

**MILLBURN TOWNSHIP
SCHOOL DISTRICT**

**Millburn Township School District
Millburn, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

**Comprehensive Annual
Financial Report**

of the

**Millburn Township School District
Board of Education**

Millburn, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

**Millburn Township School District
Board Office**

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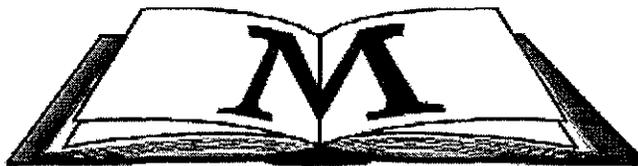
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INTRODUCTORY SECTION



Millburn Township Schools
 434 MILLBURN AVENUE, MILLBURN, NJ 07041

Office of the Business Administrator
 Telephone 973-376-3600 x156
 FAX 973-376-2363

September 30, 2013

The Honorable President and Members of
 the Board of Education
 Millburn Township School District
 County of Essex, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Millburn Township School District (the "District") for the fiscal year ended June 30, 2013, 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 Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual 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 Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Millburn Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. Millburn Township encompasses Millburn and Short Hills. The Millburn Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PreK through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2012-2013 fiscal year with an average daily enrollment of 4,962 students which is 54 students more than the previous year's enrollment.

The Honorable President and Members of
the Board of Education
Millburn Township School District
Page 2
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2) ECONOMIC CONDITION AND OUTLOOK: The Township's cash surplus at December 31, 2012 amounted to \$9,186,757. A systematic and active investment program has been followed; income earned from investments of the Township's surplus cash amounted to \$29,657 in 2012. The current tax rate is \$1.850 per one hundred dollars of assessed valuation and is one of the lowest of Essex County's twenty-two municipalities.

The Township is composed of two areas, the older area comprising the so-called center (Millburn) and the adjoining residential sections. To the north and west lies Short Hills with its own post office and railroad station, but still an integral part of the Township and comprising one of the finest residential areas in the nation. It is also the home of one of the nation's premier shopping areas, The Mall at Short Hills.

The residential marketability is enhanced by the nationally recognized excellence of the Township's Public Schools and by the New Jersey Transit Direct Midtown rail line to Manhattan.

The Downtown area of Millburn is 96% occupied. The Downtown Millburn Development Alliance is an independent, non-profit corporation that has been very active in attracting new businesses and promoting existing areas. The organization sponsors special events including the Farmers Market and Country Fair. Some 770 businesses and 300 doctors, lawyers, and dentists are located in the Township.

3) MAJOR INITIATIVES: Board of Education Goals for FY 2012-2013

1. Review the Board's committee structure.
2. Update Policy Manual (Year 2 of 2).

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

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

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

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

The Honorable President and Members of
 the Board of Education
 Millburn Township School District
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 September 30, 2013

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 fund balance restrictions, commitments and assignments at June 30, 2013.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP, CPAs, was selected by the Board. 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 Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Millburn Township School District 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 the financial and accounting staff.

Respectfully submitted,



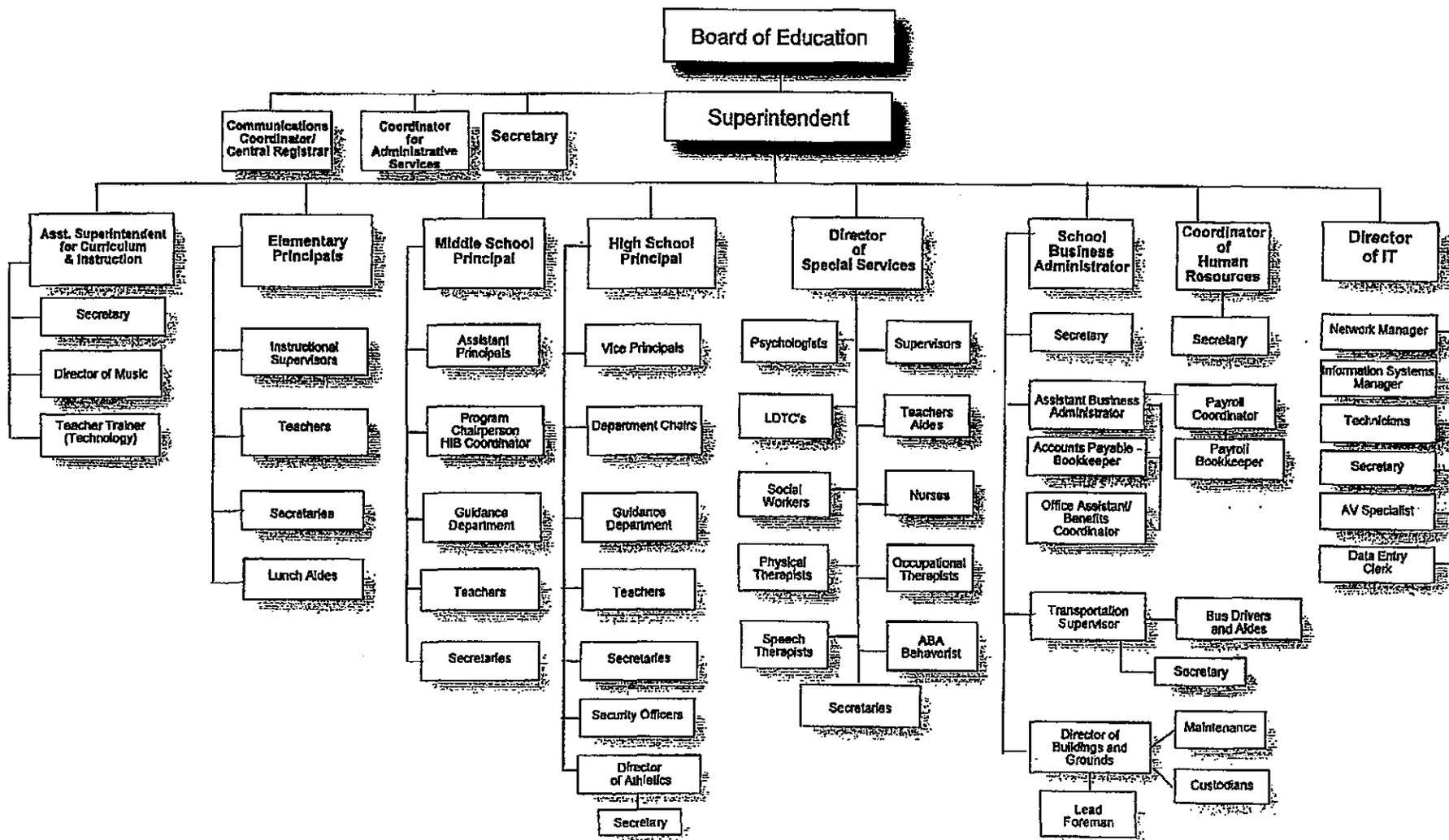
Dr. James A. Crisfield
 Superintendent of Schools



J. Steven DiGeronimo
 Business Administrator/Board Secretary

Millburn Township Schools

Organizational Chart 2012-2013



BOE Approval Date
2/27/12

**MILLBURN TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jeffrey Waters, President	2014
Rona Wenik, Vice President	2013
Michael Birnberg	2013
Lise P. Chapman	2013
Eric S. Siegel	2015
Regina Truitt	2014
Dr. Rupali Wadhwa	2015
John Westfall-Kwong*	2013
Raymond Wong	2015

* John Westfall-Kwong temporarily replaced Jean Pasternak who resigned February 2013.

<u>Other Officers</u>	<u>Title</u>
Dr. James A. Crisfield	Superintendent of Schools
Dr. Christine Burton	Assistant Superintendent for Curriculum & Instruction
J. Steven DiGeronimo	Business Administrator/Board Secretary
Cheryl Nardino	Treasurer
Anthony P. Sciarrillo, Esq.	School Board Attorney
Athina L. Cornell, Esq.	Special Education Attorney

MILLBURN TOWNSHIP BOARD OF EDUCATION

Consultants and Advisors

Architect

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320

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Lindabury, McCormick, Estabrook & Cooper, PC
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PO Box 2359
Westfield, NJ 07091

Official Depositories

Wells Fargo
379 Millburn Avenue
Millburn, NJ 07041

Bank of America
1125 Route 22 West
Bridgewater, NJ 08807

Cutwater Asset Management
120 Wood Avenue, Suite 300
Iselin, NJ 08830

New Jersey Asset & Rebate Management Program
821 Alexander Road, Suite 110
Princeton, NJ 08540

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Millburn Township School District
 County of Essex, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Millburn Township School District (the "District") in the County of Essex, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable President and Members
of the Board of Education
Millburn Township School District
Page 2

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Millburn Township School District, in the County of Essex, as of June 30, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, and the budgetary comparison information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members
of the Board of Education
Millburn Township School District
Page 2

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nisivoccia, LLP

NISIVOCCIA, LLP

September 30, 2013
Mount Arlington, New Jersey

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

This section of Millburn Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved significantly on a district wide basis.
- Overall revenue was \$91,315,267 during the fiscal year.
- Overall expenses were \$88,796,763 during the fiscal year.
- Enrollment in the District increased approximately 1.10% from the prior year.

Overview of the Financial Statements

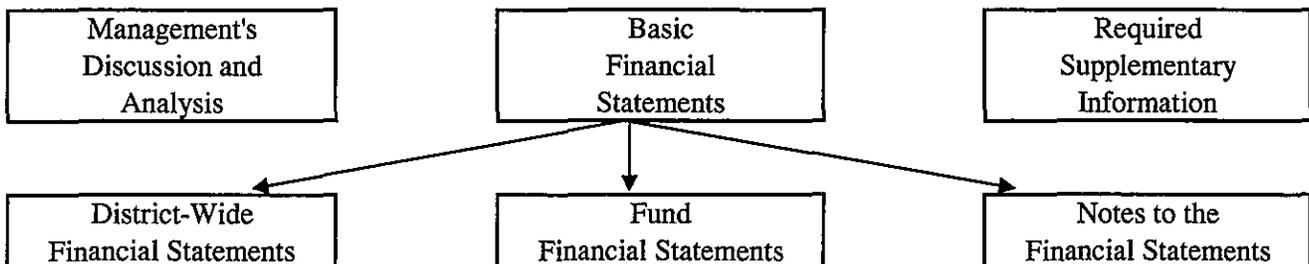
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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 such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report



**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and field rental/joint facilities	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue 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 revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

District-wide Statements

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

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – 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 District's overall health, you need to consider additional nonfinancial 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 divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service and field rental/joint facilities are included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three 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 you 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, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

Fund Financial Statements

- ***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* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.
- ***Fiduciary funds:*** The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.
- ***Notes to Financial Statements:*** Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$2,745,600. Net position from governmental activities increased by \$2,697,266 and net position from business-type activities increased by \$48,334. Net investment in capital assets increased by \$3,880,512, restricted net position decreased by \$1,200,701, and unrestricted net position increased by \$65,789.

**Figure A-3
Condensed Statement of Net Position**

	Government Activities		Business-Type Activities		Total School District		Percentage
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	Change 2012/13
Current and							
Other Assets	\$ 13,071,043	\$ 15,128,836	\$ 493,345	\$ 460,963	\$ 13,564,388	\$ 15,589,799	-12.99%
Capital Assets	51,604,914	49,692,548	55,364	41,873	51,660,278	49,734,421	3.87%
Total Assets	<u>64,675,957</u>	<u>64,821,384</u>	<u>548,709</u>	<u>502,836</u>	<u>65,224,666</u>	<u>65,324,220</u>	-0.15%
Long-Term Debt							
Outstanding	43,542,742	45,370,186			43,542,742	45,370,186	-4.03%
Other Liabilities	2,483,981	3,499,230	51,298	53,759	2,535,279	3,552,989	-28.64%
Total Liabilities	<u>46,026,723</u>	<u>48,869,416</u>	<u>51,298</u>	<u>53,759</u>	<u>46,078,021</u>	<u>48,923,175</u>	-5.82%
Net Position:							
Net Investment in							
Capital Assets	9,540,569	5,673,548	55,364	41,873	9,595,933	5,715,421	67.90%
Restricted	9,362,935	10,563,636			9,362,935	10,563,636	-11.37%
Unrestricted/(Deficit)	<u>(254,270)</u>	<u>(285,216)</u>	<u>442,047</u>	<u>407,204</u>	<u>187,777</u>	<u>121,988</u>	53.93%
Total Net Position	<u>\$ 18,649,234</u>	<u>\$ 15,951,968</u>	<u>\$ 497,411</u>	<u>\$ 449,077</u>	<u>\$ 19,146,645</u>	<u>\$ 16,401,045</u>	16.74%

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

Changes in Net Position. The District's combined net position was \$19,146,645 on June 30, 2013, an increase of \$2,745,600 or 16.74% over the previous year. (See Figure A-3). Net Investment in Capital Assets increased primarily due to the maturity of \$3,250,000 of serial bonds payable, a paydown in capital lease principal of \$347,197, and \$3,787,552 in capital assets additions (net of capital assets disposals); offset by \$1,861,695 in depreciation expense and a new capital lease of \$1,642,542. Restricted net position decreased by \$1,200,701 due to a decrease of \$366,967 in the Capital Reserve account; a \$413,383 reduction in Capital Projects Fund balances as a result of further progress on construction projects and transfers to other funds, a \$456,313 decrease in excess surplus; offset by an increase of \$35,962 in the Debt Service Fund fund balance. Unrestricted net position increased by \$65,789 primarily due to a net decrease in compensated absences of \$25,210, a decrease in unamortized bond issuance premium of \$44,846, a decrease in accrued interest of \$61,925, and an increase in General Fund year end encumbrances of \$151,069; offset by a decrease in unamortized bond issuance costs of \$8,133, a decrease in deferred interest of \$152,421 and a \$91,550 decrease in unassigned General Fund fund balance. Unrestricted net position in business-type activities increased by \$34,843.

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,031,937	\$ 1,107,365	\$ 619,526	\$ 658,653	\$ 1,651,463	\$ 1,766,018	-6.49%
Operating Grants and Contributions	12,723,227	10,690,223	21,462	19,019	12,744,689	10,709,242	19.01%
General Revenue:							
Property Taxes	76,343,886	75,580,930			76,343,886	75,580,930	1.01%
Unrestricted State and Federal Aid	318,376	258,550			318,376	258,550	23.14%
Other	256,623	225,928	230	220	256,853	226,148	13.58%
Total Revenue	90,674,049	87,862,996	641,218	677,892	91,315,267	88,540,888	3.13%
Expenses:							
Instruction	51,095,903	49,624,952			51,095,903	49,624,952	2.96%
Pupil & Instruction Services	16,004,571	15,526,766			16,004,571	15,526,766	3.08%
Administrative & Business	7,631,539	7,591,286			7,631,539	7,591,286	0.53%
Maintenance & Operations	7,140,551	7,439,464			7,140,551	7,439,464	-4.02%
Transportation	2,858,982	2,744,063			2,858,982	2,744,063	4.19%
Capital Outlay	1,581,902	57,417			1,581,902	57,417	2655.11%
Other	1,890,431	2,088,438	592,884	617,641	2,483,315	2,706,079	-8.23%
Total Expenses	88,203,879	85,072,386	592,884	617,641	88,796,763	85,690,027	3.63%
Special Item:							
Insurance Recovery	227,096				227,096		100.00%
Increase/(Decrease) in Net Position	\$2,697,266	\$2,790,610	\$ 48,334	\$ 60,251	\$2,745,600	\$2,850,861	-3.69%

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

Revenue Sources. The District's total revenue for the 2012/13 school year was \$91,315,267. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$76,343,886 of the total, or 83.60 percent. (See Figure A-5). Another 14.31 percent came from state and federal aid and the remainder from tuition, miscellaneous sources and charges for services.

**Figure A-5
Sources of Revenue for Fiscal Year 2013 and 2012**

	<u>2013</u>	<u>Percentage</u>	<u>2012</u>	<u>Percentage</u>
Sources of Income:				
Grants and Contributions	\$ 12,744,689	13.96%	\$ 10,709,242	12.10%
Property Taxes	76,343,886	83.60%	75,580,930	85.36%
Unrestricted Federal and State Aid	318,376	0.35%	258,550	0.29%
Charges for Services	1,651,463	1.81%	1,766,018	1.99%
Other	256,853	0.28%	226,148	0.26%
	<u>\$ 91,315,267</u>	<u>100.00%</u>	<u>\$ 88,540,888</u>	<u>100.00%</u>

The total cost of all programs and services was \$88,796,763. The District's expenses are predominantly related to Instructing and providing Pupil Services (75.56 percent) which decreased from 76.03 percent in 2011-2012. (See Figure A-6). Other significant cost areas include Administrative and Business activities (8.58 percent) and Maintenance and Operations (8.04 percent). The District operates seven schools, an education center/administration building and a maintenance building. Costs for Administration and Maintenance decreased as a percentage of total expenses compared to fiscal year 2012-2013. It is important to note that expenses for the year include \$1,861,695 of depreciation expense attributable to its governmental and business-type activities.

**Figure A-6
Expenses for Fiscal Year 2013 and 2012**

	<u>2013</u>	<u>Percentage</u>	<u>2012</u>	<u>Percentage</u>
Expense Category:				
Instruction	\$ 51,095,903	57.54%	\$ 49,624,952	57.91%
Pupil and Instruction Services	16,004,571	18.02%	15,526,766	18.12%
Administrative and Business	7,631,539	8.58%	7,591,286	8.85%
Maintenance and Operations	7,140,551	8.04%	7,439,464	8.68%
Transportation	2,858,982	3.22%	2,744,063	3.20%
Capital Outlay	1,581,902	1.79%	57,417	0.08%
Other	2,483,315	2.81%	2,706,079	3.16%
	<u>\$ 88,796,763</u>	<u>100.00%</u>	<u>\$ 85,690,027</u>	<u>100.00%</u>

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs while experiencing an increase in enrollment, combined with rising salary and benefits costs, places great demands on the District's resources.

The District continues to pursue and implement cost savings strategies in order to sustain its financial health. Some examples are:

- Participation in multiple cooperative purchasing programs for district supplies.
- Shared service agreements with other public entities for busing services for special education students, athletics and field trips.
- Membership in purchasing cooperatives for purchases of energy and various types of insurance.
- Participation with the Township of Millburn in a Joint Facilities Committee for the maintenance of township and board owned athletic fields.
- The use of state contracts.
- The District participates in several cooperative purchasing programs for construction services. We have been able to significantly increase the scope of facility improvement projects by implementing a strategy of bidding and using cooperative purchasing to procure the most favorable prices for construction projects.

The District will continue its practice of examining all expenditures carefully and being mindful of pressure to reduce taxes while maintaining and/or expanding programs.

