

**MILLBURN TOWNSHIP
SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

**Millburn Township School District
Board of Education**

Millburn, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Millburn Township School District
Board Office**

MILLBURN TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023

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	77
L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions.....	78
L-1 Schedule of District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System.....	78
L-2 Schedule of District Contributions – Public Employees Retirement System	79
L-3 Schedule of State’s Proportionate Share of the Net Pension Liability Associated with the District – Teachers’ Pension and Annuity Fund	80
L-4 Schedule of State Contributions – Teachers’ Pension and Annuity Fund	81
L-5 Schedule of Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	82
Notes to Required Supplementary Information	83

MILLBURN TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

C.	Budgetary Comparison Schedules.....	85
C-1	Budgetary Comparison Schedule – General Fund.....	86
C-2	Budgetary Comparison Schedule - Special Revenue Fund.....	100
C-3	Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI.....	101

Other Supplementary Schedules (D.-I.)

D.	School Level Schedules (Not Applicable)	103
E.	Special Revenue Fund	104
E-1	Combining Schedule of Program Revenue and Expenditures - Special Revenue Fund – Budgetary Basis.....	105
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund.....	110
F-1	Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budgetary Basis	111
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, 2023.....	112
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, 2023.....	113
F-1C	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Education Center HVAC Replacement from Inception and for the Fiscal Year Ended June 30, 2023.....	114
G.	Proprietary Funds (Enterprise Fund)	115
G-1	Combining Statement of Net Position	116
G-2	Combining Statement of Revenue, Expenses and Changes in Fund Net Position.....	117
G-3	Combining Statement of Cash Flows	118
H.	Fiduciary Activities (Not Applicable)	
I.	Long-Term Liabilities.....	119
I-1	Schedule of Serial Bonds	120
I-2	Schedule of Obligations Under Financed Purchases	122
I-3	Debt Service Fund Budgetary Comparison Schedule.....	123
I-4	Schedule of Obligations Under Leases (Not Applicable)	
I-5	Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	

MILLBURN TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

FINANCIAL SECTION (Cont'd)

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

J.	Statistical Schedules (Unaudited).....	124
J-1	Net Position by Component.....	125
J-2	Changes in Net Position.....	126
J-3	Fund Balances - Governmental Funds.....	128
J-4	Changes in Fund Balances - Governmental Funds.....	129
J-5	General Fund Other Local Revenue by Source.....	131
J-6	Assessed Value and Actual Value of Taxable Property.....	132
J-7	Direct and Overlapping Property Tax Rates.....	133
J-8	Principal Property Taxpayers, Current Year and Nine Years Ago.....	134
J-9	Property Tax Levies and Collections.....	135
J-10	Ratios of Outstanding Debt by Type.....	136
J-11	Ratios of Net General Bonded Debt Outstanding.....	137
J-12	Ratios of Overlapping Governmental Activities Debt.....	138
J-13	Legal Debt Margin Information.....	139
J-14	Demographic and Economic Statistics.....	140
J-15	Principal Employers, Current Year and Nine Years Ago.....	141
J-16	Full-time Equivalent District Employees by Function/Program.....	142
J-17	Operating Statistics.....	143
J-18	School Building Information.....	144
J-19	Schedule of Required Maintenance.....	146
J-20	Insurance Schedule.....	147

SINGLE AUDIT SECTION

K.	Single Audit.....	149
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>	150
K-2	Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control over Compliance Required by the Uniform Guidance and NJOMB 15-08.....	152
K-3	Schedule of Expenditures of Federal Awards.....	155
K-4	Schedule of Expenditures of State Awards.....	157
K-5	Notes to the Schedules of Expenditures of Federal and State Awards.....	159
K-6	Schedule of Findings and Questioned Costs.....	161
K-7	Summary Schedule of Prior Audit Findings.....	163

INTRODUCTORY SECTION
(UNAUDITED)



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

October 16, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Millburn Township School District (the "District") for the fiscal year ended June 30, 2023, 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 annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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 2022-2023 fiscal year with an average daily enrollment of 4,764 students which is an increase of 8 students from the previous year.

