

**MILLBURN TOWNSHIP
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

**Comprehensive Annual
Financial Report**

of the

**Millburn Township School District
Board of Education**

Millburn, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

**Millburn Township School District
Board Office**

MILLBURN TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors.....	7

FINANCIAL SECTION.....8

Independent Auditors' Report.....	9
-----------------------------------	---

Required Supplementary Information	12
Management's Discussion and Analysis	13

Basic Financial Statements (Sections A and B).....	22
--	----

A. District-Wide Financial Statements	23
---	----

A-1 Statement of Net Position	24
A-2 Statement of Activities.....	25

B. Fund Financial Statements.....	27
-----------------------------------	----

B-1 Balance Sheet – Governmental Funds	28
--	----

B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.....	30
--	----

B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
---	----

B-4 Statement of Net Position – Proprietary Funds.....	33
--	----

B-5 Statement of Revenue, Expenses and Changes in Net Position – Proprietary Funds	34
---	----

B-6 Statement of Cash Flows – Proprietary Funds.....	35
--	----

Notes to the Basic Financial Statements.....	36
--	----

Required Supplementary Information

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions.....	77
---	----

L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System.....	77
--	----

L-2 Schedule of District Contributions – Public Employees Retirement System	78
---	----

L-3 Schedule of State's Proportionate Share of the Net Pension Liability Associated with the District – Teachers' Pension and Annuity Fund	79
---	----

L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	80
--	----

L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	81
--	----

Notes to Required Supplementary Information	82
---	----

MILLBURN TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

C.	Budgetary Comparison Schedules.....	84
C-1	Budgetary Comparison Schedule – General Fund.....	85
C-2	Budgetary Comparison Schedule - Special Revenue Fund.....	99
C-3	Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI.....	100

Other Supplementary Schedules (D.-I.)

D.	School Level Schedules (Not Applicable)	102
E.	Special Revenue Fund	103
E-1	Combining Schedule of Program Revenue and Expenditures - Special Revenue Fund – Budgetary Basis.....	104
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund.....	107
F-1	Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budgetary Basis	108
F-1A	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – 2016 Referendum Projects from Inception and for the Fiscal Year Ended June 30, 2021	109
F-1B	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – 2020 Referendum Projects from Inception and for the Fiscal Year Ended June 30, 2021	110
G.	Proprietary Funds (Enterprise Fund)	111
G-1	Combining Statement of Net Position	112
G-2	Combining Statement of Revenue, Expenses and Changes in Fund Net Position.....	113
G-3	Combining Statement of Cash Flows	114
H.	Fiduciary Activities (Not Applicable)	
I.	Long-Term Debt	115
I-1	Schedule of Serial Bonds	116
I-2	Schedule of Obligations Under Capital Leases.....	119
I-3	Debt Service Fund Budgetary Comparison Schedule.....	120

MILLBURN TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (D.-I.) (Cont'd)

J.	Statistical Schedules (Unaudited).....	121
J-1	Net Position by Component.....	122
J-2	Changes in Net Position.....	123
J-3	Fund Balances - Governmental Funds.....	125
J-4	Changes in Fund Balances - Governmental Funds.....	126
J-5	General Fund Other Local Revenue by Source.....	128
J-6	Assessed Value and Actual Value of Taxable Property.....	129
J-7	Direct and Overlapping Property Tax Rates.....	130
J-8	Principal Property Taxpayers, Current Year and Nine Years Ago.....	131
J-9	Property Tax Levies and Collections.....	132
J-10	Ratios of Outstanding Debt by Type.....	133
J-11	Ratios of Net General Bonded Debt Outstanding.....	134
J-12	Ratios of Overlapping Governmental Activities Debt.....	135
J-13	Legal Debt Margin Information.....	136
J-14	Demographic and Economic Statistics.....	137
J-15	Principal Employers, Current Year and Nine Years Ago.....	138
J-16	Full-time Equivalent District Employees by Function/Program.....	139
J-17	Operating Statistics.....	140
J-18	School Building Information.....	141
J-19	Schedule of Required Maintenance.....	143
J-20	Insurance Schedule.....	144

SINGLE AUDIT SECTION

K.	Single Audit.....	145
K-1	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 <i>Government Auditing Standards</i>	146
K-2	Independent Auditors' Report on Compliance For Each Major Federal and State Program and on Internal Control over Compliance.....	148
K-3	Schedule of Expenditures of Federal Awards.....	150
K-4	Schedule of Expenditures of State Awards.....	151
K-5	Notes to the Schedules of Expenditures of Federal and State Awards.....	153
K-6	Schedule of Findings and Questioned Costs.....	155
K-7	Summary Schedule of Prior Audit Findings.....	157

INTRODUCTORY SECTION



MILLBURN TOWNSHIP PUBLIC SCHOOLS

Office of the Business Administrator

434 Millburn Avenue

Millburn, NJ 07041

(973) 376-3600, Ext . 40156 (voice)

Cheryl Schneider, Business Administrator/Board Secretary

November 3, 2021

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, 2021, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *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 2020-2021 fiscal year with an average daily enrollment of 4,679 students which is an increase of 130 students from the previous year.

2) ECONOMIC CONDITION AND OUTLOOK: The Township's cash surplus at December 31, 2020 amounted to \$13,260,375.00. A systematic and active investment program has been followed; income earned from investments of the Township's surplus cash amounted to \$194,700.94 in 2020. The current tax rate is \$1.926 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:

District Goals for FY 2020-2021

1. By June 2021, the District will orchestrate the alternative methodology for teaching, learning, and assessments toward the successful returning to school and monitoring of needs in response to the Covid-19 pandemic.
2. By June 2021, the District will utilize the MIM and the Strategic Visioning Frameworks to assess the adjustment of the schedules at the middle/ high schools and to continue to investigate school start times district wide in order to make final recommendations to the Board from the options developed for the SY 2021-22.
3. By June 2021, the District will utilize the MIM and the Strategic Visioning Frameworks to continue to develop and integrate practices and district calendars to address global awareness, cultural responsiveness and diversity in our schools.
4. By June 2021, the District will utilize the MIM and Assessment Frameworks to review and analyze current assessments practices for greater program consistency and continuity.

Board of Education Goal for FY 2020-2021

1. By June of 2021, the Board will complete the requirements of NJSBA Master Board Certification in recognition of the full Board's commitment to training and effective governance (Year 1 of 2).
2. By June of 2021, the Board will examine the facilities, finance, policy and academic impact of impending enrollment increases within the district.

3. By June 2021, the Board will negotiate successor collective bargaining agreements with the Millburn Administrators and Supervisors Association, Millburn Education Association and Communications Workers of America

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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as 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, 2021.

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.

The Honorable President and Members of
the Board of Education
Millburn Township School District
Page 4
November 3, 2021

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *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,



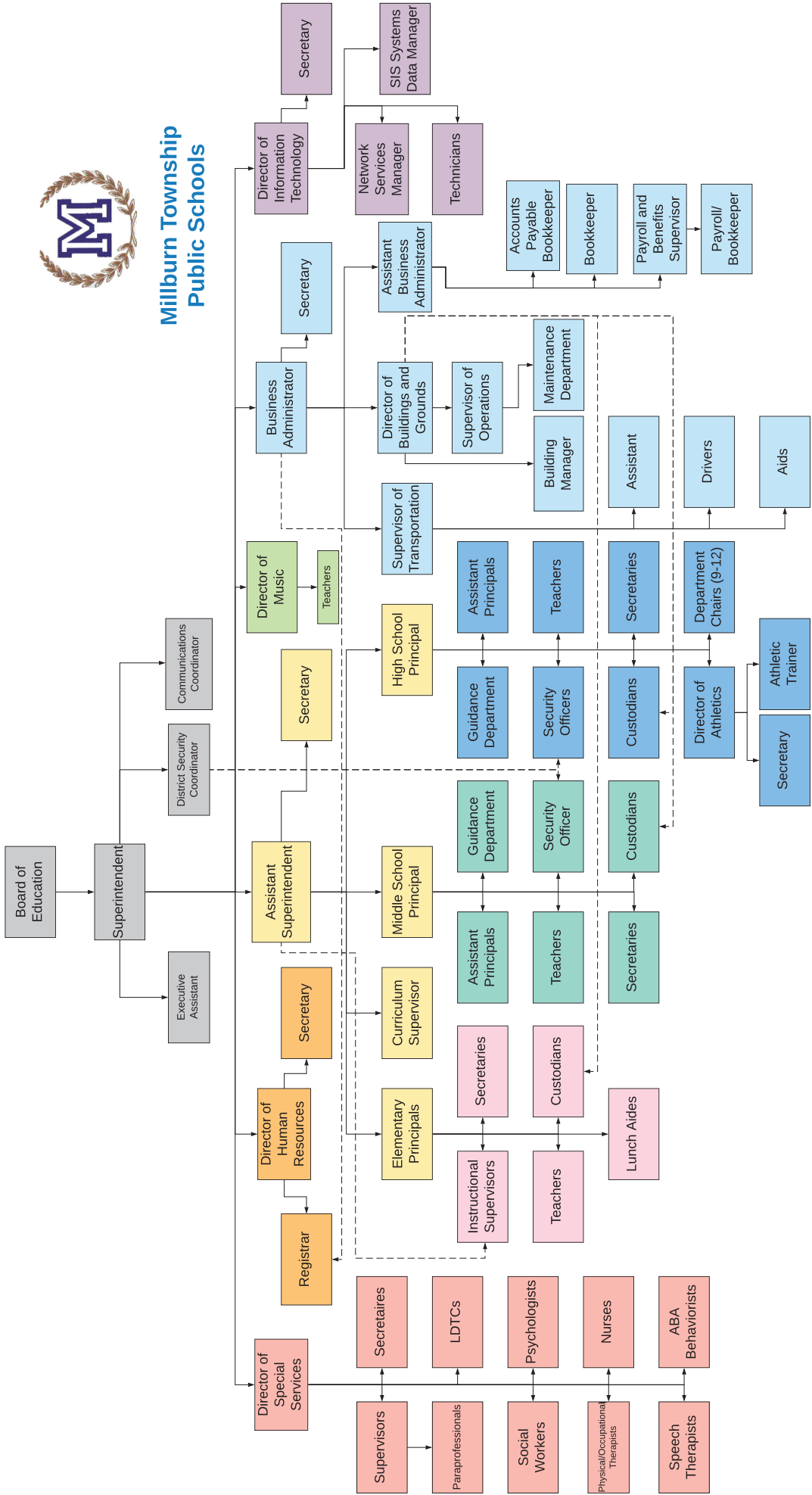
Dr. Christine Burton
Superintendent of Schools



Cheryl Schneider
Business Administrator/Board Secretary



Millburn Township Public Schools



**MILLBURN TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Alex Zaltsman, President	2024
Sonali Ganti, Vice President	2023
Jonathan Green	2023
Corrine Haase	2023
Oyin Owolabi	2022
Danielle Prieto	2022
Neetu Salhotra	2022
Louie Shen	2024
Jamie Serruto	2024

<u>Other Officers</u>	<u>Title</u>
Dr. Christine Burton	Superintendent of Schools
Kate Diskin	Assistant Superintendent
Cheryl Schneider	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

Attorneys

Anthony P. Sciarrillo, Esq.
Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, NJ 070910

Athina Lekas Cornell, Esq.
Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, NJ 070910

Bond Counsel

Andrea Kahn
McManimon, Scotland & Baumann
75 Livingston Avenue
Roseland, NJ 07068

Financial Advisor

Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505

Official Depositories

Investors Bank
249 Millburn Avenue
Millburn, NJ 07041

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

FINANCIAL SECTION

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, 2021, 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.

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 District as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 21 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

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, the pension and post-employment benefit schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-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 other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying other supplementary schedules 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 other 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 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 November 3, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

November 3, 2021
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

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, 2021**

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, 2021. 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.

Overview of the Financial Statements

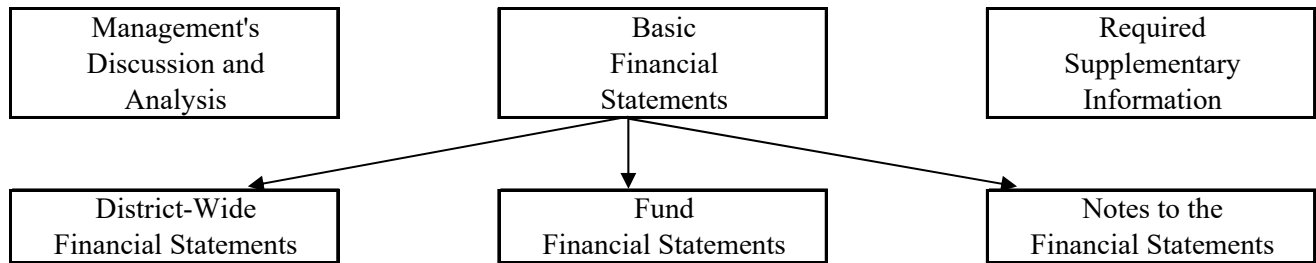
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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 and field rental/joint facilities.

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, 2021**

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
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and field rental/joint facilities.
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
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
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 included	All assets and liabilities, both financial and capital, short-term and long-term
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

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, deferred inflows and outflows 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, deferred inflows and outflows 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, subscription busing fees 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 two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps 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, 2021**

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.

Notes to Basic 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 \$8,730,424. Net position from governmental activities increased by \$8,762,639 and net position from business-type activities decreased by \$32,215. Net investment in capital assets increased by \$5,113,096, restricted net position decreased by \$1,428,949, and unrestricted net position increased by \$5,046,277.

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

	Government Activities		Business-Type Activities		Total School District		Percentage Change 2020/21
	(Restated)				(Restated)		
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
Current and Other Assets	\$ 35,339,759	\$ 37,269,662	\$ 375,161	\$ 395,394	\$ 35,714,920	\$ 37,665,056	
Capital Assets, Net	84,150,980	77,436,263	109,964	131,294	84,260,944	77,567,557	
Total Assets	119,490,739	114,705,925	485,125	526,688	119,975,864	115,232,613	4.12%
Deferred Outflows of Resources	4,411,359	5,199,770			4,411,359	5,199,770	-15.16%
Other Liabilities	4,781,842	3,412,369	60,748	70,096	4,842,590	3,482,465	
Long-Term Liabilities	83,015,801	89,487,187			83,015,801	89,487,187	
Total Liabilities	87,797,643	92,899,556	60,748	70,096	87,858,391	92,969,652	-5.50%
Deferred Inflows of Resources	8,261,505	7,925,828			8,261,505	7,925,828	4.24%
Net Position:							
Net Investment in Capital Assets	37,214,574	32,080,148	109,964	131,294	37,324,538	32,211,442	
Restricted	13,175,989	14,604,938			13,175,989	14,604,938	
Unrestricted/(Deficit)	(22,547,613)	(27,604,775)	314,413	325,298	(22,233,200)	(27,279,477)	
Total Net Position	\$ 27,842,950	\$ 19,080,311	\$ 424,377	\$ 456,592	\$ 28,267,327	\$ 19,536,903	44.69%

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in Net Position. The District's combined net position was \$28,267,327 on June 30, 2021, an increase of \$8,730,424 or 44.69% over the previous year (see Figure A-3). Net Investment in Capital Assets increased \$5,113,096 due to the maturity of \$3,825,000 of serial bonds payable, maturity of \$1,052,266 in capital lease principal, and \$9,327,251 in capital assets additions (net of capital assets disposals); offset by the issuance of \$6,363,226 in serial bonds, \$2,633,864 in depreciation expense and a decrease in deferred amount on refunding of \$94,331. Restricted net position decreased by \$1,428,949 primarily due to a decrease in the Capital Projects Fund Balance related to referendum expenses. Unrestricted net position increased by \$5,046,277 primarily due to the changes in net pension liability and related deferred outflows and inflows and an increase in unexpended budget appropriations.

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change 2020/21
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
Revenue:							
Program Revenue:							
Charges for Services	\$ 554,217	\$ 950,934	\$ 44,622	\$ 629,157	\$ 598,839	\$ 1,580,091	
Operating Grants and Contributions	31,368,900	31,169,565			31,368,900	31,169,565	
General Revenue:							
Property Taxes	93,202,252	91,479,460			93,202,252	91,479,460	
Unrestricted State and Federal Aid	1,091,347	961,027			1,091,347	961,027	
Other	535,326	891,623	2,051	3,736	537,377	895,359	
Total Revenue	<u>126,752,042</u>	<u>125,452,609</u>	<u>46,673</u>	<u>632,893</u>	<u>126,798,715</u>	<u>126,085,502</u>	0.57%
Expenses:							
Instruction	72,682,981	74,608,782			72,682,981	74,608,782	
Pupil/Instruction Services	21,813,333	21,481,117			21,813,333	21,481,117	
Administrative & Business	9,250,524	9,428,670			9,250,524	9,428,670	
Maintenance & Operations	9,291,657	9,761,668			9,291,657	9,761,668	
Transportation	3,158,894	3,182,580			3,158,894	3,182,580	
Other	1,792,014	1,543,967	78,888	662,208	1,870,902	2,206,175	
Total Expenses	<u>117,989,403</u>	<u>120,006,784</u>	<u>78,888</u>	<u>662,208</u>	<u>118,068,291</u>	<u>120,668,992</u>	-2.16%
Increase/(Decrease) in Net Position	<u>\$ 8,762,639</u>	<u>\$ 5,445,825</u>	<u>\$ (32,215)</u>	<u>\$ (29,315)</u>	<u>\$ 8,730,424</u>	<u>\$ 5,416,510</u>	61.18%

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs while experiencing changes 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.
- 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 has been pursuing grants for supplemental funding of District initiatives.