Figure A-7 presents the cost of seven major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, capital outlay and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-7
Net Cost of Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2012/13	2012/13	2011/12	2011/12
Instruction	\$ 51,095,903	\$ 41,207,185	\$ 49,624,952	\$ 41,451,535
Pupil and Instruction Services	16,004,571	13,496,899	15,526,766	12,963,043
Administrative and Business	7,631,539	7,081,115	7,591,286	7,167,850
Maintenance and Operations	7,140,551	7,140,551	7,439,464	7,439,464
Transportation	2,858,982	2,050,632	2,744,063	2,107,051
Capital Outlay	1,581,902	1,581,902	57,417	57,417
Other	1,890,431	1,890,431	2,088,438	2,088,438
	<u>\$ 88,203,879</u>	<u>\$ 74,448,715</u>	<u>\$ 85,072,386</u>	<u>\$ 73,274,798</u>

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

Business-Type Activities

Net position from the District's business-type activity increased by \$48,334. (Refer to Figure A-4). Factors contributing to these results included:

- Field Rental/Joint Facilities Fund revenues exceeded expenditures by \$28,995 and Food Service Fund revenues exceeded expenditures by \$19,339, accounting for all of the increase in the net position of the business-type activities.
- The increase in the Food Service Fund net position was primarily a result of the decrease in current year expenditures versus the prior year.

Financial Analysis of the District's Funds

The District's financial position improved significantly on a district wide basis despite difficult economic times. The weak economy and State budget problems have had a direct impact upon the District's revenue sources. Interest earnings on investments remain significantly lower than in previous years.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District will continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs, energy conservation, and seeking additional sources of revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are due to:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Debt Administration

Figure A-8

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	Change
Sites	\$ 109,045	\$ 109,045			\$ 109,045	\$ 109,045	0.00%
Site Improvements	3,597,560	3,074,436			3,597,560	3,074,436	17.02%
Buildings & Building Improvements	45,296,963	44,009,527			45,296,963	44,009,527	2.93%
Machinery and Equipment	2,601,346	2,499,540	\$ 55,364	\$ 41,873	2,656,710	2,541,413	4.54%
Total Capital Assets	\$51,604,914	\$49,692,548	\$ 55,364	\$ 41,873	\$51,660,278	\$49,734,421	3.87%

During the fiscal year, the District acquired or constructed \$3,787,552 in capital asset additions and accrued \$1,861,695 in depreciation (\$1,853,682 its governmental activities and \$8,013 from its business-type activities).

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Unaudited)**

Long-term Debt

The District's long term debt decreased by \$1,827,444 or 4.03% – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-9

Outstanding Long-Term Debt

	Total School District		Percentage
	2012/13	2011/12	Change 2012/13
General Obligation Bonds (Financed with Property Taxes)	\$ 40,769,000	\$ 44,019,000	-7.38%
Less: Deferred Amount on Refunding		(152,421)	100.00%
	<u>40,769,000</u>	<u>43,866,579</u>	-7.06%
Other Long-Term Debt	<u>2,773,742</u>	<u>1,503,607</u>	84.47%
	<u>\$ 43,542,742</u>	<u>\$ 45,370,186</u>	-4.03%

- The District continued to pay down its bonded debt, retiring \$3,250,000 of outstanding bonds.
- Compensated absences payable decreased by a net amount of \$25,210.
- The District entered into a \$1,642,542 capital lease purchase agreement to purchase 950 laptops and other related technology equipment and paid down \$347,197 in lease principal during the fiscal year.
- The \$152,421 deferred amount on refunding was fully amortized in the fiscal year.

Factors Bearing on the District's Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- There are several staff members with many years of service in education. It is reasonable to expect some changes in the future, which will be viewed as an opportunity to review resource allocation and structure.
- During fiscal year 2012-2013, the Board reached agreements with the Communication Workers of America for the contract for the period FY 2011-2012 through fiscal year 2013-2014. The Board believes that the contract was equitable and fiscally responsible.
- The District remained in the School Employers Health Benefits Plan for health insurance. Enrollment in this plan allowed the District to realize significant savings during the first full year of membership. These savings were a result of lower premiums, a reduction in the number of employees covered due to the state restriction on dual coverage, and state mandated carrier restrictions. In addition, the 2012-2013 year was the second year of increasing employee insurance premium contributions required by NJ state legislation, which reduced the Board share of medical costs. The District continues to seek new opportunities for efficiencies and expense reduction.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 434 Millburn Avenue, Millburn, New Jersey 07041.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,019,047	\$ 472,103	\$ 7,491,150
Receivables from State Government	727,423	210	727,633
Receivables from Federal Government	273,598	3,410	277,008
Receivables from Other Governments	25,122		25,122
Other Accounts Receivables	300	9,410	9,710
Inventories		8,212	8,212
Unamortized Bond Issuance Costs	89,457		89,457
Restricted Cash and Cash Equivalents	4,936,096		4,936,096
Capital Assets, Net:			
Sites (Land)	109,045		109,045
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	51,495,869	55,364	51,551,233
Total Assets	<u>64,675,957</u>	<u>548,709</u>	<u>65,224,666</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	760,895	51,298	812,193
Accrued Interest Payable	739,732		739,732
Payable to State Government	24,251		24,251
Payable to Other Governments			
Unearned Revenue	465,808		465,808
Unamortized Bond Issuance Premium	493,295		493,295
Noncurrent Liabilities:			
Due Within One Year	3,013,836		3,013,836
Due Beyond One Year	40,528,906		40,528,906
Total Liabilities	<u>46,026,723</u>	<u>51,298</u>	<u>46,078,021</u>
NET POSITION			
Net Investment in Capital Assets	9,540,569	55,364	9,595,933
Restricted for:			
Capital Projects	4,474,170		4,474,170
Debt Service	414,198		414,198
Other Purposes	4,474,567		4,474,567
Unrestricted/(Deficit)	(254,270)	442,047	187,777
Total Net Position	<u>\$ 18,649,234</u>	<u>\$ 497,411</u>	<u>\$ 19,146,645</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 40,987,893	\$ 127,252	\$ 6,032,326	\$ (34,828,315)		\$ (34,828,315)
Special Education	6,849,523	256,439	3,194,416	(3,398,668)		(3,398,668)
Other Special Instruction	1,329,689			(1,329,689)		(1,329,689)
Other Instruction	1,928,798		278,285	(1,650,513)		(1,650,513)
Support Services:						
Tuition	2,511,902		811,814	(1,700,088)		(1,700,088)
Student and Instruction Related Services	13,492,669		1,695,858	(11,796,811)		(11,796,811)
General Administrative Services	1,130,188		46,527	(1,083,661)		(1,083,661)
School Administrative Services	4,358,482		468,782	(3,889,700)		(3,889,700)
Central Services	1,475,199		35,115	(1,440,084)		(1,440,084)
Administrative Information Technology	667,670			(667,670)		(667,670)
Plant Operations and Maintenance	7,140,551			(7,140,551)		(7,140,551)
Pupil Transportation	2,858,982	648,246	160,104	(2,050,632)		(2,050,632)
Unallocated Depreciation	42,878			(42,878)		(42,878)
Interest on Long-Term Debt	1,847,553			(1,847,553)		(1,847,553)
Capital Outlay	1,581,902			(1,581,902)		(1,581,902)
Total Governmental Activities	88,203,879	1,031,937	12,723,227	(74,448,715)		(74,448,715)
Business-Type Activities:						
Field Rental/Joint Facilities	28,120	57,115			\$ 28,995	28,995
Food Service Fund	564,764	562,411	21,462		19,109	19,109
Total Business-Type Activities	592,884	619,526	21,462		48,104	48,104

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Total Primary Government	<u>\$ 88,796,763</u>	<u>\$ 1,651,463</u>	<u>\$ 12,744,689</u>	<u>\$ (74,448,715)</u>	<u>\$ 48,104</u>	<u>\$ (74,400,611)</u>
General Revenues and Special Items:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				71,903,699		71,903,699
Taxes Levied for Debt Service				4,440,187		4,440,187
Federal, State and Local Aid not Restricted				318,376		318,376
Interest Earnings				2,045	230	2,275
Miscellaneous Income				254,578		254,578
Insurance Recovery Related to Other Costs of Super Storm Sandy				227,096		227,096
Total General Revenues and Special Items				<u>77,145,981</u>	<u>230</u>	<u>77,146,211</u>
Change in Net Position				2,697,266	48,334	2,745,600
Net Position - Beginning				<u>15,951,968</u>	<u>449,077</u>	<u>16,401,045</u>
Net Position - Ending				<u>\$ 18,649,234</u>	<u>\$ 497,411</u>	<u>\$ 19,146,645</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

Exhibit B-1

MILLBURN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 6,536,864		\$ 254,320	\$ 227,863	\$ 7,019,047
Interfund Receivable	170,769			186,335	357,104
Receivables From State Government	727,423				727,423
Receivables From Federal Government		\$ 273,598			273,598
Receivables From Other Governments	25,122				25,122
Other Accounts Receivable	300				300
Restricted Cash and Cash Equivalents	4,936,096				4,936,096
Total Assets	\$ 12,396,574	\$ 273,598	\$ 254,320	\$ 414,198	\$ 13,338,690
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ 186,174	\$ 154,684	\$ 16,246		\$ 357,104
Accounts Payable	681,314	79,581			760,895
Payable to State Government		24,251			24,251
Unearned Revenue	450,726	15,082			465,808
Total Liabilities	1,318,214	273,598	16,246		1,608,058
Fund Balances:					
Restricted:					
Capital Reserve Account	4,236,096				4,236,096
Emergency Reserve	700,000				700,000
Excess Surplus - For 2014-2015	1,842,000				1,842,000
Excess Surplus - For 2013-2014	1,932,567				1,932,567
Capital Projects			238,074		238,074
Debt Service				\$ 414,198	414,198
Assigned:					
Other Purposes	934,503				934,503
Unassigned	1,433,194				1,433,194
Total Fund Balances	11,078,360		238,074	414,198	11,730,632
Total Liabilities and Fund Balances	\$ 12,396,574	\$ 273,598	\$ 254,320	\$ 414,198	

Amounts reported for *Governmental Activities* in the Statement of Net Position (Exhibit 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 \$82,443,137 and the accumulated depreciation is \$30,838,223.	51,604,914
Bond Issuance Costs are Reported as Expenditures in the Governmental Funds. The Cost is \$105,722 and the Accumulated Amortization is \$16,265.	89,457
Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold. The Amount is \$582,986 and the Accumulated Amortization is \$89,691.	(493,295)
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(739,732)
Long-Term Liabilities, including Bonds Payable and Capital Leases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(43,542,742)
Net Position of Governmental Activities (Exhibit A-1)	\$ 18,649,234

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 71,903,699			\$ 4,440,187	\$ 76,343,886
Tuition from Other LEAs	256,439				256,439
Tuition from Individuals	127,252				127,252
Transportation Fees From Individuals	648,246				648,246
Interest Earned on Capital Reserve Funds	564				564
Miscellaneous	256,022	\$ 183,576	\$ 37		439,635
Total - Local Sources	73,192,222	183,576	37	4,440,187	77,816,022
State Sources	11,207,145	186,399		253,333	11,646,877
Federal Sources		1,211,150			1,211,150
Total Revenues	84,399,367	1,581,125	37	4,693,520	90,674,049
EXPENDITURES:					
Current:					
Regular Instruction	29,281,370	427,125			29,708,495
Special Education Instruction	4,800,170	58,821			4,858,991
Other Special Instruction	1,327,864				1,327,864
School-Sponsored/Other Instruction	1,352,697				1,352,697
Support Services and Undistributed Costs:					
Tuition	1,700,088	811,814			2,511,902
Student/Other Instruction Related Services	9,515,822	283,365			9,799,187
General Administrative Services	913,259				913,259
School Administrative Services	3,196,585				3,196,585
Central Services	900,911				900,911
Administrative Information Technology	667,670				667,670
Plant Operations and Maintenance	5,679,837				5,679,837
Student Transportation	2,495,836				2,495,836
Unallocated Benefits	19,906,130				19,906,130
Capital Outlay	5,310,612		11,123		5,321,735
Debt Service:					
Principal				3,250,000	3,250,000
Interest and Other Charges				1,793,770	1,793,770
Total Expenditures	87,048,851	1,581,125	11,123	5,043,770	93,684,869
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(2,649,484)		(11,086)	(350,250)	(3,010,820)
Other Financing Sources/(Uses):					
Insurance Recovery Related to Other Costs of Super Storm Sandy	227,096				227,096
Capital Leases (Non-budgeted)	1,642,542				1,642,542
Transfers	16,085		(402,297)	386,212	
Total Other Financing Sources/(Uses)	1,885,723		(402,297)	386,212	1,869,638

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (763,761)		\$ (413,383)	\$ 35,962	\$ (1,141,182)
Fund Balance - July 1	<u>11,842,121</u>		<u>651,457</u>	<u>378,236</u>	<u>12,871,814</u>
Fund Balance - June 30	<u>\$ 11,078,360</u>	<u>\$ -0-</u>	<u>\$ 238,074</u>	<u>\$ 414,198</u>	<u>\$ 11,730,632</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-3

MILLBURN TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ (1,141,182)
Amounts reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:	
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.	
Depreciation Expense	\$ (1,853,682)
Capital Outlays	<u>3,766,048</u>
	1,912,366
The Governmental Funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	(8,133)
In the Statement of Activities, interest on Long-Term Debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).	61,925
Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	3,250,000
Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and not reported in the Statement of Activities.	(1,642,542)
Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	347,197
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (-)	44,846
The governmental funds report the effect of deferred interest when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(152,421)
In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	<u>25,210</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 2,697,266</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-4

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 472,103
Intergovernmental Accounts Receivable:	
State	210
Federal	3,410
Other Accounts Receivable	9,410
Inventories	8,212
	493,345
Total Current Assets	493,345
Non-Current Assets:	
Capital Assets	169,523
Less: Accumulated Depreciation	(114,159)
	55,364
Total Non-Current Assets	55,364
Total Assets	548,709
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	51,298
	51,298
Total Current Liabilities	51,298
<u>NET POSITION:</u>	
Net Investment in Capital Assets	55,364
Unrestricted	442,047
	497,411
Total Net Position	\$ 497,411

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 65,387
Daily Sales - Non-Reimbursable Programs	446,486
Program Fees	57,115
Special Events	44,809
Miscellaneous Revenue	5,729
	619,526
Total Operating Revenue	619,526
Operating Expenses:	
Cost of Sales	192,917
Salaries, Benefits & Payroll Taxes	243,986
Purchased Professional and Technical Services	16,749
Other Purchased Services	61,362
Cleaning, Repair and Maintenance Services	28,120
Supplies and Materials	39,285
Miscellaneous Expense	2,452
Depreciation Expense	8,013
	592,884
Total Operating Expenses	592,884
Operating Income	26,642
Non-Operating Revenue:	
Local Sources:	
Interest Income	230
State Sources:	
State School Lunch Program	1,029
Federal Sources:	
National School Lunch Program	15,884
Food Distribution Program	4,549
	21,692
Total Non-Operating Revenue	21,692
Change in Net Position	48,334
Net Position - Beginning of Year	449,077
Net Position - End of Year	\$ 497,411

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 614,516
Payments to Food Service Contractors	(560,112)
Payments to Suppliers	(26,594)
	27,810
Net Cash Provided by Operating Activities	27,810
Cash Flows from Investing Activities:	
Interest Income	230
	230
Net Cash Provided by Investing Activities	230
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(21,504)
	(21,504)
Net Cash Used for Capital and Relating Financing Activities	(21,504)
Cash Flows from Noncapital & Financing Activities:	
State Sources	895
Federal Sources	13,436
	14,331
Net Cash Provided by Noncapital & Financing Activities	14,331
Net Increase in Cash and Cash Equivalents	20,867
Cash and Cash Equivalents, July 1	451,236
	451,236
Cash and Cash Equivalents, June 30	\$ 472,103
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 26,642
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	8,013
Food Distribution Program	4,549
Changes in Assets and Liabilities:	
(Increase) in Other Accounts Receivable	(5,010)
(Increase) in Inventory	(3,923)
(Decrease) in Accounts Payable	(2,461)
	(2,461)
Net Cash Provided by Operating Activities	\$ 27,810

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$4,549 and utilized U.S.D.A. Commodities valued at \$4,549.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flex Spending Trust</u>	<u>Private Purpose Scholarships Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 356,448	\$ 325,447	\$ 65,204	\$ 1,781
Total Assets	<u>356,448</u>	<u>325,447</u>	<u>65,204</u>	<u>1,781</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	36,181			
Due to Student Groups	<u>320,267</u>			
Total Liabilities	<u>356,448</u>			
<u>NET POSITION:</u>				
Held in Trust for:				
Unemployment Claims		325,447		
Flex Spending Claims			65,204	
Scholarships				<u>1,781</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 325,447</u>	<u>\$ 65,204</u>	<u>\$ 1,781</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Trust	Flex Spending Trust	Private Purpose Scholarships Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 67,866	\$ 201,130	
Total Contributions	67,866	201,130	
Investment Earnings:			
Interest			\$ 1
Net Investment Earnings			1
Total Additions	67,866	201,130	1
DEDUCTIONS:			
Unemployment Benefit Claims	120,647		
Flex Spending Claims		206,389	
Total Deductions	120,647	206,389	
Change in Net Position	(52,781)	(5,259)	1
Net Position - Beginning of the Year	378,228	70,463	1,780
Net Position - End of the Year	\$ 325,447	\$ 65,204	\$ 1,781

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's Food Service and Field Rental/Joint Facilities programs. The Food Service and Field Rental/Joint Facilities programs are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students and community on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities, Payroll Agency, Unemployment Compensation Trust, Flexible Spending Trust and Private Purpose Scholarship Trust.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the Governmental Funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the Governmental Funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2013 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 84,431,818	\$ 1,581,211
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(86)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	144,820	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(177,271)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 84,399,367	\$ 1,581,125

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 87,048,851	\$ 1,581,211
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.		
Current Year Encumbrances		(86)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 87,048,851	\$ 1,581,125

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the 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 in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions: (Cont'd)

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

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the Special Revenue Fund are reported as restricted, 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.

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

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the Fund financial statements, fixed assets used in Governmental fund operations are accounted for as capital outlay expenditures in the Governmental Funds upon acquisition. Fixed assets are not capitalized and the related depreciation is not reported in the Fund financial statements.

L. Long Term Liabilities:

In the District-wide and Enterprise Fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable Government activities, Business-type activities, or Enterprise Funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the Fund financial statements, Governmental fund types recognize bond issuance costs as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2013.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's various employee contracts/agreements.

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

P. Fund Balance Appropriated:

General Fund: Of the \$11,078,360 General Fund balance at June 30, 2013, \$934,503 is assigned for year end encumbrances; \$4,236,096 is restricted in the capital reserve account; \$700,000 has been restricted as emergency reserve; \$1,932,567 is restricted as prior year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2014; \$1,842,000 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2015; and \$1,433,194 is unassigned, which is \$177,271 less than the calculated unassigned fund balance, on a GAAP basis, due to the last two state aid payments, which are not recognized until the fiscal year ended June 30, 2014.

Capital Projects Fund: The \$238,074 fund balance in the Capital Projects Fund at June 30, 2013 is restricted.