The Honorable President and Members of
the Board of Education
Millburn Township School District
Page 2
October 16, 2023

2) ECONOMIC CONDITION AND OUTLOOK: The Township's cash surplus at December 31, 2022 amounted to \$18,678,062.30. A systematic and active investment program has been followed; income earned from investments of the Township's surplus cash amounted to \$334,907.67 in 2022. The current tax rate is \$1.956 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 95% 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 2022-2023

1. To promote and support a healthy and balanced environment for teaching and learning. (Year 2)
2. To promote a collaborative environment for teaching, learning and assessment that inspires creativity, innovation, and differentiation to support all learners. (Year 2)
3. To promote a culture of belongingness, equity, and access for all students by fortifying an inclusive instructional program and environment for learning. (Year 2)

Board of Education Goal for FY 2022-2023

1. To review the district legal expenses and evaluate the structure of the legal services.
2. To support the sustainability of our facility infrastructure and implementation of the long-range facilities plan.
3. To develop the rules and responsibilities for the new structure of the Board's committees.

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, 2023.

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.

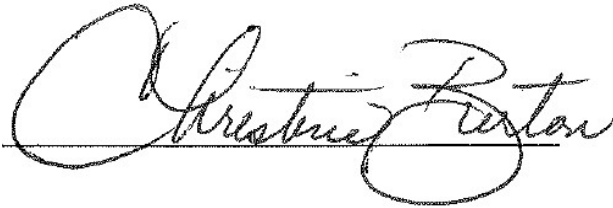
8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on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

The Honorable President and Members of
the Board of Education
Millburn Township School District
Page 4
October 16, 2023