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

Figure A-5 presents the cost of six 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-5
Net Cost of Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2020/21	2020/21	2019/20	2019/20
Instruction	\$ 72,682,981	\$ 47,943,152	\$ 74,608,782	\$ 50,165,771
Pupil and Instruction Services	21,813,333	16,740,473	21,481,117	16,761,884
Administrative and Business	9,250,524	7,998,474	9,428,670	8,130,945
Maintenance and Operations	9,291,657	9,291,657	9,761,668	9,761,668
Transportation	3,158,894	2,300,516	3,182,580	1,522,050
Other	1,792,014	1,792,014	1,543,967	1,543,967
	<u>\$ 117,989,403</u>	<u>\$ 86,066,286</u>	<u>\$ 120,006,784</u>	<u>\$ 87,886,285</u>

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Business-Type Activities

Net position from the District's business-type activity decreased by \$32,215. (Refer to Figure A-4). Factors contributing to these results included:

- Field Rental/Joint Facilities Fund revenue exceeded expenses by \$34,022, which was primarily due to a decrease in expenses as the portable field netting system purchase and field maintenance were completed in the prior year.
- Food Service Fund expenses exceeded revenue by \$66,237. The District had a significant loss in inventory during the State mandated closure of schools due to COVID-19.

Financial Analysis of the District's Funds

The District's financial position decreased on a fund basis primarily due to the District's expenses increasing in the Capital Projects Fund due to the progress of the referendum projects. Additionally, statutory budget caps have had a direct impact upon the District's revenue sources.

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 school-based needs for programs, supplies and equipment.

Capital Assets

**Figure A-6
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Percentage
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	Change 2020/21
Sites	\$ 109,045	\$ 109,045			\$ 109,045	\$ 109,045	
Construction in Progress	33,237,083	25,521,450			33,237,083	25,521,450	
Site Improvements	3,967,363	3,542,726			3,967,363	3,542,726	
Buildings & Building Improvements	44,041,187	45,723,050			44,041,187	45,723,050	
Machinery and Equipment	2,796,302	2,539,992	\$ 109,964	\$ 131,294	2,906,266	2,671,286	
Total Capital Assets, Net	\$ 84,150,980	\$ 77,436,263	\$ 109,964	\$ 131,294	\$ 84,260,944	\$ 77,567,557	8.63%

During the fiscal year, the District acquired or constructed \$9,327,251 in capital asset additions for various capital projects, offset by \$2,633,864 in current year depreciation (\$2,612,534 its governmental activities and \$21,330 from its business-type activities).

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Long-term Liabilities

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change 2020/21
	2020/21	2019/20	
General Obligation Bonds (Financed with Property Taxes)	\$ 56,558,000	\$ 60,383,000	
Net Pension Liability	18,903,545	20,435,239	
Other Long-Term Liabilities	7,554,256	8,668,948	
	<u>\$ 83,015,801</u>	<u>\$ 89,487,187</u>	-7.23%

- The District continued to pay down its bonded debt, retiring \$3,825,000 of outstanding bonds.
- Compensated absences payable increased by a net amount of \$193,292.
- Net pension liability decreased by \$1,531,694.
- The District paid down \$1,052,266 in lease principal during the fiscal year.
- The District amortized \$255,718 of bond issuance premiums.

More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.

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:

- The Covid-19 Pandemic introduced many unprecedented challenges resulting in unbudgeted expenditures and a reduction in budgeted revenues. The continued responses to Covid-19 into the 2021-22 school year will continue to require additional expenditures, while many revenues such as facility usage and subscription busing will continue to be at reduced levels. Federal funding has been made available that will offset these additional expenditures while also allowing for expanded programming. Careful planning is necessary to ensure that programs requiring recurring funding do not create unsustainable burdens on future operating budgets. Management is closely monitoring the financial impact of all responsive decision-making.
- The district is committed to maintaining facilities. In January 2020, a bond referendum was approved that included the construction of security vestibules at seven of the District's schools, an expansion of the Middle School cafeteria, and upgrades throughout the District. Regular assessment of the District facilities identifies future projects to be included in the Long Range Facility Plan. Projects identified will be addressed through future operating budgets, use of reserve accounts and the expectation of funding through future bond sales. The Board has identified a schedule to allow for new issuances of bonds as prior debt service expires, to allow for continued funding for capital improvements while maintaining a level debt service schedule. This "Investing in Excellence" meets the aspirations of the community and the competitive educational needs of our students.

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Factors Bearing on the District's Future Revenue/Expense Changes (Cont'd)

- Contracts with the Millburn Association of School Administrators expired on June 30, 2020. Contracts with the Millburn Education Association and the Communications Workers of America expired on June 30, 2021. The Board is currently in the process of renegotiating these contracts. Most recent contracts included salary increases exceeding 2%. Given the 2% tax cap, negotiated settlements higher than previous contracts will have to be paid for with spending reductions in other areas. The Board will also continue to explore new sources of revenue.
- While overall enrollment in the District has remained relatively stable during the past several years, school-specific spikes have occurred requiring an increase in staffing. The past year decrease is projected to rebound as students return to in-person learning after COVID. The District continues to monitor this situation, and to reallocate resources as changes occur. Increased enrollments are projected in the future based on construction of new residential units in town and with a recent surge in house sales in a highly competitive housing market.

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 24,360,035	\$ 373,128	\$ 24,733,163
Receivables from State Government	2,070,049		2,070,049
Receivables from Federal Government	409,043		409,043
Inventories		2,033	2,033
Restricted Cash and Cash Equivalents	8,500,632		8,500,632
Capital Assets, Net:			
Sites (Land) and Construction in Progress	33,346,128		33,346,128
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	50,804,852	109,964	50,914,816
Total Assets	<u>119,490,739</u>	<u>485,125</u>	<u>119,975,864</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Amount on Refunding	628,873		628,873
Deferred Outflows Related to Pensions	3,782,486		3,782,486
Total Deferred Outflows of Resources	<u>4,411,359</u>		<u>4,411,359</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	3,410,584		3,410,584
Accrued Interest Payable	821,739		821,739
Payable to Federal Government	297		297
Payable to State Government	86,802		86,802
Unearned Revenue	462,420	60,748	523,168
Noncurrent Liabilities:			
Due Within One Year	5,853,198		5,853,198
Due Beyond One Year	77,162,603		77,162,603
Total Liabilities	<u>87,797,643</u>	<u>60,748</u>	<u>87,858,391</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	8,261,505		8,261,505
Total Deferred Inflows of Resources	<u>8,261,505</u>		<u>8,261,505</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	37,214,574	109,964	37,324,538
Restricted for:			
Capital Projects	4,673,709		4,673,709
Debt Service	181,467		181,467
Maintenance	2,357,695		2,357,695
Emergency	450,000		450,000
Excess Surplus	4,484,000		4,484,000
Unemployment Compensation	554,381		554,381
Student Activities	474,737		474,737
Unrestricted/(Deficit)	(22,547,613)	314,413	(22,233,200)
Total Net Position	<u>\$ 27,842,950</u>	<u>\$ 424,377</u>	<u>\$ 28,267,327</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, 2021

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
Governmental Activities:						
Instruction:						
Regular	\$ 57,823,251	\$ 91,040	\$ 16,389,411	\$ (41,342,800)		\$ (41,342,800)
Special Education	10,957,566		7,598,397	(3,359,169)		(3,359,169)
Other Special Instruction	2,228,268		660,981	(1,567,287)		(1,567,287)
Other Instruction	1,673,896			(1,673,896)		(1,673,896)
Support Services:						
Tuition	3,822,388		933,244	(2,889,144)		(2,889,144)
Student and Instruction Related Services	17,990,945	460,057	3,679,559	(13,851,329)		(13,851,329)
General Administrative Services	1,350,287		111,257	(1,239,030)		(1,239,030)
School Administrative Services	5,392,584		1,038,322	(4,354,262)		(4,354,262)
Central Services	1,356,882		102,471	(1,254,411)		(1,254,411)
Administrative Information Technology	1,150,771			(1,150,771)		(1,150,771)
Plant Operations and Maintenance	9,291,657			(9,291,657)		(9,291,657)
Pupil Transportation	3,158,894	3,120	855,258	(2,300,516)		(2,300,516)
Transfer of Funds to Charter School	13,473			(13,473)		(13,473)
Interest on Long-Term Debt	1,778,541			(1,778,541)		(1,778,541)
Total Governmental Activities	117,989,403	554,217	31,368,900	(86,066,286)		(86,066,286)
Business-Type Activities:						
Field Rental/Joint Facilities	10,515	44,537			\$ 34,022	34,022
Food Service	68,373	85			(68,288)	(68,288)
Total Business-Type Activities	78,888	44,622			(34,266)	(34,266)

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 118,068,291	\$ 598,839	\$ 31,368,900	\$ (86,066,286)	\$ (34,266)	\$ (86,100,552)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				88,290,022		88,290,022
Taxes Levied for Debt Service				4,912,230		4,912,230
Federal, State and Local Aid not Restricted				1,091,347		1,091,347
Interest Earnings				258,944	2,051	260,995
Miscellaneous Income				276,382		276,382
Total General Revenues				94,828,925	2,051	94,830,976
Change in Net Position				8,762,639	(32,215)	8,730,424
Net Position - Beginning (Restated)				19,080,311	456,592	19,536,903
Net Position - Ending				\$ 27,842,950	\$ 424,377	\$ 28,267,327

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

FUND FINANCIAL STATEMENTS

MILLBURN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 10,933,174		\$ 13,359,815	\$ 67,046	\$ 24,360,035
Interfund Receivable	299,224			114,421	413,645
Receivables From State Government	2,070,049				2,070,049
Receivables From Federal Government		\$ 409,043			409,043
Restricted Cash and Cash Equivalents	8,025,895	474,737			8,500,632
Total Assets	\$ 21,328,342	\$ 883,780	\$ 13,359,815	\$ 181,467	\$ 35,753,404
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 43,410	\$ 370,235		\$ 413,645
Accounts Payable	\$ 1,759,362	119,559	133,663		2,012,584
Payable to Federal Government		297			297
Payable to State Government		86,802			86,802
Unearned Revenue	303,445	158,975			462,420
Total Liabilities	2,062,807	409,043	503,898		2,975,748
Fund Balances:					
Restricted:					
Capital Reserve Account	4,663,819				4,663,819
Emergency Reserve	450,000				450,000
Maintenance Reserve	2,357,695				2,357,695
Excess Surplus - For 2022-2023	2,242,000				2,242,000
Excess Surplus - For 2021-2022	2,242,000				2,242,000
Unemployment Compensation	554,381				554,381
Student Activities		474,737			474,737
Capital Projects			12,855,917		12,855,917
Debt Service				\$ 181,467	181,467
Assigned:					
Year End Encumbrances	1,888,500				1,888,500
Designated for Subsequent Year's Expenditures	130,000				130,000
Unassigned	4,737,140				4,737,140
Total Fund Balances	19,265,535	474,737	12,855,917	181,467	32,777,656
Total Liabilities and Fund Balances	\$ 21,328,342	\$ 883,780	\$ 13,359,815	\$ 181,467	\$ 35,753,404

MILLBURN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Amounts reported for *Governmental Activities* in the Statement of Net Position (Exhibit A-1) are different because:

Total Fund Balances from previous page	\$ 32,777,656
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	84,150,980
Bond Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are sold.	(1,540,354)
Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure	628,873
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(821,739)
Long-Term Liabilities, including the Net Pension Liability for PERS, 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.	(81,475,447)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds	<u>(5,877,019)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 27,842,950</u></u>

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, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 88,290,022			\$ 4,912,230	\$ 93,202,252
Tuition from Other LEAs	14,720				14,720
Tuition from Individuals	76,320				76,320
Transportation Fees From Individuals	3,120				3,120
Interest Earned on Capital Reserve Funds	1,196				1,196
Restricted Miscellaneous Revenue	57,818	\$ 460,057			517,875
Unrestricted Miscellaneous Revenue	361,891	187,037	\$ 114,421		663,349
Total - Local Sources	88,805,087	647,094	114,421	4,912,230	94,478,832
State Sources	24,722,961	321,368		702,042	25,746,371
Federal Sources		1,757,692			1,757,692
Total Revenues	113,528,048	2,726,154	114,421	5,614,272	121,982,895
EXPENDITURES:					
Current:					
Regular Instruction	33,432,682	550,188			33,982,870
Special Education Instruction	6,142,960	18,116			6,161,076
Other Special Instruction	1,303,624				1,303,624
School-Sponsored/Other Instruction	1,306,874				1,306,874
Support Services and Undistributed Costs:					
Tuition	2,889,144	933,244			3,822,388
Student/Other Instruction Related Services	11,036,085	1,301,359			12,337,444
General Administrative Services	1,135,410				1,135,410
School Administrative Services	3,400,424				3,400,424
Central Services	1,060,220				1,060,220
Administrative Information Technology	949,682				949,682
Plant Operations and Maintenance	8,598,585				8,598,585
Student Transportation	2,952,685				2,952,685
Unallocated Benefits	33,099,435				33,099,435
Capital Outlay	1,615,770	19,056	7,715,633		9,350,459
Debt Service:					
Principal				3,825,000	3,825,000
Interest and Other Charges				1,912,447	1,912,447
Transfer of Funds to Charter School	13,473				13,473
Total Expenditures	108,937,053	2,821,963	7,715,633	5,737,447	125,212,096
Excess/(Deficit) of Revenue Over/(Under)					
Expenditures	4,590,995	(95,809)	(7,601,212)	(123,175)	(3,229,201)
Other Financing Sources/(Uses):					
Transfers			(114,421)	114,421	
Total Other Financing Sources/(Uses)			(114,421)	114,421	

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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	\$ 4,590,995	\$ (95,809)	\$ (7,715,633)	\$ (8,754)	\$ (3,229,201)
Fund Balance - July 1 (Restated)	<u>14,674,540</u>	<u>570,546</u>	<u>20,571,550</u>	<u>190,221</u>	<u>36,006,857</u>
Fund Balance - June 30	<u>\$ 19,265,535</u>	<u>\$ 474,737</u>	<u>\$ 12,855,917</u>	<u>\$ 181,467</u>	<u>\$ 32,777,656</u>

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

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, 2021

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ (3,229,201)
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	\$ (2,612,534)
Capital Outlays	<u>9,327,251</u>
	6,714,717
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 (+).	(27,481)
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.	3,825,000
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.	1,052,266
The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	255,718
The governmental funds report the effect of deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.	(94,331)
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 (+).	(193,292)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	1,531,694
Changes in Deferred Outflows and Inflows Related to Pensions	<u>(1,072,451)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 8,762,639</u>

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds	
	Total Non-Major Funds	Total
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 373,128	\$ 373,128
Inventories	2,033	2,033
Total Current Assets	375,161	375,161
Non-Current Assets:		
Capital Assets	245,216	245,216
Less: Accumulated Depreciation	(135,252)	(135,252)
Total Non-Current Assets	109,964	109,964
Total Assets	485,125	485,125
<u>LIABILITIES:</u>		
Current Liabilities:		
Unearned Revenue	60,748	60,748
Total Current Liabilities	60,748	60,748
<u>NET POSITION:</u>		
Investment in Capital Assets	109,964	109,964
Unrestricted	314,413	314,413
Total Net Position	\$ 424,377	\$ 424,377

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, 2021

	Business-Type Activities - Enterprise Funds	
	Total Non-Major Funds	Total
Operating Revenue:		
Local Sources:		
Daily Sales - Non-Reimbursable Programs	\$ 85	\$ 85
Program Fees	44,537	44,537
Total Operating Revenue	44,622	44,622
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs	42,462	42,462
Cleaning, Repair and Maintenance Services	10,515	10,515
Supplies and Materials	4,381	4,381
Miscellaneous Expense	200	200
Depreciation Expense	21,330	21,330
Total Operating Expenses	78,888	78,888
Operating Loss	(34,266)	(34,266)
Non-Operating Revenue:		
Local Sources:		
Interest Income	2,051	2,051
Total Non-Operating Revenue	2,051	2,051
Change in Net Position	(32,215)	(32,215)
Net Position - Beginning of Year	456,592	456,592
Net Position - End of Year	\$ 424,377	\$ 424,377

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, 2021

	Business-Type Activities - Enterprise Funds	
	Total Non-Major Funds	Total
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 44,622	\$ 44,622
Payments to Food Service Contractors	(13,764)	(13,764)
Payments to Suppliers	(19,775)	(19,775)
Net Cash Provided by Operating Activities	<u>11,083</u>	<u>11,083</u>
Cash Flows from Investing Activities:		
Interest Income	2,051	2,051
Net Cash Provided by Investing Activities	<u>2,051</u>	<u>2,051</u>
Net Increase in Cash and Cash Equivalents	13,134	13,134
Cash and Cash Equivalents, July 1	359,994	359,994
Cash and Cash Equivalents, June 30	<u>\$ 373,128</u>	<u>\$ 373,128</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating Loss	\$ (34,266)	\$ (34,266)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	21,330	21,330
Changes in Assets and Liabilities:		
Decrease in Inventory	33,367	33,367
(Decrease) in Accounts Payable	(13,764)	(13,764)
Increase in Unearned Revenue	4,416	4,416
Net Cash Provided by Operating Activities	<u>\$ 11,083</u>	<u>\$ 11,083</u>

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, 2021

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 ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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 District in its entirety. 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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

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.

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. Separate statements for each fund category – governmental and proprietary – 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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

B. Basis of Presentation (Cont'd)

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.

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.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary 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.

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, 2021 was submitted to the County office and was

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

D. Budgets/Budgetary Control

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 except for student activities. 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 in 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	\$ 113,543,606	\$ 2,692,029
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		(34,189)
Cancellation of Prior Year Encumbrances		(14,091)
Prior Year Encumbrances		82,405
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	337,169	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(352,727)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 113,528,048	\$ 2,726,154

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ 108,937,053	\$ 2,787,838
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		(34,189)
Cancellation of Prior Year Encumbrances		(14,091)
Prior Year Encumbrances		82,405
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 108,937,053</u>	<u>\$ 2,821,963</u>

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.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

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. 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, 2021.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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 acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. 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 and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the Fund financial statements, capital assets used in Governmental fund operations are accounted for as capital outlay expenditures in the Governmental Funds upon acquisition. Capital 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 premiums 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, 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.

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 related to this as of June 30, 2021.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

N. Compensated Absences: (Cont'd)

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.

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 \$19,265,535 General Fund balance at June 30, 2021, \$1,888,500 is assigned for year-end encumbrances; \$4,663,819 is restricted in the capital reserve account; \$2,357,695 is restricted in a maintenance reserve; \$450,000 has been restricted in an emergency reserve; \$554,381 is restricted for unemployment compensation; \$2,242,000 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, 2022; \$2,242,000 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, 2023; \$130,000 is assigned and included as anticipated budget revenue for the fiscal year ending June 30, 2022; and \$4,737,140 is unassigned, which is \$352,727 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, 2022.

