 146,963 | 131,781 | 15,182 |
| Preschool Disabilities - Full-Time | | | | | |
| Salaries of Teachers | 162,579 | 96,129 | 258,708 | 219,086 | 39,622 |
| Other Salaries for Instruction | 233,100 | 40,581 | 273,681 | 248,643 | 25,038 |
| General Supplies | 5,780 | (993) | 4,787 | 1,244 | 3,543 |
| Total Preschool Disabilities - Full-Time | 401,459 | 135,717 | 537,176 | 468,973 | 68,203 |
| Home Instruction | | | | | |
| Salaries of Teachers | 10,000 | - | 10,000 | - | 10,000 |
| Total Home Instruction | 10,000 | - | 10,000 | - | 10,000 |
| Total Special Education | 5,756,286 | (84,847) | 5,671,439 | 5,344,439 | 327,000 |
| Basic Skills/Remedial | | | | | |
| Salaries of Teachers | 401,723 | 55,624 | 457,347 | 457,347 | - |
| Total Basic Skills/Remedial | 401,723 | 55,624 | 457,347 | 457,347 | - |

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|---|---|---|---|---|
| **EXPENDITURES (Continued)** | | | | | |
| CURRENT (Continued) | | | | | |
| Bilingual Education | | | | | |
| Salaries of Teachers | $ 250,067 | - | $ 250,067 | $ 250,066 | $ 1 |
| Total Bilingual Education | 250,067 | - | 250,067 | 250,066 | 1 |
| School Sponsored Co/Extra Curricular Activities | | | | | |
| Salaries | 175,703 | $ 32,245 | 207,948 | 202,074 | 5,874 |
| Purchased Services | 5,500 | - | 5,500 | 4,143 | 1,357 |
| Supplies and Materials | 10,700 | (650) | 10,050 | 7,217 | 2,833 |
| Other Objects | 3,500 | - | 3,500 | 2,187 | 1,313 |
| Total School Sponsored Co/Extra Curricular Activities | 195,403 | 31,595 | 226,998 | 215,621 | 11,377 |
| School Sponsored Athletics | | | | | |
| Salaries | 479,317 | 678 | 479,995 | 470,015 | 9,980 |
| Purchased Professional-Educational Services | | 72,000 | 72,000 | 69,323 | 2,677 |
| Purchased Services | 152,150 | (72,678) | 79,472 | 76,001 | 3,471 |
| Supplies and Materials | 77,400 | (15,655) | 61,745 | 60,942 | 803 |
| Other Objects | 20,750 | - | 20,750 | 15,106 | 5,644 |
| Total School Sponsored Athletics | 729,617 | (15,655) | 713,962 | 691,387 | 22,575 |
| Total Instruction | 18,730,931 | (188,691) | 18,542,240 | 18,111,378 | 430,862 |
| Undistributed Expenditures | | | | | |
| Instruction (Tuition) | | | | | |
| Tuition to Other LEAs w/i State - Special | 14,880 | 84,663 | 99,543 | 99,543 | - |
| Tuition to County Voc. School Dist.-Regular | 368,315 | 45,017 | 413,332 | 413,332 | - |
| Tuition to County Voc. School Dist.- Special | 284,472 | 90,684 | 375,156 | 375,156 | - |
| Tuition to CSSD & Reg. Day Schools | | 245,397 | 245,397 | 245,397 | - |
| Tuition to Priv.Sch. For the Disabled W/I State | 1,457,438 | 112,024 | 1,569,462 | 1,569,462 | - |
| Total Undistributed Expenditures - Instruction (Tuition) | 2,125,105 | 577,785 | 2,702,890 | 2,702,890 | - |
| Attendance and Social Work | | | | | |
| Salaries | 139,241 | 6,553 | 145,794 | 144,237 | 1,557 |
| Purchased Professional and Technical Services | 50,000 | - | 50,000 | 35,371 | 14,629 |
| Other Purchased Services | 2,000 | - | 2,000 | - | 2,000 |
| Supplies and Materials | 2,000 | - | 2,000 | 476 | 1,524 |
| Total Attendance and Social Work | 193,241 | 6,553 | 199,794 | 180,084 | 19,710 |
| Health Services | | | | | |
| Salaries | 450,943 | (19,806) | 431,137 | 407,455 | 23,682 |
| Purchased Professional and Technical Services | 24,877 | 119,263 | 144,140 | 129,401 | 14,739 |
| Supplies and Materials | 8,200 | 18,449 | 26,649 | 26,649 | - |
| Total Health Services | 484,020 | 117,906 | 601,926 | 563,505 | 38,421 |
| Speech, OT, PT & Related Serv. | | | | | |
| Salaries | 537,432 | (69,104) | 468,328 | 468,328 | - |
| Purchased Professional/Educational Services | 236,911 | 188,933 | 425,844 | 423,844 | 2,000 |
| Supplies and Materials | 11,140 | (2,147) | 8,993 | 8,667 | 326 |
| Total Speech, OT, PT, & Related Serv. | 785,483 | 117,682 | 903,165 | 900,839 | 2,326 |
| Other Support Services - Students - Extra Serv. | | | | | |
| Purchased Professional/Educational Services | 474,500 | (83,712) | 390,788 | 316,215 | 74,573 |
| Total Other Supp.Serv. Student - Extra Serv. | 474,500 | (83,712) | 390,788 | 316,215 | 74,573 |

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|---|---|---|---|---|
| **EXPENDITURES (Continued)** | | | | | |
| CURRENT (Continued) | | | | | |
| Undistributed Expenditures (Continued) | | | | | |
| Guidance | | | | | |
| Salaries of Other Professional Staff | $ 701,696 | $ (6,987) | $ 694,709 | $ 694,173 | $ 536 |
| Salaries of Secretarial & Clerical Assistants | 26,024 | 8,976 | 35,000 | 35,000 | - |
| Purchased Professional-Educational Services | 525 | 200 | 725 | 688 | 37 |
| Other Purchased Professional and Technical Svs. | 15,100 | 422 | 15,522 | 15,522 | - |
| Supplies and Materials | 13,600 | 911 | 14,511 | 4,216 | 10,295 |
| Other Objects | 900 | 20 | 920 | 899 | 21 |
| Total Guidance | 757,845 | 3,542 | 761,387 | 750,498 | 10,889 |
| Child Study Team | | | | | |
| Salaries of Other Professional Staff | 1,205,889 | 78,003 | 1,283,892 | 1,283,892 | - |
| Salaries of Secretarial & Clerical Assistants | 187,370 | - | 187,370 | 186,967 | 403 |
| Purchased Professional-Educational Services | 28,000 | (20,724) | 7,276 | 2,649 | 4,627 |
| Other Purchased Services | 5,800 | - | 5,800 | 1,188 | 4,612 |
| Supplies and Materials | 11,315 | - | 11,315 | 10,839 | 476 |
| Other Objects | 2,400 | 1,335 | 3,735 | 3,735 | - |
| Total Child Study Team | 1,440,774 | 58,614 | 1,499,388 | 1,489,270 | 10,118 |
| Educational Media/School Library | | | | | |
| Salaries | 268,961 | - | 268,961 | 268,961 | - |
| Salaries of Technology Coordinators | 162,468 | - | 162,468 | 162,467 | 1 |
| Purchased Professional and Technical Services | 7,550 | 82 | 7,632 | 5,997 | 1,635 |
| Supplies and Materials | 15,450 | (258) | 15,192 | 14,442 | 750 |
| Total Educational Media/School Library | 454,429 | (176) | 454,253 | 451,867 | 2,386 |
| Instructional Staff Training Services | | | | | |
| Salaries of Other Professional Staff | 9,600 | (4,182) | 5,418 | 750 | 4,668 |
| Purchased Professional-Educational Services | 541,600 | 60,040 | 601,640 | 599,140 | 2,500 |
| Other Purchased Services | 11,400 | - | 11,400 | 5,222 | 6,178 |
| Total Instructional Staff Training Services | 562,600 | 55,858 | 618,458 | 605,112 | 13,346 |
| General Administration | | | | | |
| Salaries | 716,299 | (102,061) | 614,238 | 614,238 | |
| Legal Services | 67,500 | 33,043 | 100,543 | 100,543 | - |
| Audit Fees | 50,000 | 40,000 | 90,000 | 39,185 | 50,815 |
| Architectural / Engineering Services | 54,000 | (25,000) | 29,000 | - | 29,000 |
| Other Purchased Professional Services | 55,000 | (8,043) | 46,957 | 42,286 | 4,671 |
| Communications/Telephone | 117,500 | - | 117,500 | 76,904 | 40,596 |
| BOE Other Purchased Services | 8,500 | - | 8,500 | 6,869 | 1,631 |
| Miscellaneous Purchased Services | 44,500 | (150) | 44,350 | 12,921 | 31,429 |
| General Supplies | | 150 | 150 | 150 | - |
| BOE In-House Training/Meeting Supplies | 2,000 | - | 2,000 | 350 | 1,650 |
| Miscellaneous Expenditures | 8,000 | (60) | 7,940 | 7,668 | 272 |
| BOE Membership Dues and Fees | 18,000 | - | 18,000 | 17,932 | 68 |
| Total General Administration | 1,141,299 | (62,121) | 1,079,178 | 919,046 | 160,132 |
| School Administration | | | | | |
| Salaries of Principals/Asst. Principals/Prog Director | 1,107,775 | 20,908 | 1,128,683 | 1,128,683 | - |
| Salaries of Other Professional Staff | 655,049 | - | 655,049 | 575,893 | 79,156 |
| Salaries of Secretarial and Clerical Assistants | 509,332 | (31,499) | 477,833 | 473,551 | 4,282 |
| Other Purchased Services | 13,900 | 4,597 | 18,497 | 15,719 | 2,778 |
| Supplies and Materials | 15,708 | 4,726 | 20,434 | 18,345 | 2,089 |
| Other Objects | 8,880 | 263 | 9,143 | 8,750 | 393 |
| Total School Administration | 2,310,644 | (1,005) | 2,309,639 | 2,220,941 | 88,698 |