Debt Service Fund: Of the \$414,198 restricted fund balance in the Debt Service Fund at June 30, 2013, \$227,985 has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2014.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus as outlined above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$254,270 in its governmental activities, which is due to unassigned fund balance of \$1,433,194, \$934,503 of General Fund encumbrances and \$89,457 of unamortized bond issuance costs; net of accrued interest payable of \$739,732, unamortized bond premium of \$493,295 and \$1,478,397 of compensated absences payable. This deficit does not indicate the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Net Position:

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the current fiscal year. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows or outflows of resources at June 30, 2013.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, a capital reserve, an emergency reserve, the capital projects fund and the debt service fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2013.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has \$934,503 of assigned resources for year-end encumbrances in the General Fund at June 30, 2013.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activities of the Enterprise Funds. These revenues are sales for Food Service, and program fees for Field Rental/Joint Facilities. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2013, cash and cash equivalents and investments of the District consisted of the following:

	<u>Restricted Cash and Cash Equivalents</u>		<u>Cash and</u>	<u>Total</u>
	<u>Capital Reserve</u>	<u>Emergency Reserve</u>	<u>Cash Equivalents</u>	
Checking/Money Market Accounts	\$ 891,538	\$ 700,000	\$ 8,001,797	\$ 9,593,335
NJ ARM	3,344,558			3,344,558
Cutwater Asset Management			238,233	238,233
	<u>\$ 4,236,096</u>	<u>\$ 700,000</u>	<u>\$ 8,240,030</u>	<u>\$ 13,176,126</u>

During the period ended June 30, 2013, the District did not hold any investments other than certificate of deposits. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2013, was \$13,176,126 and the bank balance was \$14,207,001. The balances of \$3,344,558 in NJ ARM and \$238,233 in the Cutwater Asset Management are uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$1 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, 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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2012	\$ 4,603,063
Add:	
Interest Earnings	564
Return of Unexpended Balance from Capital Outlay	180,731
Return of Unexpended Balance from Capital Projects Fund	16,085
Transfer from Unassigned Fund Balance as of Board Resolution - June 24, 2013	875,453
Less:	
Budgeted Withdrawal from Capital Reserve	<u>(1,439,800)</u>
Ending Balance, June 30, 2013	<u>\$ 4,236,096</u>

The balance in the capital reserve account at June 30, 2013 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP. The withdrawal from capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2013 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 109,045			\$ 109,045
Construction in Progress		\$ 11,124	\$ (11,124)	
Total Capital Assets Not Being Depreciated	109,045	11,124	(11,124)	109,045
Capital Assets Being Depreciated:				
Site Improvements	4,348,460	709,447		5,057,907
Buildings and Building Improvements	69,631,736	2,562,173		72,193,909
Machinery and Equipment	4,678,111	494,428	(90,263)	5,082,276
Total Capital Assets Being Depreciated	78,658,307	3,766,048	(90,263)	82,334,092
Governmental Activities Capital Assets	78,767,352	3,777,172	(101,387)	82,443,137
Less Accumulated Depreciation for:				
Site Improvements	(1,274,024)	(186,323)		(1,460,347)
Buildings and Building Improvements	(25,622,209)	(1,274,737)		(26,896,946)
Machinery and Equipment	(2,178,571)	(392,622)	90,263	(2,480,930)
	(29,074,804)	(1,853,682)	90,263	(30,838,223)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 49,692,548	\$ 1,923,490	\$ (11,124)	\$ 51,604,914

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 148,867	\$ 21,504	\$ (848)	\$ 169,523
Less: Accumulated Depreciation	<u>(106,994)</u>	<u>(8,013)</u>	<u>848</u>	<u>(114,159)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 41,873</u>	<u>\$ 13,491</u>	<u>\$ -0-</u>	<u>\$ 55,364</u>

The District has no active construction projects as of June 30, 2013.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,269,429
Special Education Instruction	170,398
Student and Other Instruction Related Services	35,663
General Administration	104,068
School Administration	30,404
Central Services	30,661
Operations and Maintenance of Plant	141,175
Student Transportation	29,006
Unallocated	42,878
	<u>\$ 1,853,682</u>

NOTE 6. OPERATING LEASES

The District has commitments to lease copying equipment and digital mailing machines under operating leases which expire in 2018. Future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2014	\$ 64,745
June 30, 2015	43,981
June 30, 2016	29,862
June 30, 2017	20,906
June 30, 2018	5,334
Total future minimum lease payments	<u>\$ 164,828</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2012</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2013</u>
Serial Bonds Payable	\$ 44,019,000		\$ 3,250,000	\$ 40,769,000
Less: Deferred Amount on Refunding	(152,421)		(152,421)	
Net Serial Bonds Payable	<u>43,866,579</u>		<u>3,097,579</u>	<u>40,769,000</u>
Capital Leases Payable		\$ 1,642,542	347,197	1,295,345
Compensated Absences Payable	<u>1,503,607</u>	<u>149,902</u>	<u>175,112</u>	<u>1,478,397</u>
	<u>\$ 45,370,186</u>	<u>\$ 149,902</u>	<u>\$ 3,272,691</u>	<u>\$ 43,542,742</u>

A. Bonds Payable:

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

On July 20, 2011, the District issued refunding bonds of \$7,920,000 with interest rates ranging from 2.0% to 4.0% to advance refund \$7,940,000 school bonds with interest rate of 4.0%. The bonds mature on September 15, 2011 through 2023 and September 15, 2021 is the first optional redemption date at 100% at par. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds were called on September 15, 2012. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

As a result of the advance refunding, the District will realize a total of \$403,445 in debt service savings over the life of the bond issue. On a present value basis, the savings equate to \$348,856 (net of all costs of issuing the bonds), or 4.394% of the bonds refunded.

The District had bonds outstanding as of June 30, 2013 as follows:

<u>Final Maturity</u> <u>Date</u>	<u>Serial Bonds</u> <u>Interest</u> <u>Rate</u>	<u>Amount</u>
07/15/19	5.350%	\$ 8,049,000
01/15/22	3.700%	7,395,000
07/15/27	4.125%-4.250%	17,550,000
09/15/23	2.000%-4.000%	<u>7,775,000</u>
		<u>\$ 40,769,000</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding will be liquidated through the Debt Service Fund and are as follows:

<u>Year Ending June 30,</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,315,000	\$ 1,655,643	\$ 4,970,643
2015	3,375,000	1,520,832	4,895,832
2016	3,390,000	1,383,636	4,773,636
2017	3,505,000	1,240,557	4,745,557
2018	3,625,000	1,085,926	4,710,926
Thereafter 5 Years (2019-2023)	15,314,000	3,206,205	18,520,205
Thereafter 5 Years (2024-2028)	8,245,000	811,775	9,056,775
	<u>\$ 40,769,000</u>	<u>\$ 10,904,574</u>	<u>\$ 51,673,574</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2013, the Board had \$1,000 bonds authorized but not issued.

C. Capital Leases Payable:

The District entered into a \$1,642,542 lease purchase agreement during the current fiscal year to purchase 950 laptops and other related technology equipment, of which \$347,197 has been amortized. The capital lease is for a term of five years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2013.

<u>Year</u>	<u>Amount</u>
2014	\$ 323,837
2015	323,836
2016	323,836
2017	323,836
	<u>1,295,345</u>
Less: Amount Representing Interest	<u>-0-</u>
Present Value Net of Minimum Lease Payments	<u>\$ 1,295,345</u>

The current portion of capital leases payable at June 30, 2013 is \$323,837 and the long-term portion is \$971,508. The General Fund will be used to liquidate the capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the Governmental fund types is recorded in the current and long-term liabilities. There is no current portion, so the entire \$1,478,397 compensated absences balance is recorded in long-term liabilities of the governmental funds and will be liquidated through the General Fund.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences Payable: (Cont'd)

There is no liability for compensated absences in the Proprietary fund types.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Plan (DCRP). These systems are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing, multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other noncontribution employers. The PERS is also considered a cost-sharing, multiple-employer plan. However, if an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits.

Employees who are members of TPAF or PERS and retire at a specified age according to the relevant tier category for the employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Effective July 1, 2012, the employee contributions for PERS and TPAF increased from 6.5% to 6.64% of employees' annual compensation, as defined. Subsequent increases are being phased in over 7 years effective each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in the PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions of 5.5% of employees' annual compensation for DCRP are matched by a 3% employer contribution.

District contributions to PERS amounted to \$851,522, \$852,094 and \$799,390 for the fiscal years ended June 30, 2013, 2012 and 2011, respectively.

During the fiscal years ended June 30, 2013, 2012 and 2011, the State of New Jersey made contributions of \$2,700,361, \$1,254,155 and \$-0-, respectively, to the TPAF for pension benefits on behalf of the District.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

The employee and employer contributions for DCRP for the year ended June 30, 2013 were \$33,714 and \$36,453, respectively. The employee and employer contributions for DCRP for the fiscal year ended June 30, 2012 were \$16,655 and \$33,712, respectively. The employee and employer contributions for DCRP for the fiscal year ended June 30, 2011 were \$3,238 and \$4,574, respectively.

P.L. 2009, c.29, provided regular school districts the option of deferring 50% of the District's 2008/2009 regular PERS pension liability. Districts that elected to defer the pension liability began repaying the deferred amount over fifteen years starting in April 2009. The District elected to defer \$236,907 of their \$532,710 regular pension liability for the year ended June 30, 2009 and started repaying this during the 2011/2012 budget year. The District paid \$34,302 of its deferred pension liability during the fiscal year.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees.

As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$3,053,427, \$2,521,179 and \$2,362,237 for 2013, 2012 and 2011, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtained its health benefit coverage through the New Jersey State Health Benefits Program.

Property and Liability Insurance

The Millburn Township School District obtains commercial insurance coverage for general liability, property and automobile coverage. The Millburn Township School District is also a member of the Pooled Insurance Program of New Jersey (the "Fund"). This public entity risk management pool provides workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2013 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2012 is as follows:

	<u>Pooled Insurance Program of New Jersey</u>
Total Assets	\$ 20,490,201
Net Position	\$ 4,907,675
Total Revenue	\$ 8,109,358
Total Expenses	\$ 7,088,647
Change in Net Position	\$ 1,020,711
Members Dividends	\$ 1,093,152

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Office of the Executive Director
44 Bergen Street
P.O. Box 270
Westwood, NJ 07675

New Jersey Unemployment Compensation Insurance

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)New Jersey Unemployment Compensation Insurance (Cont'd)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ -0-	\$ -0-	\$ 67,866	\$ 120,647	\$ 325,447
2011-2012	-0-	-0-	75,852	231,020	378,228
2010-2011	-0-	-0-	64,767	239,035	533,396

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 170,769	\$ 186,174
Special Revenue Fund		154,684
Capital Projects Fund		16,246
Debt Service Fund	186,335	
	<u>\$ 357,104</u>	<u>\$ 357,104</u>

The interfund payable in the Capital Projects Fund comprises of \$16,085 of unexpended Capital Reserve funds due to the General Fund and \$37 of current year interest and \$124 of prior year interest due to the Debt Service Fund. The interfund payable in the Special Revenue Fund due to the General Fund is the amount of the cash deficit in the Special Revenue Fund while awaiting reimbursements of expenditures from grantors. The interfund payable in the General Fund is due to a SDA grant received in a fully funded project collected in the General Fund due to the Debt Service Fund as a result of the close out of certain capital projects and unexpended bond proceeds due from the Capital Projects Fund.

During the fiscal year, the Capital Projects Fund transferred \$386,212 to the Debt Service Fund which represented interest earnings of \$37 and unexpended bond proceeds of \$386,175. The District also transferred \$16,085 of unexpended Capital Reserve funds to the General Fund during the current fiscal year.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 13. DEFERRED COMPENSATION (Cont'd)

The plan administrators are as follows:

Variable Annuity Life (VALIC) Equitable Life Assurance	Lincoln Investment Planning Prudential
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Equitable Life Assurance and Lincoln Investment Planning are the plan administrators for the District's Internal Revenue Code Section 457 plans.

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year.

The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The District is periodically threatened with litigation stemming from legal claims and assessments and is currently defending claims. The ultimate outcome of these cases cannot reasonably be determined, and the District has initiated a strong defense. Consequently, no amount has been accrued in the District's financial statements as of June 30, 2013.

Encumbrances

At June 30, 2013, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 934,503	\$ 86	\$ 13,892	\$ 948,481

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 15. CONTINGENT LIABILITIES (Cont'd)Encumbrances (Cont'd)

On the District's Governmental Funds Balance Sheet as of June 30, 2013, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. On the GAAP basis, encumbrances are not recognized and are reflected as either a reduction in grants receivable or an increase in unearned revenue. The \$13,892 of year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$238,074 restricted fund balance on a GAAP basis at June 30, 2013.

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities as of June 30, 2013 consisted of the following:

	<u>Governmental Activities</u>		Total Governmental Funds	<u>Business-Type Activities</u>
	General Fund	Special Revenue Fund		Proprietary Funds
Salaries	\$ 175,583	\$ 3,294	\$ 178,877	
Vendors	505,731	76,287	582,018	\$ 51,298
	<u>\$ 681,314</u>	<u>\$ 79,581</u>	<u>\$ 760,895</u>	<u>\$ 51,298</u>

NOTE 17. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2013, the District transferred \$589,040 to the capital outlay accounts for equipment which did not require approval from the County Superintendent.

NOTE 18. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution on June 16, 2008 by inclusion of \$300,000 for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated General Fund expenditures required for a through and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the General Fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution between June 1st and June 30th of any unanticipated revenue or unexpended line item appropriation 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.

The activity of the emergency reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	<u>\$ 700,000</u>
Ending Balance, June 30, 2013	<u>\$ 700,000</u>

BUDGETARY COMPARISON SCHEDULES

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 71,903,699		\$ 71,903,699	\$ 71,903,699	
Tuition From Other LEAs				256,439	\$ 256,439
Tuition From Individuals				127,252	127,252
Transportation Fees From Individuals	550,000		550,000	648,246	98,246
Interest Earned on Capital Reserve Funds	1,000		1,000	564	(436)
Unrestricted Miscellaneous Revenue	404,560		404,560	256,022	(148,538)
Total - Local Sources	<u>72,859,259</u>		<u>72,859,259</u>	<u>73,192,222</u>	<u>332,963</u>
State Sources:					
Special Education Aid	1,682,457		1,682,457	1,682,457	
Security Aid	71,803		71,803	71,803	
Transportation Aid	128,722		128,722	128,722	
Extraordinary Special Education Costs Aid	500,000		500,000	534,413	34,413
Excess Nonpublic School Transportation Costs				43,500	43,500
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				2,700,361	2,700,361
TPAF Post Retirement Medical Benefits Contributions (On-Behalf - Non-Budgeted)				3,053,427	3,053,427
TPAF Social Security (Reimbursed - Non-Budgeted)				3,024,913	3,024,913
Total State Sources	<u>2,382,982</u>		<u>2,382,982</u>	<u>11,239,596</u>	<u>8,856,614</u>
Total Revenues	<u>75,242,241</u>		<u>75,242,241</u>	<u>84,431,818</u>	<u>9,189,577</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 230,755	\$ 6,135	\$ 236,890	\$ 236,030	\$ 860
Kindergarten - Salaries of Teachers	1,474,606	129,824	1,604,430	1,593,729	10,701
Grades 1-5 - Salaries of Teachers	10,042,223	(149,473)	9,892,750	9,651,996	240,754
Grades 6-8 - Salaries of Teachers	6,372,640	10,761	6,383,401	6,357,824	25,577
Grades 9-12 - Salaries of Teachers	9,023,587	53,843	9,077,430	9,055,927	21,503
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	19,834	34,834	34,833	1
Purchased Professional-Educational Services	10,000	(5,000)	5,000	4,329	671
General Supplies	500	(500)			
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	196,392	168,343	364,735	360,971	3,764
Purchased Professional-Educational Services	7,000	1,000	8,000	6,130	1,870
Purchased Technical Services	467,040	(84,773)	382,267	382,266	1
Other Purchased Services	17,470	347,046	364,516	357,359	7,157
General Supplies	1,249,295	5,799	1,255,094	1,092,512	162,582
Textbooks	248,343	(56,177)	192,166	147,314	44,852
Other Objects		150	150	150	
Total Regular Programs - Instruction	29,354,851	446,812	29,801,663	29,281,370	520,293
Special Education - Instruction:					
Cognitive - Moderate:					
Purchased Professional-Educational Services	4,100	1,850	5,950	5,950	
Total Cognitive - Moderate	4,100	1,850	5,950	5,950	