Special Revenue Fund: The \$474,737 fund balance in the Special Revenue Fund at June 30, 2021 is restricted for student activities.

Capital Projects Fund: The \$12,855,917 fund balance in the Capital Projects Fund at June 30, 2021 is restricted for Capital Projects.

Debt Service Fund: Of the \$181,467 restricted fund balance in the Debt Service Fund at June 30, 2021, \$67,046 is anticipated revenue for the fiscal year ended June 30, 2022.

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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

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 two 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 \$22,547,613 in its governmental activities, which is primarily due to deferred inflows, outflows and liabilities related to pensions and compensated absences. This deficit does not indicate the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

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 has deferred outflow of resources for the deferred amount on refunding bonds and deferred outflows and inflows of resources related to pensions at June 30, 2021.

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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

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, capital reserve, maintenance reserve, emergency reserve, unemployment compensation, student activities, capital projects and the debt service.

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 has no committed funds at June 30, 2021.

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 assigned resources for fiscal year-end encumbrances and amounts designated for subsequent fiscal year's expenditures in the General Fund at June 30, 2021.

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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

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.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

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

GASB 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 on the following two pages.

Custodial Credit Risk - The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (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 section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents	Cash and Cash Equivalents	Total
Checking/Money Market Accounts	\$ 6,156,019	\$ 24,722,745	\$ 30,878,764
NJ ARM	2,344,613	10,418	2,355,031
	\$ 8,500,632	\$ 24,733,163	\$ 33,233,795

The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$33,233,795 and the bank balance was \$33,166,230. The balance of \$2,355,031 in NJ ARM is uninsured and unregistered.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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.

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, 2020	\$	4,401,248
Add: Interest Earnings		1,196
Transfer from Unassigned Fund Balance per Board Resolution - June 2021		1,000,000
Unexpended Balance Returned from Capital Outlay		61,375
Less: Budgeted Withdrawal from Capital Reserve		<u>(800,000)</u>
Ending Balance, June 30, 2021	\$	<u>4,663,819</u>

The balance in the capital reserve account at June 30, 2021 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP. Withdrawals from the capital reserve were 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, 2021 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 109,045			\$ 109,045
Construction in Progress	25,521,450	\$ 7,715,633		33,237,083
Total Capital Assets Not Being Depreciated	<u>25,630,495</u>	<u>7,715,633</u>		<u>33,346,128</u>
Capital Assets Being Depreciated:				
Site Improvements	6,782,388	745,192		7,527,580
Buildings and Building Improvements	82,731,820	28,841		82,760,661
Machinery and Equipment	6,377,516	837,585	\$ (42,253)	7,172,848
Total Capital Assets Being Depreciated	<u>95,891,724</u>	<u>1,611,618</u>	<u>(42,253)</u>	<u>97,461,089</u>
Governmental Activities Capital Assets	<u>121,522,219</u>	<u>9,327,251</u>	<u>(42,253)</u>	<u>130,807,217</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Less Accumulated Depreciation for:				
Site Improvements	\$ (3,239,662)	\$ (320,555)		\$ (3,560,217)
Buildings and Building Improvements	(37,008,770)	(1,710,704)		(38,719,474)
Machinery and Equipment	(3,837,524)	(581,275)	\$ 42,253	(4,376,546)
	(44,085,956)	(2,612,534)	42,253	(46,656,237)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 77,436,263	\$ 6,714,717	\$ -0-	\$ 84,150,980
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 245,216			\$ 245,216
Less: Accumulated Depreciation	(113,922)	\$ (21,330)		(135,252)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 131,294	\$ (21,330)	\$ -0-	\$ 109,964

The District expended \$9,327,251 on various capital projects during the fiscal year, which included \$7,715,633 of construction projects in progress. The District has \$46,093,000 in active construction projects, with an unexpended balance of \$12,855,917 of which \$3,564,207 represents open encumbrances as of June 30, 2021.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 2,069,389
Special Education Instruction	232,669
Other Instruction	78,564
Student and Other Instruction Related Services	41,345
General Administration	3,157
School Administration	60,004
Central Services	1,606
Operations and Maintenance of Plant	68,418
Student Transportation	57,382
	\$ 2,612,534

NOTE 6. OPERATING LEASES

The District has commitments to lease copying equipment, digital mailing machines and chromebooks under operating leases which expire in 2025. Future minimum lease payments are as follows:

Fiscal Year Ending	Amount
June 30, 2022	\$ 208,207
June 30, 2023	185,936
June 30, 2024	143,922
June 30, 2025	28,098
June 30, 2026	12,036
Total future minimum lease payments	\$ 578,199

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2020	Accrued	Retired	Balance 6/30/2021
Serial Bonds Payable	\$ 60,383,000		\$ 3,825,000	\$ 56,558,000
Unamortized Bond Issuance Premium	1,796,072		255,718	1,540,354
Capital Leases Payable	4,905,572		1,052,266	3,853,306
Compensated Absences Payable	1,967,304	448,580	255,288	2,160,596
Net Pension Liability	20,435,239		1,531,694	18,903,545
	<u>\$ 89,487,187</u>	<u>\$ 448,580</u>	<u>\$ 6,919,966</u>	<u>\$ 83,015,801</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.

A referendum passed on September 27, 2016, authorizing the issuance of \$25,593,176 in bonds to finance several projects including the purchase and renovation of the former Millburn Regional Day School, which became a 5th grade school known as the Washington School, health and safety improvements in all District buildings, and the construction/renovation of innovative research and design spaces at all seven schools. On December 6, 2016, the District issued serial bonds of \$25,593,000 with interest rates ranging from 3.5% to 4.0% to fund the referendum projects. The bonds mature on August 1, 2018 through 2041 and are non-callable until after August 1, 2027.

A referendum passed on January 28, 2020, authorizing the issuance of \$20,500,000 in bonds to finance several projects including building system improvements and security vestibule upgrades in seven schools and windows replacement at the Washington School. On April 21, 2020, the District issued serial bonds of \$20,500,000 with interest rates ranging from 2.0% to 2.5% to fund the referendum projects. The bonds mature on February 15, 2021 through 2035 and are non-callable until after February 15, 2028.

The District had bonds outstanding as of June 30, 2021 as follows:

Serial Bonds

Purpose	Final Maturity Date	Interest Rate	Amount
Refunding Bonds	01/15/22	3.70%	\$ 795,000
Refunding Bonds	09/15/23	4.00%	2,310,000
Refunding Bonds	07/15/27	4.00%-5.00%	9,110,000
School Bonds	08/01/41	3.50%-4.00%	24,243,000
School Bonds	02/15/35	2.00%-2.50%	20,100,000
			<u>\$ 56,558,000</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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:

Fiscal Year Ending June 30,	Bonds		
	Principal	Interest	Total
2022	\$ 4,525,000	\$ 1,859,885	\$ 6,384,885
2023	4,690,000	1,694,070	6,384,070
2024	4,850,000	1,529,245	6,379,245
2025	4,055,000	1,375,095	5,430,095
2026	4,060,000	1,236,720	5,296,720
Thereafter 5 Years (2027-2031)	16,635,000	4,261,225	20,896,225
Thereafter 5 Years (2032-2036)	10,600,000	2,166,100	12,766,100
Thereafter 5 Years (2037-2041)	6,000,000	814,350	6,814,350
Thereafter 2 Years (2042)	1,143,000	22,860	1,165,860
	<u>\$ 56,558,000</u>	<u>\$ 14,959,550</u>	<u>\$ 71,517,550</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the Board had \$176 bonds authorized but not issued.

C. Unamortized Bond Issuance Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$255,718 and is separated from the long-term portion of \$1,284,636.

D. Capital Leases Payable:

The District is leasing laptops, computers and other related technology equipment and a school bus under capital leases valued at \$3,216,880, of which \$2,401,123 has matured and been repaid. The capital leases are for terms of five years. Additionally, on August 7, 2015, the District entered into a \$4,483,000 lease purchase agreement, with a fifteen year term, to fund the implementation of the District's Energy Savings Improvement Program (ESIP), entailing various permitted energy conservation measures under the ESIP Law, throughout the District. As of June 30, 2021, \$1,445,451 has matured and been repaid.

N.J.S.A. 18A:18A-4.6(c), Implementation of an energy savings improvement program by a board of education/board of trustees, provides the authority for public school districts/charter schools to finance an energy savings improvement program through a lease-purchase agreement or through the issuance of energy savings obligations. The ESIP law provides that energy savings obligation shall be funded through appropriations in the General Fund annual budget, on the basis that the costs of implemented energy conservation measures should be fully offset by energy savings to be generated by such measures (on both an annual and aggregate basis).

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

D. Capital Leases Payable: (Cont'd)

The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2021.

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 1,156,943
2023	310,033
2024	317,079
2025	324,286
2026	332,185
Thereafter 5 Years (2027-2031)	1,774,811
Thereafter 3 Years (2032)	93,020
	<u>4,308,357</u>
Less: Amount Representing Interest	<u>(455,051)</u>
Present Value Net of Minimum Lease Payments	<u><u>\$ 3,853,306</u></u>

The current portion of capital leases payable at June 30, 2021 is \$1,054,278 and the long-term portion is \$2,799,028. The General Fund will be used to liquidate the capital leases payable.

E. Compensated Absences Payable:

The liability for compensated absences of the Governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$18,202 and is separated from the long-term portion of compensated absences of \$2,142,394. The General Fund will be used to liquidate compensated absences payable. There is no liability for compensated absences in the Proprietary fund types.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long-term portion is \$18,903,545. See Note 8 for further information on the PERS.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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 Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS):

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Contributions (Cont'd)

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$1,268,109 for fiscal year 2021. The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2021, the District reported a liability of \$18,903,545 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.116%, which was an increase of 0.003% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$846,867. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2016	5.57	\$ 613,252	
	2017	5.48		\$ 1,789,375
	2018	5.63		1,755,501
	2019	5.21		1,394,120
	2020	5.16		2,976,097
				<u>613,252</u>
Changes in Proportion	2016	5.57	150,014	
	2017	5.48		146,415
	2018	5.63	175,743	
	2019	5.21		133,146
	2020	5.16	455,137	
				<u>780,894</u>
Net Difference Between Projected and Actual	2016	5.00	(231,323)	
Investment Earnings on Pension Plan Investments	2017	5.00	(214,538)	
	2018	5.00	51,918	
	2019	5.00	1,040,081	
			<u>646,138</u>	

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	2016	5.57	\$ 18,611	
	2017	5.48	53,216	
	2018	5.63		\$ 66,851
	2019	5.21	106,567	
	2020	5.16	165,808	
				<u>344,202</u>
District Contribution Subsequent to the Measurement Date	2020	1.00	1,398,000	
			<u>\$ 3,782,486</u>	<u>\$ 8,261,505</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the district contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2021	\$ (2,372,050)
2022	(2,162,588)
2023	(1,235,864)
2024	(499,762)
2025	(108,088)
	<u>\$ (6,378,352)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 23,743,696	\$ 18,903,545	\$ 14,719,137

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarially determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$11,780,950 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$16,045,759. The employee contribution rate was 7.50% effective July 1, 2018.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$258,035,713. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.392%, which was a decrease of 0.017% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>258,035,713</u>
Total	<u>\$ 258,035,713</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$16,045,759 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	<u>1,411,170,422</u>	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		7,520,890
			<u>986,767,511</u>	<u>182,357,860</u>
Net Difference Between Projected and Actual Actual Investment Earnings on Pension Plan Investments	2017	5.00	(226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	965,582,162	
			<u>656,175,235</u>	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	<u>(335,285,618)</u>
	<u>\$ (4,965,440,613)</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 303,093,165	\$ 258,035,713	\$ 220,623,062

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

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

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$27,995 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$36,492 for the fiscal year ended June 30, 2021.

NOTE 9. 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 from Utica National Insurance Group and is a member of the Pooled Insurance Program of New Jersey (the "Fund") for workers' compensation insurance. 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.

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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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, 2021 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, 2020 is as follows:

Total Assets	\$ 20,786,398
Net Position	\$ 8,063,082
Total Revenue	\$ 8,824,359
Total Expenses	\$ 8,681,780
Change in Net Position	\$ 142,579
Members Dividends	\$ 1,012,325

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 Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ -0-	\$ 3,545	\$ 96,932	\$ 42,659	\$ 554,381
2019-2020	-0-	3,726	58,969	28,535	496,563
2018-2019	-0-	-0-	78,077	95,351	462,403

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. 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 11. INTERFUND BALANCES AND TRANSFERS

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 299,224	
Special Revenue Fund		\$ 43,410
Capital Projects Fund		370,235
Debt Service Fund	114,421	
	\$ 413,645	\$ 413,645

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund due to the timing of grant receipts. The interfund between the General Fund and the Capital Projects Fund is due to an advance to the Capital Projects Fund. The interfund receivable in the Debt Service Fund is comprised of the current year's interest due from the Capital Projects Fund.

During the fiscal year, the District transferred \$114,421 of interest earned in the Capital Projects Fund to the Debt Service Fund.

NOTE 12. 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. The plan administrators are as follows:

Variable Annuity Life (VALIC)	Lincoln Investment Planning
AXA Equitable	Prudential

AXA Equitable, Lincoln Investment Planning and VALIC are the plan administrators for the District's Internal Revenue Code Section 457 plans.

NOTE 13. 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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 13. TAX CALENDAR (Cont'd)

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 September 24. 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 14. 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 faced with claims and lawsuits arising from its operations. The District is vigorously contesting these lawsuits and estimates that any potential claims or judgments resulting from any litigation and not covered by insurance would not materially affect its financial position.

Encumbrances

At June 30, 2021, 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
\$ 1,888,500	\$ 34,189	\$ 3,564,207	\$ 5,486,896

On the District's Governmental Funds Balance Sheet as of June 30, 2021, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$34,189 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue. The \$3,564,207 year-end encumbrances in the Capital Projects Fund are included in the \$12,855,917 restricted fund balance.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 15. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental Activities as of June 30, 2021 consisted of the following:

	<u>Governmental Funds</u>			District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		
Due to State of New Jersey		\$ 108,653		\$ 1,398,000	\$ 1,506,653
Vendors	\$ 1,213,738	4,724	\$ 133,663		1,352,125
Accrued Salaries and Wages	425,256	6,182			
Payroll Deductions and Withholdings	120,368				120,368
	<u>\$ 1,759,362</u>	<u>\$ 119,559</u>	<u>\$ 133,663</u>	<u>\$ 1,398,000</u>	<u>\$ 2,979,146</u>

NOTE 16. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District transferred \$739,914 to the capital outlay accounts for equipment which did not require approval from the County Superintendent.

NOTE 17. 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 thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. 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 at year end of any unanticipated revenue or unexpended line item appropriation or both. The Department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

The activity of the emergency reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 450,000
Ending Balance, June 30, 2021	<u>\$ 450,000</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 18. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$260,000 was established by the District on June 20, 2016. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes.

Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2020	\$ 2,650,063
Add: Transfer from Unassigned Fund Balance per Board Resolution - June 2021	810,393
Less: Budgeted Withdrawal from Maintenance Reserve	(250,000)
Withdrawal as per Board Resolution	<u>(852,761)</u>
Ending Balance, June 30, 2021	<u>\$ 2,357,695</u>

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

A. Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	<u>216,892</u>
Total	<u><u>364,943</u></u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF/ABP</u>	<u>PERS</u>
Inflation Rate	2.50%	2.50%
Salary Increases:		
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 133,409,417
Changes for Year:	
Service Cost	5,351,212
Interest on the Total OPEB Liability	5,300,268
Difference between Actual and Expected Experience	(20,037,473)
Changes of Assumptions	1,822,092
Contributions from Members	111,200
Gross Benefit Payments by the State	(3,751,341)
Net Changes	(11,204,042)
Balance at June 30, 2019	\$ 122,205,375

S

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
	Total OPEB Liability Attributable to the District	\$ 144,372,840	\$ 122,205,375

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2019		
	1%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Total OPEB Liability Attributable to the District	\$ 100,691,782	\$ 122,205,375	\$ 150,684,955

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

For the fiscal year ended June 30, 2021 the District recognized OPEB expense of \$4,266,549 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 14,227,177
	2018	9.51		12,237,297
	2019	9.29	\$ 1,625,957	26,464,474
			1,625,957	26,464,474
Differences between Expected and Actual Experience	2018	9.51		11,568,053
	2019	9.29		19,137,610
				30,705,663
Changes in Proportion	N/A	N/A	\$ 7,793,978	
			\$ 9,419,935	\$ 57,170,137

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (Cont'd)

Amounts reported as deferred outflows and inflows of resources related to OPEB (excluding specific amounts for changes in proportion) will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2020	\$ (7,457,613)
2021	(7,457,613)
2022	(7,457,612)
2023	(7,457,612)
2024	(7,457,612)
Thereafter	(18,256,118)
	\$ (55,544,180)

NOTE 20. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service and Field Rental/Joint Facilities Enterprise Funds will likely continue to be impacted by COVID-19 for the fiscal year ending June 30, 2022. The Food Service Program did not operate in the fiscal year ending June 30, 2021 which required the repurchase of all inventory and restaffing the program to start the fiscal year ending June 30, 2022. The District is also anticipating limiting food options in order to allow for a "grab and go" type program to allow for social distancing. Some field rentals may be limited due to the school's changes in schedules and use of outdoor space for social distancing, potentially reducing the scope of this program.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 21. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 18,013,202	\$ 1,067,109	\$ 19,080,311
<u>Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	14,177,977	496,563	14,674,540
Special Revenue Fund:			
Fund Balance - June 30	-0-	570,546	570,546
<u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	496,563	(496,563)	-0-

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

MILLBURN BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's Proportion of the Net Pension Liability	0.1076168755%	0.1078048987%	0.1151853278%	0.1126986898%	0.1143666831%	0.1134126488%	0.1159201523%
District's Proportionate Share of the Net Pension Liability	\$ 20,148,822	\$ 24,200,039	\$ 34,114,590	\$ 26,234,454	\$ 22,518,230	\$ 20,435,239	\$ 18,903,545
District's Covered Employee Payroll	\$ 7,249,288	\$ 7,677,902	\$ 7,774,941	\$ 7,917,692	\$ 7,973,891	\$ 8,076,501	\$ 7,950,746
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	277.94%	315.19%	438.78%	331.34%	282.40%	253.02%	237.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