**NEW MILFORD BOARD OF EDUCATION**
**GENERAL FUND**
**BUDGETARY COMPARISON SCHEDULE**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|---|---|---|---|---|
| **EXPENDITURES (Continued)** | | | | | |
| CURRENT (Continued) | | | | | |
| Undistributed Expenditures (Continued) | | | | | |
| Central Services | | | | | |
| Salaries | $ 478,637 | $ 55,396 | $ 534,033 | $ 534,033 | - |
| Purchased Professional Services | 5,000 | - | 5,000 | - | $ 5,000 |
| Purchased Technical Services | 35,500 | (75) | 35,425 | 29,458 | 5,967 |
| Misc. Purchased Services | 7,500 | (862) | 6,638 | 2,075 | 4,563 |
| Supplies and Materials | 7,500 | (1,875) | 5,625 | 4,358 | 1,267 |
| Interest on Lease Purchase Agreements | | - | | | - |
| Miscellaneous Expenditures | - | 9,210 | 9,210 | 7,384 | 1,826 |
| Total Central Services | 534,137 | 61,794 | 595,931 | 577,308 | 18,623 |
| Admin. Info. Tech. | | | | | |
| Salaries | 335,094 | - | 335,094 | 335,094 | - |
| Purchased Professional Services | 6,000 | - | 6,000 | 6,000 | - |
| Purchased Technical Services | 179,088 | 360 | 179,448 | 103,425 | 76,023 |
| Other Purchased Services | 6,000 | 39,643 | 45,643 | 41,708 | 3,935 |
| Supplies and Materials | 31,000 | - | 31,000 | 30,425 | 575 |
| Total Admin. Info. Tech. | 557,182 | 40,003 | 597,185 | 516,652 | 80,533 |
| Required Maintenance for School Facilities | | | | | |
| Salaries | 398,465 | - | 398,465 | 361,507 | 36,958 |
| Purchased Professional and Technical Services | 2,000 | - | 2,000 | 1,212 | 788 |
| Cleaning, Repair and Maintenance Services | 165,750 | 1,052 | 166,802 | 120,173 | 46,629 |
| Lead Testing of Drinking Water | 5,000 | - | 5,000 | 5,000 | - |
| General Supplies | 107,500 | (15,777) | 91,723 | 65,904 | 25,819 |
| Total Required Maintenance for School Facilities | 678,715 | (14,725) | 663,990 | 553,796 | 110,194 |
| Custodial Services | | | | | |
| Salaries | 1,460,310 | 5,017 | 1,465,327 | 1,372,835 | 92,492 |
| Salaries of Non-Instructional Aides | 220,522 | (184,373) | 36,149 | | 36,149 |
| Purchased Professional-Technical Services | 41,500 | - | 41,500 | 39,138 | 2,362 |
| Cleaning, Repair and Maintenance Services | 528,205 | (36,000) | 492,205 | 224,324 | 267,881 |
| Rental of Land and Bldg Other than Lease Purch. Agmt. | 50,000 | - | 50,000 | 44,052 | 5,948 |
| Other Purchased Property Services | 80,000 | - | 80,000 | 46,875 | 33,125 |
| Insurance | 515,000 | 13,913 | 528,913 | 528,841 | 72 |
| Miscellaneous Purchased Services | 8,500 | (2,216) | 6,284 | 1,433 | 4,851 |
| General Supplies | 90,500 | 189 | 90,689 | 86,305 | 4,384 |
| Energy (Natural Gas) | 228,445 | 41,357 | 269,802 | 212,713 | 57,089 |
| Energy (Electricity) | 346,775 | 42,005 | 388,780 | 364,791 | 23,989 |
| Energy (Gasoline) | 6,500 | - | 6,500 | 6,500 | - |
| Other Objects | 1,050 | - | 1,050 | 1,048 | 2 |
| Total Custodial Services | 3,577,307 | (120,108) | 3,457,199 | 2,928,855 | 528,344 |
| Care and Upkeep of Grounds | | | | | |
| Salaries | 139,247 | (24,421) | 114,826 | 89,211 | 25,615 |
| Cleaning, Repair and Maintenance Services | 189,500 | (1,417) | 188,083 | 63,852 | 124,231 |
| General Supplies | 22,200 | 2,714 | 24,914 | 13,281 | 11,633 |
| Total Care and Upkeep of Grounds | 350,947 | (23,124) | 327,823 | 166,344 | 161,479 |
| Security | | | | | |
| Purchased Professional-Technical Services | 205,000 | - | 205,000 | 167,459 | 37,541 |
| Cleaning, Repair and Maintenance Services | 113,107 | (11,000) | 102,107 | 93,110 | 8,997 |
| Total Security | 318,107 | (11,000) | 307,107 | 260,569 | 46,538 |

NEW MILFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|---|---|---|---|---|
| **EXPENDITURES (Continued)** | | | | | |
| CURRENT (Continued) | | | | | |
| Student Transportation Services | | | | | |
| Salaries of Non-Instructional Aides | $ 136,963 | | $ 136,963 | $ 134,005 | $ 2,958 |
| Salaries for Pupil Transportation (Between Home and and School) - Regular | 30,314 | | 30,314 | 30,313 | 1 |
| Salaries for Pupil Transportation (Between Home and School) - Spec. Ed. | 434,135 | $ 18,835 | 452,970 | 452,970 | - |
| Salaries for Pupil Transportation (Other Than Between Home and School) | 72,733 | 103,314 | 176,047 | 136,501 | 39,546 |
| Other Purchased Professional and Technical Svs. | 9,000 | 2,914 | 11,914 | 11,839 | 75 |
| Cleaning, Repair and Maintenance Services | 38,000 | 50,852 | 88,852 | 84,038 | 4,814 |
| Lease Purchase Payment - School Buses | 54,203 | - | 54,203 | 54,203 | - |
| Contracted Services - Aid in Lieu Payments-Nonpublic Schools | 350,000 | 16,197 | 366,197 | 340,709 | 25,488 |
| Contracted Services - Aid in Lieu Payments - Charter School | 4,660 | (2,306) | 2,354 | 2,354 | - |
| Contracted Services - Aid in Lieu Payments - Choice Sch. Students | 11,650 | (8,119) | 3,531 | 3,531 | - |
| Contracted Services (Other Than Between Home and and School ) - Vendors | 15,500 | - | 15,500 | 10,450 | 5,050 |
| Contracted Services (Between Home and School) - Joint Agreement | 82,500 | (5,772) | 76,728 | 17,554 | 59,174 |
| Contracted Services (Special Ed Students) - Joint Agreement | 12,000 | - | 12,000 | | 12,000 |
| Contracted Services (Reg. Students) - ESCs & CTSAs | 50,000 | - | 50,000 | | 50,000 |
| Contracted Serv. (Spl. Ed. Students)- ESCs & CTSAs | 288,000 | (3,000) | 285,000 | 259,596 | 25,404 |
| General Supplies | 6,000 | - | 6,000 | 5,945 | 55 |
| Transportation Supplies | 55,000 | (7,746) | 47,254 | 43,455 | 3,799 |
| Other Objects | 3,500 | (762) | 2,738 | 2,313 | 425 |
| Total Student Transportation Services | 1,656,158 | 164,407 | 1,820,565 | 1,589,776 | 230,789 |
| Unallocated Benefits- Employee Benefits | | | | | |
| Group Insurance | 38,500 | 10,203 | 48,703 | 48,703 | - |
| Social Security Contributions | 750,000 | - | 750,000 | 735,510 | 14,490 |
| Other Retirement Contributions - PERS | 850,000 | (50,000) | 800,000 | 794,735 | 5,265 |
| Other Retirement Contributions - Regular | 25,000 | - | 25,000 | 16,800 | 8,200 |
| Unemployment Compensation | 60,000 | (50,000) | 10,000 | | 10,000 |
| Unemployment Compensation (Non-Budgeted) | | | | 75,301 | (75,301) |
| Workmen's Compensation | 250,000 | - | 250,000 | 201,617 | 48,383 |
| Health Benefits | 8,016,740 | (768,368) | 7,248,372 | 6,911,945 | 336,427 |
| Tuition Reimbursement | 56,400 | (18,200) | 38,200 | 33,105 | 5,095 |
| Other Employee Benefits | 260,000 | 20,308 | 280,308 | 266,581 | 13,727 |
| Unused Sick Payment to Terminated/Retired Staff | 60,000 | 20,975 | 80,975 | 72,715 | 8,260 |
| Total Unallocated Benefits | 10,366,640 | (835,082) | 9,531,558 | 9,157,012 | 374,546 |
| On-Behalf TPAF (Non-Budget) | | | | | |
| Pension Contribution | | | | 6,078,910 | (6,078,910) |
| NCGI Premium | | | | 75,301 | (75,301) |
| Post Retirement Medical Contribution | | | | 1,798,265 | (1,798,265) |
| Long Term Disability Insurance | | | | 3,224 | (3,224) |
| Social Security Reimbursements | - | - | - | 1,319,537 | (1,319,537) |
| Total On-Behalf TPAF | - | - | - | 9,275,237 | (9,275,237) |
| Total Undistributed Expenditures | 28,769,133 | 53,091 | 28,822,224 | 36,125,816 | (7,303,592) |
| Total Current Expenditures | 47,500,064 | (135,600) | 47,364,464 | 54,237,194 | (6,872,730) |

**NEW MILFORD BOARD OF EDUCATION**
**GENERAL FUND**
**BUDGETARY COMPARISON SCHEDULE**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|---|---|---|---|---|
| **CAPITAL OUTLAY** | | | | | |
| Equipment | | | | | |
| Regular Programs - Instruction | | | | | |
| Grades 1-5 | $ 22,000 | | $ 22,000 | $ 22,000 | |
| Grades 6-8 | 11,000 | $ (9,404) | 1,596 | 1,596 | |
| Grades 9-12 | 11,000 | (11,000) | | | |
| School Sponsored and Other Instructional Programs | | 15,656 | 15,656 | 15,656 | |
| Undistributed | | | | | |
| Instruction | | 10,192 | 10,192 | 10,192 | |
| Admin. Info. Tech. | 30,000 | 26,254 | 56,254 | 56,254 | |
| Required Maintenance for School Facilities | | 2,854 | 2,854 | 2,854 | |
| Care and Upkeep | | 41,067 | 41,067 | 21,787 | $ 19,280 |
| School Buses | - | 174,771 | 174,771 | 174,771 | - |
| Total Equipment | 74,000 | 250,390 | 324,390 | 305,110 | 19,280 |
| Facilities Acquisition and Construction Services | | | | | |
| Construction Services | 3,523,010 | 212,466 | 3,735,476 | 3,631,528 | 103,948 |
| Assessment for Debt Service on SDA Funding | 40,094 | - | 40,094 | 40,094 | - |
| Total Facilities Acquisition and Construction Services | 3,563,104 | 212,466 | 3,775,570 | 3,671,622 | 103,948 |
| Total Capital Outlay | 3,637,104 | 462,856 | 4,099,960 | 3,976,732 | 123,228 |
| Transfer of Funds to Charter Schools | 32,000 | 17,933 | 49,933 | 49,933 | - |
| Total General Fund Expenditures | 51,169,168 | 345,189 | 51,514,357 | 58,263,859 | (6,749,502) |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | (5,879,633) | (340,360) | (6,219,993) | (1,383,296) | 4,836,697 |
| Fund Balance, Beginning of Year | 14,075,057 | - | 14,075,057 | 14,075,057 | - |
| Fund Balance, End of Year | $ 8,195,424 | $ (340,360) | $ 7,855,064 | $ 12,691,761 | $ 4,836,697 |

**Reconciliation of Governmental Funds Statements (GAAP)**

| | |
|---|---|
| Restricted Fund Balance | |
| Capital Reserve | $ 5,766,543 |
| Capital Reserve - Designated for Subsequent Year's Budget | 2,000,000 |
| Maintenance Reserve | 812,424 |
| Emergency Reserve | 400,324 |
| Unemployment Compensation Reserve | 141,389 |
| Excess Surplus | 640,000 |
| Excess Surplus - Designated for Subsequent Year's Budget | 1,503,917 |
| Committed Fund Balance | |
| Year End Encumbrances | 19,280 |
| Assigned Fund Balance | |
| Year End Encumbrances | 91,902 |
| Unassigned Fund Balance | 1,315,982 |
| Fund Balance- Budgetary Basis | 12,691,761 |
| Less: State Aid Revenue not recognized on GAAP basis | (1,414,485) |
| Fund Balance per Governmental Funds Statements (GAAP) | $ 11,277,276 |