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 275,712	\$ 12,270	\$ 287,982	\$ 285,866	\$ 2,116
Other Salaries for Instruction	84,816	(27,884)	56,932	53,937	2,995
General Supplies	8,000	(1,362)	6,638	6,637	1
Textbooks	3,000	(3,000)			
Total Learning and/or Language Disabilities	<u>371,528</u>	<u>(19,976)</u>	<u>351,552</u>	<u>346,440</u>	<u>5,112</u>
Visual Impairments:					
Purchased Professional-Educational Services	1,000	(1,000)			
Total Visual Impairments	<u>1,000</u>	<u>(1,000)</u>			
Auditory Impairments:					
Salaries of Teachers	63,911	(447)	63,464	62,964	500
General Supplies	750	(551)	199	198	1
Total Auditory Impairments	<u>64,661</u>	<u>(998)</u>	<u>63,663</u>	<u>63,162</u>	<u>501</u>
Multiple Disabilities:					
Salaries of Teachers	152,416	26,440	178,856	176,748	2,108
Other Salaries for Instruction	113,252	(29,554)	83,698	80,873	2,825
General Supplies	500	(94)	406	405	1
Textbooks	800	(23)	777	540	237
Total Multiple Disabilities	<u>266,968</u>	<u>(3,231)</u>	<u>263,737</u>	<u>258,566</u>	<u>5,171</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 3,782,194	\$ 49,232	\$ 3,831,426	\$ 3,817,475	\$ 13,951
General Supplies	18,800	(4,760)	14,040	14,039	1
Textbooks	23,110	(2,301)	20,809	20,809	
Total Resource Room/Resource Center	<u>3,824,104</u>	<u>42,171</u>	<u>3,866,275</u>	<u>3,852,323</u>	<u>13,952</u>
Autism:					
Salaries of Teachers	128,450	(3,773)	124,677	122,304	2,373
Other Salaries for Instruction	81,583	(30,703)	50,880	36,921	13,959
General Supplies	3,000		3,000	2,928	72
Total Autism	<u>213,033</u>	<u>(34,476)</u>	<u>178,557</u>	<u>162,153</u>	<u>16,404</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	40,000	(1,209)	38,791	38,791	
Other Salaries for Instruction	36,000	(13,437)	22,563	22,563	
General Supplies	4,000	(163)	3,837	3,604	233
Total Preschool Disabilities - Part-Time	<u>80,000</u>	<u>(14,809)</u>	<u>65,191</u>	<u>64,958</u>	<u>233</u>
Home Instruction:					
Salaries of Teachers	45,000	(20,543)	24,457	24,456	1
Purchased Professional-Educational Services	30,000		30,000	22,162	7,838
General Supplies	300	(300)			
Total Home Instruction	<u>75,300</u>	<u>(20,843)</u>	<u>54,457</u>	<u>46,618</u>	<u>7,839</u>
Total Special Education - Instruction	<u>4,900,694</u>	<u>(51,312)</u>	<u>4,849,382</u>	<u>4,800,170</u>	<u>49,212</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 937,245	\$ 27,612	\$ 964,857	\$ 962,834	\$ 2,023
General Supplies	4,000		4,000	2,848	1,152
Textbooks	1,000		1,000		1,000
Total Basic Skills/Remedial - Instruction	<u>942,245</u>	<u>27,612</u>	<u>969,857</u>	<u>965,682</u>	<u>4,175</u>
Bilingual Education - Instruction:					
Salaries of Teachers	374,617	(12,729)	361,888	361,121	767
Purchased Technical Services	2,000	(2,000)			
General Supplies	2,000	(572)	1,428	1,061	367
Textbooks	2,000	(2,000)			
Other Objects	1,800	(800)	1,000		1,000
Total Bilingual Education - Instruction	<u>382,417</u>	<u>(18,101)</u>	<u>364,316</u>	<u>362,182</u>	<u>2,134</u>
School Sponsored Cocurricular Activities:					
Salaries	323,046	13,814	336,860	332,146	4,714
Other Objects	97,530	(6,005)	91,525	90,204	1,321
Total School-Sponsored Cocurricular Activities	<u>420,576</u>	<u>7,809</u>	<u>428,385</u>	<u>422,350</u>	<u>6,035</u>
School-Sponsored Athletics:					
Salaries	648,847	28,680	677,527	677,525	2
Purchased Services	126,283	(522)	125,761	124,956	805
Supplies and Materials	102,078	(19,230)	82,848	82,848	
Other Objects	10,064	4,948	15,012	15,011	1
Total School-Sponsored Athletics	<u>887,272</u>	<u>13,876</u>	<u>901,148</u>	<u>900,340</u>	<u>808</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Community Services Programs:					
Salaries	\$ 50,000		\$ 50,000	\$ 30,007	\$ 19,993
Total Community Services Programs	<u>50,000</u>		<u>50,000</u>	<u>30,007</u>	<u>19,993</u>
Total Instruction	<u>36,938,055</u>	<u>\$ 426,696</u>	<u>37,364,751</u>	<u>36,762,101</u>	<u>602,650</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Special	384,206	(307,777)	76,429	63,940	12,489
Tuition to County Vocational School - Special	39,600	(39,600)			
Tuition to Private Schools for the Handicapped Within State	755,972	640,279	1,396,251	1,386,082	10,169
Tuition to Private Schools for the Handicapped Outside State	283,167	(30,750)	252,417	250,066	2,351
Total Undistributed Expenditures - Instruction	<u>1,462,945</u>	<u>262,152</u>	<u>1,725,097</u>	<u>1,700,088</u>	<u>25,009</u>
Undistributed Expenditures:					
Health Services:					
Salaries	609,049	(584)	608,465	608,465	
Purchased Professional and Technical Services	34,631	(5,450)	29,181	25,646	3,535
Other Purchased Services	100	(100)			
Supplies and Materials	15,220	3,058	18,278	15,128	3,150
Other Objects	3,750	(2,609)	1,141	726	415
Total Health Services	<u>662,750</u>	<u>(5,685)</u>	<u>657,065</u>	<u>649,965</u>	<u>7,100</u>
Speech, OT, PT & Related Services:					
Salaries	1,276,228	26,645	1,302,873	1,301,490	1,383
Purchased Professional - Educational Services	217,400	(77,359)	140,041	134,836	5,205
Supplies and Materials	5,400	(1,805)	3,595	3,594	1
Total Speech, OT, PT & Related Services	<u>1,499,028</u>	<u>(52,519)</u>	<u>1,446,509</u>	<u>1,439,920</u>	<u>6,589</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Other Support Services - Extraordinary Services:					
Salaries	\$ 1,382,764	\$ 32,927	\$ 1,415,691	\$ 1,391,417	\$ 24,274
Supplies and Materials	1,200	(460)	740	739	1
Total Other Support Services - Extraordinary Services	<u>1,383,964</u>	<u>32,467</u>	<u>1,416,431</u>	<u>1,392,156</u>	<u>24,275</u>
Guidance:					
Salaries of Other Professional Staff	1,168,311	(113,425)	1,054,886	1,054,690	196
Salaries of Secretarial and Clerical Assistants	138,088	6,032	144,120	143,120	1,000
Other Salaries	103,734	(3,634)	100,100	100,100	
Other Purchased Professional-Educational Services	32,000		32,000	26,650	5,350
Other Purchased Services	3,500		3,500		3,500
Total Guidance	<u>1,445,633</u>	<u>(111,027)</u>	<u>1,334,606</u>	<u>1,324,560</u>	<u>10,046</u>
Child Study Team:					
Salaries of Other Professional Staff	2,330,455	(34,138)	2,296,317	2,296,315	2
Salaries of Secretarial and Clerical Assistants	239,106	10,466	249,572	248,572	1,000
Purchased Professional - Educational Services	120,000	(12,000)	108,000	102,336	5,664
Other Purchased Professional and Technical Services	80,000	15,892	95,892	88,474	7,418
Miscellaneous Purchased Services	2,000		2,000	1,473	527
Supplies and Materials	38,500	(11,308)	27,192	26,099	1,093
Other Objects	5,300	(2,362)	2,938	2,938	
Total Child Study Team	<u>2,815,361</u>	<u>(33,450)</u>	<u>2,781,911</u>	<u>2,766,207</u>	<u>15,704</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	555,806	(43,423)	512,383	512,383	
Salaries of Other Professional Staff	509,024	3,418	512,442	495,843	16,599
Salaries of Secretarial and Clerical Assistants	54,951	8,001	62,952	62,952	

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Improvement of Instructional Services: (Cont'd)					
Other Purchased Services	\$ 5,200		\$ 5,200	\$ 837	\$ 4,363
Supplies and Materials	23,200	(7,653)	15,547	14,324	1,223
Other Objects	13,000	(3,000)	10,000	7,340	2,660
Total Improvement of Instructional Services	<u>1,161,181</u>	<u>(42,657)</u>	<u>1,118,524</u>	<u>1,093,679</u>	<u>24,845</u>
Educational Media Services/School Library:					
Salaries	677,086	(51,190)	625,896	622,121	3,775
Supplies and Materials	142,290	(12,437)	129,853	125,925	3,928
Total Educational Media Services/School Library	<u>819,376</u>	<u>(63,627)</u>	<u>755,749</u>	<u>748,046</u>	<u>7,703</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	43,000	(11,202)	31,798	29,132	2,666
Other Salaries	36,880	(5)	36,875	29,288	7,587
Purchased Professional - Educational Services	12,291	7,995	20,286	20,286	
Other Purchased Services	5,200	(1,000)	4,200	1,766	2,434
Supplies and Materials	500	430	930	430	500
Other Objects	23,500	5,942	29,442	20,387	9,055
Total Instructional Staff Training Services	<u>121,371</u>	<u>2,160</u>	<u>123,531</u>	<u>101,289</u>	<u>22,242</u>
General Administration:					
Salaries	405,716	18,562	424,278	415,530	8,748
Legal Services	210,000	90,000	300,000	236,636	63,364
Audit Fees	50,000		50,000	50,000	
Architectural/Engineering Services	10,000	18,977	28,977	18,686	10,291
Other Purchased Professional Services	38,500	(19,000)	19,500	10,695	8,805

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
General Administration: (Cont'd)					
Communications/Telephone	\$ 116,030	\$ (15,121)	\$ 100,909	\$ 96,956	\$ 3,953
BOE Other Purchased Services	1,000		1,000	437	563
Miscellaneous Purchased Services (400-500)	31,900	12,050	43,950	42,174	1,776
General Supplies	8,000	(264)	7,736	3,802	3,934
BOE In-House Training/Meeting Supplies	1,000		1,000	181	819
Miscellaneous Expenditures	166,500	(2,231)	164,269	9,549	154,720
BOE Membership Dues and Fees	32,000	(1,600)	30,400	28,613	1,787
Total General Administration	<u>1,070,646</u>	<u>101,373</u>	<u>1,172,019</u>	<u>913,259</u>	<u>258,760</u>
School Administration:					
Salaries of Principals/Assistant Principals	1,663,648	1,419	1,665,067	1,665,067	
Salaries of Other Professional Staff	564,028	(5,729)	558,299	558,298	1
Salaries of Secretarial and Clerical Assistants	854,571	(19,686)	834,885	832,931	1,954
Other Salaries	5,500		5,500	1,881	3,619
Supplies and Materials	161,655	(13,073)	148,582	115,096	33,486
Other Objects	38,300	(1,512)	36,788	23,312	13,476
Total School Administration	<u>3,287,702</u>	<u>(38,581)</u>	<u>3,249,121</u>	<u>3,196,585</u>	<u>52,536</u>
Central Services:					
Salaries	756,355	(10,196)	746,159	743,479	2,680
Purchased Technical Services	51,965	(1,827)	50,138	46,083	4,055
Miscellaneous Purchased Services	3,150		3,150	591	2,559
Supplies and Materials	39,162	17,000	56,162	41,482	14,680
Miscellaneous Expenditures	81,940		81,940	69,276	12,664
Total Central Services	<u>932,572</u>	<u>4,977</u>	<u>937,549</u>	<u>900,911</u>	<u>36,638</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Administrative Information Technology:					
Salaries	\$ 562,890	\$ 11,919	\$ 574,809	\$ 574,062	\$ 747
Purchased Professional Services	241,938	(182,962)	58,976	56,551	2,425
Purchased Technical Services	29,760	(8,829)	20,931	16,565	4,366
Other Purchased Services	4,500	(3,890)	610	610	
Supplies and Materials	39,069	21,065	60,134	18,032	42,102
Other Objects	28,000	(26,150)	1,850	1,850	
Total Administrative Information Technology	906,157	(188,847)	717,310	667,670	49,640
Required Maintenance for School Facilities:					
Salaries	357,223	5,714	362,937	362,073	864
Cleaning, Repair and Maintenance Services	462,500	321,246	783,746	650,687	133,059
General Supplies	200,000	(4,502)	195,498	177,845	17,653
Other Objects		49,181	49,181	47,060	2,121
Total Required Maintenance for School Facilities	1,019,723	371,639	1,391,362	1,237,665	153,697
Custodial Services:					
Salaries	2,090,660	(20,019)	2,070,641	2,070,640	1
Salararies of Non-Instructional Aides	373,290	23,321	396,611	376,161	20,450
Purchased Professional and Technical Services	31,900	22,500	54,400	20,970	33,430
Cleaning, Repair and Maintenance Services	490,450	(61,494)	428,956	357,864	71,092
Other Purchased Property Services	135,000	(42,693)	92,307	84,307	8,000
Insurance	230,015	10,068	240,083	240,083	
Miscellaneous Purchased Services	6,000		6,000	2,005	3,995
General Supplies	150,821	(25,082)	125,739	117,339	8,400
Energy (Natural Gas)	535,199	(181,712)	353,487	278,015	75,472
Energy (Electricity)	1,020,000	(417,638)	602,362	552,362	50,000

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Custodial Services: (Cont'd)					
Energy (Oil)	\$ 7,000		\$ 7,000	\$ 6,309	\$ 691
Other Objects	100	\$ 1,338	1,438	1,438	
Total Custodial Services	<u>5,070,435</u>	<u>(691,411)</u>	<u>4,379,024</u>	<u>4,107,493</u>	<u>271,531</u>
Care & Upkeep of Grounds:					
Salaries	170,429	(8,941)	161,488	160,620	868
Cleaning, Repair and Maintenance Services	27,000	9,518	36,518	31,061	5,457
General Supplies	20,000	5,909	25,909	20,061	5,848
Total Care & Upkeep of Grounds	<u>217,429</u>	<u>6,486</u>	<u>223,915</u>	<u>211,742</u>	<u>12,173</u>
Security:					
Salaries	111,845		111,845	107,784	4,061
Cleaning, Repair and Maintenance Services	15,000	(3,162)	11,838	11,838	
General Supplies	9,900	(6,501)	3,399	3,315	84
Total Security	<u>136,745</u>	<u>(9,663)</u>	<u>127,082</u>	<u>122,937</u>	<u>4,145</u>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Salaries of Non-Instructional Aides	108,836	17,625	126,461	126,460	1
Between Home and School - Regular	176,038	7,567	183,605	181,546	2,059
Between Home and School - Special Education	234,130	(9,197)	224,933	223,988	945
Other than Between Home and School	49,000	12,519	61,519	61,516	3
Contracted Services:					
Cleaning, Repair and Maintenance Services	43,000	13,000	56,000	55,772	228
Between Home and School - Vendors	1,058,800	(15,000)	1,043,800	1,035,858	7,942
Other than Between Home and School - Vendors	148,400	(26,125)	122,275	100,962	21,313

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Student Transportation Services: (Cont'd)					
Contracted Services: (Cont'd)					
Special Education Students - Joint Agreements		\$ 1,650	\$ 1,650	\$ 1,650	
Special Education Students - ESCs & CTSA's	\$ 390,000	56,727	446,727	441,254	\$ 5,473
Aid in Lieu of Payments for Nonpublic School Students	180,000	41,000	221,000	215,397	5,603
Miscellaneous Purchased Services - Transportation	20,845	(2,031)	18,814	18,514	300
General Supplies	26,500	7,082	33,582	31,472	2,110
Transportation Supplies	2,000	(1,780)	220	220	
Other Objects	1,600	350	1,950	1,227	723
Total Student Transportation Services	<u>2,439,149</u>	<u>103,387</u>	<u>2,542,536</u>	<u>2,495,836</u>	<u>46,700</u>
Unallocated Benefits:					
Social Security Contributions	1,105,325		1,105,325	920,918	184,407
Other Retirement Contributions - PERS	907,077	(31,913)	875,164	817,220	57,944
Other Retirement Contributions - Deferred PERS Pymt	34,538		34,538	34,302	236
Other Retirement Contributions - Regular	25,000	11,454	36,454	36,453	1
Workmen's Compensation	457,460	(64,372)	393,088	388,978	4,110
Health Benefits	9,839,934	(308,843)	9,531,091	8,676,236	854,855
Tuition Reimbursement	138,750		138,750	114,157	24,593
Other Employee Benefits	186,560	(42,140)	144,420	139,165	5,255
Total Unallocated Benefits	<u>12,694,644</u>	<u>(435,814)</u>	<u>12,258,830</u>	<u>11,127,429</u>	<u>1,131,401</u>
On-Behalf Contributions (Non-budgeted):					
TPAF Pension Contributions				2,700,361	(2,700,361)
TPAF Post Retirement Medical Benefits Contributions				3,053,427	(3,053,427)
Reimbursed TPAF Social Security Contributions				3,024,913	(3,024,913)
Total On-Behalf Contributions (Non-Budgeted)				<u>8,778,701</u>	<u>(8,778,701)</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Total Employee Benefits	\$ 12,694,644	\$ (435,814)	\$ 12,258,830	\$ 19,906,130	\$ (7,647,300)
Total Undistributed Expenditures	39,146,811	(788,640)	38,358,171	44,976,138	(6,617,967)
TOTAL GENERAL CURRENT EXPENSE	<u>76,084,866</u>	<u>(361,944)</u>	<u>75,722,922</u>	<u>81,738,239</u>	<u>(6,015,317)</u>
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	2,600		2,600		2,600
Grades 6-8	10,000	2,000	12,000	12,000	
Grades 9-12	34,607	784	35,391	34,604	787
Special Education - Instruction:					
Learning and/or Language Disabilities		4,114	4,114	4,114	
School-Sponsored/Athletics		4,700	4,700	4,700	
Undistributed - Instruction	607,045	32,970	640,015	640,015	
Speech, OT, PT & Related Services	12,565		12,565	12,565	
Required Maint for School Fac.	14,267		14,267	14,267	
Upkeep of Grounds		56,472	56,472		56,472
Security		488,000	488,000	337,275	150,725
Total Equipment	<u>681,084</u>	<u>589,040</u>	<u>1,270,124</u>	<u>1,059,540</u>	<u>210,584</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	198,123	11,224	209,347	197,940	11,407
Other Purchased Professional Services	40,000	(9,524)	30,476	12,125	18,351
Construction Services	2,656,933	(1,700)	2,655,233	2,296,683	358,550
Supplies & Materials	25,570		25,570	25,570	

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY (Cont'd):					
Facilities Acquisition and Construction Services (Cont'd):					
Assessment for Debt Service on SDA Funding	\$ 76,212		\$ 76,212	\$ 76,212	
Total Facilities Acquisition and Construction Services	<u>2,996,838</u>		<u>2,996,838</u>	<u>2,608,530</u>	<u>\$ 388,308</u>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Regular Programs - Equipment				1,642,542	(1,642,542)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				<u>1,642,542</u>	<u>(1,642,542)</u>
TOTAL CAPITAL OUTLAY	<u>3,677,922</u>	<u>\$ 589,040</u>	<u>4,266,962</u>	<u>5,310,612</u>	<u>(1,043,650)</u>
TOTAL EXPENDITURES	<u>79,762,788</u>	<u>227,096</u>	<u>79,989,884</u>	<u>87,048,851</u>	<u>(7,058,967)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(4,520,547)</u>	<u>(227,096)</u>	<u>(4,747,643)</u>	<u>(2,617,033)</u>	<u>2,130,610</u>
Other Financing Sources:					
Capital Reserve - Transfer from Capital Projects Fund				16,085	(16,085)
Insurance Recovery Related to Other Costs of Super Storm Sandy		227,096	227,096	227,096	
Capital Leases (Non-budgeted)				1,642,542	(1,642,542)
Total Other Financing Sources		<u>227,096</u>	<u>227,096</u>	<u>1,885,723</u>	<u>(1,658,627)</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>(4,520,547)</u>		<u>(4,520,547)</u>	<u>(731,310)</u>	<u>3,789,237</u>
Fund Balance, July 1	<u>11,986,941</u>		<u>11,986,941</u>	<u>11,986,941</u>	
Fund Balance, June 30	<u>\$ 7,466,394</u>	<u>\$ -0-</u>	<u>\$ 7,466,394</u>	<u>\$ 11,255,631</u>	<u>\$ 3,789,237</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 4,236,096	
Emergency Reserve				700,000	
Excess Surplus - Restricted For 2014-2015				1,842,000	
Excess Surplus - Restricted For Subsequent Year's Expenditures				1,932,567	
Assigned Fund Balance:					
Year End Encumbrances				934,503	
Unassigned Fund Balance				1,610,465	
				11,255,631	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(177,271)	
Fund Balance per Governmental Funds (GAAP)				\$ 11,078,360	