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,

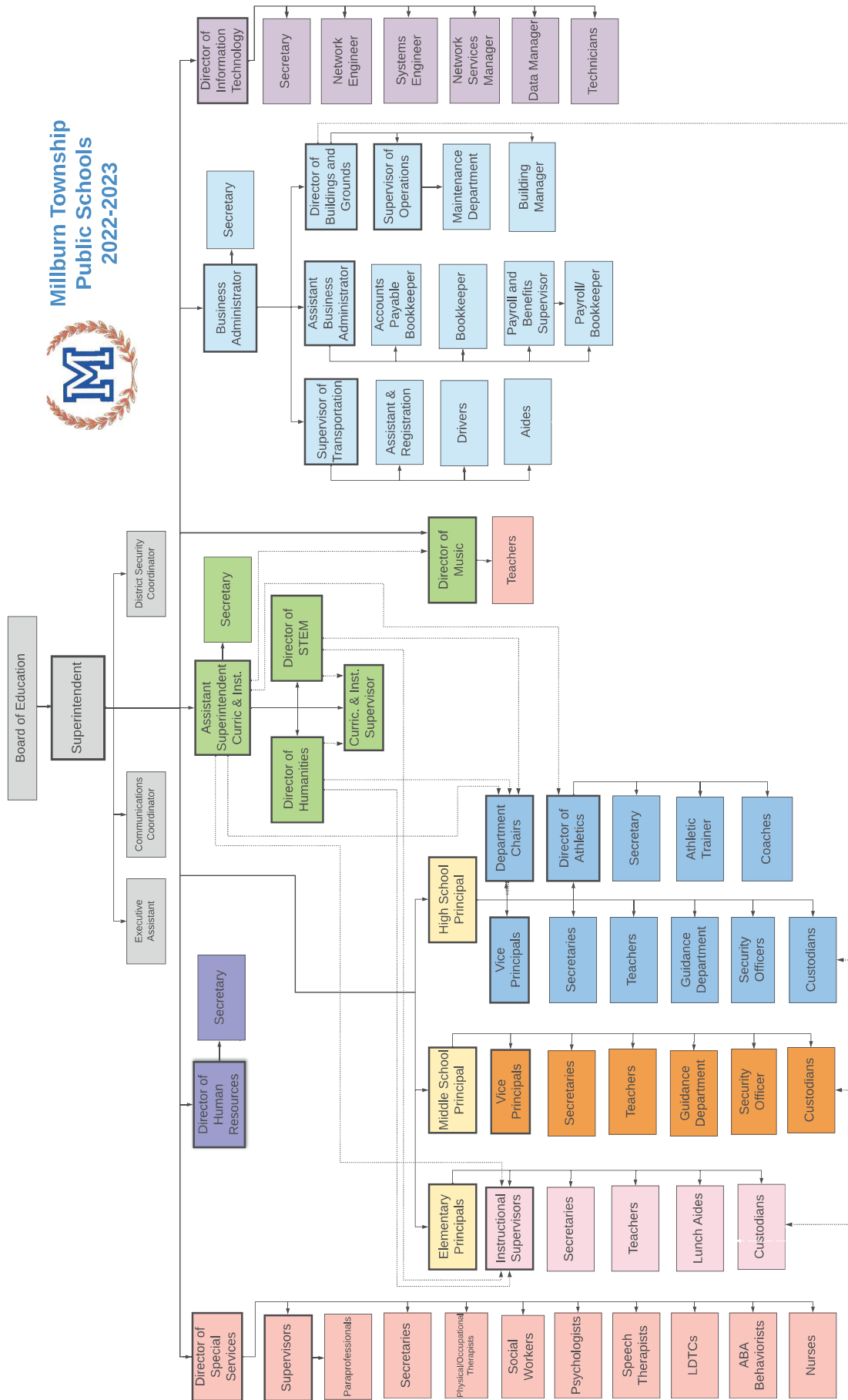


Dr. Christine Burton
Superintendent of Schools



Cheryl Schneider
Business Administrator/Board Secretary

Millburn Township
Public Schools
2022-2023



**MILLBURN TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Louie Shen, President	2024
Agnes Sym, Vice President	2025
Jennifer Bhathena	2026
Kris Heinrichs	2026
Brian Lawrence	2025
Jack Merimee	2024
Viswa Reddy	2026
Neetu Salhorta	2025
Alex Zaltsman	2024

Other Officers

Title

Dr. Christine Burton	Superintendent of Schools
Dr. Kate Diskin	Assistant Superintendent
Cheryl Schneider	Business Administrator/Board Secretary
Cheryl Nardino	Treasurer
Dennis McKeever, 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

Dennis McKeever, Esq.
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

Citizens Bank
45 Essex Street
Millburn, NJ 07041

New Jersey Asset & Rebate Management Program (NJARM)
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 Audit of the Financial Statements

Opinions

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 Millburn Township School District (the “District”), in the County of Essex, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 accompanying supplementary information 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023 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 District's internal control over financial reporting and compliance.

October 16, 2023
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, 2023**

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, 2023. 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

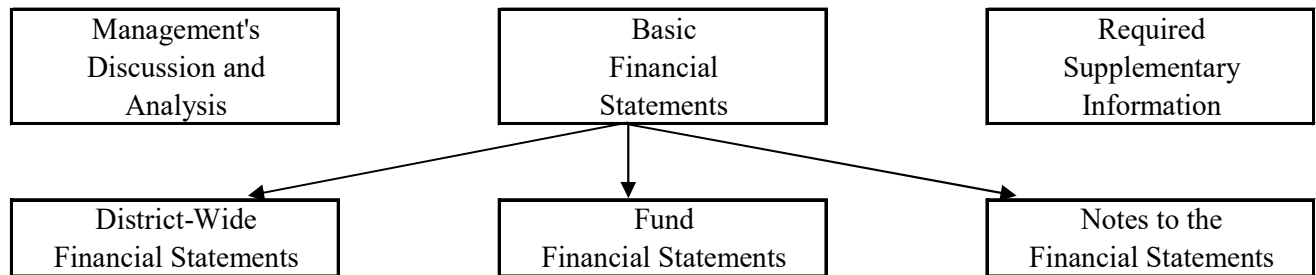
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2023**

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, lease assets, subscription 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, 2023**

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 liabilities) 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, 2023**

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 \$10,237,036. Net position from governmental activities increased by \$10,085,248 and net position from business-type activities increased by \$151,788. Net investment in capital assets increased by \$9,825,534, restricted net position increased by \$3,958,107, and unrestricted net position decreased by \$3,546,605.