**NEW MILFORD BOARD OF EDUCATION**
**SPECIAL REVENUE FUND**
**BUDGETARY COMPARISON SCHEDULE**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget to Actual |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Intergovernmental | | | | | |
| State | | $ 466,723 | $ 466,723 | $ 442,668 | $ (24,055) |
| Federal | $ 548,000 | 563,734 | 1,111,734 | 1,074,556 | (37,178) |
| Local Sources | - | 539,590 | 539,590 | 476,617 | (62,973) |
| Total Revenues | 548,000 | 1,570,047 | 2,118,047 | 1,993,841 | (124,206) |
| **EXPENDITURES** | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 90,000 | (7,786) | 82,214 | 78,887 | 3,327 |
| Purchased Professional/Technical Services | | 439,640 | 439,640 | 350,514 | 89,126 |
| Other Purchased Services | 450,000 | 74,204 | 524,204 | 524,204 | - |
| General Supplies | 8,000 | 164,259 | 172,259 | 160,233 | 12,026 |
| Textbooks | | 25,059 | 25,059 | 24,381 | 678 |
| Other Objects | | 27,310 | 27,310 | 25,418 | 1,892 |
| Co-Curricular-Extra-Curricular Activities | | 315,249 | 315,249 | 315,249 | - |
| Athletic Activities | - | 20,905 | 20,905 | 20,905 | - |
| Total Instruction | 548,000 | 1,058,840 | 1,606,840 | 1,499,791 | 107,049 |
| Support Services | | | | | |
| Salaries of Other Professional Staff | | 51,125 | 51,125 | 49,993 | 1,132 |
| Purchased Professional & Technical Services | | 169,303 | 169,303 | 164,385 | 4,918 |
| Other Purchased Services | | 1,278 | 1,278 | 1,150 | 128 |
| Supplies and Materials | | 8,766 | 8,766 | 6,178 | 2,588 |
| Scholarship Awards | - | 115,700 | 115,700 | 115,700 | - |
| Total Support Services | - | 346,172 | 346,172 | 337,406 | 8,766 |
| Facilities Acquisition and Equipment | | | | | |
| Instructional Equipment | | 33,319 | 33,319 | 31,728 | 1,591 |
| Non-Instructional Equipment | - | 106,093 | 106,093 | 106,093 | - |
| Total Facilities Acquisition and Equipment | - | 139,412 | 139,412 | 137,821 | 1,591 |
| Total Expenditures | 548,000 | 1,544,424 | 2,092,424 | 1,975,018 | 117,406 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | 25,623 | 25,623 | 18,823 | (6,800) |
| Fund Balance, Beginning of Year | 514,172 | - | 514,172 | 514,172 | - |
| Fund Balance, End of Year | $ 514,172 | $ 25,623 | $ 539,795 | $ 532,995 | $ (6,800) |
| **Recapitulation of Fund Balance** | | | | | |
| **Restricted Fund Balance** | | | | | |
| Student Activities | | | | $ 200,106 | |
| Scholarship Awards | | | | 332,889 | |
| Total Fund Balance | | | | $ 532,995 | |

# NEW MILFORD BOARD OF EDUCATION
## REQUIRED SUPPLEMENTARY INFORMATION
## BUDGETARY COMPARISON SCHEDULES
## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
## FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

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

| | | General Fund | | Special Revenue Fund |
|---|---|---|---|---|
| **Sources/inflows of resources** | | | | |
| Actual Revenues (Budgetary Basis) | (C-1) | $ 56,880,563 | (C-2) | $ 1,993,841 |
| 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 |
| State Aid payments not recognized for GAAP purposes, recognized for budgetary statements. 2024/2025 State Aid | | 1,266,801 | | |
| State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. 2024/2025 State Aid | | (1,414,485) | | - |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | (B-2) | $ 56,732,879 | (B-2) | $ 1,997,648 |
| **Uses/outflows of resources** | | | | |
| Actual Expenditures Budgetary Basis) | (C-1) | $ 58,263,859 | (C-2) | $ 1,975,018 |
| 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 |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | (B-2) | $ 58,263,859 | (B-2) | $ 1,978,825 |

# 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***

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| District's Proportion of the Net Position Liability (Asset) | 0.05840% | 0.05511% | 0.05499% | 0.05510% | 0.05332% | 0.05533% | 0.05621% | .04963% | .05169% | 0.04849% |
| District's Proportionate Share of the Net Pension Liability (Asset) | $ 7,936,070 | $ 7,982,683 | $ 8,298,768 | $ 6,527,643 | $ 8,695,501 | $ 9,969,313 | $ 11,067,253 | $ 11,554,454 | $ 15,308,376 | $ 10,986,056 |
| District's Covered Payroll | $ 4,972,911 | $ 4,509,392 | $ 4,093,355 | $ 3,928,152 | $ 3,947,937 | $ 3,807,580 | $ 3,741,803 | $ 3,703,403 | $ 3,319,832 | $ 3,404,892 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 159.59% | 177.02% | 202.74% | 166.18% | 220.25% | 261.83% | 295.77% | 312.00% | 461.12% | 322.66% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 68.22% | 65.23% | 62.91% | 70.33% | 58.32% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% |

* 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**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually Required Contribution | $ 794,735 | $ 736,593 | $ 693,452 | $ 645,307 | $ 583,322 | $ 538,183 | $ 559,097 | $ 459,824 | $ 459,185 | $ 420,753 |
| Contributions in Relation to the Contractually Required Contribution | 794,735 | 736,593 | 693,452 | 645,307 | 583,322 | 538,183 | 559,097 | 459,824 | 459,185 | 420,753 |
| Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| District's Covered Payroll | $ 5,161,993 | $ 4,972,911 | $ 4,509,392 | $ 4,093,355 | $ 3,928,152 | $ 3,947,937 | $ 3,807,580 | $ 3,741,803 | $ 3,703,403 | $ 3,319,832 |
| Contributions as a Percentage of Covered Payroll | 15.40% | 14.81% | 15.38% | 15.76% | 14.85% | 13.63% | 14.68% | 12.29% | 12.40% | 12.67% |

**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***

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | 77,123,675 | 77,476,651 | 72,618,829 | 66,264,359 | 90,184,760 | 85,416,541 | 83,487,984 | 87,478,841 | 103,954,407 | 80,628,389 |
| Total | $ 77,123,675 | $ 77,476,651 | $ 72,618,829 | $ 66,264,359 | $ 90,184,760 | $ 85,416,541 | $ 83,487,984 | $ 87,478,841 | $ 103,954,407 | $ 80,628,389 |
| District's Covered Payroll | $ 17,732,857 | $ 18,032,970 | $ 17,696,433 | $ 16,632,433 | $ 15,544,743 | $ 14,674,961 | $ 14,509,326 | $ 14,227,154 | $ 13,462,181 | $ 13,137,889 |
| 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 | 37.99% | 34.68% | 32.29% | 35.52% | 24.60% | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% |

* 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, 2025

**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 Eight Fiscal Years***

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|
| Service Cost | $ 3,341,654 | $ 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 | 2,451,149 | 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 | (393,264) | (1,287,201) | 2,078,681 | (16,054,391) | 14,879,290 | (7,940,069) | (4,595,442) | - |
| Changes of Assumptions | 5,570,831 | 131,619 | (16,800,572) | 72,122 | 15,339,239 | 756,479 | (6,276,705) | (8,186,710) |
| Gross Benefit Payments | (1,871,982) | (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 | 64,099 | 58,936 | 52,740 | 48,481 | 44,311 | 46,167 | 50,549 | 63,191 |
| Net Change in Total OPEB Liability | 9,162,487 | 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 | 65,300,622 | 62,628,183 | 73,103,362 | 83,974,411 | 50,736,101 | 54,696,566 | 61,966,794 | 66,535,117 |
| Total OPEB Liability - Ending | $ 74,463,109 | $ 65,300,622 | $ 62,628,183 | $ 73,103,362 | $ 83,974,411 | $ 50,736,101 | $ 54,696,566 | $ 61,966,794 |
| District's Proportionate Share of OPEB Liability | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| State's Proportionate Share of OPEB Liability | 74,463,109 | 65,300,622 | 62,628,183 | 73,103,362 | 83,974,411 | 50,736,101 | 54,696,566 | 61,966,794 |
| Total OPEB Liability - Ending | $ 74,463,109 | $ 65,300,622 | $ 62,628,183 | $ 73,103,362 | $ 83,974,411 | $ 50,736,101 | $ 54,696,566 | $ 61,966,794 |
| District's Covered-Employee Payroll | $ 22,705,768 | $ 22,542,362 | $ 21,789,788 | $ 20,560,585 | $ 19,492,680 | $ 18,482,541 | $ 18,251,129 | $ 17,930,557 |
| District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll | 0% | 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, 2025

| | |
|---|---|
| **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, 2025**

| REVENUES | Title I | Title II | Title III | Title III Immigrant | Title IV | Total Page 2 | Total Page 3 | Total Page 4 | Grand Total |
|---|---|---|---|---|---|---|---|---|---|
| Intergovernmental | | | | | | | | | |
| State | | | | | | $ 13,008 | $ 207,812 | $ 221,848 | $ 442,668 |
| Federal | $ 237,301 | $ 39,341 | $ 16,321 | $ 2,983 | $ 16,062 | 762,548 | - | - | 1,074,556 |
| Local Sources | - | - | - | - | - | - | - | 476,617 | 476,617 |
| Total Revenues | 237,301 | 39,341 | 16,321 | 2,983 | 16,062 | 775,556 | 207,812 | 698,465 | 1,993,841 |
| **EXPENDITURES** | | | | | | | | | |
| Instruction | | | | | | | | | |
| Salaries of Teachers | 15,444 | | | | | 56,000 | - | 7,443 | 78,887 |
| Purchased Professional & Technical Services | 60,391 | | | | 15,466 | 71,255 | 203,402 | - | 350,514 |
| Other Purchased Services | | | | | | 453,624 | 4,410 | 66,170 | 524,204 |
| General Supplies | 24,283 | | 7,736 | | 596 | 93,418 | - | 34,200 | 160,233 |
| Textbooks | | | | | | - | - | 24,381 | 24,381 |
| Other Objects | 25,418 | | | | | - | - | - | 25,418 |
| Co-Curricular/Extra-Curricular Activities | | | | | | - | - | 315,249 | 315,249 |
| Athletic Activities | - | - | - | - | - | - | - | 20,905 | 20,905 |
| Total Instruction | 125,536 | - | 7,736 | - | 16,062 | 674,297 | 207,812 | 468,348 | 1,499,791 |
| Support Services | | | | | | | | | |
| Salaries of Other Professional Staff | 28,700 | | | | | 21,293 | - | - | 49,993 |
| Purchased Professional & Technical Services | 50,390 | 39,265 | 4,789 | 2,983 | | 66,958 | - | - | 164,385 |
| Other Purchased Services | | | 1,150 | | | - | - | - | 1,150 |
| Supplies and Materials | 3,266 | 76 | 2,646 | | | 190 | - | - | 6,178 |
| Scholarship Awards | - | - | - | - | - | - | - | 115,700 | 115,700 |
| Total Support Services | 82,356 | 39,341 | 8,585 | 2,983 | - | 88,441 | - | 115,700 | 337,406 |
| Capital Outlay | | | | | | | | | |
| Instructional Equipment | 29,409 | | | | | - | - | 2,319 | 31,728 |
| Non - Instructional Equipment | - | - | - | - | - | 12,818 | - | 93,275 | 106,093 |
| Total Capital Outlay | 29,409 | - | - | - | - | 12,818 | - | 95,594 | 137,821 |
| Total Expenditures | 237,301 | 39,341 | 16,321 | 2,983 | 16,062 | 775,556 | 207,812 | 679,642 | 1,975,018 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures) | - | - | - | - | - | - | - | 18,823 | 18,823 |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - | 514,172 | 514,172 |
| Fund Balance, End of Year | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 532,995 | $ 532,995 |



Continued

**NEW MILFORD BOARD OF EDUCATION**
**SPECIAL REVENUE FUND**
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**
**BUDGETARY BASIS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| | IDEA Basic | IDEA Nonpublic | IDEA Preschool | ARP ESSER | ARP Learning Acceleration | High Impact Tutoring | SDA Emergent and Capital Needs | Page 2 Total |
|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | |
| Intergovernmental | | | | | | | | |
| State | | | | | | | $ 13,008 | $ 13,008 |
| Federal | $ 541,911 | $ 71,255 | $ 29,636 | $ 42,053 | $ 5,350 | $ 72,343 | - | 762,548 |
| | 541,911 | 71,255 | 29,636 | 42,053 | 5,350 | 72,343 | 13,008 | 775,556 |
| **EXPENDITURES** | | | | | | | | |
| Instruction | | | | | | | | |
| Salaries of Teachers | | | | | | 56,000 | | 56,000 |
| Purchased Professional & Technical Services | | 71,255 | | | | | | 71,255 |
| Other Purchased Services | 453,624 | | | | | | | 453,624 |
| General Supplies | 39,560 | - | 11,805 | 42,053 | - | - | - | 93,418 |
| Total Instruction | 493,184 | 71,255 | 11,805 | 42,053 | - | 56,000 | - | 674,297 |
| Support Services | | | | | | | | |
| Salaries of Other Professional Staff | 4,950 | | | | | 16,343 | | 21,293 |
| Purchased Professional & Technical Services | 43,777 | | 17,831 | | 5,350 | | | 66,958 |
| Supplies and Materials | - | - | - | - | - | - | 190 | 190 |
| Total Support Services | 48,727 | - | 17,831 | - | 5,350 | 16,343 | 190 | 88,441 |
| Capital Outlay | | | | | | | | |
| Non - Instructional Equipment | - | - | - | - | - | - | 12,818 | 12,818 |
| Total Capital Outlay | - | - | - | - | - | - | 12,818 | 12,818 |
| Total Expenditures | 541,911 | 71,255 | 29,636 | 42,053 | 5,350 | 72,343 | 13,008 | 775,556 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures) | - | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - | - |
| Fund Balance, End of Year | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |