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources		\$ 198,572	\$ 198,572	\$ 183,576	\$ (14,996)
State Sources	\$ 166,479	44,257	210,736	186,485	(24,251)
Federal Sources	934,596	443,030	1,377,626	1,211,150	(166,476)
Total Revenues	<u>1,101,075</u>	<u>685,859</u>	<u>1,786,934</u>	<u>1,581,211</u>	<u>(205,723)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	68,740	49,585	118,325	99,600	18,725
Purchased Professional and Technical Services	30,396	(16,674)	13,722	600	13,122
Purchased Professional - Educational Services	43,703	14,491	58,194	48,404	9,790
Other Purchased Services		39,901	39,901	39,901	
Tuition	790,000	21,814	811,814	811,814	
General Supplies		107,868	107,868	88,644	19,224
Textbooks	23,658	4,822	28,480	25,294	3,186
Other Objects		200,617	200,617	183,589	17,028
Total Instruction	<u>956,497</u>	<u>422,424</u>	<u>1,378,921</u>	<u>1,297,846</u>	<u>81,075</u>
Support Services:					
Salaries of Other Professional Staff	32,153	14,284	46,437	37,597	8,840
Personal Services - Employee Benefits		12,503	12,503	10,463	2,040
Purchased Professional and Technical Services	112,425	(5,968)	106,457	86,657	19,800
Purchased Professional-Educational Services		133,373	133,373	83,944	49,429
Cleaning, Repair and Maintenance Services		14,215	14,215	14,215	
Other Purchased Services		76,055	76,055	35,823	40,232
Supplies and Materials		18,207	18,207	14,373	3,834
Other Objects		766	766	293	473
Total Support Services	<u>144,578</u>	<u>263,435</u>	<u>408,013</u>	<u>283,365</u>	<u>124,648</u>
Total Expenditures	<u>\$ 1,101,075</u>	<u>\$ 685,859</u>	<u>\$ 1,786,934</u>	<u>\$ 1,581,211</u>	<u>\$ 205,723</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 84,431,818	\$ 1,581,211
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Current Year Encumbrances		(86)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	144,820	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(177,271)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 84,399,367	\$ 1,581,125
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 87,048,851	\$ 1,581,211
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:		
Current Year Encumbrances		(86)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 87,048,851	\$ 1,581,125

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2013 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

MILLBURN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

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 generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	FEMA	I.D.E.A.		
		Basic 2012-13	Basic Carryover	Preschool 2012-13
REVENUES				
Local Sources				
State Sources				
Federal Sources	\$ 14,644	\$ 882,379	\$ 14,474	\$ 18,920
Total Revenues	<u>14,644</u>	<u>882,379</u>	<u>14,474</u>	<u>18,920</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services				
Purchased Professional - Educational Services				18,920
Other Purchased Services		39,901		
Tuition		811,814		
General Supplies				
Textbooks				
Other Objects				
Total Instruction		<u>851,715</u>		<u>18,920</u>
Support Services:				
Salaries of Other Professional Staff	429			
Personal Services - Employee Benefits				
Purchased Professional and Technical Services		30,664	14,474	
Purchased Professional - Educational Services				
Cleaning, Repair and Maintenance Services	14,215			
Other Purchased Services				
Supplies and Materials				
Other Objects				
Total Support Services	<u>14,644</u>	<u>30,664</u>	<u>14,474</u>	
Total Expenditures	<u>\$ 14,644</u>	<u>\$ 882,379</u>	<u>\$ 14,474</u>	<u>\$ 18,920</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	No Child Left Behind				
	Title I 2012-13	Title II 2012-13	Title IIA Carryover	Title III 2012-13	Title III Carryover
REVENUES:					
Local Sources					
State Sources					
Federal Sources	\$ 198,219	\$ 16,171	\$ 41,607	\$ 22,462	\$ 2,274
Total Revenues	198,219	16,171	41,607	22,462	2,274
EXPENDITURES:					
Instruction:					
Salaries of Teachers	93,952			5,648	
Purchased Professional and Technical Services				600	
Purchased Professional - Educational Services					
Other Purchased Services					
Tuition					
General Supplies	68,531	1,681		8,133	1,713
Textbooks					
Other Objects				367	
Total Instruction	162,483	1,681		14,748	1,713
Support Services:					
Salaries of Other Professional Staff	7,000	1,160	27,220	1,788	
Personal Services - Employee Benefits	7,723	89	2,082	569	
Purchased Professional and Technical Services		1,988			
Purchased Professional - Educational Services					
Cleaning, Repair and Maintenance Services					
Other Purchased Services	15,691	11,253	6,965	1,914	
Supplies and Materials	5,029		5,340	3,443	561
Other Objects	293				
Total Support Services	35,736	14,490	41,607	7,714	561
Total Expenditures	\$ 198,219	\$ 16,171	\$ 41,607	\$ 22,462	\$ 2,274

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Nonpublic Auxiliary Services</u>		<u>Nonpublic Handicapped Services</u>		
	<u>English As a Second Language</u>	<u>Compensatory Education</u>	<u>Supplementary Instruction</u>	<u>Examination and Classification</u>	<u>Corrective Speech</u>
REVENUES:					
Local Sources					
State Sources	\$ 1,705	\$ 16,053	\$ 11,726	\$ 53,165	\$ 30,779
Federal Sources					
Total Revenues	<u>1,705</u>	<u>16,053</u>	<u>11,726</u>	<u>53,165</u>	<u>30,779</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional and Technical Services					
Purchased Professional - Educational Services	1,705	16,053	11,726		
Other Purchased Services					
Tuition					
General Supplies					
Textbooks					
Other Objects					
Total Instruction	<u>1,705</u>	<u>16,053</u>	<u>11,726</u>		
Support Services:					
Salaries of Other Professional Staff					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services					
Purchased Professional - Educational Services				53,165	30,779
Cleaning, Repair and Maintenance Services					
Other Purchased Services					
Supplies and Materials					
Other Objects					
Total Support Services				<u>53,165</u>	<u>30,779</u>
Total Expenditures	<u>\$ 1,705</u>	<u>\$ 16,053</u>	<u>\$ 11,726</u>	<u>\$ 53,165</u>	<u>\$ 30,779</u>

TOWNSHIP OF MILLBURN SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Nonpublic			Private Donations	Totals
	Nursing	Textbooks	Technology Initiative		
REVENUES:					
Local Sources				\$ 183,576	\$ 183,576
State Sources	\$ 39,531	\$ 25,294	\$ 8,232		186,485
Federal Sources					1,211,150
Total Revenues	<u>39,531</u>	<u>25,294</u>	<u>8,232</u>	<u>183,576</u>	<u>1,581,211</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					99,600
Purchased Professional and Technical Services					600
Purchased Professional - Educational Services					48,404
Other Purchased Services					39,901
Tuition					811,814
General Supplies			8,232	354	88,644
Textbooks		25,294			25,294
Other Objects				183,222	183,589
Total Instruction		<u>25,294</u>	<u>8,232</u>	<u>183,576</u>	<u>1,297,846</u>
Support Services:					
Salaries of Other Professional Staff					37,597
Personal Services - Employee Benefits					10,463
Purchased Professional and Technical Services	39,531				86,657
Purchased Professional - Educational Services					83,944
Cleaning, Repair and Maintenance Services					14,215
Other Purchased Services					35,823
Supplies and Materials					14,373
Other Objects					293
Total Support Services	<u>39,531</u>				<u>283,365</u>
Total Expenditures	<u>\$ 39,531</u>	<u>\$ 25,294</u>	<u>\$ 8,232</u>	<u>\$ 183,576</u>	<u>\$ 1,581,211</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOT APPLICABLE

CAPITAL PROJECTS FUND

Exhibit F-1

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Revenue and Other Financing Sources:	
Interest on Investments	\$ 37
	<hr/>
Total Revenue and Other Financing Sources	37
	<hr/>
Expenditures and Other Financing Uses:	
Construction Services	11,123
Transfer to General Fund:	
Transfer Unexpended Balances to Capital Reserve	16,085
Transfer to Debt Service Fund:	
Interest on Investments	37
Unexpended Bond Proceeds	386,175
	<hr/>
Total Expenditures and Other Financing Uses	413,420
	<hr/>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(413,383)
	<hr/>
Fund Balance - Beginning of Year	651,457
	<hr/>
Fund Balance - End of Year	\$ 238,074
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 224,182
Restricted - Year End Encumbrances	13,892
	<hr/>
Total Restricted Fund Balance - Budgetary Basis	\$ 238,074
	<hr/> <hr/>

Exhibit F-1A

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue:				
State Sources - SDA Grant	\$ 270,537		\$ 270,537	\$ 270,537
Bond Proceeds	691,742		691,742	691,742
Total Revenue	962,279		962,279	962,279
Expenditures and Other Financing Uses:				
Legal Services	6,397		6,397	6,395
Purchased Professional and Technical Services	122,175		122,175	122,392
Construction Services	821,794		821,794	833,492
Transfer to Debt Service Fund		\$ 11,913	11,913	
Total Expenditures and Other Financing Uses	950,366	11,913	962,279	962,279
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Uses	\$ 11,913	\$ (11,913)	\$ -0-	\$ 962,279

Additional Project Information:

Project Numbers	SP2030048
Grant Date	03/06/03
Bond Authorization Date	09/24/02
Bonds Authorized	\$ 691,742
Bonds Issued	\$ 691,742
Original Authorized Cost	\$ 834,289
Additional Authorized Cost	\$ 127,990
Revised Authorized Cost	\$ 962,279

Percentage Increase over Original Authorized Cost	15%
Percentage Completion	
Original Target Completion Date	01/06/04
Revised Target Completion Date	12/01/06

Exhibit F-1B

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO DEERFIELD ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue:				
State Sources - SDA Grant	\$ 981,942		\$ 981,942	\$ 981,942
Bond Proceeds	2,771,906		2,771,906	2,771,906
Total Revenue	3,753,848		3,753,848	3,753,848
Expenditures and Other Financing Uses:				
Legal Services	15,247		15,247	15,247
Purchased Professional and Technical Services	379,572		379,572	394,774
Construction Services	3,263,865		3,263,865	3,258,758
Equipment	85,067		85,067	85,069
Transfer to Debt Service Fund		\$ 10,097	10,097	
Total Expenditures and Other Financing Uses	3,743,751	10,097	3,753,848	3,753,848
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Uses	\$ 10,097	\$ (10,097)	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	SP202997
Grant Date	02/19/03
Bond Authorization Date	09/24/02
Bonds Authorized	\$ 2,771,906
Bonds Issued	\$ 2,771,906
Original Authorized Cost	\$ 3,661,880
Additional Authorized Cost	\$ 91,968
Revised Authorized Cost	\$ 3,753,848
Percentage Increase over Original Authorized Cost	3%
Percentage Completion	100.00%
Original Target Completion Date	09/15/04
Revised Target Completion Date	12/01/06

Exhibit F-1C

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO GLENWOOD ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue:				
State Sources - SDA Grant	\$ 958,832		\$ 958,832	\$ 958,832
Bond Proceeds	2,035,633		2,035,633	2,035,633
Total Revenue	2,994,465		2,994,465	2,994,465
Expenditures and Other Financing Uses:				
Legal Services	28,844		28,844	18,508
Purchased Professional and Technical Services	317,611		317,611	359,361
Construction Services	2,539,867		2,539,867	2,544,516
Equipment	69,344		69,344	72,080
Transfer to Debt Service Fund		\$ 38,799	38,799	
Total Expenditures and Other Financing Uses	2,955,666	38,799	2,994,465	2,994,465
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Uses	<u>\$ 38,799</u>	<u>\$ (38,799)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	SP202998
Grant Date	02/19/03
Bond Authorization Date	09/24/02
Bonds Authorized	\$ 2,035,633
Bonds Issued	\$ 2,035,633
Original Authorized Cost	\$ 3,396,127
Additional Authorized Cost	\$ (401,662)
Revised Authorized Cost	\$ 2,994,465
Percentage Increase over Original Authorized Cost	-12%
Percentage Completion	100%
Original Target Completion Date	09/15/04
Revised Target Completion Date	12/01/06

Exhibit F-1D

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO SOUTH MOUNTAIN ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue:				
State Sources - SDA Grant	\$ 526,969		\$ 526,969	\$ 526,969
Bond Proceeds	899,577		899,577	899,577
Total Revenue	1,426,546		1,426,546	1,426,546
Expenditures and Other Financing Uses:				
Legal Services	7,812		7,812	7,812
Purchased Professional and Technical Services	162,058		162,058	160,573
Construction Services	1,197,533		1,197,533	1,199,533
Equipment	58,628		58,628	58,628
Transfer to Debt Service Fund		\$ 515	515	
Total Expenditures and Other Financing Uses	1,426,031	515	1,426,546	1,426,546
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Uses	<u>\$ 515</u>	<u>\$ (515)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	SP202996
Grant Date	02/19/03
Bond Authorization Date	09/24/02
Bonds Authorized	\$ 899,577
Bonds Issued	\$ 899,577
Original Authorized Cost	\$ 1,317,422
Additional Authorized Cost	\$ 109,124
Revised Authorized Cost	\$ 1,426,546
Percentage Increase over Original Authorized Cost	8%
Percentage Completion	100.00%
Original Target Completion Date	01/07/04
Revised Target Completion Date	12/01/06

Exhibit F-1E

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO WYOMING ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue:				
State Sources - SDA Grant	\$ 612,158		\$ 612,158	\$ 612,158
Bond Proceeds	1,595,549		1,595,549	1,595,549
Total Revenue	2,207,707		2,207,707	2,207,707
Expenditures and Other Financing Uses:				
Legal Services	12,071		12,071	12,154
Purchased Professional and Technical Services	237,923		237,923	289,566
Construction Services	1,800,801		1,800,801	1,862,643
Equipment	43,343		43,343	43,344
Transfer to Debt Service Fund		\$ 113,569	113,569	
Total Expenditures and Other Financing Uses	2,094,138	113,569	2,207,707	2,207,707
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Uses	\$ 113,569	\$ (113,569)	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	SP202995
Grant Date	02/19/03
Bond Authorization Date	09/24/02
Bonds Authorized	\$ 1,595,549
Bonds Issued	\$ 1,595,549
Original Authorized Cost	\$ 2,629,301
Additional Authorized Cost	\$ (421,594)
Revised Authorized Cost	\$ 2,207,707
Percentage Increase over Original Authorized Cost	-16%
Percentage Completion	100%
Original Target Completion Date	09/15/04
Revised Target Completion Date	09/15/04

Exhibit F-1F

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue:				
State Sources - SDA Grant	\$ 1,447,389		\$ 1,447,389	\$ 1,447,389
Bond Proceeds	2,702,839		2,702,839	2,702,839
Total Revenue	4,150,228		4,150,228	4,150,228
Expenditures and Other Financing Uses:				
Legal Services	2,200		2,200	2,200
Purchased Professional and Technical Services	350,458		350,458	359,968
Construction Services	3,786,288		3,786,288	3,788,060
Transfer to Debt Service Fund		\$ 11,282	11,282	
Total Expenditures and Other Financing Uses	4,138,946	11,282	4,150,228	4,150,228
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Uses	\$ 11,282	\$ (11,282)	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	SP2021057
Grant Date	02/13/99
Bond Authorization Date	09/24/02
Bonds Authorized	\$ 2,702,839
Bonds Issued	\$ 2,701,068
Original Authorized Cost	\$ 3,618,472
Additional Authorized Cost	\$ 531,756
Revised Authorized Cost	\$ 4,150,228

Percentage Increase over Original Authorized Cost	15%
Percentage Completion	100%
Original Target Completion Date	08/31/05
Revised Target Completion Date	09/01/06

Exhibit F-1G

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HIGH SCHOOL WINDOWS PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Original Project Authorization</u>
Revenue:				
State Sources - SDA Grant	\$ 360,076		\$ 360,076	\$ 496,892
Transfer from Capital Reserve	556,208		556,208	745,339
Total Revenue	916,284		916,284	1,242,231
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	53,989		53,989	54,231
Construction Services	846,210		846,210	1,188,000
Transfer to Capital Reserve		\$ 16,085	16,085	
Total Expenditures and Other Financing Uses	900,199	16,085	916,284	1,242,231
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Uses	\$ 16,085	\$ (16,085)	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	3190-050-04-00MC
Grant Date	06/17/04
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,242,231
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 1,242,231

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	01/15/05
Revised Target Completion Date	12/01/06

Exhibit F-1H

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue:				
Bond Proceeds	\$ 11,643,875		\$ 11,643,875	\$ 11,644,875
Total Revenue	<u>11,643,875</u>		<u>11,643,875</u>	<u>11,644,875</u>
Expenditures and Other Financing Uses:				
Legal Services				91,358
Purchased Professional and Technical Services	607,249		607,249	347,659
Construction Services	8,765,860	\$ 11,123	8,776,983	8,923,858
Equipment	352,776		352,776	507,000
Transfer to Debt Service Fund	1,675,000	100,000	1,775,000	1,775,000
Total Expenditures and Other Financing Uses	<u>11,400,885</u>	<u>111,123</u>	<u>11,512,008</u>	<u>11,644,875</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Uses	<u>\$ 242,990</u>	<u>\$ (111,123)</u>	<u>\$ 131,867</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	09/26/06
Bonds Authorized	\$ 11,644,875
Bonds Issued	\$ 11,643,875
Original Authorized Cost	\$ 11,644,875
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 11,644,875
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	99%
Original Target Completion Date	04/30/09
Revised Target Completion Date	12/31/13

Exhibit F-II

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue:				
Bond Proceeds	\$ 9,656,125		\$ 9,656,125	\$ 9,657,125
Total Revenue	9,656,125		9,656,125	9,657,125
Expenditures and Other Financing Uses:				
Legal Services				74,735
Purchased Professional and Technical Services	543,982		543,982	746,502
Construction Services	8,556,125		8,556,125	8,223,388
Equipment	174,811		174,811	337,500
Transfer to Debt Service Fund	175,000	\$ 100,000	275,000	275,000
Total Expenditures and Other Financing Uses	9,449,918	100,000	9,549,918	9,657,125
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Financing Uses	\$ 206,207	\$ (100,000)	\$ 106,207	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	09/26/06
Bonds Authorized	\$ 9,657,125
Bonds Issued	\$ 9,656,125
Original Authorized Cost	\$ 9,657,125
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 9,657,125
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	99%
Original Target Completion Date	04/30/09
Revised Target Completion Date	12/31/13

PROPRIETARY FUNDS

Exhibit G-1

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Field Rental/ Joint Facilities</u>	<u>Food Service</u>	<u>Totals</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 272,425	\$ 199,678	\$ 472,103
Intergovernmental Accounts Receivable:			
State		210	210
Federal		3,410	3,410
Other Accounts Receivable		9,410	9,410
Inventories		8,212	8,212
	<hr/>	<hr/>	<hr/>
Total Current Assets	272,425	220,920	493,345
Non-Current Assets:			
Capital Assets		169,523	169,523
Less: Accumulated Depreciation		(114,159)	(114,159)
	<hr/>	<hr/>	<hr/>
Total Non-Current Assets		55,364	55,364
	<hr/>	<hr/>	<hr/>
Total Assets	272,425	276,284	548,709
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	3,978	47,320	51,298
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	3,978	47,320	51,298
<u>NET POSITION:</u>			
Net Investment in Capital Assets		55,364	55,364
Unrestricted	268,447	173,600	442,047
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 268,447	\$ 228,964	\$ 497,411
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Exhibit G-2