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

	Government Activities		Business-Type Activities		Total School District		Percentage
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	Change
Current and Other Assets	\$35,740,939	\$38,395,072	\$ 561,161	\$ 419,500	\$36,302,100	\$38,814,572	
Capital Assets, Net	94,160,614	87,369,049	102,395	89,928	94,263,009	87,458,977	
Total Assets	<u>129,901,553</u>	<u>125,764,121</u>	<u>663,556</u>	<u>509,428</u>	<u>130,565,109</u>	<u>126,273,549</u>	3.40%
Deferred Outflows of Resources	<u>2,984,993</u>	<u>2,634,954</u>			<u>2,984,993</u>	<u>2,634,954</u>	13.28%
Other Liabilities	8,435,227	6,713,022	59,656	57,316	8,494,883	6,770,338	
Long-Term Liabilities	69,448,765	71,089,908			69,448,765	71,089,908	
Total Liabilities	<u>77,883,992</u>	<u>77,802,930</u>	<u>59,656</u>	<u>57,316</u>	<u>77,943,648</u>	<u>77,860,246</u>	0.11%
Deferred Inflows of Resources	<u>3,771,815</u>	<u>9,450,654</u>			<u>3,771,815</u>	<u>9,450,654</u>	-60.09%
Net Position:							
Net Investment in Capital Assets	51,561,349	41,748,282	102,395	89,928	51,663,744	41,838,210	
Restricted	19,815,629	15,857,522			19,815,629	15,857,522	
Unrestricted/(Deficit)	<u>(20,146,239)</u>	<u>(16,460,313)</u>	<u>501,505</u>	<u>362,184</u>	<u>(19,644,734)</u>	<u>(16,098,129)</u>	
Total Net Position	<u>\$51,230,739</u>	<u>\$41,145,491</u>	<u>\$ 603,900</u>	<u>\$ 452,112</u>	<u>\$51,834,639</u>	<u>\$41,597,603</u>	24.61%

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Net Position. The District's *combined* net position was \$51,834,639 on June 30, 2023, an increase of \$10,237,036 or 24.61% over the previous year (see Figure A-3). Net position in the Governmental Activities increased due primarily to the maturity of long term liabilities, capital assets additions offset by depreciation expense, a decrease in deferred amount on refunding and an increase in the capital and maintenance reserves; offset by changes in net pension liability and related deferred outflows and inflows and an increase in encumbrances. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change 2022/23
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
Revenue:							
Program Revenue:							
Charges for Services	\$ 2,239,734	\$ 1,659,954	\$ 1,138,467	\$ 760,640	\$ 3,378,201	\$ 2,420,594	
Operating Grants and Contributions	27,405,454	28,211,172			27,405,454	28,211,172	
Capital Grants and Contributions	29,598				29,598		
General Revenue:							
Property Taxes	97,048,705	95,029,025			97,048,705	95,029,025	
Unrestricted State and Federal Aid	1,761,534	1,733,218			1,761,534	1,733,218	
Other	1,585,074	708,014	4,925	962	1,589,999	708,976	
Total Revenue	<u>130,070,099</u>	<u>127,341,383</u>	<u>1,143,392</u>	<u>761,602</u>	<u>131,213,491</u>	<u>128,102,985</u>	2.43%
Expenses:							
Instruction	67,432,339	69,381,071			67,432,339	69,381,071	
Pupil/Instruction Services	24,548,804	21,712,081			24,548,804	21,712,081	
Administrative & Business	9,289,244	8,532,940			9,289,244	8,532,940	
Maintenance & Operations	12,721,510	8,907,077			12,721,510	8,907,077	
Transportation	4,525,863	3,877,816			4,525,863	3,877,816	
Other	1,467,091	1,627,857	991,604	733,867	2,458,695	2,361,724	
Total Expenses	<u>119,984,851</u>	<u>114,038,842</u>	<u>991,604</u>	<u>733,867</u>	<u>120,976,455</u>	<u>114,772,709</u>	5.41%
Increase/(Decrease) in Net Position	<u>\$ 10,085,248</u>	<u>\$ 13,302,541</u>	<u>\$ 151,788</u>	<u>\$ 27,735</u>	<u>\$ 10,237,036</u>	<u>\$ 13,330,276</u>	-23.20%