MILLBURN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 887,178	\$ 926,833	\$ 1,032,163	\$ 1,070,057	\$ 1,151,998	\$ 1,145,460	\$ 1,268,109
Contributions in relation to the Contractually Required Contribution	(887,178)	(926,833)	(1,032,163)	(1,070,057)	(1,151,998)	(1,145,460)	(1,268,109)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Employee Payroll	\$ 7,677,902	\$ 7,774,941	\$ 7,917,692	\$ 7,973,891	\$ 8,076,501	\$ 7,950,746	\$ 7,748,483
Contributions as a Percentage of Covered Employee Payroll	11.55%	11.92%	13.04%	13.42%	14.26%	14.41%	16.37%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

MILLBURN BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 ATTRIBUTABLE TO THE DISTRICT
 TEACHERS' PENSION AND ANNUITY FUND
 LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's Proportion of the Net Pension Liability Attributable to the District	0.3926406613%	0.4068492581%	0.4113368574%	0.4125498369%	0.4127866375%	0.4089868782%	0.3918609393%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 209,853,654	\$ 257,146,105	\$ 323,583,762	\$ 278,155,976	\$ 262,605,992	\$ 250,999,107	\$ 258,035,713
District's Covered Employee Payroll	\$ 41,199,177	\$ 42,109,191	\$ 41,787,246	\$ 42,619,709	\$ 41,940,799	\$ 43,748,623	\$ 45,369,717
State's proportionate share of the net pension liability attributable to the District as a Percentage of its Covered Employee Payroll	509.36%	610.67%	774.36%	652.65%	626.13%	573.73%	568.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

MILLBURN BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE CONTRIBUTIONS
 TEACHERS' PENSION AND ANNUITY FUND
 LAST SEVEN FISCAL YEARS

	Fiscal Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contributor	\$ 11,292,097	\$ 15,701,085	\$ 24,312,817	\$ 19,269,238	\$ 15,309,011	\$ 14,804,598	\$ 16,045,759
Contributions in relation to the contractually required contribution	(2,199,576)	(3,293,323)	(4,478,121)	(6,078,890)	(8,043,783)	(8,595,011)	(11,780,950)
Contribution deficiency/(excess)	\$ 9,092,521	\$ 12,407,762	\$ 19,834,696	\$ 13,190,348	\$ 7,265,228	\$ 6,209,587	\$ 4,264,809
District's covered employee payroll	\$ 42,109,191	\$ 41,787,246	\$ 42,619,709	\$ 41,940,799	\$ 43,748,623	\$ 45,369,717	\$ 45,564,868
Contributions as a percentage of covered employee payroll	5.22%	7.88%	10.51%	14.49%	18.39%	18.94%	25.86%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015

MILLBURN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Fiscal Year Ending		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 7,122,113	\$ 5,906,639	\$ 5,351,212
Interest Cost	4,716,209	5,481,306	5,300,268
Differences between Expected and Actual Experience		(8,134,431)	(20,037,473)
Changes in Assumptions	(19,615,191)	(15,309,398)	1,822,092
Member Contributions	127,003	123,292	111,200
Gross Benefit Payments	(3,449,056)	(3,567,320)	(3,751,341)
Net Change in Total OPEB Liability	(11,098,922)	(15,499,912)	(11,204,042)
Total OPEB Liability - Beginning	160,008,251	148,909,329	133,409,417
Total OPEB Liability - Ending	<u>\$ 148,909,329</u>	<u>\$ 133,409,417</u>	<u>\$ 122,205,375</u>
District's Covered Employee Payroll *	\$ 49,562,187	\$ 50,537,401	\$ 49,914,690
Total OPEB Liability as a Percentage of Covered Employee Payroll	300%	264%	245%

* Covered payroll for the fiscal years ending June 30, 2017, 2018, and 2019 are based on the payroll on the June 30, 2016, 2017, and 2018 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 88,290,022		\$ 88,290,022	\$ 88,290,022	\$ 14,720
Tuition From Other LEAs			105,000	76,320	(28,680)
Tuition From Individuals	800,000		800,000	3,120	(796,880)
Transportation Fees From Individuals	70		70	1,196	1,126
Interest Earned on Capital Reserve Funds	20		20		(20)
Interest Earned on Maintenance Reserve Funds	10		10		(10)
Interest Earned on Emergency Reserve Funds				57,818	57,818
Restricted Miscellaneous Revenues	240,000		240,000	361,891	121,891
Unrestricted Miscellaneous Revenue	89,435,122		89,435,122	88,805,087	(630,035)
Total - Local Sources					
State Sources:					
Transportation Aid	788,722		788,722	788,722	
Special Education Aid	2,916,742	\$ (392,583)	2,524,159	2,524,159	
Security Aid	389,098		389,098	389,098	
Extraordinary Special Education Costs Aid	500,000		500,000	1,839,586	1,339,586
Extraordinary Special Education Costs Aid - Excess Prior Year				88,379	88,379
Excess Nonpublic School Transportation Costs				66,118	66,118
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				3,762,211	3,762,211
On-Behalf TPAF Pension Contributions (Non-Budgeted)				11,780,950	11,780,950
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				224,148	224,148
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				5,354	5,354
TPAF Social Security (Reimbursed - Non-Budgeted)				3,269,794	3,269,794
Total State Sources	4,594,562	(392,583)	4,201,979	24,738,519	20,536,540
Total Revenues	94,029,684	(392,583)	93,637,101	113,543,606	19,906,505

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 204,316	\$ (4,725)	\$ 199,591	\$ 199,591	
Kindergarten - Salaries of Teachers	1,743,537	(20,590)	1,722,947	1,722,947	
Grades 1-5 - Salaries of Teachers	10,397,858	(552,735)	9,845,123	9,785,588	\$ 59,535
Grades 6-8 - Salaries of Teachers	7,701,960	(340,821)	7,361,139	7,361,139	
Grades 9-12 - Salaries of Teachers	9,868,948	182,640	10,051,588	10,042,238	9,350
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000		25,000	5,839	19,161
Purchased Professional-Educational Services	24,000		24,000	15,070	8,930
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	99,219	(6,199)	93,020	63,870	29,150
Purchased Professional-Educational Services	135,925	1,076,948	1,212,873	1,156,122	56,751
Purchased Technical Services	842,765	(74,816)	767,949	743,675	24,274
Other Purchased Services (400-500 series)	1,237,430	(62,500)	1,174,930	1,147,789	27,141
General Supplies	819,508	731,200	1,550,708	1,073,066	477,642
Textbooks	246,713	(115,156)	131,557	115,748	15,809
Total Regular Programs - Instruction	33,347,179	813,246	34,160,425	33,432,682	727,743
Special Education - Instruction:					
Cognitive - Moderate:	1,700		1,700		1,700
Purchased Professional-Educational Services	1,700		1,700		1,700
Total Cognitive - Moderate					
Learning and/or Language Disabilities:					
Salaries of Teachers	202,734	(38,606)	164,128	154,251	9,877
Purchased Professional-Educational Services		30,748	30,748	16,857	13,891
General Supplies	8,000		8,000	3,826	4,174
Textbooks	1,000		1,000	617	383
Total Learning and/or Language Disabilities	211,734	(7,858)	203,876	175,551	28,325

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Special Education - Instruction: (Cont'd)					
Auditory Impairments:					
Salaries of Teachers	\$ 101,666	\$	\$ 101,666	\$ 101,666	
General Supplies	3,015		3,015	3,015	
Total Auditory Impairments	<u>104,681</u>		<u>104,681</u>	<u>104,681</u>	
Multiple Disabilities:					
Salaries of Teachers	211,358	\$ 18,004	229,362	229,362	
Other Salaries for Instruction	68,870	(5,000)	63,870	63,870	
Purchased Professional-Educational Services		7,000	7,000	204	\$ 6,796
General Supplies	200		200	200	
Textbooks	300		300		300.00
Total Multiple Disabilities	<u>280,728</u>	<u>20,004</u>	<u>300,732</u>	<u>293,636</u>	<u>7,096</u>
Resource Room/Resource Center:					
Salaries of Teachers	5,166,093	(185,733)	4,980,360	4,817,822	162,538
Purchased Professional-Educational Services		124,039	124,039	79,231	44,808
General Supplies	29,150		29,150	21,397	7,753
Textbooks	23,511	(11,918)	11,593	11,593	
Total Resource Room/Resource Center	<u>5,218,754</u>	<u>(73,612)</u>	<u>5,145,142</u>	<u>4,930,043</u>	<u>215,099</u>
Autism:					
Salaries of Teachers	367,748	6,475	374,223	352,277	21,946
Other Salaries for Instruction	78,867	(4,039)	74,828	46,599	28,229
Purchased Professional-Educational Services		3,000	3,000	364	2,636
General Supplies	9,765		9,765	6,154	3,611
Total Autism	<u>456,380</u>	<u>5,436</u>	<u>461,816</u>	<u>405,394</u>	<u>56,422</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Special Education - Instruction:					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 54,006	\$ 7,052	\$ 61,058	\$ 60,436	\$ 622
Other Salaries for Instruction	109,038	(54,508)	54,530	54,530	
General Supplies	2,500		2,500	1,655	845
Total Preschool Disabilities - Part-Time	165,544	(47,456)	118,088	116,621	1,467
Preschool Disabilities - Full-Time:					
Salaries of Teachers	57,984	(1,500)	56,484	56,484	
Other Salaries for Instruction	33,335	(1,500)	31,835	31,835	
Purchased Professional-Educational Services		5,800	5,800	3,072	2,728
General Supplies	500		500	477	23
Total Preschool Disabilities - Full-Time	91,819	2,800	94,619	91,868	2,751
Home Instruction:					
Salaries of Teachers	40,000		40,000	7,963	32,037
Purchased Professional-Educational Services	27,000		27,000	17,203	9,797
Total Home Instruction	67,000		67,000	25,166	41,834
Total Special Education - Instruction	6,598,340	(100,686)	6,497,654	6,142,960	354,694
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,293,135	(61,196)	1,231,939	849,695	382,244
Purchased Professional-Educational Services		77,284	77,284	77,284	
General Supplies	3,000	4,245	7,245	7,243	2
Total Basic Skills/Remedial - Instruction	1,296,135	20,333	1,316,468	934,222	382,246

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 485,190	\$ (3,500)	\$ 481,690	\$ 365,390	\$ 116,300
Purchased Professional-Educational Services	5,500	3,516	3,516	3,516	
General Supplies	490,690	5,500	5,500	496	5,004
Total Bilingual Education - Instruction		16	490,706	369,402	121,304
School Sponsored Cocurricular Activities:					
Salaries	366,991		366,991	218,920	148,071
Other Objects	92,950		92,950	87,582	5,368
Total School-Sponsored Cocurricular Activities	459,941		459,941	306,502	153,439
School-Sponsored Athletics:					
Salaries	784,298	3,246	787,544	770,046	17,498
Purchased Services (300-500 series)	157,825	(22,424)	135,401	91,569	43,832
Supplies and Materials	144,763	34,312	179,075	132,751	46,324
Other Objects	19,905	(7,615)	12,290	2,497	9,793
Total School-Sponsored Athletics	1,106,791	7,519	1,114,310	996,863	117,447
Community Services Programs:					
Salaries	36,000		36,000	3,509	32,491
Total Community Services Programs	36,000		36,000	3,509	32,491
Total Instruction	43,335,076	740,428	44,075,504	42,186,140	1,889,364
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Special	755,851	(8,000)	747,851	448,694	299,157
Tuition to County Vocational School - Special	86,625		86,625	34,875	51,750
Tuition to Private Schools for the Handicapped Within State	2,245,141	83,000	2,328,141	2,304,825	23,316
Tuition to Private Schools for the Handicapped Outside State	257,819	(75,000)	182,819	100,750	82,069
Total Undistributed Expenditures - Instruction	3,345,436		3,345,436	2,889,144	456,292

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures:					
Health Services:					
Salaries	\$ 719,205	\$ 6,132	\$ 725,337	\$ 718,558	\$ 6,779
Purchased Professional and Technical Services	67,000	885	67,885	24,530	43,355
Other Purchased Services (400-500 series)	100		100		100
Supplies and Materials	23,910		23,910	16,209	7,701
Other Objects	1,850	1,235	3,085	2,067	1,018
Total Health Services	<u>812,065</u>	<u>8,252</u>	<u>820,317</u>	<u>761,364</u>	<u>58,953</u>
Speech, OT, PT & Related Services:					
Salaries	1,436,215	(28,749)	1,407,466	1,379,727	27,739
Purchased Professional - Educational Services	195,000	1,059	196,059	136,955	59,104
Supplies and Materials	3,630		3,630	3,606	24
Total Speech, OT, PT & Related Services	<u>1,634,845</u>	<u>(27,690)</u>	<u>1,607,155</u>	<u>1,520,288</u>	<u>86,867</u>
Other Support Services - Extraordinary Services:					
Salaries	3,038,504	(128,127)	2,910,377	2,555,138	355,239
Purchased Professional - Educational Services		88,466	88,466	54,051	34,415
Supplies and Materials	3,800		3,800	1,766	2,034
Total Other Support Services - Extraordinary Services	<u>3,042,304</u>	<u>(39,661)</u>	<u>3,002,643</u>	<u>2,610,955</u>	<u>391,688</u>
Guidance:					
Salaries of Other Professional Staff	1,111,881		1,111,881	1,015,742	96,139
Salaries of Secretarial and Clerical Assistants	212,098	(500)	211,598	208,934	2,664
Other Salaries	67,584		67,584	67,584	
Purchased Professional-Educational Services		500	500		500
Other Purchased Services (400-500 series)	2,500		2,500		2,500
Total Guidance	<u>1,394,063</u>		<u>1,394,063</u>	<u>1,292,260</u>	<u>101,803</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Child Study Team:					
Salaries of Other Professional Staff	\$ 2,578,122	\$ (16,182)	\$ 2,561,940	\$ 2,493,175	\$ 68,765
Salaries of Secretarial and Clerical Assistants	273,040	(531)	272,509	250,958	21,551
Unused Vacation Payment to Terminated/Retired Staff		531	531	531	
Purchased Professional - Educational Services	90,000	15,626	15,626	14,308	1,318
Other Purchased Professional and Technical Services	3,220		90,000	31,470	58,530
Miscellaneous Purchased Services (400-500 series)	59,841		3,220	189	3,031
Supplies and Materials	10,178		59,841	41,190	18,651
Other Objects			10,178	6,017	4,161
Total Child Study Team	<u>3,014,401</u>	<u>(556)</u>	<u>3,013,845</u>	<u>2,837,838</u>	<u>176,007</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	715,841		715,841	705,257	10,584
Salaries of Other Professional Staff	603,107	(30,000)	573,107	519,422	53,685
Salaries of Secretarial and Clerical Assistants	62,525		62,525	60,000	2,525
Other Purchased Services (400-500 series)	7,500		7,500		7,500
Supplies and Materials	27,061		27,061	13,322	13,739
Other Objects	12,000	(4,730)	7,270	3,987	3,283
Total Improvement of Instructional Services	<u>1,428,034</u>	<u>(34,730)</u>	<u>1,393,304</u>	<u>1,301,988</u>	<u>91,316</u>
Educational Media Services/School Library:					
Salaries	497,316	(63,555)	433,761	414,732	19,029
Purchased Professional and Technical Services		60,801	60,801	45,990	14,811
Supplies and Materials	127,006	841	127,847	120,076	7,771
Total Educational Media Services/School Library	<u>624,322</u>	<u>(1,913)</u>	<u>622,409</u>	<u>580,798</u>	<u>41,611</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	29,000		29,000	350	28,650
Other Salaries	36,000	(17,504)	18,496	13,710	4,786

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES: CURRENT EXPENSE:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures: (Cont'd)					
Instructional Staff Training Services: (Cont'd)					
Purchased Professional - Educational Services	\$ 65,500	\$ 63,771	\$ 129,271	\$ 112,040	\$ 17,231
Other Purchased Services (400-500 series)	2,500		2,500	114	2,386
Supplies and Materials	2,450	(5)	2,445	1,450	995
Other Objects	39,841	(760)	39,081	2,930	36,151
Total Instructional Staff Training Services	<u>175,291</u>	<u>45,502</u>	<u>220,793</u>	<u>130,594</u>	<u>90,199</u>
General Administration:					
Salaries	413,542	7,158	420,700	420,700	
Legal Services	376,384	(72,900)	303,484	183,163	120,321
Audit Fees	59,500	1,250	60,750	60,750	
Architectural/Engineering Services	45,000	(4,572)	40,428	24,075	16,353
Other Purchased Professional Services	48,000	78,017	126,017	90,332	35,685
Communications/Telephone	242,032	37,947	279,979	270,420	9,559
BOE Other Purchased Services	3,000		3,000	628	2,372
Miscellaneous Purchased Services (400-500 series)	59,000	(9,656)	49,344	45,371	3,973
General Supplies	4,738		4,738	601	4,137
BOE In-House Training/Meeting Supplies	500		500		500
Miscellaneous Expenditures	23,300	(593)	22,707	10,207	12,500
BOE Membership Dues and Fees	30,000		30,000	29,163	837
Total General Administration	<u>1,304,996</u>	<u>36,651</u>	<u>1,341,647</u>	<u>1,135,410</u>	<u>206,237</u>
School Administration:					
Salaries of Principals/Assistant Principals	1,899,522	9,232	1,908,754	1,908,754	
Salaries of Other Professional Staff	507,631	2,476	510,107	510,107	
Salaries of Secretarial and Clerical Assistants	920,329	(4,789)	915,540	914,091	1,449
Other Salaries	2,800		2,800		2,800
Other Purchased Services		14,000	14,000		14,000
Supplies and Materials	148,882	(54,237)	94,645	45,152	49,493