Continued

**NEW MILFORD BOARD OF EDUCATION**
**SPECIAL REVENUE FUND**
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**
**BUDGETARY BASIS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| | | Non-Public Chapter 192 | | Non-Public Chapter 193 | | | |
|---|---|---|---|---|---|---|---|
| | Home Instruction | Compensatory Education/Basic | ESL | Exam./ Classification | Corrective Speech | Supplemental Instruction | Page 3 Total |
| **REVENUES** | | | | | | | |
| Intergovernmental | | | | | | | |
| State | $ 4,410 | $ 44,039 | $ 20,395 | $ 54,605 | $ 48,267 | $ 36,096 | $ 207,812 |
| | 4,410 | 44,039 | 20,395 | 54,605 | 48,267 | 36,096 | 207,812 |
| **EXPENDITURES** | | | | | | | |
| Instruction | | | | | | | |
| Purchased Professional & Technical Services | | 44,039 | 20,395 | 54,605 | 48,267 | 36,096 | 203,402 |
| Other Purchased Services | 4,410 | - | - | - | - | - | 4,410 |
| Total Instruction | 4,410 | 44,039 | 20,395 | 54,605 | 48,267 | 36,096 | 207,812 |
| Total Expenditures | 4,410 | 44,039 | 20,395 | 54,605 | 48,267 | 36,096 | 207,812 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures) | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - |
| Fund Balance, End of Year | $ - | $ - | $ - | $ - | $ - | $ - | $ - |



Continued

**NEW MILFORD BOARD OF EDUCATION**
**SPECIAL REVENUE FUND**
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**
**BUDGETARY BASIS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| | Nonpublic STEM | Nonpublic Technology | Nonpublic Textbook | Nonpublic Nursing | Nonpublic Security | Local Grant | Student Activities | Scholarships Awards | Page 4 Total |
|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | |
| Intergovernmental | | | | | | | | | |
| State | $ 3,443 | $ 23,726 | $ 24,381 | $ 66,170 | $ 104,128 | | | | $ 221,848 |
| Local Sources | - | - | - | - | - | $ 5,940 | $ 319,089 | $ 151,588 | 476,617 |
| | 3,443 | 23,726 | 24,381 | 66,170 | 104,128 | 5,940 | 319,089 | 151,588 | 698,465 |
| **EXPENDITURES** | | | | | | | | | |
| Instruction | | | | | | | | | |
| Salaries of Teachers | 3,443 | | | | | 4,000 | | | 7,443 |
| Other Purchased Services | | | | 66,170 | | | | | 66,170 |
| General Supplies | | 21,407 | | | 10,853 | 1,940 | | | 34,200 |
| Textbooks | | | 24,381 | | | | | | 24,381 |
| Co-Curricular/Extra-Curricular Activities | | | | | | | 315,249 | | 315,249 |
| Athletic Activities | - | - | - | - | - | - | 20,905 | - | 20,905 |
| Total Instruction | 3,443 | 21,407 | 24,381 | 66,170 | 10,853 | 5,940 | 336,154 | - | 468,348 |
| Support Services | | | | | | | | | |
| Scholarship Awards | - | - | - | - | - | - | - | 115,700 | 115,700 |
| Total Support Services | - | - | - | - | - | - | - | 115,700 | 115,700 |
| Capital Outlay | | | | | | | | | |
| Instructional Equipment | | 2,319 | | | | | | | 2,319 |
| Non - Instructional Equipment | - | - | - | - | 93,275 | - | - | - | 93,275 |
| Total Capital Outlay | - | 2,319 | - | - | 93,275 | - | - | - | 95,594 |
| Total Expenditures | 3,443 | 23,726 | 24,381 | 66,170 | 104,128 | 5,940 | 336,154 | 115,700 | 679,642 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures) | - | - | - | - | - | - | (17,065) | 35,888 | 18,823 |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | 217,171 | 297,001 | 514,172 |
| Fund Balance, End of Year | $ - | $ - | $ - | $ - | $ - | $ - | $ 200,106 | $ 332,889 | $ 532,995 |

**CAPITAL PROJECTS FUND**

**NOT APPLICABLE**

# PROPRIETARY FUNDS

**EXHIBIT G-1**

**NEW MILFORD BOARD OF EDUCATION**
**ENTERPRISE FUNDS**
**COMBINING STATEMENT OF NET POSITION**
**AS OF JUNE 30, 2025**

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, 2025**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

# LONG-TERM DEBT

EXHIBIT I-1

NEW MILFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

EXHIBIT I-2

SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | Amount of Original Issue | Balance, July 1, 2024 | Retired | Balance, June 30, 2025 |
|---|---|---|---|---|
| Passenger Bus | $ 111,392 | $ 22,789 | $ 22,789 | |
| Security Cameras | 163,660 | 34,227 | 34,227 | |
| District Copiers | 188,614 | 3,511 | 3,511 | |
| Copier | 16,529 | 458 | 458 | |
| Passenger Bus | 117,930 | 29,943 | 29,943 | |
| Copiers | 411,361 | 302,429 | 80,397 | $ 222,032 |
| Total Capital Financing Agreements | | $ 393,357 | $ 171,325 | $ 222,032 |

## 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.

EXHIBIT J-1

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

| | As of June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | $ 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 | $ 21,076,175 |
| Restricted | 547,609 | 405,594 | 930,816 | 1,318,968 | 1,879,309 | 2,920,581 | 4,807,527 | 6,092,833 | 9,172,161 | 9,253,351 |
| Unrestricted | (7,111,050) | (8,603,737) | (8,832,036) | (8,977,492) | (8,182,757) | (7,109,321) | (6,253,344) | (4,744,593) | (5,697,061) | (6,710,028) |
| Total Governmental Activities Net Position | $ 12,100,906 | $ 11,060,932 | $ 11,032,284 | $ 11,715,765 | $ 13,300,742 | $ 15,322,227 | $ 18,030,266 | $ 20,535,366 | $ 21,857,001 | $ 23,619,498 |
| Business-Type Activities | | | | | | | | | | |
| Investment in Capital Assets | $ 73,037 | $ 114,265 | $ 114,669 | $ 98,325 | $ 94,225 | $ 62,407 | $ 73,604 | $ 57,785 | $ 107,676 | $ 276,117 |
| Restricted | | | | | | | | | | |
| Unrestricted | 536,454 | 464,276 | 408,289 | 475,140 | 446,839 | 479,831 | 729,497 | 909,345 | 885,509 | 581,108 |
| Total Business-Type Activities Net Position | $ 609,491 | $ 578,541 | $ 522,958 | $ 573,465 | $ 541,064 | $ 542,238 | $ 803,101 | $ 967,130 | $ 993,185 | $ 857,225 |
| District-Wide | | | | | | | | | | |
| Net Investment in Capital Assets | $ 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 | $ 21,352,292 |
| Restricted | 547,609 | 405,594 | 930,816 | 1,318,968 | 1,879,309 | 2,920,581 | 4,807,527 | 6,092,833 | 9,172,161 | 9,253,351 |
| Unrestricted | (6,574,596) | (8,139,461) | (8,423,747) | (8,502,352) | (7,735,918) | (6,629,490) | (5,523,847) | (3,835,248) | (4,811,552) | (6,128,920) |
| Total District Net Position | $ 12,710,397 | $ 11,639,473 | $ 11,555,242 | $ 12,289,230 | $ 13,841,806 | $ 15,864,465 | $ 18,833,367 | $ 21,502,496 | $ 22,850,186 | $ 24,476,723 |

Note 1 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Note 2 - Net Position at June 30, 2024 is restated to reflect the implementation of GASB Statement No. 101, "Compensated Absences".

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, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| **Expenses** | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | $ 16,374,576 | $ 17,780,774 | $ 18,898,048 | $ 18,874,564 | $ 18,785,647 | $ 20,706,252 | $ 18,977,586 | $ 18,408,579 | $ 17,294,155 | $ 17,048,041 |
| Special Education | 6,604,863 | 7,991,141 | 7,864,426 | 7,300,624 | 7,507,123 | 7,692,821 | 7,212,136 | 8,672,035 | 9,428,374 | 10,658,653 |
| Other Instruction | 580,206 | 703,985 | 756,966 | 706,321 | 741,526 | 930,282 | 893,439 | 1,446,399 | 1,928,282 | 1,577,578 |
| School Sponsored Activities and Athletics | 1,197,498 | 1,441,874 | 1,478,110 | 1,469,545 | 1,620,594 | 1,702,096 | 1,574,059 | 1,863,972 | 1,909,946 | 1,589,788 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 6,056,812 | 6,835,530 | 7,020,879 | 7,097,604 | 6,723,080 | 7,692,662 | 7,294,390 | 6,953,911 | 7,484,281 | 7,504,488 |
| General Administration Services | 987,168 | 1,103,769 | 1,123,555 | 1,030,992 | 1,507,792 | 1,343,082 | 1,265,728 | 1,238,884 | 1,328,375 | 1,262,189 |
| School Administrative Services | 3,044,203 | 3,700,220 | 3,789,228 | 3,468,940 | 3,143,203 | 3,523,586 | 3,224,004 | 3,504,008 | 3,617,575 | 3,301,377 |
| Central and Other Support Services | 1,119,086 | 1,264,781 | 1,553,406 | 1,452,418 | 1,443,331 | 1,364,833 | 1,544,515 | 1,700,368 | 1,535,979 | 1,654,222 |
| Plant Operations and Maintenance | 4,842,898 | 5,055,523 | 5,443,789 | 5,326,676 | 5,244,712 | 5,249,631 | 4,945,126 | 5,548,569 | 6,231,128 | 5,933,549 |
| Pupil Transportation | 1,174,887 | 1,223,166 | 1,183,655 | 1,232,239 | 1,122,352 | 1,115,783 | 1,502,388 | 1,601,956 | 1,794,519 | 1,987,572 |
| Interest On Long-Term Debt | 84,856 | 68,297 | 46,488 | 35,955 | 88,524 | 47,753 | 76,863 | 24,394 | 16,851 | 7,253 |
| Total Governmental Activities Expenses | 42,067,053 | 47,169,060 | 49,158,550 | 47,995,878 | 47,927,884 | 51,368,781 | 48,510,234 | 50,963,075 | 52,569,465 | 52,524,710 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 758,581 | 753,051 | 888,859 | 764,959 | 577,310 | 222,204 | 1,000,369 | 967,992 | 937,756 | 1,117,206 |
| Knight Care Latch Key Program | 470,431 | 440,947 | 365,999 | 387,794 | 332,243 | 24,568 | 435,404 | 454,383 | 507,310 | 607,076 |
| Broadway Kids Summer Enrichment Program | 17,080 | 19,181 | 24,458 | 21,459 | 10,177 | | | | | |
| After School Enrichment Program | 6,181 | 10,747 | 11,107 | 12,652 | 1,500 | | | | | |
| Summer Music Program | - | - | 13,680 | 12,550 | 2,765 | | | | | |
| Total Business-Type Activities Expense | 1,252,273 | 1,223,926 | 1,304,103 | 1,199,414 | 923,995 | 246,772 | 1,435,773 | 1,422,375 | 1,445,066 | 1,724,282 |
| Total District Expenses | $ 43,319,326 | $ 48,392,986 | $ 50,462,653 | $ 49,195,292 | $ 48,851,879 | $ 51,615,553 | $ 49,946,007 | $ 52,385,450 | $ 54,014,531 | $ 54,248,992 |
| **Program Revenues** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges For Services: | $ 379,164 | $ 410,227 | $ 510,419 | $ 757,574 | $ 1,056,415 | $ 1,107,633 | $ 1,314,690 | $ 1,711,225 | $ 1,860,989 | $ 1,521,604 |
| Operating Grants And Contributions | 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 | 10,686,250 |
| Capital Grants And Contributions | 798,271 | - | 63,532 | 13,145 | 242,099 | 79,003 | 57,331 | - | - | 1,473,467 |
| Total Governmental Activities Program Revenues | 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 | 13,681,321 |
| Business-Type Activities: | | | | | | | | | | |
| Charges For Services | | | | | | | | | | |
| Food Service | 548,960 | 611,632 | 605,142 | 617,570 | 603,824 | 415,018 | 1,697 | 737,133 | 660,118 | 647,520 |
| Knight Care Latch Key Program | 368,789 | 369,270 | 348,163 | 384,851 | 394,999 | 322,433 | | 469,884 | 478,052 | 532,110 |
| Broadway Kids Summer Enrichment Prgm | 17,799 | 18,875 | 20,343 | 23,102 | 22,737 | 23,290 | | | | |
| After School Enrichment Program | 15,400 | 9,770 | 13,545 | 12,440 | 17,745 | | | | | |
| Summer Music Program | | | | 13,635 | 12,695 | 10,755 | | | | |
| Operating Grants And Contributions | 171,149 | 194,753 | 204,233 | 195,703 | 195,791 | 139,431 | 246,117 | 419,761 | 332,990 | 359,515 |
| Capital Grants And Contributions | | | | | | | | | | |
| Total Business Type Activities Program Revenues | 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 | 1,539,145 |
| Total District Program Revenues | $ 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 | $ 15,220,466 |
| **Net (Expense)/Revenue** | | | | | | | | | | |
| Governmental Activities | $ (31,592,239) | $ (36,491,176) | $ (35,461,012) | $ (32,277,183) | $ (33,745,809) | $ (37,990,834) | $ (31,442,226) | $ (37,593,794) | $ (38,745,294) | $ (38,843,389) |
| Business-Type Activities | (130,176) | (19,626) | (112,677) | 47,887 | 323,796 | 664,155 | (1,187,959) | 204,403 | 26,094 | (185,137) |
| Total District-Wide Net Expense | $ (31,722,415) | $ (36,510,802) | $ (35,573,689) | $ (32,229,296) | $ (33,422,013) | $ (37,326,679) | $ (32,630,185) | $ (37,389,391) | $ (38,719,200) | $ (39,028,526) |