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Field Rental/ Joint Facilities</u>	<u>Food Service</u>	<u>Totals</u>
Operating Revenue:			
Daily Sales:			
Reimbursable Programs		\$ 65,387	\$ 65,387
Non-Reimbursable Programs		446,486	446,486
Charges for Services:			
Program Fees	\$ 57,115		57,115
Special Events		44,809	44,809
Miscellaneous Revenue		5,729	5,729
Total Operating Revenue	<u>57,115</u>	<u>562,411</u>	<u>619,526</u>
Operating Expenses:			
Cost of Sales		192,917	192,917
Salaries		198,747	198,747
Employee Benefits & Payroll Taxes		45,239	45,239
Purchased Professional and Technical Services		16,749	16,749
Other Purchased Services		61,362	61,362
Cleaning, Repair and Maintenance Services	28,120		28,120
Supplies and Materials		39,285	39,285
Miscellaneous Expense		2,452	2,452
Depreciation Expense		8,013	8,013
Total Operating Expenses	<u>28,120</u>	<u>564,764</u>	<u>592,884</u>
Operating Income/(Loss)	28,995	(2,353)	26,642
Non-Operating Revenue:			
Local Sources:			
Interest Earnings		230	230
State Sources:			
State School Lunch Program		1,029	1,029
Federal Sources:			
National School Lunch Program		15,884	15,884
Food Distribution Program		4,549	4,549
Total Non-Operating Income		<u>21,692</u>	<u>21,692</u>
Change in Net Position	28,995	19,339	48,334
Net Position - Beginning of Year	<u>239,452</u>	<u>209,625</u>	<u>449,077</u>
Net Position - End of Year	<u>\$ 268,447</u>	<u>\$ 228,964</u>	<u>\$ 497,411</u>

Exhibit G-3

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Field Rental/ Joint Facilities</u>	<u>Food Service</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 57,115	\$ 557,401	\$ 614,516
Payments to Food Service Contractors		(560,112)	(560,112)
Payments to Suppliers	(24,142)	(2,452)	(26,594)
Net Cash Provided by/(Used for) Operating Activities	<u>32,973</u>	<u>(5,163)</u>	<u>27,810</u>
Cash Flows from Investment Activities:			
Interest Income		230	230
Net Cash Provided by Investment Activities		<u>230</u>	<u>230</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets		(21,504)	(21,504)
Net Cash Used for Capital and Related Financing Activities		<u>(21,504)</u>	<u>(21,504)</u>
Cash Flows from Noncapital & Financing Activities:			
State Sources		895	895
Federal Sources		13,436	13,436
Net Cash Provided by Noncapital & Financing Activities		<u>14,331</u>	<u>14,331</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	32,973	(12,106)	20,867
Cash and Cash Equivalents, July 1	<u>239,452</u>	<u>211,784</u>	<u>451,236</u>
Cash and Cash Equivalents, June 30	<u>\$ 272,425</u>	<u>\$ 199,678</u>	<u>\$ 472,103</u>
Reconciliation of Operating Income to Net Cash			
Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 28,995	\$ (2,353)	\$ 26,642
Adjustment to Reconcile Operating Income to Net			
Cash Provided by/(Used for) Operating Activities:			
Depreciation		8,013	8,013
Food Distribution Program		4,549	4,549
Changes in Assets and Liabilities:			
(Increase) in Other Accounts Receivable		(5,010)	(5,010)
(Increase) in Inventory		(3,923)	(3,923)
Increase/(Decrease) in Accounts Payable	3,978	(6,439)	(2,461)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 32,973</u>	<u>\$ (5,163)</u>	<u>\$ 27,810</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$4,549 and Utilized Commodities Valued at \$4,549.

FIDUCIARY FUNDS

MILLBURN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	Student Activity	Agency Payroll	Totals	Unemployment Compensation Trust	Flex Spending Trust	Private Purpose Scholarships Trust
<u>ASSETS:</u>						
Cash and Cash Equivalents	\$ 320,267	\$ 36,181	\$ 356,448	\$ 325,447	\$ 65,204	\$ 1,781
Total Assets	320,267	36,181	356,448	325,447	65,204	1,781
<u>LIABILITIES:</u>						
Payroll Deductions and Withholdings Due to Student Groups	320,267	36,181	36,181 320,267			
Total Liabilities	320,267	36,181	356,448			
<u>NET POSITION:</u>						
Held in Trust for:						
Unemployment Claims				325,447		
Flex Spending Claims					65,204	
Scholarships						1,781
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 325,447	\$ 65,204	\$ 1,781

Exhibit H-2

MILLBURN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Trust	Flex Spending Trust	Private Purpose Scholarships Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 67,866	\$ 201,130	
Total Contributions	67,866	201,130	
Investment Earnings:			
Interest			\$ 1
Net Investment Earnings			1
Total Additions	67,866	201,130	1
DEDUCTIONS:			
Unemployment Benefit Claims	120,647		
Flex Spending Claims		206,389	
Total Deductions	120,647	206,389	
Change in Net Position	(52,781)	(5,259)	1
Net Position - Beginning of the Year	378,228	70,463	1,780
Net Position - End of the Year	\$ 325,447	\$ 65,204	\$ 1,781

Exhibit H-3

MILLBURN TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 356,354	\$ 807,425	\$ 843,512	\$ 320,267
Total Assets	<u>\$ 356,354</u>	<u>\$ 807,425</u>	<u>\$ 843,512</u>	<u>\$ 320,267</u>
<u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 356,354	\$ 807,425	\$ 843,512	\$ 320,267
Total Liabilities	<u>\$ 356,354</u>	<u>\$ 807,425</u>	<u>\$ 843,512</u>	<u>\$ 320,267</u>

Exhibit H-4

MILLBURN TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 433,785	\$ 58,596,539	\$ 58,994,143	\$ 36,181
Total Assets	<u>\$ 433,785</u>	<u>\$ 58,596,539</u>	<u>\$ 58,994,143</u>	<u>\$ 36,181</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 433,785	\$ 58,596,539	\$ 58,994,143	\$ 36,181
Total Liabilities	<u>\$ 433,785</u>	<u>\$ 58,596,539</u>	<u>\$ 58,994,143</u>	<u>\$ 36,181</u>

LONG-TERM DEBT

TOWNSHIP OF MILLBURN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2013		Interest Rate	Balance July 1, 2012	Retired or Matured	Balance June 30, 2013
			Date	Amount				
School Bonds	07/15/95	\$ 22,420,000	7/15/13-18	\$ 1,150,000	5.350%			
			07/15/19	1,149,000	5.350%	\$ 9,199,000	\$ 1,150,000	\$ 8,049,000
School Bonds	03/15/03	12,440,000				580,000	580,000	
Refunding Bonds	12/12/06	9,180,000	01/15/14	790,000	3.700%			
			01/15/15	835,000	3.700%			
			01/15/16	840,000	3.700%			
			01/15/17	840,000	3.700%			
			01/15/18	835,000	3.700%			
			01/15/19	830,000	3.700%			
			01/15/20	820,000	3.700%			
			01/15/21	810,000	3.700%			
			01/15/22	795,000	3.700%	8,140,000	745,000	7,395,000
School Bonds	01/30/07	21,300,000	07/15/13	750,000	4.125%			
			7/15/14-15	750,000	4.250%			
			07/15/16	850,000	4.250%			
			07/15/17	950,000	4.250%			
			07/15/18	1,100,000	4.250%			
			07/15/19	1,150,000	4.250%			
			07/15/20	1,150,000	4.250%			
			7/15/21-22	1,300,000	4.250%			
			7/15/23-27	1,500,000	4.250%	18,300,000	750,000	17,550,000

TOWNSHIP OF MILLBURN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2012	Retired or Matured	Balance June 30, 2013
			Date	Amount				
Refunding Bonds	07/20/11	\$ 7,920,000	09/15/13	\$ 625,000	2.000%			
			09/15/14	640,000	2.000%			
			09/15/15	650,000	2.000%			
			09/15/16	665,000	3.000%			
			09/15/17	690,000	4.000%			
			09/15/18	710,000	3.000%			
			09/15/19	730,000	4.000%			
			09/15/20	755,000	4.000%			
			09/15/21	775,000	4.000%			
			09/15/22	790,000	4.000%			
			09/15/23	745,000	4.000%			
					\$ 44,019,000	\$ 3,250,000	\$ 40,769,000	

Exhibit I-2

MILLBURN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2013</u>
950 MacBook Pro, 300 iMac, 11 APS 4, 38 Bretford Mobility Cart and 12 Apple iPad Learning Lap (with 10 iPad 2 devices)	0.0%	\$ 1,642,542	<u>\$ 1,642,542</u>	<u>\$ 347,197</u>	<u>\$ 1,295,345</u>
			<u>\$ 1,642,542</u>	<u>\$ 347,197</u>	<u>\$ 1,295,345</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,440,187		\$ 4,440,187	\$ 4,440,187	
State Sources:					
Debt Service Aid Type II	253,333		253,333	253,333	
Total Revenues	<u>4,693,520</u>		<u>4,693,520</u>	<u>4,693,520</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,793,771		1,793,771	1,793,770	\$ 1
Redemption of Principal	3,250,000		3,250,000	3,250,000	
Total Expenditures	<u>5,043,771</u>		<u>5,043,771</u>	<u>5,043,770</u>	<u>1</u>
Deficit of Revenues Under Expenditures	(350,251)		(350,251)	(350,250)	1
Other Financing Sources:					
Transfer from Capital Projects Fund:					
Interest Earned				37	37
Unexpended Bond Proceeds				386,175	386,175
Total Other Financing Sources				<u>386,212</u>	<u>386,212</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(350,251)		(350,251)	35,962	386,213
Fund Balance, July 1	<u>378,236</u>		<u>378,236</u>	<u>378,236</u>	
Fund Balance, June 30	<u>\$ 27,985</u>	<u>\$ -0-</u>	<u>\$ 27,985</u>	<u>\$ 414,198</u>	<u>\$ 386,213</u>
Recapitulation:					
Restricted - For Subsequent Year's Expenditures				\$ 227,985	
Restricted				186,213	
Total Restricted Fund Balance				<u>\$ 414,198</u>	

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

This part of the District's comprehensive annual 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

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>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.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST NINE FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:									
Net Investment in Capital Assets/(Deficit)	\$ 10,124,685	\$ (5,625,770)	\$ (24,147,635)	\$ (17,611,260)	\$ (3,021,858)	\$ 898,853	\$ 2,738,433	\$ 5,673,548	\$ 9,540,569
Restricted	6,437,169	5,995,271	7,244,083	23,208,144	14,793,320	11,590,387	10,016,693	10,563,636	9,362,935
Unrestricted/(Deficit)	442,231	424,091	21,034,071	1,114,456	(258,791)	606,999	406,232	(285,216)	(254,270)
Total Governmental Activities Net Position	\$ 17,004,085	\$ 793,592	\$ 4,130,519	\$ 6,711,340	\$ 11,512,671	\$ 13,096,239	\$ 13,161,358	\$ 15,951,968	\$ 18,649,234
Business-type Activities:									
Net Investment in Capital Assets/(Deficit)	\$ 8,107	\$ 6,636	\$ 5,164	\$ 3,693	\$ 69,028	\$ 57,246	\$ 49,526	\$ 41,873	\$ 55,364
Unrestricted	150,816	166,964	204,865	244,540	237,062	263,657	339,300	407,204	442,047
Total Business-type Activities Net Position	\$ 158,923	\$ 173,600	\$ 210,029	\$ 248,233	\$ 306,090	\$ 320,903	\$ 388,826	\$ 449,077	\$ 497,411
District-wide:									
Net Investment in Capital Assets/(Deficit)	\$ 10,132,792	\$ (5,619,134)	\$ (24,142,471)	\$ (17,607,567)	\$ (2,952,830)	\$ 956,099	\$ 2,787,959	\$ 5,715,421	\$ 9,595,933
Restricted	6,437,169	5,995,271	7,244,083	23,208,144	14,793,320	11,590,387	10,016,693	10,563,636	9,362,935
Unrestricted/(Deficit)	593,047	591,055	21,238,936	1,358,996	(21,729)	870,656	745,532	121,988	187,777
Total District Net Position	\$ 17,163,008	\$ 967,192	\$ 4,340,548	\$ 6,959,573	\$ 11,818,761	\$ 13,417,142	\$ 13,550,184	\$ 16,401,045	\$ 19,146,645

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2005.

Source: Millburn Township School District Financial Reports.

MILLBURN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST NINE FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:									
Governmental Activities:									
Instruction:									
Regular	\$ 29,497,381	\$ 31,434,454	\$ 34,829,654	\$ 36,205,963	\$ 36,900,204	\$ 39,152,259	\$ 39,357,744	\$ 39,954,637	\$ 40,987,893
Special Education	4,720,654	5,104,534	5,731,175	5,997,331	6,045,526	6,664,958	6,636,844	6,858,867	6,849,523
Other Special Education						1,076,746	1,024,324	1,081,274	1,329,689
Other Instruction	2,323,227	2,406,254	2,723,836	2,871,361	2,865,518	1,895,324	1,778,563	1,730,174	1,928,798
Support Services:									
Tuition	2,196,072	2,162,831	2,314,069	1,970,740	1,985,622	1,914,671	1,795,136	2,132,287	2,511,902
Student & Instruction Related Services	11,392,174	12,135,407	13,535,358	14,238,145	14,049,547	14,136,561	13,231,475	13,394,479	13,492,669
General & Business Administrative Services	2,970,153	3,020,558	2,829,711	3,007,515	3,118,998				
General Administrative Services						1,148,162	1,045,625	1,261,167	1,130,188
School Administrative Services	3,291,593	3,341,569	3,638,578	3,781,327	3,703,873	3,808,743	4,242,723	4,333,362	4,358,482
Central Services						1,330,633	1,561,666	1,405,161	1,475,199
Administrative Information Technology						645,708	607,962	591,596	667,670
Plant Operations and Maintenance	5,928,733	6,138,208	6,291,651	6,857,762	7,426,762	7,172,703	7,352,183	7,439,464	7,140,551
Pupil Transportation	2,517,074	2,568,252	2,702,958	2,808,707	2,924,577	2,944,693	2,814,772	2,744,063	2,858,982
Capital Outlay						90,302	10,853	57,417	1,581,902
Interest on Long-term Debt	2,014,407	1,878,217	1,914,971	2,487,751	2,355,693	2,202,024	2,088,810	2,035,950	1,847,553
Unallocated Depreciation							53,260	52,488	42,878
Total Governmental Activities Expenses	66,851,468	70,190,284	76,511,961	80,226,602	81,376,320	84,183,487	83,601,940	85,072,386	88,203,879
Business-type Activities:									
Food Service	655,304	604,396	651,088	660,573	672,736	561,115	575,874	594,156	564,764
Adult School	29,696	26,210	25,868	13,889	16,504				
Field Rental/Joint Facilities	18,533	45,547	26,810	20,303	29,842	25,960	69,846	23,485	28,120
Family Service	2,697	1,095	4,480						
Total Business-type Activities Expense	706,230	677,248	708,246	694,765	719,082	587,075	645,720	617,641	592,884
Total District-wide Expenses	\$ 67,557,698	\$ 70,867,532	\$ 77,220,207	\$ 80,921,367	\$ 82,095,402	\$ 84,770,562	\$ 84,247,660	\$ 85,690,027	\$ 88,796,763
Program Revenues:									
Governmental Activities:									
Charges for Services:									
Regular Instruction							\$ 134,613	\$ 132,602	\$ 127,252
Special Education Instruction						\$ 305,093	344,740	372,203	256,439
Pupil Transportation				\$ 22,113				602,560	648,246
Operating Grants and Contributions	\$ 9,944,996	\$ 10,503,389	\$ 13,184,410	11,516,987	\$ 10,669,612	9,849,638	8,125,151	10,690,223	12,723,227
Total Governmental Activities Program Revenues	9,944,996	10,503,389	13,184,410	11,539,100	10,669,612	10,154,731	8,604,504	11,797,588	13,755,164

MILLBURN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST NINE FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Program Revenues:									
Business-type Activities:									
Charges for Services:									
Food Service	\$ 614,111	\$ 581,831	\$ 661,996	\$ 637,515	\$ 614,570	\$ 566,497	\$ 631,539	\$ 607,425	\$ 562,411
Adult School	35,319	21,648	20,853	24,895					
Field Rental/Joint Facilities	41,200	45,275	46,940	60,127	70,316	28,601	69,358	51,228	57,115
Family Service	3,150	1,125	4,500						
Operating Grants and Contributions	28,793	41,649	10,000			8,278	13,541	19,019	21,462
Total Business-type Activities Program Revenues	<u>722,573</u>	<u>691,528</u>	<u>744,289</u>	<u>722,537</u>	<u>684,886</u>	<u>603,376</u>	<u>714,438</u>	<u>677,672</u>	<u>640,988</u>
Total District-wide Program Revenues	<u>\$ 10,667,569</u>	<u>\$ 11,194,917</u>	<u>\$ 13,928,699</u>	<u>\$ 12,261,637</u>	<u>\$ 11,354,498</u>	<u>\$ 10,758,107</u>	<u>\$ 9,318,942</u>	<u>\$ 12,475,260</u>	<u>\$ 14,396,152</u>
Net (Expense)/Revenue:									
Governmental Activities	\$ (56,906,472)	\$ (59,686,895)	\$ (63,327,551)	\$ (68,687,502)	\$ (70,706,708)	\$ (74,028,756)	\$ (74,997,436)	\$ (73,274,798)	\$ (74,448,715)
Business-type Activities	16,343	14,280	36,043	27,772	(34,196)	16,301	68,718	60,031	48,104
Total District-wide Net Expense	<u>\$ (56,890,129)</u>	<u>\$ (59,672,615)</u>	<u>\$ (63,291,508)</u>	<u>\$ (68,659,730)</u>	<u>\$ (70,740,904)</u>	<u>\$ (74,012,455)</u>	<u>\$ (74,928,718)</u>	<u>\$ (73,214,767)</u>	<u>\$ (74,400,611)</u>
General Revenues and Other Changes in Net Position:									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 56,172,922	\$ 57,753,521	\$ 62,055,799	\$ 65,038,578	\$ 67,755,037	\$ 69,105,645	\$ 70,487,758	\$ 71,439,343	\$ 71,903,699
Taxes Levied for Debt Service	1,729,924	1,811,994	1,761,597	3,954,570	4,447,812	4,593,643	4,172,672	4,141,587	4,440,187
Unrestricted Grants and Contributions	564,508	708,022	1,785,764	699,140	129,153	537,235	288,891	258,550	318,376
Tuition	122,532	190,797	159,625	179,283	169,993				
Investment Earnings	323,537	562,153	1,190,255	1,261,841	537,058	49,386	19,499	2,234	2,045
Miscellaneous Income	152,049	173,068	228,741	185,424	940,305	201,503	92,771	223,694	254,578
N.J. Economic Development Authority Grants	394,000		(235,501)						
Transfers	(10,000)	(10,000)	(10,000)	(10,000)	(25,000)		964		
Refunding Bonds, Net			(555,000)						
Adjustments to Capital Assets		(17,713,153)	283,198	(40,514)	(274,477)				
Cancellation of SDA Grant Receivable						(136,816)			
Insurance Recovery Related to Other Costs of Super Storm Sandy									227,096
Total Governmental Activities	<u>59,449,472</u>	<u>43,476,402</u>	<u>66,664,478</u>	<u>71,268,322</u>	<u>73,679,881</u>	<u>74,350,596</u>	<u>75,062,555</u>	<u>76,065,408</u>	<u>77,145,981</u>
Business-type Activities:									
Investment Earnings	437	396	386	433	247	91	169	220	\$ 230
Transfers				10,000	25,000		(964)		
Disposal of Capital Assets						(12,138)			
Total Business-type Activities	<u>437</u>	<u>396</u>	<u>386</u>	<u>10,433</u>	<u>25,247</u>	<u>(12,047)</u>	<u>(795)</u>	<u>220</u>	<u>230</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST NINE FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total District-wide General Revenues and Other Changes in Net Position	<u>\$ 59,449,909</u>	<u>\$ 43,476,798</u>	<u>\$ 66,664,864</u>	<u>\$ 71,278,755</u>	<u>\$ 73,705,128</u>	<u>\$ 74,338,549</u>	<u>\$ 75,061,760</u>	<u>\$ 76,065,628</u>	<u>\$ 77,146,211</u>
Change in Net Position:									
Governmental Activities	\$ 2,543,000	\$(16,210,493)	\$ 3,336,927	\$ 2,580,820	\$ 2,973,173	\$ 321,840	\$ 65,119	\$ 2,790,610	\$ 2,697,266
Business-type Activities	16,780	14,676	36,429	38,205	(8,949)	4,254	67,923	60,251	48,334
Total District-wide Change in Net Position	<u>\$ 2,559,780</u>	<u>\$ (16,195,817)</u>	<u>\$ 3,373,356</u>	<u>\$ 2,619,025</u>	<u>\$ 2,964,224</u>	<u>\$ 326,094</u>	<u>\$ 133,042</u>	<u>\$ 2,850,861</u>	<u>\$ 2,745,600</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2005.