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)	\$ 33,481	\$ 975	\$ 34,456	\$ 22,320	\$ 12,136
School Administration: (Cont'd)	3,512,645	(32,343)	3,480,302	3,400,424	79,878
Other Objects					
Total School Administration					
Central Services:					
Salaries	873,818	(5,126)	868,692	864,900	3,792
Unused Vacation Payment to Terminated / Retired Staff		3,600	3,600		
Purchased Professional Services	72,000	5,000	77,000	74,500	2,500
Purchased Technical Services	61,000	292	61,292	55,758	5,534
Miscellaneous Purchased Services (400-500 series)	2,500		2,500		2,500
Supplies and Materials	26,500	(5,082)	21,418	7,389	14,029
Miscellaneous Expenditures	152,830	(21,418)	131,412	54,073	77,339
Total Central Services	1,188,648	(22,734)	1,165,914	1,060,220	105,694
Administrative Information Technology:					
Salaries	775,211	(79,283)	695,928	695,928	
Unused Vacation Payment to Terminated / Retired Staff		9,589	9,589		
Purchased Professional Services	75,350	177,512	252,862	234,193	18,669
Purchased Technical Services	28,823	(26,323)	2,500	2,500	
Other Purchased Services (400-500 series)	11,200		11,200	201	10,999
Supplies and Materials	12,500	(5,147)	7,353	4,803	2,550
Other Objects	4,300		4,300	2,468	1,832
Total Administrative Information Technology	907,384	76,348	983,732	949,682	34,050
Required Maintenance for School Facilities:					
Salaries	432,998	57,903	490,901	429,586	61,315
Unused Vacation Payment to Terminated / Retired Staff		1,346	1,346		
Cleaning, Repair and Maintenance Services	797,290	2,973,738	3,771,028	2,622,613	1,148,415
General Supplies	220,000	12,166	232,166	204,387	27,779

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Required Maintenance for School Facilities: (Cont'd)					
Other Objects	\$ 55,987	\$ 6,222	\$ 62,209	\$ 61,993	\$ 216
Total Required Maintenance for School Facilities	<u>1,506,275</u>	<u>3,051,375</u>	<u>4,557,650</u>	<u>3,319,925</u>	<u>1,237,725</u>
Custodial Services:					
Salaries	2,483,137	(70,023)	2,413,114	2,373,356	39,758
Salaries of Non-Instructional Aides	526,252	(523,252)	3,000	3,000	3,000
Unused Vacation Payment to Terminated / Retired Staff		8,927	8,927	8,927	
Purchased Professional and Technical Services	62,000	(10,913)	51,087	29,122	21,965
Cleaning, Repair and Maintenance Services	470,724	(131,556)	339,168	273,211	65,957
Lease Purchase Payments- Energy Savings Program	344,290		344,290	344,290	
Other Purchased Property Services	110,000		110,000	74,253	35,747
Insurance	575,000	(88,919)	486,081	486,080	1
Miscellaneous Purchased Services	3,750		3,750	3,750	3,750
General Supplies	184,338	91,008	275,346	235,457	39,889
Energy (Natural Gas)	300,000		300,000	288,902	11,098
Energy (Electricity)	675,000		675,000	517,833	157,167
Other Objects	1,550		1,550	1,550	1,550
Total Custodial Services	<u>5,736,041</u>	<u>(724,728)</u>	<u>5,011,313</u>	<u>4,631,431</u>	<u>379,882</u>
Care & Upkeep of Grounds:					
Salaries	194,553	(22,899)	171,654	167,631	4,023
Cleaning, Repair and Maintenance Services	63,000	7,323	70,323	62,445	7,878
General Supplies	25,000	(237)	24,763	24,328	435
Total Care & Upkeep of Grounds	<u>282,553</u>	<u>(15,813)</u>	<u>266,740</u>	<u>254,404</u>	<u>12,336</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Security:					
Salaries	\$ 239,542	\$ 613	\$ 240,155	\$ 227,814	\$ 12,341
Purchased Professional and Technical Services	41,500	63,135	104,635	84,615	20,020
Cleaning, Repair and Maintenance Services	20,000	34,315	54,315	54,315	
General Supplies	20,000	6,081	26,081	26,081	
Total Security	<u>321,042</u>	<u>104,144</u>	<u>425,186</u>	<u>392,825</u>	<u>32,361</u>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Salaries of Non-Instructional Aides	115,023	20,099	135,122	90,396	44,726
Between Home and School - Regular	240,847	(9,310)	231,537	221,502	10,035
Between Home and School - Special Education	232,245	(11,294)	220,951	171,925	49,026
Other than Between Home and School	75,845		75,845	30,337	45,508
Unused Vacation Payment to Terminated / Retired Staff	74,000	(3,639)	70,361	51,856	18,505
Cleaning, Repair and Maintenance Services	70,000	(100)	69,900	24,074	45,826
Lease Payments - Buses	25,000	(12,000)	13,000	12,401	599
Aid in Lieu of Payments for Nonpublic School Students	175,000	(86,111)	88,889	82,281	6,608
Contracted Services:					
Between Home and School - Vendors	36,000		36,000	33,460	2,540
Other than Between Home and School - Vendors	124,500	(31,683)	92,817	58,048	34,769
Special Education Students - Vendors	10,450		10,450	10,450	
Regular Education Students - ESCs & CTAS	1,723,000	(175,427)	1,547,573	1,491,956	55,617
Special Education Students - ESCs & CTAS	888,785	58,000	946,785	653,378	293,407
Miscellaneous Purchased Services - Transportation	29,100	(710)	28,390	21,219	7,171
General Supplies	33,000		33,000	9,452	23,548
Transportation Supplies	500		500		500
Other Objects	12,250		12,250	400	11,850
Total Student Transportation Services	<u>3,865,545</u>	<u>(252,175)</u>	<u>3,613,370</u>	<u>2,952,685</u>	<u>660,685</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	\$ 1,272,165	\$ (258,183)	\$ 1,013,982	\$ 906,326	\$ 107,656
Other Retirement Contributions - PERS	1,355,306		1,355,306	1,268,109	87,197
Other Retirement Contributions - Deferred PERS Payment	40,055		40,055	37,842	2,213
Other Retirement Contributions - Regular	46,000	124	46,124	27,995	18,129
Workmen's Compensation	450,000		450,000	408,831	41,169
Health Benefits	14,950,190	(2,962,723)	11,987,467	10,555,724	1,431,743
Tuition Reimbursement	140,000	9,507	149,507	99,800	49,707
Other Employee Benefits	733,500	901	734,401	582,070	152,331
Unused Sick Payment to Terminated / Retired Staff	150,000	20,281	170,281	170,281	
Total Unallocated Benefits	<u>19,137,216</u>	<u>(3,190,093)</u>	<u>15,947,123</u>	<u>14,056,978</u>	<u>1,890,145</u>
On-Behalf Contributions (Non-budgeted):					
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				3,762,211	(3,762,211)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				11,780,950	(11,780,950)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				224,148	(224,148)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				5,354	(5,354)
TPAF Social Security (Reimbursed - Non-Budgeted)				3,269,794	(3,269,794)
Total On-Behalf Contributions (Non-Budgeted)				<u>19,042,457</u>	<u>(19,042,457)</u>
Total Employee Benefits	19,137,216	(3,190,093)	15,947,123	33,099,435	(17,152,312)
Total Undistributed Expenditures	53,233,106	(1,020,164)	52,212,942	65,121,670	(12,908,728)
TOTAL GENERAL CURRENT EXPENSE	<u>96,568,182</u>	<u>(279,736)</u>	<u>96,288,446</u>	<u>107,307,810</u>	<u>(11,019,364)</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	\$ 6,500	\$	6,500		\$ 6,500
Grades 6-8	12,500		12,500		12,500
Grades 9-12	46,223		46,223	\$ 39,030	7,193
School-Sponsored/Athletics	3,500	\$ 12,958	16,458	5,183	11,275
Undistributed Expenditures:					
Instruction	8,478	502,096	510,574	510,574	
Required Maintenance for School Facilities		84,126	84,126	71,781	12,345
Custodial Services	30,000	68,512	98,512	36,439	62,073
Security	2,497		2,497	2,497	
School Buses - Regular	63,207		63,207	63,207	
School Buses - Special		72,222	72,222	72,222	
Total Equipment	<u>172,905</u>	<u>739,914</u>	<u>912,819</u>	<u>800,933</u>	<u>111,886</u>
Facilities Acquisition and Construction Services:					
Construction Services	804,440		804,440	738,625	65,815
Assessment for Debt Service on SDA Funding	76,212		76,212	76,212	
Total Facilities Acquisition and Construction Services	<u>880,652</u>		<u>880,652</u>	<u>814,837</u>	<u>65,815</u>
TOTAL CAPITAL OUTLAY	<u>1,053,557</u>	<u>739,914</u>	<u>1,793,471</u>	<u>1,615,770</u>	<u>177,701</u>
Transfer of Funds to Charter Schools	13,473		13,473	13,473	
TOTAL EXPENDITURES	<u>97,635,212</u>	<u>460,178</u>	<u>98,095,390</u>	<u>108,937,053</u>	<u>(10,841,663)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(3,605,528)	(852,761)	(4,458,289)	4,606,553	9,064,842
Fund Balance, July 1 (Restated)	14,515,146		15,011,709	15,011,709	
Fund Balance, June 30	<u>\$ 10,909,618</u>	<u>\$ (852,761)</u>	<u>\$ 10,553,420</u>	<u>\$ 19,618,262</u>	<u>\$ 9,064,842</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Recapitulation:	
Restricted Fund Balance:	
Capital Reserve	\$ 4,663,819
Emergency Reserve	450,000
Maintenance Reserve	2,357,695
Unemployment Compensation	554,381
Excess Surplus - Restricted For 2022-2023	2,242,000
Excess Surplus - Restricted For 2021-2022	2,242,000
Assigned Fund Balance:	
Year End Encumbrances	1,888,500
Designated for Subsequent Year's Expenditures	130,000
Unassigned Fund Balance	5,089,867
	19,618,262
	(352,727)
Reconciliation to Governmental Funds Statement (GAAP):	
Last State Aid Payments not Recognized on GAAP basis	\$ 19,265,535
Fund Balance per Governmental Funds (GAAP)	\$ 19,265,535

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 371,788	770,969	\$ 770,969	\$ 644,392	\$ (126,577)
State Sources	1,294,516	250	372,038	288,154	(83,884)
Federal Sources	1,666,304	863,632	2,158,148	1,759,483	(398,665)
Total Revenues	1,666,304	1,634,851	3,301,155	2,692,029	(609,126)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	374,888	(140,947)	233,941	188,977	44,964
Purchased Professional and Technical Services		79,016	79,016	43,629	35,387
Tuition	919,628	13,616	933,244	933,244	
General Supplies	371,788	(221,564)	150,224	69,865	80,359
Textbooks		29,567	29,567	29,005	562
Other Objects		281,517	281,517	179,603	101,914
Total Instruction	1,666,304	41,205	1,707,509	1,444,323	263,186
Support Services:					
Salaries of Other Professional Staff		165,352	165,352	116,991	48,361
Personal Services - Employee Benefits		112,126	112,126	106,987	5,139
Purchased Professional and Technical Services		452,806	452,806	232,499	220,307
Other Purchased Services		19,479	19,479	6,298	13,181
Supplies and Materials		342,356	342,356	305,818	36,538
Student Activities		555,866	555,866	555,866	
Total Support Services		1,647,985	1,647,985	1,324,459	323,526
Facilities Acquisition and Construction Services:					
Instructional Equipment		41,470	41,470	19,056	22,414
Total Facilities Acquisition and Construction Services		41,470	41,470	19,056	22,414
Total Expenditures	\$ 1,666,304	\$ 1,730,660	\$ 3,396,964	\$ 2,787,838	\$ 609,126
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ (95,809)	\$ (95,809)	\$ (95,809)	\$ -0-

MILLBURN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 113,543,606	\$ 2,692,029
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		(34,189)
Cancellation of Prior Year Encumbrances		(14,091)
Prior Year Encumbrances		82,405
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	337,169	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(352,727)	
	<u>\$ 113,528,048</u>	<u>\$ 2,726,154</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 108,937,053	\$ 2,787,838
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		(34,189)
Cancellation of Prior Year Encumbrances		(14,091)
Prior Year Encumbrances		82,405
	<u>\$ 108,937,053</u>	<u>\$ 2,821,963</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		

MILLBURN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021 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).

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 except for student activities. 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 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 in 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, 2021

	I.D.E.A.		Nonpublic					
	Basic	Preschool	Auxiliary Services		Nursing	Textbooks	Security Aid	
			Compensatory Education	English as a Second Language				
REVENUES:								
Local Sources								
State Sources	\$ 973,581	\$ 25,001	\$ 21,072	\$ 888	\$ 49,368	\$ 29,005	\$ 74,161	
Federal Sources	973,581	25,001	21,072	888	49,368	29,005	74,161	
Total Revenues								
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Purchased Professional and Technical Services			21,072	888				
Tuition	933,244							
General Supplies	12,576	5,540				29,005		
Textbooks								
Other Objects								
Total Instruction	945,820	5,540	21,072	888		29,005		
Support Services:								
Salaries of Other Professional Staff		195						
Personal Services - Employee Benefits		15						
Purchased Professional and Technical Services	27,761				49,368			
Other Purchased Services		195						74,161
Supplies and Materials								
Student Activities								
Total Support Services	27,761	405			49,368		74,161	
Facilities Acquisition and Construction Services:								
Instructional Equipment		19,056						
Total Facilities Acquisition and Construction Services		19,056						
Total Expenditures	\$ 973,581	\$ 25,001	\$ 21,072	\$ 888	\$ 49,368	\$ 29,005	\$ 74,161	

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CARES Emergency Relief	Coronavirus Relief Fund	Bridging Digital Divide	Nonpublic Handicapped Services		
				Supplementary Instruction	Examination and Classification	Corrective Speech
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 136,985	\$ 128,451	\$ 20,119	\$ 19,669	\$ 71,024	\$ 22,967
Total Revenues	<u>136,985</u>	<u>128,451</u>	<u>20,119</u>	<u>19,669</u>	<u>71,024</u>	<u>22,967</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional and Technical Services				19,669		
Tuition						
General Supplies	21,652		20,119			
Textbooks						
Other Objects						
Total Instruction	<u>21,652</u>		<u>20,119</u>	<u>19,669</u>		
Support Services:						
Salaries of Other Professional Staff	36,539					
Personal Services - Employee Benefits	2,795					
Purchased Professional and Technical Services	7,000				71,024	22,967
Other Purchased Services						
Supplies and Materials	68,999	128,451				
Student Activities						
Total Support Services	<u>115,333</u>	<u>128,451</u>			<u>71,024</u>	<u>22,967</u>
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	<u>\$ 136,985</u>	<u>\$ 128,451</u>	<u>\$ 20,119</u>	<u>\$ 19,669</u>	<u>\$ 71,024</u>	<u>\$ 22,967</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, 2021

	Elementary and Secondary Education Act						Totals
	Private Donations	Student Activities	Title I	Title IIA	Title III	Title IV	
REVENUES:							
Local Sources	\$ 184,335	\$ 460,057					\$ 644,392
State Sources							288,154
Federal Sources			\$ 366,826	\$ 73,494	\$ 15,326	\$ 19,700	1,759,483
Total Revenues	184,335	460,057	366,826	73,494	15,326	19,700	2,692,029
EXPENDITURES:							
Instruction:							
Salaries of Teachers			182,860		6,117		188,977
Purchased Professional and Technical Services					2,000		43,629
Tuition							933,244
General Supplies	4,732				5,246		69,865
Textbooks							29,005
Other Objects	179,603						179,603
Total Instruction	184,335		182,860		13,363		1,444,323
Support Services:							
Salaries of Other Professional Staff			80,257				116,991
Personal Services - Employee Benefits			103,709		468		106,987
Purchased Professional and Technical Services				34,929		19,450	232,499
Other Purchased Services				4,358	1,495	250	6,298
Supplies and Materials				34,207			305,818
Student Activities		555,866					555,866
Total Support Services		555,866	183,966	73,494	1,963	19,700	1,324,459
Facilities Acquisition and Construction Services:							
Instructional Equipment							19,056
Total Facilities Acquisition and Construction Services							19,056
Total Expenditures	\$ 184,335	\$ 555,866	\$ 366,826	\$ 73,494	\$ 15,326	\$ 19,700	\$ 2,787,838

CAPITAL PROJECTS FUND

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, 2021

Revenue:	
Interest on Investments	\$ 114,421
	<hr/>
Total Revenue	114,421
	<hr/>
Expenditures and Other Financing Uses:	
Legal Services	398
Purchased Professional and Technical Services	1,142,464
Construction Services	6,466,659
Furniture and Equipment	106,112
Transfer to Debt Service Fund:	
Interest on Investments	114,421
	<hr/>
Total Expenditures and Other Financing Uses	7,830,054
	<hr/>
Deficit of Revenue Under Expenditures and Other Financing Uses	(7,715,633)
Fund Balance - Beginning of Year	20,571,550
	<hr/>
Fund Balance - End of Year	\$ 12,855,917
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 9,291,710
Restricted - Year End Encumbrances	3,564,207
	<hr/>
Total Restricted Fund Balance - Budgetary/GAAP Basis	\$ 12,855,917
	<hr/> <hr/>

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2016 REFERENDUM PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 25,593,000		\$ 25,593,000	\$ 25,593,000
Total Revenue and Other Financing Sources	25,593,000		25,593,000	25,593,000
Expenditures:				
Legal Services	157,449		157,449	200,000
Purchased Professional and Technical Services	2,209,988		2,209,988	2,385,446
Construction Services	17,835,978	\$ 1,246,295	19,082,273	18,102,554
Furniture and Equipment	777,288	106,112	883,400	1,355,000
Purchase of Building	3,250,000		3,250,000	3,550,000
Total Expenditures	24,230,703	1,352,407	25,583,110	25,593,000
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 1,362,297	\$ (1,352,407)	\$ 9,890	\$ -0-

Additional Project Information:

Project Number	3190-XXX-16-2000
Grant Date	N/A
Bond Authorization Date	09/27/16
Bonds Authorized	\$ 25,593,176
Bonds Issued	\$ 25,593,000
Original Authorized Cost	\$ 25,593,000
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 25,593,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	99.96%
Original Target Completion Date	06/30/19
Revised Target Completion Date	06/30/22