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 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
	2022/23	2022/23	2021/22	2021/22
Instruction	\$ 67,432,339	\$ 47,312,893	\$ 69,381,071	\$ 47,623,391
Pupil and Instruction Services	24,548,804	18,318,237	21,712,081	16,331,141
Administrative and Business	9,289,244	8,452,059	8,532,940	7,517,051
Maintenance and Operations	12,721,510	12,228,123	8,907,077	8,778,107
Transportation	4,525,863	2,531,662	3,877,816	2,290,169
Other	1,467,091	1,467,091	1,627,857	1,627,857
	<u>\$ 119,984,851</u>	<u>\$ 90,310,065</u>	<u>\$ 114,038,842</u>	<u>\$ 84,167,716</u>

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Business-Type Activities

Net position from the District's business-type activity increased by \$151,788. (Refer to Figure A-4). Factors contributing to these results included:

- Field Rental/Joint Facilities Fund revenue exceeded expenses by \$66,554, which was primarily due to an increase in program fees.
- Food Service Fund revenue exceeded expenses by \$85,234, which was primarily due to an increase in daily sales.

Financial Analysis of the District's Funds

The District's financial position decreased overall on a fund basis. However, the District remains fiscally responsible and efficient in what discretionary purchases the District makes.

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
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	Change 2022/23
Sites	\$ 109,045	\$ 109,045			\$ 109,045	\$ 109,045	
Construction in Progress	17,551,202	37,407,579			17,551,202	37,407,579	
Site Improvements	4,812,892	4,028,703			4,812,892	4,028,703	
Buildings & Building Improvements	68,837,423	43,081,767			68,837,423	43,081,767	
Machinery and Equipment	2,850,052	2,741,955	\$ 102,395	\$ 89,928	2,952,447	2,831,883	
Total Capital Assets, Net	\$ 94,160,614	\$ 87,369,049	\$ 102,395	\$ 89,928	\$ 94,263,009	\$ 87,458,977	7.78%

During the fiscal year, the District acquired or constructed \$9,878,999 in capital additions (\$9,848,150 from its governmental activities and \$30,849 from its business-type activities). The District also recorded \$2,929,067 in current year depreciation expense (\$2,910,685 from its governmental activities and \$18,382 from its business-type activities) and \$145,900 of capital asset disposals, net of accumulated depreciation, from its governmental activities.

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Long-term Liabilities

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change 2022/23
	2022/23	2021/22	
General Obligation Bonds (Financed with Property Taxes)	\$ 47,343,000	\$ 52,033,000	
Net Pension Liability	16,175,712	12,906,304	
Other Long-Term Liabilities	5,930,053	6,150,604	
	<u>\$ 69,448,765</u>	<u>\$ 71,089,908</u>	-2.31%

- The District continued to pay down its bonded debt, retiring \$4,690,000 of outstanding bonds.
- Compensated absences payable increased by a net amount of \$279,205.
- Net pension liability increased by \$3,269,408.
- The District paid down \$244,038 in financed purchase agreement 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 6 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. Federal funding was made available during the 2021-22 school year that offset these additional expenditures while also allowing for expanded programming. Many of the funds continued into the 2022-23 school year with some still available in 2023-24. Careful planning was necessary to ensure that programs requiring recurring funding do not create unsustainable burdens on future operating budgets, as this additional funding has begun expiring and will be completely expired after the 2023-24 school year. 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. The next referendum vote is planned for the 2023-24 school year.

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

- Contracts with the Millburn Administrators Association, the Millburn Education Association and the Communications Workers of America will expire on June 30, 2024. The Board will be renegotiating these contracts. Most recent contracts included salary increases exceeding 3%. Given the 2% tax cap, salary increases exceeding 2% 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. This past year the High School enrollment increased by nearly 3%, while the Middle School enrollment decreased by approximately 2.5%, with the overall enrollment district-wide staying flat. This followed a 2% increase in the prior year enrollment. Continued enrollment increases 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. These increases are continuously monitored and resources are reallocated as necessary.