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| **General Revenues And Other Changes In Net Position** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied For General Purposes | $ 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 | $ 39,022,322 |
| Property Taxes Levied For Debt Service | 523,725 | 530,300 | 517,800 | 495,300 | 477,900 | 455,600 | 433,500 | | | |
| State Aid, Unrestricted | 363,388 | 365,248 | 370,650 | 440,266 | 389,442 | 570,651 | 676,071 | 3,145,788 | 2,354,977 | 820,566 |
| Investment Earnings | 20,577 | 21,585 | 23,979 | 26,470 | 86,897 | 63,157 | 9,102 | 97,974 | 568,122 | 495,482 |
| Miscellaneous Income | 70,280 | 67,882 | 79,866 | 78,592 | 45,806 | 4,668 | 40,207 | 222,684 | 105,690 | 267,516 |
| Transfers | | 1,969 | 1,481 | 1,588 | 4,824 | 3,668 | 224 | 48,703 | 8,090 | - |
| Total Governmental Activities | 30,390,199 | 31,544,420 | 32,431,548 | 33,411,207 | 34,497,284 | 35,539,496 | 36,322,258 | 40,098,894 | 41,037,929 | 40,605,886 |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | $ 949 | $ 3,250 | $ 3,031 | $ 2,807 | $ 6,954 | $ 4,939 | $ 356 | $ 8,329 | $ 46,803 | $ 49,177 |
| Transfers | | (1,969) | (1,481) | (1,588) | (4,824) | (3,668) | (224) | (48,703) | (8,090) | - |
| Total Business-Type Activities | 949 | 1,281 | 1,550 | 1,219 | 2,130 | 1,271 | 132 | (40,374) | 38,713 | 49,177 |
| Total District-Wide | $ 30,391,148 | $ 31,545,701 | $ 32,433,098 | $ 33,412,426 | $ 34,499,414 | $ 35,540,767 | $ 36,322,390 | $ 40,058,520 | $ 41,076,642 | $ 40,655,063 |
| **Change In Net Position** | | | | | | | | | | |
| Governmental Activities | $ (1,202,040) | $ (4,946,756) | $ (3,029,464) | $ 1,134,024 | $ 751,475 | $ (2,451,338) | $ 4,880,032 | $ 2,505,100 | $ 2,292,635 | $ 1,762,497 |
| Business-Type Activities | (129,227) | (18,345) | (111,127) | 49,106 | 325,926 | 665,426 | (1,187,827) | 164,029 | 64,807 | (135,960) |
| Total District | $ (1,331,267) | $ (4,965,101) | $ (3,140,591) | $ 1,183,130 | $ 1,077,401 | $ (1,785,912) | $ 3,692,205 | $ 2,669,129 | $ 2,357,442 | $ 1,626,537 |

Source: District's financial statements

EXHIBIT J-3

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

| | As of June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| General Fund | | | | | | | | | | |
| Restricted | $ 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 | $ 11,264,597 |
| Committed | 305,410 | 29,350 | 31,250 | | | | | | 3,800 | 19,280 |
| Assigned | 250,606 | 122,209 | 291,455 | 168,763 | 295,363 | 302,400 | 471,897 | 402,853 | 128,924 | 91,902 |
| Unassigned | 114,367 | 145,093 | 155,332 | 129,221 | (22,423) | 820,815 | 879,298 | 164,206 | (239,404) | (98,503) |
| Total General Fund | $ 2,779,824 | $ 2,721,090 | $ 3,518,875 | $ 4,069,885 | $ 5,716,591 | $ 7,612,632 | $ 8,688,188 | $ 10,367,741 | $ 12,808,256 | $ 11,277,276 |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | $ 417,416 | | | $ 2,384,075 | $ 449,078 | $ 489,447 | $ 534,024 | $ 484,018 | $ 514,172 | $ 532,995 |
| Unassigned | - | - | - | - | - | - | - | - | - | |
| Total All Other Governmental Funds | $ 417,416 | $ - | $ - | $ 2,384,075 | $ 449,078 | $ 489,447 | $ 534,024 | $ 484,018 | $ 514,172 | $ 532,995 |

EXHIBIT J-4

**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, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| **Revenues** | | | | | | | | | | |
| Property Taxes | $ 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 | $ 39,022,322 |
| Tuition Charges | 396,222 | 460,111 | 735,788 | 1,035,090 | 1,082,127 | 1,164,591 | 942,825 | 1,032,165 | 1,306,862 | 1,012,940 |
| Transportation Fees | 14,005 | 50,308 | 21,786 | 21,325 | 25,506 | 19,777 | 36,132 | 38,869 | 45,267 | 37,987 |
| Interest Earnings | 21,585 | 23,979 | 26,470 | 86,897 | 63,157 | 9,102 | 18,765 | 97,974 | 568,122 | 495,482 |
| Miscellaneous | 99,518 | 107,768 | 118,231 | 71,190 | 57,357 | 309,982 | 521,709 | 971,253 | 724,486 | 744,133 |
| State Sources | 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 | 16,318,854 |
| Federal Sources | 806,205 | 859,521 | 723,504 | 796,936 | 889,144 | 929,725 | 1,267,974 | 1,729,136 | 2,299,316 | 1,098,809 |
| Total Revenue | 38,355,258 | 39,776,255 | 41,913,105 | 44,511,903 | 45,978,710 | 48,071,222 | 51,445,844 | 56,129,066 | 58,570,485 | 58,730,527 |
| **Expenditures** | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 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 | 19,700,655 |
| Special Education Instruction | 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 | 11,358,755 |
| Other Instruction | 521,826 | 560,710 | 605,970 | 625,451 | 674,161 | 805,339 | 930,335 | 1,538,609 | 2,033,042 | 1,760,216 |
| School Sponsored Activities And Athletics | 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 | 1,352,729 |
| Community Services | | | | | | | | | | |
| Support Services: | | | | | | | | | | |
| Student & Inst. Related Services | 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 | 8,232,052 |
| General Administration | 928,460 | 972,996 | 985,583 | 957,026 | 1,447,131 | 1,242,060 | 1,308,433 | 1,325,688 | 1,342,537 | 1,356,262 |
| School Administrative Services | 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 | 3,740,949 |
| Central and Other Support Services | 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 | 1,609,816 |
| Plant Operations And Maintenance | 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 | 4,963,754 |
| Pupil Transportation | 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 | 1,900,290 |
| Capital Outlay | 527,431 | 954,241 | 165,541 | 698,556 | 2,785,010 | 408,221 | 880,551 | 898,302 | 965,702 | 4,083,184 |
| Debt Service: | | | | | | | | | | |
| Principal | 656,547 | 714,464 | 556,054 | 669,303 | 1,116,756 | 1,016,929 | 799,905 | 829,672 | 699,322 | 171,325 |
| Interest And Other Charges | 110,588 | 86,030 | 67,138 | 46,825 | 61,061 | 66,897 | 65,866 | 48,951 | 33,133 | 12,697 |
| Total Expenditures | 38,307,694 | 40,529,042 | 41,116,908 | 44,001,168 | 47,364,756 | 46,246,428 | 50,657,859 | 54,959,583 | 56,107,906 | 60,242,684 |
| Excess (Deficiency) Of Revenues Over (Under) Expenditures | 47,564 | (752,787) | 796,197 | 510,735 | (1,386,046) | 1,824,794 | 787,985 | 1,169,483 | 2,462,579 | (1,512,157) |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Capital Finance Agreements & Other Finance Agreements | | 275,156 | | 2,419,526 | 604,896 | 111,392 | 117,930 | 411,361 | - | - |
| Lease Proceeds | | | | | | | 53,196 | | - | - |
| Insurance Recoveries | | | | | | | 160,878 | | - | - |
| Transfers In | 1,969 | 418,897 | 1,588 | 604,824 | 3,668 | 49,709 | 98,854 | 79,703 | 19,692 | - |
| Transfers Out | | (417,416) | - | (600,000) | | (49,485) | (98,710) | (31,000) | (11,602) | - |
| Total Other Financing Sources (Uses) | 1,969 | 276,637 | 1,588 | 2,424,350 | 608,564 | 111,616 | 332,148 | 460,064 | 8,090 | - |
| Net Change In Fund Balances | $ 49,533 | $ (476,150) | $ 797,785 | $ 2,935,085 | $ (777,482) | $ 1,936,410 | $ 1,120,133 | $ 1,629,547 | $ 2,470,669 | $ (1,512,157) |
| Debt Service As A Percentage Of Noncapital Expenditures | 2.03% | 2.02% | 1.52% | 1.65% | 2.64% | 2.36% | 1.74% | 1.63% | 1.33% | 0.33% |

* 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)

| Fiscal Year Ended June 30, | Tuition | Interest Income | Rentals | Transportation Fees | Student Activity Fees | Miscellaneous | Total |
|---|---|---|---|---|---|---|---|
| 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 |
| 2025 | 1,012,940 | 495,482 | | 37,987 | | 267,516 | 1,813,925 |

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 **a** |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| 2025 | 2,497,300 | 2,653,683,200 | 161,550,900 | 7,670,100 | 313,395,700 | 3,138,797,200 | - | 3,138,797,200 | 3,023,340,452 | 1.290 |

Source: County Abstract of Ratables

a Tax rates are per $100

Note 1 - Municipal Revaluation, effective January 1,2025.