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2020 REFERENDUM PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 20,500,000		\$ 20,500,000	\$ 20,500,000
Total Revenue and Other Financing Sources	20,500,000		20,500,000	20,500,000
Expenditures:				
Legal Services	178,473	\$ 398	178,871	178,871
Purchased Professional and Technical Services	670,712	1,142,464	1,813,176	2,706,072
Construction Services	441,562	5,220,364	5,661,926	17,595,057
Furniture and Equipment				20,000
Total Expenditures	1,290,747	6,363,226	7,653,973	20,500,000
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 19,209,253	\$ (6,363,226)	\$ 12,846,027	\$ -0-

Additional Project Information:

Project Number	3190-XXX-XX-1000
Grant Date	N/A
Bond Authorization Date	04/21/20
Bonds Authorized	\$ 20,500,000
Bonds Issued	\$ 20,500,000
Original Authorized Cost	\$ 20,500,000
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 20,500,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	37.34%
Original Target Completion Date	06/30/25
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Major Fund</u> Food Service	<u>Non-Major Fund</u> Field Rental/ Joint Facilities	<u>Total</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 291,567	\$ 81,561	\$ 373,128
Inventories	2,033		2,033
Total Current Assets	<u>293,600</u>	<u>81,561</u>	<u>375,161</u>
Non-Current Assets:			
Capital Assets	245,216		245,216
Less: Accumulated Depreciation	<u>(135,252)</u>		<u>(135,252)</u>
Total Non-Current Assets	<u>109,964</u>		<u>109,964</u>
Total Assets	<u>403,564</u>	<u>81,561</u>	<u>485,125</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Unearned Revenue	<u>60,748</u>		<u>60,748</u>
Total Current Liabilities	<u>60,748</u>		<u>60,748</u>
<u>NET POSITION:</u>			
Investment in Capital Assets	109,964		109,964
Unrestricted	<u>232,852</u>	81,561	<u>314,413</u>
Total Net Position	<u>\$ 342,816</u>	<u>\$ 81,561</u>	<u>\$ 424,377</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	<u>Food</u>	<u>Field Rental/</u>	
	<u>Service</u>	<u>Joint Facilities</u>	<u>Total</u>
Operating Revenue:			
Daily Sales:			
Non-Reimbursable Programs	\$ 85		\$ 85
Charges for Services:			
Program Fees		\$ 44,537	44,537
Total Operating Revenue	<u>85</u>	<u>44,537</u>	<u>44,622</u>
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs	42,462		42,462
Cleaning, Repair and Maintenance Services		10,515	10,515
Supplies and Materials	4,381		4,381
Miscellaneous Expense	200		200
Depreciation Expense	21,330		21,330
Total Operating Expenses	<u>68,373</u>	<u>10,515</u>	<u>78,888</u>
Operating Income/(Loss)	(68,288)	34,022	(34,266)
Non-Operating Revenue:			
Local Sources:			
Interest Earnings	2,051		2,051
Total Non-Operating Income	<u>2,051</u>		<u>2,051</u>
Change in Net Position	(66,237)	34,022	(32,215)
Net Position - Beginning of Year	<u>409,053</u>	<u>47,539</u>	<u>456,592</u>
Net Position - End of Year	<u>\$ 342,816</u>	<u>\$ 81,561</u>	<u>\$ 424,377</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	Food Service	Field Rental/ Joint Facilities	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 85	\$ 44,537	\$ 44,622
Payments to Food Service Contractors	(13,764)		(13,764)
Payments to Suppliers	(9,260)	(10,515)	(19,775)
Net Cash Provided by/(Used for) Operating Activities	<u>(22,939)</u>	<u>34,022</u>	<u>11,083</u>
Cash Flows from Investment Activities:			
Interest Income	2,051		2,051
Net Cash Provided by Investing Activities	<u>2,051</u>		<u>2,051</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(20,888)	34,022	13,134
Cash and Cash Equivalents, July 1	<u>312,455</u>	<u>47,539</u>	<u>359,994</u>
Cash and Cash Equivalents, June 30	<u>\$ 291,567</u>	<u>\$ 81,561</u>	<u>\$ 373,128</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (68,288)	\$ 34,022	(34,266)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	21,330		21,330
Changes in Assets and Liabilities:			
Decrease in Inventory	33,367		33,367
(Decrease) in Accounts Payable	(13,764)		(13,764)
Increase in Unearned Revenue	4,416		4,416
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (22,939)</u>	<u>\$ 34,022</u>	<u>\$ 11,083</u>

LONG-TERM DEBT

MILLBURN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance July 1, 2020	Matured	Balance June 30, 2021	
			Date	Amount	June 30, 2021					
Refunding Bonds	12/12/06	\$ 9,180,000	01/15/22	\$ 795,000	\$ 795,000	3.700%	\$ 1,605,000	\$ 810,000	\$ 795,000	
Refunding Bonds	07/20/11	7,920,000	09/15/21	775,000	775,000	4.000%				
			09/15/22	790,000	790,000	4.000%				
			09/15/23	745,000	745,000	4.000%	3,065,000	755,000	2,310,000	
Refunding Bonds	02/19/15	12,110,000	07/15/21	1,155,000	1,155,000	4.000%				
			07/15/22	1,150,000	1,150,000	5.000%				
			07/15/23	1,355,000	1,355,000	5.000%				
			07/15/24	1,355,000	1,355,000	5.000%				
			07/15/25	1,360,000	1,360,000	5.000%				
			07/15/26	1,365,000	1,365,000	5.000%				
			07/15/27	1,370,000	1,370,000	5.000%	10,120,000	1,010,000	9,110,000	

MILLBURN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance July 1, 2020	Matured	Balance June 30, 2021
			Date	Amount	June 30, 2021				
School Bonds	12/06/16	\$ 25,593,000	08/01/21	\$ 800,000		3.500%			
			08/01/22	1,100,000		3.500%			
			08/01/23	1,100,000		3.500%			
			08/01/24	1,100,000		3.500%			
			08/01/25	1,100,000		3.500%			
			08/01/26	1,100,000		3.500%			
			08/01/27	1,200,000		3.500%			
			08/01/28	1,200,000		3.500%			
			08/01/29	1,200,000		3.500%			
			08/01/30	1,200,000		3.500%			
			08/01/31	1,200,000		3.500%			
			08/01/32	1,200,000		3.500%			
			08/01/33	1,200,000		3.500%			
			08/01/34	1,200,000		3.500%			
			08/01/35	1,200,000		3.500%			
			08/01/36	1,200,000		3.625%			
		08/01/37	1,200,000		3.750%				
		08/01/38	1,200,000		3.700%				
		08/01/39	1,200,000		4.000%				
		08/01/40	1,200,000		4.000%				
		08/01/41	1,143,000		4.000%				
						\$ 25,093,000	\$ 850,000	\$ 24,243,000	

MILLBURN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance July 1, 2020	Matured	Balance June 30, 2021
			Date	Amount	June 30, 2021				
School Bonds	04/21/20	\$ 20,500,000	02/15/22	\$ 1,000,000		2.000%			
			02/15/23	1,650,000		2.000%			
			02/15/24	1,650,000		2.000%			
			02/15/25	1,600,000		2.000%			
			02/15/26	1,600,000		2.500%			
			02/15/27	1,600,000		2.500%			
			02/15/28	1,600,000		2.500%			
			02/15/29	1,600,000		2.500%			
			02/15/30	1,600,000		2.500%			
			02/15/31	1,600,000		2.500%			
			02/15/32	1,600,000		2.500%			
			02/15/33	1,000,000		2.500%			
			02/15/34	1,000,000		2.500%			
			02/15/35	1,000,000		2.500%			
							\$ 20,500,000	\$ 20,100,000	
							\$ 60,383,000	\$ 56,558,000	

MILLBURN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

Purpose	Interest Rate	Original Issue	Balance July 1, 2020	Matured	Balance June 30, 2021
Energy Savings Improvement Project	2.41%	4,483,000	\$ 3,303,812	\$ 266,263	\$ 3,037,549
29 Passenger Bus	2.995%	58,500	23,730	11,690	12,040
MacBook Air, iMac, MacBook Pro and Bretford Mobility Cart	3.957%	1,820,602	909,720	446,730	462,990
Chromebooks	4.24%	885,129	442,183	216,502	225,681
Chromebooks	4.04%	452,649	226,127	111,081	115,046
			<u>\$ 4,905,572</u>	<u>\$ 1,052,266</u>	<u>\$ 3,853,306</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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	\$ 4,912,230		\$ 4,912,230	\$ 4,912,230	
State Sources:					
Debt Service Aid Type II	702,042		702,042	702,042	
Total Revenues	5,614,272		5,614,272	5,614,272	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,912,447		1,912,447	1,912,447	
Redemption of Principal	3,825,000		3,825,000	3,825,000	
Total Expenditures	5,737,447		5,737,447	5,737,447	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(123,175)		(123,175)	(123,175)	
Other Financing Sources:					
Transfer from Capital Projects Fund:					
Interest Earned				114,421	114,421
Total Other Financing Sources				114,421	114,421
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(123,175)		(123,175)	(8,754)	114,421
Fund Balance, July 1	190,221		190,221	190,221	
Fund Balance, June 30	\$ 67,046	\$ -0-	\$ 67,046	\$ 181,467	\$ 114,421
<u>Recapitulation:</u>					
Restricted - For Subsequent Year's Expenditures			\$ 67,046	67,046	
Restricted			114,421	114,421	
Total Restricted Fund Balance			\$ 181,467	\$ 181,467	

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>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information 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.	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.

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

June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(Restated)	
Governmental Activities:										
Net Investment in Capital Assets	\$ 5,673,548	\$ 9,540,569	\$ 13,771,816	\$ 19,470,545	\$ 19,776,677	\$ 3,960,021	\$ 15,652,816	\$ 27,873,570	\$ 32,080,148	\$ 37,214,574
Restricted	10,563,636	9,362,935	6,772,940	5,293,272	5,645,522	26,787,992	20,542,697	11,945,149	14,604,938	13,175,989
Unrestricted (Deficit)	(285,216)	(343,727)	(20,235,005)	(22,788,588)	(20,496,217)	(25,538,115)	(26,700,182)	(27,251,342)	(27,604,775)	(22,547,613)
Total Governmental Activities Net Position	\$ 15,951,968	\$ 18,559,777	\$ 309,751	\$ 1,975,229	\$ 4,925,982	\$ 5,209,898	\$ 9,495,331	\$ 12,567,377	\$ 19,080,311	\$ 27,842,950
Business-type Activities:										
Investment in Capital Assets	\$ 41,873	\$ 55,364	\$ 46,386	\$ 57,281	\$ 55,293	\$ 61,764	\$ 74,734	\$ 108,949	\$ 131,294	\$ 109,964
Unrestricted	407,204	442,047	514,707	492,834	394,635	421,512	402,686	376,958	325,298	314,413
Total Business-type Activities Net Position	\$ 449,077	\$ 497,411	\$ 561,093	\$ 550,115	\$ 449,928	\$ 483,276	\$ 477,420	\$ 485,907	\$ 456,592	\$ 424,377
District-wide:										
Net Investment in Capital Assets	\$ 5,715,421	\$ 9,595,933	\$ 13,818,202	\$ 19,527,826	\$ 19,831,970	\$ 4,021,785	\$ 15,727,550	\$ 27,982,519	\$ 32,211,442	\$ 37,324,538
Restricted	10,563,636	9,362,935	6,772,940	5,293,272	5,645,522	26,787,992	20,542,697	11,945,149	14,604,938	13,175,989
Unrestricted (Deficit)	121,988	98,320	(19,720,298)	(22,295,754)	(20,101,582)	(25,116,603)	(26,297,496)	(26,874,384)	(27,279,477)	(22,233,200)
Total District Net Position	\$ 16,401,045	\$ 19,057,188	\$ 870,844	\$ 2,525,344	\$ 5,375,910	\$ 5,693,174	\$ 9,972,751	\$ 13,053,284	\$ 19,536,903	\$ 28,267,327

Source: Millburn Township School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 40,012,054	\$ 42,120,882	\$ 41,581,725	\$ 48,136,945	\$ 51,995,207	\$ 57,424,866	\$ 58,668,768	\$ 56,568,289	\$ 58,682,297	\$ 57,823,251
Special Education	6,858,867	7,004,876	7,084,468	8,481,855	9,237,742	10,724,925	10,896,791	10,833,943	11,383,817	10,957,566
Other Special Education	1,081,274	1,329,689	1,282,301	1,333,784	1,380,632	1,418,558	1,455,998	1,443,328	2,744,389	2,228,268
Other Instruction	1,730,174	1,928,798	1,910,641	2,379,325	2,616,014	3,268,450	3,128,104	2,599,252	1,798,279	1,673,896
Support Services:										
Tuition	2,132,287	2,511,902	2,526,107	2,884,505	3,098,798	3,356,840	3,373,699	3,183,825	3,636,377	3,822,388
Student & Instruction Related Services	13,394,479	13,524,226	13,897,109	16,626,291	17,763,520	20,582,202	20,178,058	19,704,944	17,844,740	17,990,945
General Administrative Services	1,261,167	1,159,205	1,655,392	1,844,306	1,443,137	1,474,315	1,272,743	1,460,576	1,413,123	1,350,287
School Administrative Services	4,333,362	4,417,753	4,308,270	4,762,840	4,856,047	5,670,633	5,912,096	5,697,263	5,433,436	5,392,584
Central Services	1,405,161	1,486,185	1,489,790	1,688,684	1,838,095	2,152,534	1,956,525	1,949,222	1,405,582	1,356,882
Administrative Information Technology	591,596	711,810	819,105	881,864	987,689	1,010,471	967,382	1,146,112	1,176,529	1,150,771
Plant Operations and Maintenance	7,439,464	7,229,952	7,835,646	8,047,309	8,145,426	8,799,935	8,573,502	11,023,920	9,761,668	9,291,657
Pupil Transportation	2,744,063	2,888,170	3,127,389	3,126,168	3,211,620	3,809,984	3,763,410	3,425,972	3,182,580	3,158,894
Transfer of Funds to Charter School				34,471		30,316			13,143	
Interest on Long-term Debt	2,035,950	1,847,553	1,551,376	1,323,123	1,147,166	1,520,463	1,775,324	1,606,083	1,530,824	1,778,541
Unallocated Depreciation	52,488	42,878	123,337	99,280	88,705					
Total Governmental Activities Expenses	85,072,386	88,203,879	89,192,656	101,616,279	107,844,269	121,244,492	121,922,400	120,642,729	120,006,784	117,989,403
Business-type Activities:										
Food Service	594,156	564,764	602,583	690,178	760,617	736,619	784,318	807,173	595,050	68,373
Field Rental/Joint Facilities	23,485	28,120	21,292	58,600	183,900	78,423	76,022	100,600	67,158	10,515
Total Business-type Activities Expense	617,641	592,884	623,875	748,778	944,517	815,042	860,340	907,773	662,208	78,888
Total District-wide Expenses	\$ 85,690,027	\$ 88,796,763	\$ 89,816,531	\$ 102,365,057	\$ 108,788,786	\$ 122,059,534	\$ 122,782,740	\$ 121,550,502	\$ 120,668,992	\$ 118,068,291
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 134,613	\$ 132,602	\$ 127,252	\$ 111,497	\$ 110,198	\$ 105,474	\$ 92,960	\$ 132,497	\$ 111,969	\$ 91,040
Special Education Instruction	344,740	372,203	256,439	103,634	99,060	128,699	18,149			
Student and Instruction Related Services										
Pupil Transportation		602,560	648,246	680,764	715,380	729,291	668,194	956,650	838,965	460,057
Operating Grants and Contributions	8,125,151	10,690,223	12,723,227	22,000,460	26,857,263	35,591,815	37,153,588	31,578,936	31,169,565	31,368,900
Capital Grants and Contributions				435,655	583,331					
Total Governmental Activities Program Revenues	8,604,504	11,797,588	13,755,164	23,332,010	28,365,232	36,555,279	37,932,891	32,668,083	32,120,499	31,923,117

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues:										
Business-type Activities:										
Charges for Services:										
Food Service	\$ 607,425	\$ 562,411	\$ 615,182	\$ 675,733	\$ 776,827	\$ 794,772	\$ 805,799	\$ 862,892	\$ 591,694	\$ 85
Field Rental/Joint Facilities	51,228	57,115	42,491	62,780	67,880	53,241	48,952	52,280	37,463	44,537
Operating Grants and Contributions	19,019	21,462	29,612							
Total Business-type Activities Program Revenues	677,672	640,988	687,285	738,513	844,707	848,013	854,751	915,172	629,157	44,622
Total District-wide Program Revenues	\$ 9,282,176	\$ 12,438,576	\$ 14,442,449	\$ 24,070,523	\$ 29,209,939	\$ 37,403,292	\$ 38,787,642	\$ 33,583,255	\$ 32,749,656	\$ 31,967,739
Net (Expense)/Revenue:										
Governmental Activities	\$ (76,467,882)	\$ (76,406,291)	\$ (75,437,492)	\$ (78,284,269)	\$ (79,479,037)	\$ (84,689,213)	\$ (83,989,509)	\$ (87,974,646)	\$ (87,886,285)	\$ (86,066,286)
Business-type Activities	60,031	48,104	63,410	(10,265)	(99,810)	32,971	(5,589)	7,399	(33,051)	(34,266)
Total District-wide Net Expense	\$ (76,407,851)	\$ (76,358,187)	\$ (75,374,082)	\$ (78,294,534)	\$ (79,578,847)	\$ (84,656,242)	\$ (83,995,098)	\$ (87,967,247)	\$ (87,919,336)	\$ (86,100,552)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 71,439,343	\$ 71,903,699	\$ 73,341,773	\$ 74,808,608	\$ 77,515,026	\$ 79,613,584	\$ 81,901,838	\$ 84,264,875	\$ 86,558,845	\$ 88,290,022
Taxes Levied for Debt Service	4,141,587	4,440,187	4,494,542	4,466,798	4,354,061	4,449,479	5,129,644	5,114,771	4,920,615	4,912,230
Unrestricted Grants and Contributions	258,550	318,376	324,298	408,990	413,122	466,108	761,207	920,995	961,027	1,091,347
Investment Earnings	2,234	2,045	426	394	935	43,481	212,792	199,243	284,402	258,944
Miscellaneous Income	223,694	254,578	220,240	264,957	146,646	400,477	269,461	546,808	607,221	276,382
Insurance Recovery Related to Other Costs of Super Storm Sandy		227,096								
Total Governmental Activities	76,065,408	77,145,981	78,381,279	79,949,747	82,429,790	84,973,129	88,274,942	91,046,692	93,332,110	94,828,925
Business-type Activities:										
Investment Earnings	220	230	272	271	292	377	466	1,088	3,736	2,051
Disposal of Capital Assets				(984)	(669)		(733)			
Total Business-type Activities	220	230	272	(713)	(377)	377	(267)	1,088	3,736	2,051
Total District-wide General Revenues and Other Changes in Net Position	\$ 76,065,628	\$ 77,146,211	\$ 78,381,551	\$ 79,949,034	\$ 82,429,413	\$ 84,973,506	\$ 88,274,675	\$ 91,047,780	\$ 93,335,846	\$ 94,830,976
Change in Net Position:										
Governmental Activities	\$ (402,474)	\$ 739,690	\$ 2,943,787	\$ 1,665,478	\$ 2,950,753	\$ 283,916	\$ 4,285,433	\$ 3,072,046	\$ 5,445,825	\$ 8,762,639
Business-type Activities	60,251	48,334	63,682	(10,978)	(100,187)	33,348	(5,856)	8,487	(29,315)	(32,215)
Total District-wide Change in Net Position	\$ (342,223)	\$ 788,024	\$ 3,007,469	\$ 1,654,500	\$ 2,850,566	\$ 317,264	\$ 4,279,577	\$ 3,080,533	\$ 5,416,510	\$ 8,730,424

Source: Millburn Township School District Financial Reports.