Contracting 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, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 16,318,097	\$ 550,392	\$ 16,868,489
Receivables from State Government	1,929,774		1,929,774
Receivables from Federal Government	1,135,779		1,135,779
Inventories		10,769	10,769
Restricted Cash and Cash Equivalents	16,357,289		16,357,289
Capital Assets, Net:			
Sites (Land) and Construction in Progress	17,660,247		17,660,247
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	76,500,367	102,395	76,602,762
Total Assets	<u>129,901,553</u>	<u>663,556</u>	<u>130,565,109</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Amount on Refunding	440,211		440,211
Deferred Outflows Related to Pensions	2,544,782		2,544,782
Total Deferred Outflows of Resources	<u>2,984,993</u>		<u>2,984,993</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	6,415,358	4,130	6,419,488
Accrued Interest Payable	692,115		692,115
Payable to Federal Government	8		8
Payable to State Government	63,726		63,726
Unearned Revenue	1,264,020	55,526	1,319,546
Noncurrent Liabilities:			
Due Within One Year	5,362,762		5,362,762
Due Beyond One Year	64,086,003		64,086,003
Total Liabilities	<u>77,883,992</u>	<u>59,656</u>	<u>77,943,648</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	3,771,815		3,771,815
Total Deferred Inflows of Resources	<u>3,771,815</u>		<u>3,771,815</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	51,561,349	102,395	51,663,744
Restricted for:			
Capital Projects	9,160,712		9,160,712
Debt Service	112,345		112,345
Maintenance	4,202,578		4,202,578
Emergency	450,000		450,000
Excess Surplus	4,841,487		4,841,487
Unemployment Compensation	644,967		644,967
Student Activities	403,540		403,540
Unrestricted/(Deficit)	<u>(20,146,239)</u>	<u>501,505</u>	<u>(19,644,734)</u>
Total Net Position	<u>\$ 51,230,739</u>	<u>\$ 603,900</u>	<u>\$ 51,834,639</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, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 53,754,047	\$ 294,677	\$ 11,346,217		\$ (42,113,153)		\$ (42,113,153)
Special Education	9,559,425		8,003,905		(1,555,520)		(1,555,520)
Other Special Instruction	2,239,814		474,647		(1,765,167)		(1,765,167)
Other Instruction	1,879,053				(1,879,053)		(1,879,053)
Support Services:							
Tuition	4,874,987		1,162,192		(3,712,795)		(3,712,795)
Student and Instruction Related Services	19,673,817	895,735	4,172,640		(14,605,442)		(14,605,442)
General Administrative Services	1,550,821		83,448		(1,467,373)		(1,467,373)
School Administrative Services	5,118,264		684,846		(4,433,418)		(4,433,418)
Central Services	1,467,345		68,891		(1,398,454)		(1,398,454)
Administrative Information Technology	1,152,814				(1,152,814)		(1,152,814)
Plant Operations and Maintenance	12,721,510		463,789	\$ 29,598	(12,228,123)		(12,228,123)
Pupil Transportation	4,525,863	1,049,322	944,879		(2,531,662)		(2,531,662)
Interest on Long-Term Debt	1,467,091				(1,467,091)		(1,467,091)
Total Governmental Activities	119,984,851	2,239,734	27,405,454	29,598	(90,310,065)		(90,310,065)
Business-Type Activities:							
Field Rental/Joint Facilities	29,351	95,905				\$ 66,554	66,554
Food Service	962,253	1,042,562				80,309	80,309
Total Business-Type Activities	991,604	1,138,467				146,863	146,863

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Total Primary Government	\$ 120,976,455	\$ 3,378,201	\$ 27,405,454	\$ 29,598	\$ (90,310,065)	\$ 146,863	\$ (90,163,202)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					92,137,785		92,137,785
Taxes Levied for Debt Service					4,910,920		4,910,920
Federal, State and Local Aid not Restricted					1,761,534		1,761,534
Interest Earnings					249,727	4,925	254,652
Miscellaneous Income					1,335,347		1,335,347
Total General Revenues					100,395,313	4,925	100,400,238
Change in Net Position					10,085,248	151,788	10,237,036
Net Position - Beginning					41,145,491	452,112	41,597,603
Net Position - Ending					\$ 51,230,739	\$ 603,900	\$ 51,834,639