**EXHIBIT J-7**

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

| | Direct Rate | Overlapping Rates | | |
|---|---|---|---|---|
| Assessment Year | School District | Borough | Bergen County | Total Direct and Overlapping Tax Rate |
| 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 |
| 2025 | 1.290 | 0.662 | 0.226 | 2.178 |

Source: Tax Duplicate, Borough of New Milford

EXHIBIT J-8

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

| | 2025 | | | 2016 | |
|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | % of Total District Net Assessed Value | Taxpayer | Taxable Assessed Value | % of Total District Net Assessed Value |
| BROOKCHESTER LLC | $ 82,513,600 | 3.26% | Bal Bay Realty, LTD | $ 43,586,400 | 2.76% |
| BAL BAY REALTY, LTD | 102,391,400 | 2.63% | Individual Taxpayer | 36,733,400 | 2.33% |
| NEW MILFORD REDEVELOPMENT ASSO | 25,215,600 | 0.80% | NM Village LLC% Affiliated Mgmt Inc | 28,958,500 | 1.83% |
| NM VILLAGE LLC% AFFILIATED MGMT | 66,357,800 | 2.11% | Dorchester Manor | 13,500,000 | 0.85% |
| NEW MEDITRUST CO LLC %WOODCRES | 20,090,000 | 0.64% | New Meditrust Co LLC % Woodcrest Hcc | 13,130,200 | 0.83% |
| DORCHESTER MANOR LLC% VALUE CC | 32,412,100 | 1.03% | Milford Arms | 8,366,400 | 0.53% |
| MILFORD ARMS,INC | 15,644,700 | 0.50% | Inserra Associates | 5,262,600 | 0.33% |
| BROOKCHESTER SHPG CTR PARTNERSH | 12,605,100 | 0.40% | Brookchester Shopping Center | 5,624,800 | 0.36% |
| DHMC AMERICA CORPORATION | 11,119,600 | 0.35% | Canterbury Village | 3,773,800 | 0.24% |
| LUCERNE-NEW MILFORD LLC | 7,193,200 | 0.23% | Hackensack Water Co | 5,517,100 | 0.35% |
| Total | $ 375,543,100 | 11.96% | | $ 164,453,200 | 10.41% |

Source: 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 | |
| 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% | |
| 2025 | 39,022,322 | 39,022,322 | 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 | | | | | | |
|---|---|---|---|---|---|---|---|
| | School Bonds | Capital Finance Agreements | Other Financing Agreements | Leases Payable | Total District | Population | Per Capita |
| 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 | 16,494 | 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 | 17,229 | 23 |
| 2025 | | 222,032 | | | 222,032 | 17,229 * | 13 |

Source: District Records

* Estimated

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding: School Bonds | Deductions | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value of Property | Per Capita |
|---|---|---|---|---|---|
| 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% | - |
| 2025 | - | | - | 0.00% | - |

Source: District Records

EXHIBIT J-12

# NEW MILFORD BOARD OF EDUCATION
## RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
## AS OF DECEMBER 31, 2024
## (Unaudited)

| Governmental Unit | Total Debt |
|---|---|
| **Municipal Debt: (1)** | |
| Borough of New Milford | $ 18,941,024 |
| **Overlapping Debt Apportioned to the Municipality** | |
| **Bergen County: (2) and (3)** | |
| County of Bergen (A) | 19,391,938 |
| Bergen County Utilities Authority - Waste Water (B) | 3,816,868 |
| **Total direct and overlapping debt** | $ 42,149,830 |

(A) The debt for this entity was apportioned by dividing the Municipality's 2024 equalized value by the total 2024 equalized value for Bergen County

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

**Sources:**

(1) Borough of New Milford 2024 Annual Debt Statement

(2) BCUA 2024 Audit

(3) Bergen County 2024 Annual Debt Statement

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Debt limit | $ 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 | $ 106,367,373 |
| Total net debt applicable to limit | 2,165,000 | 1,725,000 | 1,290,000 | 855,000 | 425,000 | - | - | - | - | - |
| Legal debt margin | $ 68,939,773 | $ 70,581,008 | $ 71,811,215 | $ 73,330,497 | $ 75,736,923 | $ 79,232,020 | $ 82,318,660 | $ 88,999,460 | $ 96,167,277 | $ 106,367,373 |
| Total net debt applicable to the limit as a percentage of debt limit | 3.04% | 2.39% | 1.76% | 1.15% | 0.56% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

**Legal Debt Margin Calculation for Fiscal Year 2025**

| | | |
|---|---|---|
| Equalized valuation basis | | |
| 2022 | $ | 2,474,406,955 |
| 2023 | | 2,603,817,532 |
| 2024 | | 2,899,328,522 |
| | $ | 7,977,553,009 |
| Average equalized valuation of taxable property | $ | 2,659,184,336 |
| Debt limit (4 % of average equalization value) | $ | 106,367,373 |
| Total Net Debt Applicable to Limit | | - |
| Legal debt margin | $ | 106,367,373 |

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

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

| Year Ended December 31, | Population | | County Per Capita Personal Income | | Unemployment Rate | |
|---|---|---|---|---|---|---|
| 2016 | 16,570 | | $ 76,367 | | 4.3% | |
| 2017 | 16,590 | | 78,611 | | 3.6% | |
| 2018 | 16,494 | | 82,731 | | 3.3% | |
| 2019 | 16,427 | | 86,871 | | 2.7% | |
| 2020 | 16,321 | | 88,256 | | 9.0% | |
| 2021 | 16,893 | | 94,342 | | 6.3% | |
| 2022 | 16,875 | | 96,434 | | 3.5% | |
| 2023 | 16,889 | | 102,229 | | 3.6% | |
| 2024 | 17,229 | | 102,229 | * | 3.7% | |
| 2025 | 17,229 | * | 102,229 | * | 3.7% | * |

**Source:**
United States Bureau of Census, Population Division estimates
Revisions to historical data, per capita income: US Bureau of Economic Analysis

* Estimated

**EXHIBIT J-15**

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

| | 2025 | | 2016 | |
|---|---|---|---|---|
| Employer | Employees | % of Total Municipal Employment | Employees | % of Total Municipal Employment |

INFORMATION IS NOT AVAILABLE

EXHIBIT J-16

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

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Instruction | | | | | | | | | | |
| Regular | 128.8 | 128.8 | 120.5 | 124.2 | 126.7 | 127.7 | 144.7 | 142.7 | 139.0 | 136.0 |
| Special Education | 26.4 | 27.7 | 31.3 | 34.0 | 37.8 | 38.0 | 35.0 | 35.0 | 36.0 | 34.0 |
| Other Instruction | 65.6 | 73.4 | 73.2 | 71.2 | 83.0 | 76.1 | 70.2 | 73.3 | 73.0 | 78.2 |
| Support Services: | | | | | | | | | | |
| Tuition | | | | | | | | | | |
| Student & Instruction Related Services | 37.7 | 39.0 | 36.6 | 36.6 | 41.3 | 50.0 | 43.7 | 46.5 | 39.0 | 43.0 |
| General Administrative Services | 5.4 | 6.4 | 8.8 | 8.8 | 4.4 | 5.0 | 8.0 | 9.0 | 8.0 | 8.0 |
| School Administrative Services | 19.7 | 22.1 | 19.9 | 19.5 | 18.1 | 19.1 | 23.6 | 22.6 | 24.5 | 23.8 |
| Business Administrative Services | 9.0 | 9.0 | 9.0 | 6.0 | 8.5 | 6.0 | 6.0 | 5.0 | 5.0 | 5.0 |
| Plant Operations and Maintenance | 33.3 | 19.6 | 28.5 | 28.5 | 25.5 | 25.8 | 26.8 | 25.8 | 25.0 | 25.0 |
| Pupil Transportation | 7.3 | 10.6 | 5.0 | 5.0 | 5.5 | 6.6 | 8.2 | 8.0 | 9.0 | 9.0 |
| Child Care | 46.0 | 30.0 | 46.0 | 46.0 | 42.0 | 42.0 | 41.0 | 44.0 | 44.0 | 40.0 |
| Total | 379.2 | 366.6 | 378.7 | 379.8 | 392.8 | 396.3 | 407.2 | 411.9 | 402.5 | 402.0 |

**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 | Pupil/Teacher Ratio: Elementary | Pupil/Teacher Ratio: Senior High School | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 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% |
| 2025 | 2,019 | 55,975,478 | 27,724 | 2.27% | 201 | 10:01 | 10:01 | 1,998 | 1,903 | -0.99% | 95.25% |

**Source:** District records

**Note:** Enrollment based on annual October district count
Operating expenditures equal total expenditures less debt service and capital outlay

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

| District Building | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Elementary** | | | | | | | | | | |
| Berkley Street School | | | | | | | | | | |
| Square Feet | 49,438 | 49,438 | 49,438 | 49,438 | 49,438 | 49,438 | 49,438 | 4,938 | 4,938 | 4,938 |
| Capacity (students) | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 |
| Enrollment | 436 | 424 | 425 | 463 | 470 | 472 | 469 | 466 | 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 | 474 | 465 | 458 | 495 | 492 | 495 | 503 | 516 | 516 | 516 |
| **Middle School** | | | | | | | | | | |
| 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 | 453 | 449 | 523 | 464 | 460 | 497 | 465 | 477 | 477 | 477 |
| **High School** | | | | | | | | | | |
| 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 | 648 | 618 | 590 | 585 | 586 | 587 | 598 | 572 | 572 | 572 |

Number of Schools at June 30, 2025
- 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)**

| School Facilities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Berkley Street Elementary | $ 109,200 | $ 42,929 | $ 113,993 | $ 94,773 | $ 106,516 | $ 118,794 | $ 95,315 | $ 11,280 | $ 9,695 | $ 88,685 |
| B. F. Gibbs Elementary | 98,936 | 94,738 | 109,976 | 92,850 | 99,860 | 116,383 | 54,086 | 110,644 | 95,092 | 83,055 |
| David E. Owens Middle School | 266,628 | 222,760 | 181,264 | 153,730 | 166,433 | 192,694 | 251,034 | 183,191 | 157,443 | 138,427 |
| New Milford High School | 378,179 | 252,546 | 313,670 | 268,227 | 292,921 | 336,211 | 255,818 | 319,630 | 274,704 | 243,629 |
| Total School Facilities | $ 852,943 | $ 612,973 | $ 718,903 | $ 609,580 | $ 665,730 | $ 764,082 | $ 656,253 | $ 624,745 | $ 536,934 | $ 553,796 |

**EXHIBIT J-20**

**NEW MILFORD BOARD OF EDUCATION**
**INSURANCE SCHEDULE**
**AS OF JUNE 30, 2025**
**(Unaudited)**

| | Coverage | Deductible |
|---|---|---|
| School Package Policy | | |
| Property | $ 126,375,415 | |
| 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
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# 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 and each major fund of the New Milford Board of Education as of and for the fiscal year ended June 30, 2025 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 December 23, 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 a certain matter that is 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 December 23, 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

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

Gary J. Vinci

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 23, 2025

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

**EXHIBIT K-2**

DIETER P. LERCH, CPA, RMA, PSA
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# 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, 2025. 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, 2025.