Source: Millburn Township School District Financial Reports.

MILLBURN TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:									
Reserved/Restricted	\$ 3,359,141	\$ 4,409,810	\$ 6,861,657	\$ 7,594,509	\$ 9,870,248	\$ 8,527,451	\$ 7,876,194	\$ 9,533,943	\$ 8,710,663
Assigned							978,492	783,434	934,503
Unassigned							1,749,628	1,524,744	1,433,194
Unreserved	<u>2,415,423</u>	<u>2,052,283</u>	<u>1,930,922</u>	<u>2,358,489</u>	<u>2,071,239</u>	<u>2,948,309</u>			
Total General Fund	<u>\$ 5,774,564</u>	<u>\$ 6,462,093</u>	<u>\$ 8,792,579</u>	<u>\$ 9,952,998</u>	<u>\$ 11,941,487</u>	<u>\$ 11,475,760</u>	<u>\$ 10,604,314</u>	<u>\$ 11,842,121</u>	<u>\$ 11,078,360</u>
All Other Governmental Funds:									
Reserved/Restricted		\$ 460,669	\$ 1,432,658	\$ 11,104,175	\$ 737,602	\$ 14,000	\$ 2,124,414	\$ 1,013,608	\$ 652,272
Committed							16,085	16,085	
Unreserved, Reported in:									
Capital Projects Fund	\$ 2,792,242	1,198,134	19,788,850	4,900,165	3,786,806	2,280,155			
Debt Service Fund	<u>180,906</u>	<u>92,474</u>	<u>474,951</u>	<u>670,994</u>	<u>398,663</u>	<u>768,781</u>			
Total All Other Governmental Funds	<u>\$ 2,973,148</u>	<u>\$ 1,751,277</u>	<u>\$ 21,696,459</u>	<u>\$ 16,675,334</u>	<u>\$ 4,923,071</u>	<u>\$ 3,062,936</u>	<u>\$ 2,140,499</u>	<u>\$ 1,029,693</u>	<u>\$ 652,272</u>
Total Governmental Funds	<u>\$ 8,747,712</u>	<u>\$ 8,213,370</u>	<u>\$ 30,489,038</u>	<u>\$ 26,628,332</u>	<u>\$ 16,864,558</u>	<u>\$ 14,538,696</u>	<u>\$ 12,744,813</u>	<u>\$ 12,871,814</u>	<u>\$ 11,730,632</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2005.

Source: Millburn Township School District Financial Reports.

MILLBURN TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:									
Tax Levy	\$ 59,915,199	\$ 61,441,644	\$ 65,730,269	\$ 68,993,148	\$ 72,202,849	\$ 73,699,288	\$ 74,660,430	\$ 75,580,930	\$ 76,343,886
Tuition Charges	122,532	190,797	159,625	179,283	169,993	305,093	479,353	504,805	383,691
Transportation Fees								602,560	648,246
Interest Earnings	323,537	562,153	1,190,255	1,261,841	537,058	3,490	1,640	535	564
Miscellaneous	320,616	649,839	1,509,952	239,755	974,851	308,204	217,205	440,362	439,635
State Sources	7,576,556	7,974,539	10,636,094	11,006,084	9,611,465	8,829,795	6,978,956	9,148,780	11,646,877
Federal Sources	752,028	883,972	1,139,997	1,177,826	1,152,754	1,496,273	1,328,512	1,585,024	1,211,150
Total Revenue	69,010,468	71,702,944	80,366,192	82,857,937	84,648,970	84,642,143	83,666,096	87,862,996	90,674,049
Expenditures:									
Instruction:									
Regular Instruction	22,301,199	23,469,666	25,145,724	25,518,261	27,068,230	27,829,367	28,236,787	28,661,148	29,708,495
Special Education Instruction	3,659,112	3,857,419	4,181,089	4,351,880	4,489,771	4,866,101	4,769,489	4,890,199	4,858,991
Other Special Instruction						1,080,027	1,025,731	1,084,113	1,327,864
School-Sponsored/Other Instruction	1,974,166	2,052,571	2,264,407	2,389,580	2,423,790	1,386,685	1,303,208	1,246,405	1,352,697
Support Services:									
Tuition	2,196,072	2,162,831	2,314,069	1,970,740	1,985,621	1,914,671	1,795,136	2,132,287	2,511,902
Student & Other Instruction Related Services	8,851,348	9,399,587	10,118,486	10,508,308	10,470,248	10,193,209	9,446,867	9,633,421	9,799,187
General & Business Administrative Services	2,489,628	2,526,638	2,260,260						
General Administrative Services				881,777	950,705	978,546	878,662	1,046,202	913,259
School Administrative Services	2,551,982	2,624,138	2,746,615	2,773,342	2,791,601	2,866,129	3,137,921	3,193,248	3,196,585
Central Services				882,253	897,867	801,433	889,314	866,916	900,911
Administrative Information Technology				632,772	670,977	645,708	607,962	591,596	667,670
Plant Operations and Maintenance	5,051,567	5,290,209	5,348,487	5,699,642	6,215,237	5,734,554	5,720,833	5,829,045	5,679,837
Student Transportation	2,214,581	2,252,248	2,354,347	2,456,206	2,517,903	2,504,917	2,377,917	2,328,110	2,495,836
Unallocated Benefits	12,195,905	13,176,997	16,238,353	18,036,358	17,195,193	19,309,561	19,509,798	19,601,889	19,906,130
Capital Outlay	10,128,645	1,601,485	2,445,728	6,021,240	12,555,435	1,423,188	560,038	1,500,768	5,321,735
Debt Service:									
Principal	1,825,000	1,850,000	2,095,000	2,110,000	2,955,000	3,020,000	3,065,000	3,285,000	3,250,000
Interest and Other Charges	1,986,049	1,964,498	1,632,457	2,476,284	2,415,369	2,277,093	2,136,280	1,845,648	1,793,770
Total Expenditures	77,425,254	72,228,287	79,145,022	86,708,643	95,602,947	86,831,189	85,460,943	87,735,995	93,684,869

MILLBURN TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess/(Deficit) of Revenues Over/(Under)									
Expenditures	\$ (8,414,786)	\$ (525,343)	\$ 1,221,170	\$ (3,850,706)	\$ (10,953,977)	\$ (2,189,046)	\$ (1,794,847)	\$ 127,001	\$ (3,010,820)
Other Financing Sources/(Uses):									
Long Term Debt Issued			21,300,000						
Serial Bonds Issued								(7,920,000)	
Bond Premium								(582,986)	
Serial Bonds Defeased								7,940,000	
Bond Issuance Costs								105,722	
Deferred Interest								457,264	
NJEDA/SDA Grants	394,000		(235,501)			(136,816)			
Insurance Recovery Related to Other Costs of Super Storm Sandy									227,096
Capital Leases									1,642,542
Transfers	(10,000)	(10,000)	(10,000)	(10,000)	(25,000)		964		
Total Other Financing Sources/(Uses)	384,000	(10,000)	21,054,499	(10,000)	(25,000)	(136,816)	964	-0-	1,869,638
Net Change in Fund Balances	\$ (8,030,786)	\$ (535,343)	\$ 22,275,669	\$ (3,860,706)	\$ (10,978,977)	\$ (2,325,862)	\$ (1,793,883)	\$ 127,001	\$ (1,141,182)
Debt Service as a % of Noncapital Expenditures	5.66%	5.40%	4.86%	5.68%	6.47%	6.20%	6.13%	5.95%	5.71%

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2005.

Source: Millburn Township School District Financial Reports.

MILLBURN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Basis of Accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>from</u> <u>Other LEAs</u>	<u>Pre-School</u> <u>Tuition</u>	<u>Subscription</u> <u>Busing</u>	<u>Rentals</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2004	\$ 86,384	\$ 115,392			\$ 80,781	\$ 10,191	\$ 8,756	\$ 301,504
2005	233,120	122,532			64,877	38,794	48,221	507,544
2006	526,300	190,797			69,097	54,943	49,028	890,165
2007	760,305	159,625			30,463	88,080	106,782	1,145,255
2008	600,704	179,283			80,386	96,134	29,246	985,753
2009	211,326	169,993			36,631	227,036	13,038	658,024
2010	42,268	305,093			25,364	74,452	101,687	548,864
2011	17,822	344,740	\$ 134,613		12,166	77,735	2,870	589,946
2012	2,119	372,203	132,602	\$ 602,560	34,187	120,417	69,090	1,333,178
2013	2,045	256,439	127,252	648,246	40,484	117,326	96,731	1,288,523

Source: Millburn Township School District Financial Reports.

MILLBURN TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2003	\$ 35,475,200	\$ 4,689,783,700	\$ -0-	\$ -0-	\$ 1,102,369,700	\$ 38,800,100	\$ 53,204,200	\$ 5,919,632,900	\$ 7,618,243	\$ 5,927,251,143	\$ 416,957,800	0.89	\$ 6,441,264,011
2004	24,829,200	4,709,639,800	-0-	-0-	1,095,337,500	38,737,300	52,751,500	5,921,295,300	6,860,435	5,928,155,735	424,168,500	0.98	6,979,496,633
2005	38,494,800	4,769,923,800	-0-	-0-	1,056,553,000	38,446,400	52,560,200	5,955,978,200	6,490,169	5,962,468,369	424,185,500	1.02	7,608,355,709
2006	50,871,500	4,783,426,000	-0-	-0-	992,953,900	38,646,400	52,560,200	5,918,458,000	5,681,047	5,924,139,047	426,681,000	1.08	7,582,715,571
2007 *	50,171,400	6,700,006,700	-0-	-0-	1,499,525,400	46,886,300	69,207,300	8,365,797,100	6,674,924	8,372,472,024	482,732,800	0.81	8,220,328,641
2008	53,816,500	6,711,349,000	-0-	-0-	1,421,030,800	48,538,600	69,207,300	8,303,942,200	6,894,255	8,310,836,455	482,317,100	0.85	8,642,624,056
2009	44,464,600	6,718,098,500	-0-	-0-	1,367,681,100	48,538,600	67,973,200	8,246,756,000	7,848,236	8,254,604,236	494,661,700	0.88	8,995,863,378
2010	41,703,600	6,697,058,100	-0-	-0-	1,359,551,000	46,725,400	64,966,900	8,210,005,000	8,868,128	8,218,873,128	496,767,900	0.90	8,983,668,604
2011	44,333,300	6,678,195,000	-0-	-0-	1,354,321,500	46,725,400	64,966,900	8,188,542,100	8,446,336	8,196,988,436	496,815,700	0.92	8,828,568,196
2012	40,099,700	6,652,742,700	-0-	-0-	1,327,496,900	46,725,400	64,966,900	8,132,031,600	8,473,300	8,140,504,900	495,539,100	0.94	8,677,645,021

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation.

- ^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.
- ^b Tax rates are per \$100 of assessed value.
- * Revaluation became effective in this year.

Exhibit J-7

MILLBURN TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	Millburn Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Millburn Township	Essex County	
2003	\$ 0.84	\$ 0.05	\$ 0.89	\$ 0.38	\$ 0.59	\$ 1.86
2004	0.92	0.06	0.98	0.42	0.57	1.97
2005	0.96	0.06	1.02	0.47	0.56	2.05
2006	1.02	0.06	1.08	0.50	0.54	2.12
2007	* 0.77	0.05	0.81	0.39	0.38	1.58
2008	0.79	0.06	0.85	0.42	0.40	1.67
2009	0.83	0.05	0.88	0.44	0.43	1.75
2010	0.85	0.05	0.90	0.45	0.44	1.79
2011	0.87	0.05	0.92	0.46	0.47	1.85
2012	0.88	0.05	0.93	0.47	0.49	1.89

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a General Fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

* Revaluation became effective in this year.

Exhibit J-8

MILLBURN TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Short Hills Association, LLC C/O Taubman	\$ 700,000,000	1	8.60%
Short Hills Hilton LLC	75,960,000	2	0.93%
Reckson Short Hills LLC	64,161,100	3	0.79%
101/103 JFK Parkway Special LLC Corp	50,000,000	4	0.61%
Mack- Cali Realty Corp	38,705,200	5	0.48%
Prima III LLC/ Bollard Group	19,857,700	6	0.24%
Canoe Brook Country Club	19,385,000	7	0.24%
Stone Mountain Properties	17,840,700	8	0.22%
A&R Millburn Associates/ Ackerman	17,223,100	9	0.21%
MSS Millburn Realty Co.	17,193,900	10	0.21%
Total	<u>\$ 1,020,326,700</u>		<u>12.53%</u>

Taxpayer	2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Short Hills Association, LLC C/O Taubman	\$ 496,069,800	1	8.37%
Short Hills Hilton LLC	72,500,000	2	1.22%
Reckson Short Hills LLC	83,338,600	3	1.41%
Reckson Operating Partnership LP	62,754,800	4	1.06%
Mack Properties #3	51,860,700	5	0.87%
Prima III, LLC	17,971,000	6	0.30%
Individual Taxpayer #1	15,935,400	7	0.27%
A&R Millburn Associates	15,699,100	8	0.26%
Millburn Common Associates	15,606,700	9	0.26%
Canoe Brook Country Club	15,269,000	10	0.26%
Total	<u>\$ 847,005,100</u>		<u>14.29%</u>

Note - A revaluation was effective in 2007.

Source: Millburn Township Tax Assessor.

Exhibit J-9

MILLBURN TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy^a</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2004	\$ 54,638,197	\$ 54,638,197	100.00%	\$ -0-
2005	59,915,199	59,915,199	100.00%	-0-
2006	61,441,644	61,441,644	100.00%	-0-
2007	65,730,269	65,730,269	100.00%	-0-
2008	68,993,148	68,993,148	100.00%	-0-
2009	72,202,849	72,202,849	100.00%	-0-
2010	73,699,288	73,699,288	100.00%	-0-
2011	74,660,430	74,660,430	100.00%	-0-
2012	75,580,930	75,580,930	100.00%	-0-
2013	76,343,886	76,343,886	100.00%	-0-

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

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Obligations Under Capital Leases	Bond Anticipation Notes (BANs)			
2004	\$ 42,389,000	\$ -0-	\$ -0-	\$ 42,389,000	5.30%	\$ 2,197
2005	40,564,000	-0-	4,600,000	45,164,000	5.48%	2,369
2006	38,714,000	-0-	600,000	39,314,000	4.42%	2,091
2007	58,474,000	-0-	-0-	58,474,000	6.31%	3,144
2008	56,364,000	-0-	-0-	56,364,000	5.90%	3,051
2009	53,409,000	-0-	-0-	53,409,000	5.89%	2,880
2010	50,389,000	-0-	-0-	50,389,000	4.92%	2,500
2011	47,324,000	-0-	-0-	47,324,000	4.43%	2,345
2012	44,019,000	-0-	-0-	44,019,000	4.13%	2,185
2013	40,769,000	1,295,345	-0-	42,064,345	3.94%	2,088

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

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

Exhibit J-11

MILLBURN TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	\$ 42,389,000	\$ -0-	\$ 42,389,000	0.72%	\$ 2,197
2005	40,564,000	-0-	40,564,000	0.68%	2,128
2006	38,714,000	-0-	38,714,000	0.65%	2,059
2007	58,474,000	-0-	58,474,000	0.99%	3,144
2008	56,364,000	-0-	56,364,000	0.67%	3,051
2009	53,409,000	-0-	53,409,000	0.64%	2,880
2010	50,389,000	-0-	50,389,000	0.61%	2,500
2011	47,324,000	-0-	47,324,000	0.58%	2,345
2012	44,019,000	-0-	44,019,000	0.54%	2,185
2013	40,769,000	-0-	40,769,000	0.50%	2,024

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

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Exhibit J-12

MILLBURN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Township of Millburn	\$ 11,159,695	100.000%	\$ 11,159,695
Essex County General Obligation Debt	328,290,324	9.820%	<u>32,237,461</u>
Subtotal, Overlapping Debt			43,397,156
Millburn Township School District Direct Debt			<u>42,094,000</u>
Total Direct and Overlapping Debt			<u>\$ 85,491,156</u>

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

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

Sources: Assessed value data used to estimate applicable percentages provided by the Essex County Board of Taxation; debt outstanding data provided by each governmental unit.

MILLBURN TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 235,478,351	\$ 257,286,568	\$ 280,059,900	\$ 302,430,897	\$ 325,056,078	\$ 346,075,249	\$ 357,761,922	\$ 359,738,783	\$ 353,436,053	\$ 351,159,730
Total Net Debt Applicable to Limit	42,389,000	40,564,000	38,714,000	58,474,000	56,364,000	53,409,000	50,389,000	47,324,000	44,019,000	40,769,000
Legal Debt Margin	<u>\$ 193,089,351</u>	<u>\$ 216,722,568</u>	<u>\$ 241,345,900</u>	<u>\$ 243,956,897</u>	<u>\$ 268,692,078</u>	<u>\$ 292,666,249</u>	<u>\$ 307,372,922</u>	<u>\$ 312,414,783</u>	<u>\$ 309,417,053</u>	<u>\$ 310,390,730</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	18.00%	15.77%	13.82%	19.33%	17.34%	15.43%	14.08%	13.16%	12.45%	11.61%

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis	
2012	\$ 8,816,586,125
2011	8,703,807,504
2010	8,816,586,125
	<u>\$ 26,336,979,754</u>
Average Equalized Valuation of Taxable Property	<u>\$ 8,778,993,251</u>
Debt Limit (4% of average equalization value) ^a	\$ 351,159,730
Net Bonded School Debt	<u>40,769,000</u>
Legal Debt Margin	<u>\$ 310,390,730</u>

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

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

Exhibit J-14

MILLBURN TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Essex County Per Capita Personal Income ^b	Millburn Township Personal Income ^c	Unemployment Rate ^d
2004	19,298	\$ 41,417	\$ 799,265,266	1.50%
2005	19,062	43,231	824,069,322	2.00%
2006	18,802	47,290	889,146,580	2.10%
2007	18,598	49,850	927,110,300	1.90%
2008	18,476	51,665	954,562,540	2.40%
2009	18,547	48,901	906,966,847	4.80%
2010	20,153	50,791	1,023,591,023	4.80%
2011	20,180	52,956	1,068,652,080	4.60%
2012	20,142	52,956 *	1,066,639,752	4.70%
2013	20,142 **	52,956 *	1,066,639,752 ***	N/A

* - Latest Essex County per capita personal income available (2011) was used for calculation purposes.