MILLBURN TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
 (Modified Accrual Basis of Accounting)

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:									(Restated)	
Restricted	\$ 9,533,943	\$ 8,710,663	\$ 6,348,623	\$ 5,055,135	\$ 5,526,274	\$ 6,146,061	\$ 7,657,754	\$ 8,973,680	\$ 12,481,874	\$ 12,509,895
Assigned	783,434	934,503	900,167	391,347	925,655	1,257,548	1,000,990	518,194	313,628	2,018,500
Unassigned	1,524,744	1,433,194	1,452,631	1,490,129	1,639,470	1,710,303	1,646,797	2,022,770	1,879,038	4,737,140
Total General Fund	\$ 11,842,121	\$ 11,078,360	\$ 8,701,421	\$ 6,936,611	\$ 8,091,399	\$ 9,113,912	\$ 10,305,541	\$ 11,514,644	\$ 14,674,540	\$ 19,265,535
All Other Governmental Funds:										
Restricted	\$ 1,013,608	\$ 652,272	\$ 424,317	\$ 238,137	\$ 119,248	\$ 20,641,931	\$ 12,884,943	\$ 2,971,469	\$ 21,332,317	\$ 13,512,121
Committed	16,085			833,644	2,945,830	376,183	215,622			
Total All Other Governmental Funds	\$ 1,029,693	\$ 652,272	\$ 424,317	\$ 1,071,781	\$ 3,065,078	\$ 21,018,114	\$ 13,100,565	\$ 2,971,469	\$ 21,332,317	\$ 13,512,121
Total Governmental Funds	\$ 12,871,814	\$ 11,730,632	\$ 9,125,738	\$ 8,008,392	\$ 11,156,477	\$ 30,132,026	\$ 23,406,106	\$ 14,486,113	\$ 36,006,857	\$ 32,777,656

Source: Millburn Township School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Tax Levy	\$ 75,580,930	\$ 76,343,886	\$ 77,836,315	\$ 79,275,406	\$ 81,869,087	\$ 84,063,063	\$ 87,031,482	\$ 89,379,646	\$ 91,479,460	\$ 93,202,252
Tuition Charges	504,805	383,691	323,564	215,131	209,258	234,173	111,109	132,497	111,969	91,040
Transportation Fees	602,560	648,246	653,446	680,764	715,380	729,291	668,194	956,650	838,965	3,120
Interest Earnings	535	564	300	86	584	300	16,334	41,222	33,800	1,196
Unrestricted Miscellaneous Revenue	440,362	439,635	451,220	575,764	316,758	537,724	1,018,500	959,365	1,081,383	1,181,224
State Sources	9,148,780	11,646,877	10,239,376	12,163,368	13,961,718	14,811,750	16,990,622	20,168,263	20,416,921	25,746,371
Federal Sources	1,585,024	1,211,150	1,284,251	1,278,717	1,314,475	1,314,216	1,375,183	1,422,070	1,411,411	1,757,692
Total Revenue	87,862,996	90,674,049	90,788,472	94,189,236	98,387,260	101,693,712	107,211,424	113,059,713	115,373,909	121,982,895
Expenditures:										
Instruction:										
Regular Instruction	28,661,148	29,708,495	30,434,621	30,875,039	31,136,618	30,775,312	31,677,275	33,006,805	34,071,024	33,982,870
Special Education Instruction	4,890,199	4,858,991	5,068,136	5,286,587	5,357,314	5,626,995	5,738,381	6,020,057	6,336,052	6,161,076
Other Special Instruction	1,084,113	1,327,864	1,271,205	1,336,927	1,384,356	1,412,598	1,454,312	1,442,016	1,575,372	1,303,624
School-Sponsored/Other Instruction	1,246,405	1,352,697	1,343,508	1,391,507	1,422,326	1,466,305	1,449,151	1,391,726	1,416,444	1,306,874
Support Services:										
Tuition	2,132,287	2,511,902	2,526,107	2,884,505	3,098,798	3,356,840	3,373,699	3,183,825	3,636,377	3,822,388
Student & Other Instruction Related Services	9,633,421	9,799,187	10,191,260	10,885,108	10,931,629	11,358,113	11,279,143	11,699,508	11,688,099	12,337,444
General Administrative Services	1,046,202	913,259	1,374,606	1,580,988	1,037,577	1,234,410	961,559	1,158,228	1,070,821	1,135,410
School Administrative Services	3,193,248	3,196,585	3,178,838	3,182,014	3,159,053	3,170,497	3,332,572	3,405,865	3,345,749	3,400,424
Central Services	866,916	900,911	925,461	982,523	1,074,412	1,096,422	1,071,473	1,038,973	1,025,171	1,060,220
Administrative Information Technology	591,596	667,670	741,734	795,951	785,485	775,100	803,529	825,688	784,697	949,682
Plant Operations and Maintenance	5,829,045	5,679,837	6,219,494	6,273,134	6,139,564	6,589,033	6,954,330	8,867,111	8,706,796	8,598,585
Student Transportation	2,328,110	2,495,836	2,726,348	2,716,063	2,747,680	3,273,343	3,351,714	3,059,189	2,975,711	2,952,685
Unallocated Benefits	19,601,889	19,906,130	18,911,488	20,464,489	22,953,393	25,037,059	27,629,973	29,554,441	30,032,323	33,099,435
Transfer of Funds to Charter School				34,471	34,471	30,316			13,143	13,473
Capital Outlay	1,500,768	5,321,735	4,283,021	2,560,818	4,460,374	9,064,954	9,194,306	13,312,139	3,057,464	9,350,459
Debt Service:										
Principal	3,285,000	3,250,000	3,315,000	3,375,000	3,390,000	3,505,000	3,625,000	3,865,000	4,014,000	3,825,000
Interest and Other Charges	1,845,648	1,793,770	1,655,643	1,520,832	1,320,574	1,230,756	2,099,427	1,837,039	1,671,031	1,912,447
Total Expenditures	87,735,995	93,684,869	94,166,470	96,111,485	100,433,624	109,003,053	113,995,844	123,667,610	115,420,274	125,212,096

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ 127,001	\$ (3,010,820)	\$ (3,377,998)	\$ (1,922,249)	\$ (2,046,364)	\$ (7,309,341)	\$ (6,784,420)	\$ (10,607,897)	\$ (46,365)	\$ (3,229,201)
Other Financing Sources/(Uses):						25,593,000			20,500,000	
Serial Bonds Issued	7,920,000			12,110,000						
Bond Premium	582,986			2,741,348						
Serial Bonds Defeased	(7,940,000)			(13,500,000)						
Bond Issuance Costs	(105,722)			(125,042)						
Deferred Amount on Refunding	(457,264)			(1,226,306)						
Insurance Recovery Related to Other Costs of Super Storm Sandy		227,096								
Capital Leases		1,642,542	773,104	804,903	711,449	691,890	58,500	1,687,904		
Lease Purchase Agreement Proceeds					4,483,000					
Total Other Financing Sources/(Uses)	-0-	1,869,638	773,104	804,903	5,194,449	26,284,890	58,500	1,687,904	20,500,000	-0-
Net Change in Fund Balances	\$ 127,001	\$ (1,141,182)	\$ (2,604,894)	\$ (1,117,346)	\$ 3,148,085	\$ 18,975,549	\$ (6,725,920)	\$ (8,919,993)	\$ 20,453,635	\$ (3,229,201)
Debt Service as a % of Noncapital Expenditures	5.95%	5.71%	5.53%	5.23%	4.91%	4.74%	5.46%	5.17%	5.06%	4.95%

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)

Fiscal Year Ending June 30,	Interest on Investments	Tuition from Other LEAs	Pre-School Tuition	Subscription		Rentals	Prior Year Refunds	Miscellaneous	Total
				Busing					
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	
2014	396	200,806	122,758	653,446	40,507	119,204	60,529	1,197,646	
2015	274	103,634	111,497	680,764	46,111	148,397	70,448	1,161,125	
2016	733	99,060	110,198	715,380	41,518	94,037	11,091	1,072,017	
2017	3,993	128,699	105,474	729,291	98,593	131,906	169,978	1,367,934	
2018	20,076	18,149	92,960	668,194	87,715	173,130	8,616	1,068,840	
2019	76,068		132,497	956,650	64,925	115,099	366,784	1,712,023	
2020	217,356	5,428	106,541	838,965	77,126	174,852	355,243	1,775,511	
2021	144,523	14,720	76,320	3,120	16,203	145,900	114,279	515,065	

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)
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	\$ 0.916	\$ 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	0.930	8,677,645,021
2013	42,536,000	6,665,839,600	-0-	-0-	1,302,427,100	46,725,400	64,716,900	8,122,265,000	7,260,392	8,129,525,392	495,084,100	0.944	8,563,546,509
2014	46,098,900	6,682,717,200	-0-	-0-	1,298,275,300	45,689,300	64,716,900	8,137,497,600	6,574,437	8,144,072,037	501,790,300	0.965	8,655,142,059
2015	41,835,800	6,715,998,700	-0-	-0-	1,298,995,700	50,380,200	64,716,900	8,171,927,300	6,046,574	8,177,973,874	510,906,300	0.988	9,355,840,968
2016	42,999,800	6,742,691,900	-0-	-0-	1,275,293,400	50,503,000	64,616,900	8,176,105,000	6,246,215	8,182,351,215	514,449,100	1.014	9,504,080,275
2017 *	40,231,000	7,956,428,000	-0-	-0-	1,619,772,100	74,906,500	92,268,900	9,783,606,500	7,295,841	9,790,902,341	671,646,600	0.874	9,807,600,745
2018	42,617,100	7,952,947,500	-0-	-0-	1,618,714,300	64,020,900	92,268,900	9,770,568,700	6,888,508	9,777,457,208	671,655,700	0.902	10,371,865,759
2019	38,749,200	7,933,538,100	-0-	-0-	1,616,385,800	64,020,900	92,268,900	9,744,962,900	6,838,593	9,751,801,493	674,902,000	0.927	10,587,970,788
2020	49,502,100	7,896,821,300	-0-	-0-	1,619,621,800	64,645,100	92,119,800	9,722,710,100	7,316,000	9,730,026,100	677,519,000	1.925	9,975,334,640

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 of property was effective.

Source: Millburn Township Tax Assessor.

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		Millburn Township	Essex County	
		Debt Service ^b	Total Direct			
2011	\$ 0.866	\$ 0.050	\$ 0.916	\$ 0.460	\$ 0.471	\$ 1.847
2012	0.876	0.054	0.930	0.468	0.493	1.881
2013	0.889	0.055	0.944	0.445	0.510	1.899
2014	0.911	0.054	0.965	0.464	0.552	1.981
2015	0.935	0.053	0.988	0.523	0.594	2.105
2016	0.960	0.054	1.014	0.544	0.596	2.154
2017	* 0.822	0.052	0.874	0.464	0.517	1.855
2018	0.850	0.052	0.902	0.467	0.533	1.902
2019	0.877	0.050	0.927	0.477	0.525	1.929
2020	1.824	0.101	1.925	0.481	0.495	2.901

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 of property was effective.

Source: Millburn Township Tax Collector and School Business Administrator.

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

Taxpayer	2020		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

Taxpayer	2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Short Hills Association, LLC C/O Taubman	\$ 720,000,000	1	8.78%
Short Hills Hilton LLC	75,960,000	2	0.93%
Reckson Short Hills LLC	64,161,100	3	0.78%
101/103 JFK Parkway Special LLC Corp	50,000,000	4	0.61%
Mack-Cali Realty Corp	38,705,200	5	0.47%
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.	17,173,900	10	0.21%
Total	<u>\$ 1,040,306,700</u>		<u>12.69%</u>

Source: Millburn Township Tax Assessor.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 75,580,930	\$ 75,580,930	100.00%	\$ -0-
2013	76,343,886	76,343,886	100.00%	-0-
2014	77,836,315	77,836,315	100.00%	-0-
2015	79,275,406	79,275,406	100.00%	-0-
2016	81,869,087	81,869,087	100.00%	-0-
2017	84,063,063	84,063,063	100.00%	-0-
2018	87,031,482	87,031,482	100.00%	-0-
2019	89,379,646	89,379,646	100.00%	-0-
2020	91,479,460	91,479,460	100.00%	-0-
2021	93,202,252	93,202,252	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)			
2012	\$ 44,019,000	\$ -0-	\$ -0-	\$ 44,019,000	4.00%	\$ 2,201
2013	40,769,000	1,295,345	-0-	42,064,345	3.77%	2,102
2014	37,454,000	1,654,759	-0-	39,108,759	3.32%	1,943
2015	32,689,000	1,944,090	1,073,000	35,706,090	2.90%	1,767
2016	29,299,000	6,559,983	1,073,000	36,931,983	2.93%	1,828
2017	51,387,000	6,306,892	583,000	58,276,892	4.49%	2,884
2018	47,762,000	5,336,522	-0-	53,098,522	4.03%	2,629
2019	43,897,000	5,928,621	-0-	49,825,621	3.65%	2,471
2020	60,383,000	4,905,572	-0-	65,288,572	4.80%	3,248
2021	56,558,000	3,853,306	-0-	60,411,306	4.44%	3,005

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.

Source: Millburn Township School District Financial Reports

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		
2012	\$ 44,019,000	\$ -0-	\$ 44,019,000	0.54%	\$ 2,201
2013	40,769,000	-0-	40,769,000	0.50%	2,037
2014	37,454,000	-0-	37,454,000	0.46%	1,860
2015	32,689,000	-0-	32,689,000	0.40%	1,618
2016	29,299,000	-0-	29,299,000	0.36%	1,450
2017	51,387,000	-0-	51,387,000	0.63%	2,543
2018	47,762,000	-0-	47,762,000	0.49%	2,365
2019	43,897,000	-0-	43,897,000	0.45%	2,177
2020	60,383,000	-0-	60,383,000	0.62%	3,004
2021	56,558,000	-0-	56,558,000	0.58%	2,814

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.

Source: Millburn Township School District Financial Reports

MILLBURN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
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	\$ 12,258,417	100.00%	\$ 12,258,417
Essex County General Obligation Debt	649,227,780	10.74%	<u>69,747,230</u>
Subtotal, Overlapping Debt			82,005,647
Millburn Township School District Direct Debt			<u>57,768,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 139,773,647</u></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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 353,436,053	\$ 351,159,730	\$ 348,387,301	\$ 352,803,690	\$ 364,866,344	\$ 379,663,197	\$ 393,605,084	\$ 408,775,339	\$ 412,079,271	\$ 405,901,225
Total Net Debt Applicable to Limit	44,019,000	40,769,000	37,454,000	32,689,000	29,299,000	51,387,000	47,762,000	43,897,000	60,383,000	56,558,000
Legal Debt Margin	\$ 309,417,053	\$ 310,390,730	\$ 310,933,301	\$ 320,114,690	\$ 335,567,344	\$ 328,276,197	\$ 345,843,084	\$ 364,878,339	\$ 351,696,271	\$ 349,343,225
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	12.45%	11.61%	10.75%	9.27%	8.03%	13.53%	12.13%	10.74%	14.65%	13.93%

Legal Debt Margin Calculation for Fiscal Year 2021	
Equalized valuation basis	
2020	\$ 9,891,860,922
2019	9,966,212,825
2018	10,584,518,145
	<u>\$ 30,442,591,892</u>
Average Equalized Valuation of Taxable Property	<u>\$ 10,147,530,631</u>
Debt Limit (4% of average equalization value) ^a	\$ 405,901,225
Net Bonded School Debt	<u>56,558,000</u>
Legal Debt Margin	<u>\$ 349,343,225</u>

^a Limit set by N.J.S.A. 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.

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
2012	20,000	\$ 55,054	\$ 1,101,080,000	4.70%
2013	20,014	55,808	1,116,941,312	3.80%
2014	20,133	58,487	1,177,518,771	3.60%
2015	20,203	60,840	1,229,150,520	3.20%
2016	20,200	62,334	1,259,146,800	3.10%
2017	20,204	64,232	1,297,743,328	2.90%
2018	20,195	65,214	1,316,996,730	2.30%
2019	20,165	67,657	1,364,303,405	2.10%
2020	20,102	67,657 *	1,360,041,014	5.20%
2021	20,102 **	67,657 *	1,360,041,014 ***	N/A

* - Latest Essex County per capita personal income available (2019) was used for calculation purposes.

** - Latest population data available (2020) was used for calculation purposes.

*** - Latest available population data (2020) and latest available Essex County per capita personal income (2019) 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.