***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 and each major fund of the New Milford Board of Education, as of and for the fiscal year ended June 30, 2025, 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 December 23, 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
December 23, 2025

EXHIBIT K-3

NEW MILFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| Federal Grantor/Pass-Through Grantor Program Title | Federal AL Number | FAIN Number | Project Period | Award Amount | Balance, July 1, 2024 | Unearned Revenue Carryover Amount | Account Receivable Carryover Amount | Cash Received | Budgetary Expenditures | Adjustments | Balance, June 30, 2025 (Accounts Receivable) | Balance, June 30, 2025 Unearned Revenue/ | Due to Grantor | Memo GAAP Receivable |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **U.S. Department of Agriculture** | | | | | | | | | | | | | | |
| **Passed-Through State Department of Agriculture:** | | | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | | | | | | | | | | | | | |
| Non-Cash Assistance | | 251NJ304N1099 | 7/1/24-6/30/25 | $ 76,559 | | | | $ 76,559 | $ 76,017 | | | $ 542 | | |
| Non-Cash Assistance | | 241NJ304N1099 | 7/1/23-6/30/24 | 74,358 | $ 655 | | | | 655 | | | | | |
| Cash Assistance | | 251NJ304N1099 | 7/1/24-6/30/25 | 251,126 | | | | 231,827 | 251,126 | | $ (19,299) | | | $ (19,299) |
| Cash Assistance | | 241NJ304N1099 | 7/1/23-6/30/24 | 187,631 | (10,462) | | | 10,462 | | | | | | |
| S-EBT Administrative Cost Program | 10.646 | 202424N180341 | 7/1/24-6/30/25 | 322 | | | | 322 | 322 | - | | | | - |
| Local Food for Schools Cooperative Grant | 10.185 | AM22CPLFS000C015 | 7/1/23-6/30/24 | 4,113 | - | - | - | 4,113 | 4,113 | - | - | - | - | - |
| Total Child Nutrition Cluster / Enterprise Fund | | | | | (9,807) | - | - | 323,283 | 332,233 | - | (19,299) | 542 | - | (19,299) |
| **U.S. Department of Health and Human** | | | | | | | | | | | | | | |
| **Services Passed-Through State Department of Human Services:** | | | | | | | | | | | | | | |
| **General Fund** | | | | | | | | | | | | | | |
| Medical Assistance Program | 93.778 | 2505NJ5MAP | 7/1/24-6/30/25 | 20,446 | - | - | - | 20,446 | 20,446 | - | - | - | - | - |
| Total General Fund | | | | | - | - | - | 20,446 | 20,446 | - | - | - | - | - |
| **U.S. Department of Education** | | | | | | | | | | | | | | |
| **Passed-Through State Department of Education:** | | | | | | | | | | | | | | |
| **Special Revenue Fund** | | | | | | | | | | | | | | |
| Title I | 84.010A | S010A250030 | 7/1/24 - 9/30/25 | 235,629 | | $ 18,030 | $ (18,030) | 208,186 | 234,005 | | (45,473) | 19,654 | | (25,819) |
| Title I | 84.010A | S010A240030 | 7/1/23 - 9/30/24 | 242,501 | (14,436) | (18,030) | 18,030 | 17,732 | 3,296 | - | - | - | - | - |
| Total Title I | | | | | (14,436) | - | - | 225,918 | 237,301 | - | (45,473) | 19,654 | - | (25,819) |
| Title II - Part A | 84.367A | S367A250029 | 7/1/24 - 9/30/25 | 41,239 | | 1,286 | (1,286) | 38,071 | 38,245 | | (4,454) | 4,280 | | (174) |
| Title II - Part A | 84.367A | S367A240029 | 7/1/23 - 9/30/24 | 45,053 | (8,945) | (1,286) | 1,286 | 10,041 | 1,096 | - | - | - | - | - |
| Total Title II | | | | | (8,945) | - | - | 48,112 | 39,341 | - | (4,454) | 4,280 | - | (174) |
| Title III | 84.365A | S365A250030 | 7/1/24 - 9/30/25 | 13,360 | | 3,091 | (3,091) | 11,096 | 15,570 | | (5,355) | 881 | | (4,474) |
| Title III | 84.365A | S365A240030 | 7/1/23 - 9/30/24 | 13,048 | (8,351) | (3,091) | 3,091 | 9,102 | 751 | | | | | |
| Title III Immigrant | 84.365A | S365A250030 | 7/1/24 - 9/30/25 | 4,946 | - | - | - | 2,784 | 2,983 | - | (2,162) | 1,963 | - | (199) |
| Total Title III | | | | | (8,351) | - | - | 22,982 | 19,304 | - | (7,517) | 2,844 | - | (4,673) |
| Title IV | 84.358B | S358B250100 | 7/1/24 - 9/30/25 | 17,235 | | 10,000 | (10,000) | 6,631 | 16,062 | | (20,604) | 11,173 | - | (9,431) |
| Title IV | 84.358B | S358B240100 | 7/1/23 - 9/30/24 | 10,000 | (1) | (10,000) | 10,000 | - | - | $ 1 | - | - | - | - |
| Total Title IV | | | | | (1) | - | - | 6,631 | 16,062 | 1 | (20,604) | 11,173 | - | (9,431) |

EXHIBIT K-3

NEW MILFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| Federal Grantor/Pass-Through Grantor Program Title | Federal AL Number | FAIN Number | Project Period | Award Amount | Balance, July 1, 2024 | Unearned Revenue Carryover Amount | Account Receivable Carryover Amount | Cash Received | Budgetary Expenditures | Adjustments | Balance, June 30, 2025 (Accounts Receivable) | Balance, June 30, 2025 Unearned Revenue/ | Due to Grantor | Memo GAAP Receivable |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Special Revenue Fund (Continued)** | | | | | | | | | | | | | | |
| I.D.E.A. Part B, Basic | 84.027A | H027A250100 | 7/1/24 - 9/30/25 | 495,442 | | $ 46,469 | $ (46,469) | $ 493,761 | $ 538,821 | | $ (48,150) | $ 3,090 | | $ (45,060) |
| I.D.E.A. Part B, Basic Nonpublic Portion | 84.027A | H027A250100 | 7/1/24 - 9/30/25 | 122,836 | | | | 71,255 | 71,255 | | (51,581) | 51,581 | | |
| I.D.E.A. Part B, Basic | 84.027A | H027A240100 | 7/1/23 - 9/30/24 | 616,854 | (44,584) | (46,469) | 46,469 | 47,674 | 3,090 | | | | | - |
| I.D.E.A. Preschool | 84.173A | H173A250114 | 7/1/24 - 9/30/25 | 28,999 | | 637 | (637) | 29,636 | 29,210 | | | 426 | | 426 |
| I.D.E.A. Preschool | 84.173A | H173A240114 | 7/1/23 - 9/30/24 | 29,716 | 426 | (637) | 637 | - | 426 | - | - | - | - | - |
| Total IDEA Cluster | | | | | (44,158) | - | - | 642,326 | 642,802 | - | (99,731) | 55,097 | - | (44,634) |
| American Rescue Plan (ARP) | | | | | | | | | | | | | | |
| ARP ESSER III | 84.425U | S425U210027 | 3/13/20-9/30/24 | 1,307,349 | (53,444) | | | 95,497 | 42,053 | | | | | - |
| Accelerated Learning Coach & Educator Support | 84.425U | S425U210027 | 3/13/20-9/30/24 | 173,394 | (12,000) | | | 17,350 | 5,350 | | | | | - |
| NJ High Impact Tutoring Grant | 84.425V | S425V240031 | 7/1/23-9/30/24 | 114,990 | (51,990) | - | - | - | 72,343 | - | (124,333) | - | - | (124,333) |
| Total ESSER Cluster | | | | | (117,434) | - | - | 112,847 | 119,746 | - | (124,333) | - | - | (124,333) |
| Total Special Revenue Fund | | | | | (193,325) | - | - | 1,058,816 | 1,074,556 | 1 | (302,112) | 93,048 | - | (209,064) |
| Total Federal Awards | | | | | $ (203,132) | $ - | $ - | $ 1,402,545 | $ 1,427,235 | $ 1 | $ (321,411) | $ 93,590 | $ - | $ (228,363) |