** - Latest population data available (2012) was used for calculation purposes.

*** - Latest available population data (2012) and latest available Sussex County per capita personal income (2011) was used for calculation purposes.

N/A - Information is not available.

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

Exhibit J-15

MILLBURN TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF ESSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2012		
	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.84%
Verizon	17,100	2	5.09%
Prudential Ins. Co. of America	16,850	3	5.01%
Univ. of Medicine and Dentistry of NJ	15,500	4	4.61%
Continental Airlines	11,000	5	3.27%
Newark Board of Education	7,050	6	2.10%
Automatic Data Processing	5,649	7	1.68%
New Jersey Transit	4,000	8	1.19%
Essex County	3,900	9	1.16%
City of Newark	4,000	10	1.19%
	<u>108,049</u>		<u>32.15%</u>
Total Employment	<u>336,100</u>		

Employer	2003		
	Employees	Rank (Optional)	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

Exhibit J-16

MILLBURN TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST EIGHT FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction:								
Regular	337	339	344	350	353	337	327	333
Special Education	49	52	52	55	54	58	61	59
Other Instruction	11	12	12	12	12	12	13	16
Support Services:								
Student & Instruction Related Services	142	148	147	150	146	132	127	131
School Administration	30	30	29	29	29	31	31	31
General Administration	4	4	4	4	4	4	4	4
Plant Operations and Maintenance	128	136	133	134	132	130	130	135
Pupil Transportation	19	19	17	18	17	16	14	15
Business and Other Support Services	18	18	18	19	19	19	17	17
Total	738	758	756	771	766	739	724	741

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2005.

Source: Millburn Township School District Personnel Records.

MILLBURN TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST NINE FISCAL YEARS
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2005	4,421	\$ 63,485,560	\$14,360	6.96%	362	1:20	1:23	1:20	4,421	4,191	0.00%	94.80%
2006	4,573	66,812,304	14,610	1.74%	370	1:20	1:23	1:20	4,573	4,330	3.44%	94.69%
2007	4,583	72,971,837	15,922	8.98%	377	1:20	1:23	1:20	4,583	4,348	0.22%	94.87%
2008	4,669	76,101,119	16,299	2.37%	380	1:20	1:23	1:21	4,669	4,436	1.88%	95.01%
2009	4,770	77,677,143	16,285	-0.09%	388	1:20	1:23	1:21	4,770	4,521	2.16%	94.78%
2010	4,818	80,110,908	16,627	2.11%	397	1:20	1:20	1:22	4,818	4,580	1.01%	95.06%
2011	4,927	79,699,625	16,176	-2.71%	394	1:20	1:20	1:23	4,927	4,681	2.26%	95.01%
2012	4,908	81,104,579	16,525	2.16%	383	1:20	1:21	1:21	4,908	4,681	-0.39%	95.37%
2013	4,962	83,319,364	16,791	1.61%	389	1:20	1:21	1:22	4,962	4,717	1.10%	95.06%

Note: Enrollment based on annual October District count.

- ^a Operating expenditures equal total expenditures less debt service and capital outlay.
- ^b Cost Per Pupil calculated above is the sum of operating expenditures divided by enrollment. This may be different from the State's Cost Per Pupil calculations.
- ^c Teaching staff includes only full-time equivalents of certificated staff.
- ^d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2005.

Source: Millburn Township School District records.

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST EIGHT FISCAL YEARS
UNAUDITED

District Building	2006	2007	2008	2009	2010	2011	2012	2013
Deerfield Elementary School (1962)								
Square Feet	70,084	70,084	70,084	70,084	70,084	70,084	70,084	70,084
Capacity (Students)	500	500	500	500	500	500	500	590
Enrollment	522	507	492	488	481	517	545	585
Glenwood Elementary School (1938)								
Square Feet	49,243	49,243	49,243	49,243	49,243	49,243	49,243	49,243
Capacity (Students)	425	425	425	425	425	425	425	502
Enrollment	448	475	502	516	529	490	489	490
Hartshorn Elementary School (1958)								
Square Feet	67,999	67,999	67,999	67,999	67,999	67,999	67,999	67,999
Capacity (Students)	513	513	513	513	513	513	513	603
Enrollment	569	558	540	527	504	537	545	548
South Mountain Elementary School (1935)								
Square Feet	49,358	49,358	49,358	49,358	49,358	49,358	49,358	49,358
Capacity (Students)	348	348	348	348	348	348	348	439
Enrollment	353	370	362	357	375	393	363	364
Wyoming Elementary School (1927)								
Square Feet	58,242	58,242	58,242	58,242	58,242	58,242	58,242	58,242
Capacity (Students)	343	343	343	343	343	343	343	374
Enrollment	328	328	305	305	341	344	338	336
Millburn Middle School (1930)								
Square Feet	146,699	146,699	146,699	146,699	181,908	181,908	235,541	235,541
Capacity (Students)	966	966	966	966	1,094	1,094	1,094	1,047
Enrollment	1,070	1,064	1,056	1,116	1,111	1,157	1,148	1,121
Millburn High School (1955)								
Square Feet	201,858	201,858	201,858	201,858	227,619	227,619	392,358	392,358
Capacity (Students)	1,394	1,394	1,394	1,394	1,763	1,763	1,763	2,104
Enrollment	1,283	1,287	1,379	1,392	1,406	1,489	1,480	1,518
Education Center/Board Office (1968)								
Square Feet	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375
Maintenance Building (1968)								
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Number of Schools at June 30, 2012:

Elementary = 5
Middle School = 1
High School = 1
Other = 2

Note: Enrollment is based on the annual October District count. Year of original construction is shown in parentheses.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2005.

Source: Millburn Township School District Facilities Office.

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities*
 Account Number 11-000-261-XXX

Fiscal Year Ended June 30,	Deerfield Elementary School	Glenwood Elementary School	Hartshorn Elementary School	South Mountain Elementary School	Wyoming Elementary School	Millburn Middle School	Millburn High School	Education Center	Total
2004	\$ 45,258	\$ 83,550	\$ 51,409	\$ 65,283	\$ 84,827	\$ 108,987	\$ 208,987		\$ 648,301
2005	80,368	56,692	114,717	72,066	64,298	167,616	228,208		783,965
2006	70,389	118,429	100,318	72,089	77,305	182,365	238,665		859,560
2007	80,520	83,628	79,426	53,974	81,189	180,342	259,444		818,523
2008	81,222	87,343	80,313	64,212	78,485	198,101	322,487		912,163
2009	106,418	84,945	99,414	91,679	96,403	232,091	248,369		959,319
2010	98,194	71,325	85,400	58,876	86,586	219,983	240,492	\$ 22,686	883,542
2011	84,344	99,432	94,342	64,774	73,278	131,993	242,467	27,498	818,128
2012	88,768	128,743	118,515	106,323	74,498	319,423	328,008	63,181	1,227,459
2013	77,453	49,107	101,072	48,630	62,583	255,187	619,663	23,970	1,237,665

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

Source: Millburn Township School District records.

MILLBURN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2013
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Utica National Insurance Group:		
Commercial Package:		
Property Coverage:		
Building and Contents	\$ 138,435,980	\$ 1,000
Water Damage	250,000	1,000
Computers, Software, Cameras, Musical Instruments	10,000 to 3,500,000	1,250
Crime (Employee Dishonesty)	100,000	500
General Liability:		
Aggregate	3,000,000	
Occurrence	1,000,000	
Board Members, School District & Educators		
Legal Liability, Extended Coverage		
Aggregate	1,000,000	
Occurrence	2,000,000	10,000
Automobile:		
Liability	1,000,000	
Comprehensive	Actual Cash Value	500
Collision	Actual Cash Value	1,000
Umbrella Liability	15,000,000	10,000
Fireman's Fund Insurance Company:		
Excess Umbrella Liability	50,000,000	15,000,000
Markel Insurance Company:		
Volunteer Accident- Aggregate	250,000	
Accident Medical Expense	10,000	
Accidental Death & Dismemberment	5,000	
Pooled Insurance Program of New Jersey:		
Workers' Compensation	First 350,000	of each claim
Star Insurance Company:		
Workers' Compensation - Excess over \$350,000:	Statutory	
Employer's Liability	1,000,000	
Student Athletic Accident:		
Voluntary Student Coverage Excluding Interscholastic Athletics	550,000	
Blanket Athletic Coverage Including All Interscholastic Sports and High School Football	5,000,000	
Public Official Bonds (Utica Mutual Insurance Company):		
School Business Administrator	249,000	
Treasurer	400,000	

Source: Millburn Township School District records.

SINGLE AUDIT SECTION



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 11 Lawrence Road
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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 Auditors' Report

The Honorable President and Members
 of the Board of Education
 Millburn Township School District
 County of Essex, New Jersey

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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Millburn, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable President and Members
of the Board of Education
Millburn Township School District
Page 2

Compliance and Other Matters

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

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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nisivoccia, LLP

September 30, 2013
Mount Arlington, New Jersey

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program:
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey OMB's Circular 04-04

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Millburn Township School District
 County of Essex, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Township of Millburn's (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2013. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

The Honorable President and Members
of the Board of Education
Millburn Township School District
Page 2

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

Nisivoccia, LLP

September 30, 2013
Mount Arlington, New Jersey

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant

**MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012 Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	Balance at June 30, 2013 Budgetary Accounts Receivable
U.S. Department of Agriculture:								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
Food Distribution Program	10.555	N/A	7/1/12-6/30/13	\$ 4,549		\$ 4,549	\$ (4,549)	
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	15,884		12,474	(15,884)	\$ (3,410)
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	12,700	\$ (962)	962		
Total Child Nutrition Cluster/U.S. Department of Agriculture					(962)	17,985	(20,433)	(3,410)
U.S. Department of Education:								
Passed-through State Department of Education:								
General Fund:								
Education Jobs Fund	84.410	N/A	8/1/10-9/30/12	102,475	(25,397)	25,397		
Total General Fund					(25,397)	25,397		
Special Revenue Fund:								
Special Education Cluster:								
I.D.E.A. Part B, Basic	84.027	IDEA359013	9/1/12-8/31/13	933,022		710,621	(882,379)	(171,758)
I.D.E.A. Part B, Basic	84.027	IDEA359012	9/1/11-8/31/12	993,092	(77,946)	92,420	(14,474)	
I.D.E.A. Preschool	84.173	IDEA359013	9/1/12-8/31/13	32,945		11,685	(18,920)	(7,235)
I.D.E.A. Preschool	84.173	IDEA359012	9/1/11-8/31/12	43,719	(14,901)	14,901		
Total Special Education Cluster					(92,847)	829,627	(915,773)	(178,993)
No Child Left Behind:								
Title I	84.010	NCLB359013	9/1/12-8/31/13	266,019		123,886	(198,219)	(74,333)
Total Title I						123,886	(198,219)	(74,333)
Title IIA	84.367	NCLB359013	9/1/12-8/31/13	49,458		11,759	(16,171)	(4,412)
Title IIA	84.367	NCLB359012	9/1/11-8/31/12	55,719	(13,663)	55,270	(41,607)	
Title III	84.365	NCLB359013	9/1/12-8/31/13	22,462		9,043	(22,462)	(13,419)
Title III	84.365	NCLB359012	9/1/11-8/31/12	16,159	(8,011)	10,285	(2,274)	
Total Special Revenue Fund					(114,521)	1,039,870	(1,196,506)	(271,157)
Total U.S. Department of Education					(139,918)	1,065,267	(1,196,506)	(271,157)
U.S. Department of Homeland Security:								
Passed-through State Department of Law and Public Safety:								
Special Revenue Fund:								
Disaster Grants - Public Assistance - FEMA	97.036	N/A	11/1/12-6/30/13	14,644		12,203	(14,644)	(2,441)
Total U.S. Department of Homeland Security						12,203	(14,644)	(2,441)
Total Federal Awards					\$ (140,880)	\$ 1,095,455	\$ (1,231,583)	\$ (277,008)

N/A - Not Available/Applicable

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund State Aid:												
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	\$ 1,682,457			\$ 1,524,064	\$ (1,682,457)			\$ (158,393)	\$ 1,682,457	
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	71,803			65,043	(71,803)			(6,760)	71,803	
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	128,722			116,604	(128,722)			(12,118)	128,722	
Extraordinary Special Education Costs Aid	13-100-034-5120-473	7/1/12-6/30/13	534,413				(534,413)		\$ (534,413)	(534,413)	534,413	
Excess Nonpublic Transportation Costs	13-495-034-5120-014	7/1/12-6/30/13	43,500				(43,500)		(43,500)	(43,500)	43,500	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	3,024,913			2,875,403	(3,024,913)		(149,510)	(149,510)	3,024,913	
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	1,529,234	\$ (144,820)		144,820					1,529,234	
Extraordinary Special Education Costs Aid	12-100-034-5120-473	7/1/11-6/30/12	637,665	(637,665)		637,665					637,665	
Excess Nonpublic Transportation Costs	12-495-034-5120-014	7/1/11-6/30/12	34,452	(34,452)		34,452					34,452	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	2,892,941	(144,804)		144,804					2,892,941	
Subtotal - General Fund				(961,741)		5,542,855	(5,485,808)		(727,423)	(904,694)	11,173,284	
Debt Service Fund Aid:												
Debt Service Aid - State Support	13-100-034-5120-125	7/1/12-6/30/13	253,333			253,333	(253,333)				253,333	
Subtotal - Debt Service Fund						253,333	(253,333)				253,333	
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	13-100-034-5120-067	7/1/12-6/30/13	23,410			23,410	(16,053)		\$ 7,357		16,053	
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	16,907		\$ 2,790			\$ (2,790)			14,117	
English as a Second Language	13-100-034-5120-067	7/1/12-6/30/13	2,472			2,472	(1,705)			767	1,705	
English as a Second Language	12-100-034-5120-067	7/1/11-6/30/12	862		431			(431)			431	
Home Instruction	12-100-034-5120-067	7/1/11-6/30/12	1,639	(1,639)		1,639					1,639	
Nonpublic Handicapped Services:												
Supplementary Instruction	13-100-034-5120-066	7/1/12-6/30/13	12,489			12,489	(11,726)			763	11,726	
Supplementary Instruction	12-100-034-5120-066	7/1/11-6/30/12	12,627		1,122			(1,122)			11,505	
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	37,498			37,498	(30,779)			6,719	30,779	
Corrective Speech	12-100-034-5120-066	7/1/11-6/30/12	37,913		2,607			(2,607)			35,306	
Examination and Classification	13-100-034-5120-066	7/1/12-6/30/13	56,344			56,344	(53,165)			3,179	53,165	
Examination and Classification	12-100-034-5120-066	7/1/11-6/30/12	57,615		11,100			(11,100)			46,515	
N.J. Nonpublic Textbook Aid	13-100-034-5120-064	7/1/12-6/30/13	28,480			28,480	(25,294)			3,186	25,294	
N.J. Nonpublic Textbook Aid	12-100-034-5120-064	7/1/11-6/30/12	23,658		784			(784)			22,874	
N.J. Nonpublic Nursing Aid	13-100-034-5120-070	7/1/12-6/30/13	39,531			39,531	(39,531)				39,531	
N.J. Nonpublic Nursing Aid	12-100-034-5120-070	7/1/11-6/30/12	33,793		756			(756)			33,037	
N.J. Nonpublic Technology Initiative	13-100-034-5120-373	7/1/12-6/30/13	10,512			10,512	(8,232)			2,280	8,232	
Subtotal - Special Revenue Fund				(1,639)	19,590	212,375	(186,485)	(19,590)	24,251		351,909	

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
Food Service Fund:												
State School Lunch Program	13-100-010-3350-023	7/1/12-6/30/13	\$ 1,029			\$ 819	\$ (1,029)		\$ (210)		\$ (210)	\$ 1,029
State School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	998	\$ (76)		76						998
Subtotal - Food Service Fund				(76)		895	(1,029)		(210)		(210)	2,027
Total State Department of Education				(963,456)	\$ 19,590	6,009,458	(5,926,655)	\$ (19,590)	(727,633)	\$ 24,251	(904,904)	11,780,553
NJ Schools Development Authority:												
Capital Projects Fund:												
Educational Facilities Construction and Financing Act:												
Glenwood Elementary School	SP202998	N/A	958,832	(186,972)		186,972						958,832
Millburn Senior High School	SP3190-050-04-00MC	N/A	360,076	(16,085)		16,085						360,076
Total NJ Schools Development Authority				(203,057)		203,057						1,318,908
Total State Awards				\$ (1,166,513)	\$ 19,590	\$ 6,212,515	\$ (5,926,655)	\$ (19,590)	\$ (727,633)	\$ 24,251	\$ (904,904)	\$ 13,099,461

N/A - Not Applicable/Available

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Millburn Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2013. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two 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 budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$32,451) for the General Fund and (\$86) for the Special Revenue Fund (but does not affect federal and state grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General Fund. Additionally, the schedule of expenditures of state awards does not include the TPAF On-Behalf Pension Contributions and on-behalf TPAF Post Retirement Medical Benefits Contributions revenue of \$2,700,361 and \$3,053,427, respectively. Revenue from federal and state awards is reported in the Board's basic financial statements on the GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 11,207,145	\$ 11,207,145
Special Revenue Fund	\$ 1,211,150	186,399	1,397,549
Debt Service Fund		253,333	253,333
Food Service Fund	20,433	1,029	21,462
Total Awards	<u>\$ 1,231,583</u>	<u>\$ 11,647,906</u>	<u>\$ 12,879,489</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2013.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA GRANTS)

The District has been awarded grants in the Capital Projects Fund totaling \$1,318,908 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2013, the District has expended and collected these grants in their entirety.

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported under Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District's programs tested as major for the current fiscal year consisted of the following federal and state awards:

	C.F.D.A.#/ State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	9/1/12-8/31/13	\$ 933,022	\$ 882,379
I.D.E.A. Part B, Basic	84.027	9/1/11-8/31/12	993,092	14,474
I.D.E.A. Preschool	84.173	9/1/12-8/31/13	32,945	18,920
<u>State:</u>				
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	1,682,457	1,682,457
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	71,803	71,803

- The threshold used for distinguishing between federal and state Type A and Type B programs was \$300,000.
- The District was determined to be a "low-risk" auditee for both federal and state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

Summary of Auditors' Results: (Cont'd)

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular and New Jersey OMB's Circular 04-04.

MILLBURN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Status of Prior Year Findings:

The District had no prior year audit findings.