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

Employer	2020		
	Employees	Rank	Percentage of Total Employment
Prudential Ins. Co. of America	49,705	1	15.05%
St. Barnabas Health Care System	24,600	2	7.45%
Rutgers University - Newark Campus	23,980	3	7.26%
Verizon	15,000	4	4.54%
Public Service Electric & Gas	12,945	5	3.92%
New Jersey Transit	11,500	6	3.48%
City of Newark	10,001	7	3.03%
Montclair State University	7,900	8	2.39%
Newark Board of Education	7,050	9	2.13%
Gateway Group One	6,250	10	1.89%
	<u>168,931</u>		<u>51.15%</u>
Total Employment	<u>330,269</u>		
Employer	2011		
	Employees	Rank (Optional)	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.96%
Verizon	17,100	2	5.18%
Prudential Ins. Co. of America	16,850	3	5.10%
Univ. of Medicine and Dentistry of NJ	15,500	4	4.69%
Continental Airlines	11,000	5	3.33%
Newark Board of Education	7,050	6	2.13%
Automatic Data Processing	5,649	7	1.71%
New Jersey Transit	4,000	8	1.21%
City of Newark	4,000	9	1.21%
Essex County	3,900	10	1.18%
	<u>108,049</u>		<u>32.72%</u>
Total Employment	<u>330,337</u>		

Source: Essex County Economic Development Corporation

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction:										
Regular	327	333	332	328	329	327	327	326	326	328
Special Education	61	59	62	64	69	68	66	67	68	70
Other Instruction	13	16	18	19	19	20	21	20	19	19
Support Services:										
Student & Instruction Related Services	127	131	135	146	152	156	161	165	168	165
School Administration	31	31	31	30	30	30	32	32	32	33
General Administration	4	4	4	3	3	3	3	3	3	3
Plant Operations and Maintenance	130	135	145	145	148	145	158	161	157	154
Pupil Transportation	14	15	15	15	15	15	15	12	13	14
Business and Other Support Services	17	17	17	19	19	19	19	18	18	17
Total	724	741	759	769	784	783	802	804	804	803

Source: Millburn Township School District Personnel Records.

MILLBURN TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN 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				
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%
2014	4,907	84,912,806	17,304	3.05%	389	1:20	1:21	1:18	4,907	4,678	-1.11%	95.33%
2015	4,886	88,654,835	18,145	4.86%	398	1:20	1:21	1:19	4,882	4,654	-0.51%	95.33%
2016	4,894	91,262,676	18,648	2.77%	402	1:20	1:21	1:18	4,894	4,694	0.25%	95.91%
2017	4,894	95,202,343	19,453	4.32%	401	1:21	1:21	1:20	4,894	4,689	0.00%	95.81%
2018	4,856	99,077,111	20,403	4.88%	404	1:21	1:21	1:17	4,856	4,623	-0.78%	95.20%
2019	4,783	104,653,432	21,880	7.24%	406	1:20	1:21	1:19	4,783	4,564	-1.50%	95.42%
2020	4,809	106,677,779	22,183	1.38%	405	1:20	1:25	1:17	4,809	4,652	0.54%	96.74%
2021	4,679	110,124,190	23,536	6.10%	409	1:17	1:15	1:12	4,679	4,589	-2.70%	98.08%

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).

Source: Millburn Township School District records.

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

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Deerfield Elementary School (1962)										
Square Feet	70,084	70,084	70,084	70,084	70,084	70,084	70,084	70,084	70,084	70,084
Capacity (Students)	500	590	590	590	590	590	590	590	590	590
Enrollment	545	585	575	569	591	565	437	414	430	410
Glenwood Elementary School (1938)										
Square Feet	49,243	49,243	49,243	49,243	49,243	49,243	49,243	49,243	49,243	49,243
Capacity (Students)	425	502	502	502	502	502	502	502	502	502
Enrollment	489	490	464	478	458	475	371	365	367	361
Hartshorn Elementary School (1958)										
Square Feet	67,999	67,999	67,999	67,999	67,999	67,999	67,999	67,999	67,999	67,999
Capacity (Students)	513	603	603	603	603	603	603	603	603	603
Enrollment	545	548	542	544	529	498	425	409	402	396
South Mountain Elementary School (1935)										
Square Feet	49,358	49,358	49,358	49,358	49,358	49,358	49,358	49,358	49,358	49,358
Capacity (Students)	348	439	439	439	439	439	439	439	439	439
Enrollment	363	364	333	357	356	373	319	308	304	277
Wyoming Elementary School (1927)										
Square Feet	58,242	58,242	58,242	58,242	58,242	58,242	58,242	58,242	58,242	58,242
Capacity (Students)	343	374	374	374	374	374	374	374	374	374
Enrollment	338	336	332	350	373	385	314	332	332	317
Washington Elementary School (1968) **										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	39,777	39,777	39,777	39,777
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	444	411	393	400

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

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Millburn Middle School (1930)	235,541	235,541	235,541	235,541	235,541	235,541	235,541	239,705	239,705	239,705
Square Feet	1,094	1,047	1,047	1,047	1,047	1,047	1,047	1,115	1,115	1,115
Capacity (Students)	1,148	1,121	1,140	1,124	1,121	1,144	1,132	1,170	1,193	1,210
Enrollment	392,358	392,358	392,358	392,358	392,358	392,358	392,358	394,878	394,878	394,878
Millburn High School (1955)	1,763	2,104	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Square Feet	1,480	1,518	1,521	1,464	1,466	1,454	1,414	1,374	1,388	1,308
Capacity (Students)	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375
Enrollment	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Education Center/Board Office (1968)										
Square Feet										
Maintenance Building (1968)										
Square Feet										

Number of Schools at June 30, 2021

Elementary = 6
Middle School = 1
High School = 1
Other = 2

** Purchased from the State of NJ and opened in fiscal year 2017-2018.

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

N/A - Not Applicable

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,	South										Total
	Deerfield Elementary School	Glenwood Elementary School	Hartshorn Elementary School	Mountain Elementary School	Wyoming Elementary School	Washington Elementary School	Millburn Middle School	Millburn High School	Education Center		
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	
2014	77,456	70,091	77,002	59,471	71,059		327,536	627,391	20,860	1,330,866	
2015	91,340	85,828	77,958	55,615	80,508		356,887	467,691	31,348	1,247,175	
2016	92,642	90,747	91,836	84,815	58,960		276,447	480,688	26,088	1,202,223	
2017	104,162	132,013	88,600	53,787	117,960		223,355	393,227	24,865	1,137,969	
2018	116,168	105,054	70,841	59,817	64,987	\$ 65,279	206,196	492,606	58,046	1,238,994	
2019	178,540	172,208	189,729	125,741	170,769	101,333	678,622	1,141,642	48,084	2,806,668	
2020	189,396	167,151	208,261	185,371	155,911	112,954	956,599	1,037,807	237,579	3,251,029	
2021	121,715	93,079	192,536	160,605	151,132	81,115	1,144,569	1,225,570	149,604	3,319,925	

* 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, 2021
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Utica National Insurance Group: School Package Policy:		
Property Coverage:		
Building and Contents	\$ 166,308,510	\$ 1,000
General Liability Coverage:		
General Aggregate Limit	3,000,000	
Products Completed Operations	3,000,000	
Personal & Advertising Injury Limit	1,000,000	5,000
Each Occurrence Liability	1,000,000	1,000
Damage to Premises	1,000,000	
Medical Expenses Limit	10,000	
School District & Educators Liability, Aggregate Limit	2,000,000	10,000
Employment-Related Practices, Aggregate Limit	1,000,000	5,000
Employee Benefits Programs, Aggregate Limit	3,000,000	1,000
Abuse or Molestation Liability, Aggregate Limit	3,000,000	
Crime Coverage-Employee Theft	100,000	
Inland Marine-Electronic Data Processing	4,500,000	250
Automobile	1,000,000	250
Commercial Umbrella Liability	15,000,000	10,000
ACE American Insurance Company		
Cyber Liability	1,000,000	15,000
Berkeley Life & Health Insurance Company		
Student Accident Insurance-Compulsory Coverage	1,000,000	
Hudson Excess Insurance Company		
Excess Umbrella Liability	10,000,000	
Fireman's Fund Indemnity Corporation		
Excess Umbrella Liability	25,000,000	
Morris Essex Workers' Compensation Joint Insurance Fund		
Workers' Compensation Insurance	First 500,000	of each claim
K&R/Malicious Attack	1,000,000	
Utica National Insurance Group		
Surety Bonds:		
Treasurer	400,000	500
School Business Administrator	249,000	500

Source: Millburn Township School District

SINGLE AUDIT SECTION



200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973.298.8500

11 Lawrence Road
Newton, NJ 07860
973.383.6699

nisivoccia.com

Independent Member
BKR International

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

November 3, 2021
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

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



200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973.298.8500

11 Lawrence Road
Newton, NJ 07860
973.383.6699

nisivoccia.com

Independent Member
BKR International

Report on Compliance For Each Major Federal and State Program
and Report on Internal Control Over Compliance

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 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, 2021. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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, 2021.

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 the Uniform Guidance and NJOMB 15-08, 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 of that testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

November 3, 2021
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2021		
					Budgetary Accounts Receivable	Award Amount				Budgetary Accounts Receivable	Due to Grantor	
U.S. Department of Treasury:												
Passed-through State Department of Education:												
Special Revenue Fund:												
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/30/20	\$ 128,451	\$ 128,451		\$ 128,451	\$ (128,451)				
Total U.S. Department of Treasury							128,451	(128,451)				
U.S. Department of Education:												
Passed-through State Department of Education:												
Special Revenue Fund:												
Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	IDEA319021	7/1/20-9/30/21	1,103,734			785,631	(973,581)			\$ (187,950)	
I.D.E.A. Part B, Basic	84.027	IDEA319020	7/1/19-9/30/20	1,066,566	\$ (44,158)		44,159		\$ (1)			
I.D.E.A. Preschool	84.173	IDEA319021	7/1/20-9/30/21	39,529			24,921	(25,001)			(80)	
I.D.E.A. Preschool	84.173	IDEA319020	7/1/19-9/30/20	36,417	(7,066)		7,067		(1)			
Total Special Education Cluster					(51,224)		861,778	(998,582)	(2)		(188,050)	
Elementary and Secondary Education Act:												
Title I	84.010	ESEA319021	7/1/20-9/30/21	332,974			226,917	(366,826)			(139,909)	
Title I	84.010	ESEA319020	7/1/19-9/30/20	332,974	(102,854)		102,855		(1)			
Total Title I					(102,854)		329,772	(366,826)	(1)		(139,909)	
Title IIA	84.367	ESEA319021	7/1/20-9/30/21	78,740			12,104	(73,494)			(61,390)	
Title IIA	84.367	ESEA319020	7/1/19-9/30/20	78,740	(19,900)		19,900					
Total Title IIA					(19,900)		32,004	(73,494)			(61,390)	
Title III	84.365	ESEA319021	7/1/20-9/30/21	23,452	(6,722)		6,741	(15,326)			(8,585)	
Title III	84.365	ESEA319020	7/1/19-9/30/20	23,452	(6,722)		6,723		(1)			
Total Title III					(13,444)		13,464	(15,326)	(1)		(8,585)	
Title III - Immigrant	84.365	ESEA319020	7/1/19-9/30/20	15,449	(79)		80		(1)			
Total Title III - Immigrant					(79)		80		(1)			
Title IV	84.424	ESEA319021	7/1/20-9/30/21	21,070	(1,050)		14,700	(19,700)			(5,000)	
Title IV	84.424	ESEA319020	7/1/19-9/30/20	21,070	(1,050)		1,050					
Total Title IV					(2,100)		15,750	(19,700)			(5,000)	
Education Stabilization Fund:												
COVID 19 - CARES Emergency Relief	84.425D	CARES319022	3/13/20-9/30/22	283,459			129,065	(136,985)			(7,920)	
COVID-19 - Digital Divide	84.425D	S377A130031	7/16/20-10/31/20	21,055			20,416	(20,119)			297	
Total Education Stabilization Fund							149,481	(157,104)			297	
Total U.S. Department of Education					(181,829)		1,402,329	(1,631,032)	(5)		(410,834)	
Total Federal Awards					(181,829)		1,530,780	(1,759,483)	(5)		(410,834)	

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Cancellation of Prior Year Accs Payable	Balance at June 30, 2021		MEMO		
				Budgetary Accounts Receivable	Due to Grantor					GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:														
General Fund State Aid:														
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 2,524,159			\$ 2,283,655	\$(2,524,159)			\$ (240,504)	\$ 2,524,159		\$ (37,073)	2,524,159
Special Education Aid	21-495-034-5120-084	7/1/20-6/30/21	389,098			352,025	(389,098)			(37,073)	389,098		(75,150)	389,098
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	788,722			713,572	(788,722)			(75,150)	788,722		(1,839,586)	1,839,586
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	1,839,586				(1,839,586)			(1,839,586)			(66,118)	66,118
Excess Nonpublic Transportation Costs	21-495-034-5120-014	7/1/20-6/30/21	66,118				(66,118)			(66,118)			(164,345)	164,345
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	3,269,794			3,105,449	(3,269,794)			(164,345)	3,269,794			3,269,794
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	3,762,211			3,762,211	(3,762,211)				3,762,211			3,762,211
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	11,780,950			11,780,950	(11,780,950)				11,780,950			11,780,950
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	224,148			224,148	(224,148)				224,148			224,148
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	5,354			5,354	(5,354)				5,354			5,354
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	2,341,288	\$ (224,321)		224,321					2,341,288			2,341,288
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	389,098	(37,280)		37,280					389,098			389,098
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	788,722	(75,568)		75,568					788,722			788,722
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	970,738	(882,359)		970,738	(88,379)				970,738			970,738
Excess Nonpublic Transportation Costs	20-495-034-5120-014	7/1/19-6/30/20	32,379	(32,379)							32,379			32,379
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	3,204,880	(159,760)		159,760					3,204,880			3,204,880
Subtotal - General Fund				(1,411,667)		23,727,410	(24,738,519)			(2,070,049)			(2,422,776)	32,377,245
Special Revenue Fund Aid:														
Nonpublic Auxiliary Services:														
Compensatory Education	21-100-034-5120-066	7/1/20-6/30/21	40,933			40,933	(21,072)			\$19,861				21,072
Compensatory Education	20-100-034-5120-066	7/1/19-6/30/20	40,153	(4,490)	\$ 10,138	4,490								30,015
English as a Second Language	21-100-034-5120-066	7/1/20-6/30/21	2,132			2,132	(888)			1,244				888
English as a Second Language	20-100-034-5120-066	7/1/19-6/30/20	2,234	(274)	1,490	274								744
Nonpublic Handicapped Services:														
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	29,951			29,951	(19,669)			10,282				19,669
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	29,141	(2,935)	4,613	2,935								24,528
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	50,127			50,127	(22,967)			27,160				22,967
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	62,887	(6,294)	23,423	6,294								39,464
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	85,260			85,260	(71,024)			14,236				71,024
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	68,175	(6,922)	15,962	6,922								52,213
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	29,567			29,567	(29,005)			562				29,005
N.J. Nonpublic Textbook Aid	20-100-034-5120-066	7/1/19-6/30/20	26,566		639									25,927
N.J. Nonpublic Textbook Aid	21-100-034-5120-066	7/1/20-6/30/21	49,368			49,368	(49,368)							49,368
N.J. Nonpublic Nursing Aid	20-100-034-5120-066	7/1/19-6/30/20	18,144		2,133									13,093
N.J. Nonpublic Technology Initiative	21-100-034-5120-066	7/1/20-6/30/21	84,700			84,700	(74,161)			2,918				74,161
N.J. Nonpublic Security Aid	20-100-034-5120-066	7/1/19-6/30/20	75,600							10,539				74,161
N.J. Nonpublic Security Aid	21-100-034-5120-066	7/1/20-6/30/21												56,314
Subtotal - Special Revenue Fund				(20,915)	77,684	392,953	(288,154)			86,802				530,452

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Cancellation of Prior Year Accs Payable	Balance at June 30, 2021		MEMO	
				Budgetary Accounts Receivable	Due to Grantor					GAAP Accounts Receivable	Due to Grantor		Budgetary Receivable
State Department of Education:													
Debt Service Fund Aid:													
Debt Service Aid - State Support	21-100-034-5120-125	7/1/20-6/30/21	\$ 702,042			\$ 702,042	\$ (702,042)					\$ 702,042	
Subtotal - Debt Service Fund						702,042	(702,042)					702,042	
Total State Department of Education				\$ (1,432,582)	\$ 77,684	24,822,405	(25,728,715)	\$ (77,684)	\$ 2,918	\$(2,070,049)	\$86,802	\$(2,422,776)	33,611,049
Total State Awards				\$(1,432,582)	\$ 77,684	\$24,822,405	(25,728,715)	\$ (77,684)	\$ 2,918	\$(2,070,049)	\$86,802	\$(2,422,776)	\$33,611,049
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	(3,762,211)				3,762,211						
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	(11,780,950)				11,780,950						
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	(224,148)				224,148						
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	(5,354)				5,354						
Subtotal - On-Behalf TPAF Pension System Contributions							15,772,663						
Total State Awards Subject to Single Audit Major Program Determination							\$(9,956,052)						

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *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. This basis of accounting is described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. 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 (\$15,558) for the General Fund and \$34,125 (of which \$2,702 are for local grants) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards is reported in the Board's basic financial statements on the GAAP basis as presented below:

	Federal	State	Total
General Fund		\$ 24,722,961	\$ 24,722,961
Special Revenue Fund	\$ 1,757,692	321,368	2,079,060
Debt Service Fund		702,042	702,042
Total Awards	\$ 1,757,692	\$ 25,746,371	\$ 27,504,063

NOTE 5. 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 6. OTHER

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, 2021.

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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*.
- 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 in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major programs 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	7/1/20-9/30/21	\$ 1,103,734	\$ 973,581
I.D.E.A. Preschool	84.173	7/1/20-9/30/21	39,529	25,001
<u>State:</u>				
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	3,269,794	3,269,794

- The threshold used for distinguishing between federal and state Type A and Type B programs was \$750,000.
- 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, 2021
(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 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

MILLBURN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

The District had no prior year audit findings.