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, 2025

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2024 Unearned Revenue/ (Accts Rec.) | Balance, July 1, 2024 Due to Grantor | Cash Received | Budgetary Expenditures | Repayment of Prior Years' Balances | Balance, June 30, 2025 (Accounts Receivable) | Balance, June 30, 2025 Unearned Revenue | Balance, June 30, 2025 Due to Grantor | MEMO GAAP Receivable | MEMO Cumulative Total Expenditures |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **State Department of Education** | | | | | | | | | | | | | |
| Equalization Aid | 25-495-034-5120-078 | 7/1/24 - 6/30/25 | $ 2,267,219 | | | $ 2,057,098 | $ 2,267,219 | | $ (210,121) | | | | $ 2,267,219 |
| Equalization Aid | 24-495-034-5120-078 | 7/1/23 - 6/30/24 | 2,277,949 | $ (211,660) | | 211,660 | | | | | | | |
| Special Education Aid | 25-495-034-5120-089 | 7/1/24 - 6/30/25 | 1,294,330 | | | 1,174,374 | 1,294,330 | | (119,956) | | | | 1,294,330 |
| Special Education Aid | 24-495-034-5120-089 | 7/1/23 - 6/30/24 | 1,294,330 | (120,265) | | 120,265 | | | | | | | |
| Security Aid | 25-495-034-5120-084 | 7/1/24 - 6/30/25 | 73,366 | | | 66,567 | 73,366 | | (6,799) | | | | 73,366 |
| Security Aid | 24-495-034-5120-084 | 7/1/23 - 6/30/24 | 73,366 | (6,817) | - | 6,817 | - | - | - | - | - | - | - |
| Additional Supplemental Stabilization Aid | 25-495-034-5120-078 | 7/1/24 - 6/30/25 | 4,829 | - | - | 4,829 | 4,829 | - | - | - | - | - | 4,829 |
| Subtotal State Aid Public Cluster | | | | (338,742) | - | 3,641,610 | 3,639,744 | - | (336,876) | - | - | - | 3,639,744 |
| Transportation Aid | 25-495-034-5120-014 | 7/1/24 - 6/30/25 | 430,582 | | | 390,677 | 430,582 | | (39,905) | | | | 430,582 |
| Transportation Aid | 24-495-034-5120-014 | 7/1/23 - 6/30/24 | 430,582 | (40,009) | | 40,009 | | | | | | | |
| Non-Public Transportation | 25-495-034-5120-014 | 7/1/24 - 6/30/25 | 148,506 | | | | 148,506 | | (148,506) | | | $ (148,506) | 148,506 |
| Non-Public Transportation | 24-495-034-5120-014 | 7/1/23 - 6/30/24 | 131,495 | (131,495) | - | 131,495 | - | - | - | - | - | - | - |
| Subtotal Transportation Cluster | | | | (171,504) | - | 562,181 | 579,088 | - | (188,411) | - | - | (148,506) | 579,088 |
| Schools Development Authority (SDA) | | | | | | | | | | | | | |
| New Milford High School Roof Project | 3550-050-23G5NY | N/A | 1,297,081 | | | 1,297,081 | 1,297,081 | | | | | | 1,297,081 |
| Bertrand F. Gibbs Elementary School Roof Project | 3550-070-23-R501 | N/A | 176,386 | - | - | 176,386 | 176,386 | - | - | - | - | - | $ 176,836 |
| Total SDA | | | | - | - | 1,473,467 | 1,473,467 | - | - | - | - | - | 1,473,917 |
| Menstrual Product Reimbursement | N/A | 7/1/24 - 6/30/25 | 18,630 | | | | 18,630 | | (18,630) | | | (18,630) | |
| Extraordinary Aid | 25-100-034-5120-044 | 7/1/24 - 6/30/25 | 1,037,704 | | | | 1,037,704 | | (1,037,704) | | | | 1,037,704 |
| Extraordinary Aid | 24-100-034-5120-044 | 7/1/23 - 6/30/24 | 888,050 | (888,050) | | 888,050 | | | | | | | |
| Reimbursed TPAF Social Security Contribution | 25-495-034-5094-003 | 7/1/24 - 6/30/25 | 1,319,537 | | | 1,255,002 | 1,319,537 | | (64,535) | | | (64,535) | 1,319,537 |
| Reimbursed TPAF Social Security Contribution | 24-495-034-5094-003 | 7/1/23 - 6/30/24 | 1,271,748 | (62,006) | | 62,006 | | | | | | | |
| On-Behalf TPAF Pension Contribution | 25-495-034-5094-002 | 7/1/24 - 6/30/25 | 6,078,910 | | | 6,078,910 | 6,078,910 | | | | | | 6,078,910 |
| On-Behalf TPAF Pension - NCGI Premium | 25-495-034-5094-004 | 7/1/24 - 6/30/25 | 75,301 | | | 75,301 | 75,301 | | | | | | 75,301 |
| On-Behalf TPAF Post-Retirement Medical | 25-495-034-5094-001 | 7/1/24 - 6/30/25 | 1,798,265 | | | 1,798,265 | 1,798,265 | | | | | | 1,798,265 |
| Oh-Behalf TPAF LTDI | 25-495-034-5094-004 | 7/1/24 - 6/30/25 | 3,224 | - | - | 3,224 | 3,224 | - | - | - | - | - | 3,224 |
| Total General Fund | | | | (1,460,302) | - | 15,838,016 | 16,023,870 | - | (1,646,156) | - | - | (231,671) | 16,005,690 |
| New Jersey Nonpublic Aid: | | | | | | | | | | | | | |
| Nursing Services | 25-100-034-5120-070 | 7/1/24 - 6/30/25 | 66,170 | | | 66,170 | 66,170 | | | | | | 66,170 |
| Textbook Aid | 25-100-034-5120-064 | 7/1/24 - 6/30/25 | 25,059 | | | 25,059 | 24,381 | | | | $ 678 | | 24,381 |
| Textbook Aid | 24-100-034-5120-064 | 7/1/23 - 6/30/24 | 28,501 | | $ 1,366 | | | $ 1,366 | | | | | |
| Technology | 25-100-034-5120-373 | 7/1/24 - 6/30/25 | 24,010 | | | 24,010 | 23,726 | | | | 284 | | 23,726 |
| Technology | 24-100-034-5120-373 | 7/1/23 - 6/30/24 | 24,157 | | 1,653 | | | 1,653 | | | | | |
| Security Aid | 25-100-034-5120-509 | 7/1/24 - 6/30/25 | 104,345 | | | 104,345 | 104,128 | | | | 217 | | 104,128 |
| Security Aid | 24-100-034-5120-509 | 7/1/23 - 6/30/24 | 105,780 | | 4,717 | | | 4,717 | | | | | |
| Home Instruction | N/A | 7/1/24 - 6/30/25 | 4,410 | | | | 4,410 | | (4,410) | | | (4,410) | 4,410 |
| Home Instruction | N/A | 7/1/23 - 6/30/24 | 6,535 | (6,535) | | 6,535 | | | | | | | - |
| Teach STEM | N/A | 7/1/24 - 6/30/25 | 6,214 | | | 542 | 3,137 | | (2,595) | | | (2,595) | 3,137 |
| Teach STEM | N/A | 7/1/23 - 6/30/24 | 4,302 | (2,140) | - | 2,446 | 306 | - | - | - | - | - | 306 |
| Total Nonpublic Aid: | | | | (8,675) | 7,736 | 229,107 | 226,258 | 7,736 | (7,005) | - | 1,179 | (7,005) | 226,258 |
| Auxiliary Services (Chapter 192): | | | | | | | | | | | | | |
| Compensatory Education | 25-100-034-5120-067 | 7/1/24 - 6/30/25 | 57,220 | | | 57,220 | 44,039 | | | | 13,181 | | 44,039 |
| Compensatory Education | 24-100-034-5120-067 | 7/1/23 - 6/30/24 | 74,624 | | 14,433 | | | 14,433 | - | | | | |
| English as a Second Language | 25-100-034-5120-067 | 7/1/24 - 6/30/25 | 22,955 | | | 22,955 | 20,395 | | | | 2,560 | | 20,395 |
| English as a Second Language | 24-100-034-5120-067 | 7/1/23 - 6/30/24 | 27,376 | - | 6,134 | - | - | 6,134 | - | - | - | - | - |
| Total Auxiliary Services (Chapter 192 Cluster) | | | | - | 20,567 | 80,175 | 64,434 | 20,567 | - | - | 15,741 | - | 64,434 |
| Handicapped Services (Chapter 193): | | | | | | | | | | | | | |
| Examination and Classification | 25-100-034-5120-066 | 7/1/24 - 6/30/25 | 55,551 | | | 55,551 | 54,605 | | | | 946 | | 54,605 |
| Examination and Classification | 24-100-034-5120-066 | 7/1/23 - 6/30/24 | 83,736 | | 35,769 | | | 35,769 | - | | | | |
| Corrective Speech | 25-100-034-5120-066 | 7/1/24 - 6/30/25 | 49,662 | | | 49,662 | 48,267 | | | | 1,395 | | 48,267 |
| Corrective Speech | 24-100-034-5120-066 | 7/1/23 - 6/30/24 | 56,265 | | 11,532 | | | 11,532 | - | | | | |
| Supplementary Instruction | 25-100-034-5120-066 | 7/1/24 - 6/30/25 | 41,713 | | | 41,713 | 36,096 | | | | 5,617 | | 36,096 |
| Supplementary Instruction | 24-100-034-5120-066 | 7/1/23 - 6/30/24 | 46,669 | - | 7,930 | - | - | 7,930 | - | - | - | - | - |
| Total Handicapped Services (Chapter193 Cluster) | | | | - | 55,231 | 146,926 | 138,968 | 55,231 | - | - | 7,958 | - | 138,968 |

NEW MILFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2024 Unearned Revenue/ (Accts Rec.) | Balance, July 1, 2024 Due to Grantor | Cash Received | Budgetary Expenditures | Repayment of Prior Years' Balances | Balance, June 30, 2025 (Accounts Receivable) | Balance, June 30, 2025 Unearned Revenue | Balance, June 30, 2025 Due to Grantor | MEMO GAAP Receivable | MEMO Combined Total Expenditures |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Schools Development Authority (SDA) | | | | | | | | | | | | | |
| Emergent and Capital Maintenance Needs | N/A | N/A | 48,894 | - | | | | | $ (48,894) | $ 48,894 | | | |
| Emergent and Capital Maintenance Needs | N/A | N/A | 98,697 | $ 13,008 | - | - | $ 13,008 | - | - | - | - | - | $ 85,689 |
| Total SDA | | | | 13,008 | - | - | 13,008 | - | (48,894) | 48,894 | - | (328,846) | 85,689 |
| Total Special Revenue Fund | | | | 4,333 | $ 83,534 | $ 456,208 | 442,668 | $ 83,534 | (55,899) | 48,894 | $ 24,878 | $ (335,851) | 515,349 |
| Total State Department of Education | | | | (1,455,969) | 83,534 | 16,294,224 | 16,466,538 | 83,534 | (1,702,055) | 48,894 | 24,878 | (567,522) | 16,521,039 |
| **Department of Agriculture** | | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 25-100-010-3350-023 | 7/1/24 - 6/30/25 | $ 26,961 | | | 24,699 | 26,961 | | (2,262) | - | | (2,262) | 26,961 |
| National School Lunch Program (State Share) | 24-100-010-3350-023 | 7/1/23 - 6/30/24 | 14,909 | (845) | | 845 | | | | | | | |
| S-EBT Administrative Cost Program | 25-100-010-3370-100 | 7/1/24 - 6/30/25 | 321 | - | - | 321 | 321 | - | - | - | - | - | 321 |
| Total Department of Agriculture (Food Service Fund) | | | | (845) | - | 25,865 | 27,282 | - | (2,262) | - | - | (2,262) | 27,282 |
| Total State Financial Assistance Subject to Single Audit Determination | | | | (1,456,814) | $ 83,534 | $ 16,320,089 | $ 16,493,820 | $ 83,534 | (1,704,317) | 48,894 | $ 24,878 | (569,784) | 16,548,321 |
| **State Financial Assistance** | | | | | | | | | | | | | |
| **Not Subject to Major Program Determination** | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | |
| On-Behalf TPAF Pension Benefit Contribution | 25-495-034-5094-002 | 7/1/24 - 6/30/25 | 6,078,910 | | | (6,078,910) | (6,078,910) | | | | | | (6,078,910) |
| On-Behalf TPAF Pension -NCGI Premium | 25-495-034-5094-004 | 7/1/24 - 6/30/25 | 75,301 | | | (75,301) | (75,301) | | | | - | | (75,301) |
| On-Behalf TPAF Post-Retirement Medical | 25-495-034-5094-001 | 7/1/24 - 6/30/25 | 1,798,265 | | | (1,798,265) | (1,798,265) | | | | | | (1,798,265) |
| On-Behalf TPAF Pension -LTDI | 25-495-034-5094-004 | 7/1/24 - 6/30/25 | 3,224 | - | - | (3,224) | (3,224) | - | - | - | - | - | (3,224) |
| **Total State Financial Assistance Subject to Major Program Determination** | | | | $ (1,456,814) | $ 83,534 | $ 8,364,389 | $ 8,538,120 | $ 83,534 | $ (1,704,317) | $ 48,894 | $ 24,878 | $ (569,784) | $ 8,592,621 |

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**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, 2025**

## 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 Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*

## NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

## NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of $147,684 for the General Fund and an increase of $3,807 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:

| | Federal | State | Total |
|---|---|---|---|
| General Fund | $ 20,446 | $ 15,876,186 | $ 15,896,632 |
| Special Revenue Fund | 1,078,363 | 442,668 | 1,521,031 |
| Food Service Fund | 332,233 | 27,282 | 359,515 |
| Total Financial Assistance | $ 1,431,042 | $ 16,346,136 | $ 17,777,178 |

**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, 2025**

## 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 $1,319,537 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, 2025. The amount reported as TPAF Pension System Contributions in the amount of $6,154,211, TPAF Post-Retirement Medical Benefits Contributions in the amount of $1,798,265 and TPAF Long-Term Disability Insurance in the amount of $3,224 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

## 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, 2025**

***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:

| AL Number(s) | FAIN Number(s) | Name of Federal Program or Cluster |
|---|---|---|
| 10.555 | 251NJ304N1099 | National School Lunch Program |
| 84.010A | S010A250030 | Title I |
| 84.027A / 84.173A | H027A250100 / H173A250114 | I.D.E.A. |
| | | |
| | | |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $750,000 |
| Auditee qualified as low-risk auditee? | X yes ____ no |

# NEW MILFORD BOARD OF EDUCATION
# SCHEDULE OF FINDINGS AND QUESTIONED COSTS
# FOR THE FISCAL YEAR ENDED JUNE 30, 2025

## *Part I – Summary of Auditor's Results*

**State Awards Section**

Internal control over major programs:

1) Material weakness(es) identified? ____ yes __X__ no

2) Were significant deficiencies identified that are not considered to be material weakness(es)? ____ yes __X__ none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08 ?

____ yes __X__ no

Identification of major programs:

| GMIS Number(s) | Name of State Program |
|---|---|
| 25-495-034-5120-014 | Transportation Aid |
| 25-100-034-5120-044 | Extraordinary Aid |
| 3550-050-23G5NY / 3550-070-23-R501 | SDA ROD Grants |

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

Auditee qualified as low-risk auditee? __X__ yes ____ no

**EXHIBIT K-6**

# NEW MILFORD BOARD OF EDUCATION
# SCHEDULE OF FINDINGS AND QUESTIONED COSTS
# FOR THE FISCAL YEAR ENDED JUNE 30, 2025

## *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, 2025

***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.