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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 11,770,060		\$ 4,541,203	\$ 6,834	\$ 16,318,097
Interfund Receivable	1,072,321			105,511	1,177,832
Receivables From State Government	1,929,774				1,929,774
Receivables From Federal Government		\$ 1,135,779			1,135,779
Restricted Cash and Cash Equivalents	15,953,749	403,540			16,357,289
Total Assets	\$ 30,725,904	\$ 1,539,319	\$ 4,541,203	\$ 112,345	\$ 36,918,771
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 575,039	\$ 602,793		\$ 1,177,832
Accounts Payable	\$ 3,841,119	355,100	789,139		4,985,358
Payable to Federal Government		8			8
Payable to State Government		63,726			63,726
Unearned Revenue	1,122,114	141,906			1,264,020
Total Liabilities	4,963,233	1,135,779	1,391,932		7,490,944
Fund Balances:					
Restricted:					
Capital Reserve Account	10,656,204				10,656,204
Emergency Reserve	450,000				450,000
Maintenance Reserve	4,202,578				4,202,578
Excess Surplus - For 2024-2025	2,300,000				2,300,000
Excess Surplus - For 2023-2024	2,541,487				2,541,487
Unemployment Compensation	644,967				644,967
Student Activities		403,540			403,540
Capital Projects			5,363,022		5,363,022
Debt Service				\$ 112,345	112,345
Assigned:					
Year End Encumbrances	1,534,445				1,534,445
Designated for Subsequent Year's Expenditures	500,000				500,000
Unassigned / (Deficit)	2,932,990		(2,213,751)		719,239
Total Fund Balances	25,762,671	403,540	3,149,271	112,345	29,427,827
Total Liabilities and Fund Balances	\$ 30,725,904	\$ 1,539,319	\$ 4,541,203	\$ 112,345	\$ 36,918,771

MILLBURN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

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

Total Fund Balances from previous page	\$ 29,427,827
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	94,160,614
Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure	440,211
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(692,115)
Long-Term Liabilities, including the Net Pension Liability for PERS, Bonds Payable and Financed Purchases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(68,419,847)
Bond Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are sold.	(1,028,918)
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>(2,657,033)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 51,230,739</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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 92,137,785			\$ 4,910,920	\$ 97,048,705
Tuition from Individuals	125,727				125,727
Tuition from Other LEAs	168,950				168,950
Transportation Fees From Individuals	1,049,322				1,049,322
Interest Earned on Capital Reserve Funds	91,886				91,886
Restricted Miscellaneous Revenue	2,985	\$ 895,735			898,720
Unrestricted Miscellaneous Revenue	1,415,672	466,723	\$ 74,531		1,956,926
Total - Local Sources	94,992,327	1,362,458	74,531	4,910,920	101,340,236
State Sources	31,971,831	489,920		1,358,729	33,820,480
Federal Sources	477,265	3,176,497	29,598		3,683,360
Total Revenues	127,441,423	5,028,875	104,129	6,269,649	138,844,076
EXPENDITURES:					
Current:					
Regular Instruction	35,573,432	1,090,652			36,664,084
Special Education Instruction	6,283,972	28,237			6,312,209
Other Special Instruction	1,465,463				1,465,463
School-Sponsored/Other Instruction	1,637,043				1,637,043
Support Services and Undistributed Costs:					
Tuition	3,712,795	1,162,192			4,874,987
Student/Other Instruction Related Services	12,548,127	2,763,768			15,311,895
General Administrative Services	1,367,172				1,367,172
School Administrative Services	3,689,266				3,689,266
Central Services	1,223,153				1,223,153
Administrative Information Technology	1,065,459				1,065,459
Plant Operations and Maintenance	12,383,281				12,383,281
Student Transportation	4,410,234				4,410,234
Unallocated Benefits	39,044,698				39,044,698
Capital Outlay	1,632,004	29,189	5,736,799		7,397,992
Debt Service:					
Principal				4,690,000	4,690,000
Interest and Other Charges				1,694,070	1,694,070
Total Expenditures	126,036,099	5,074,038	5,736,799	6,384,070	143,231,006
Excess/(Deficit) of Revenue Over/(Under)					
Expenditures	1,405,324	(45,163)	(5,632,670)	(114,421)	(4,386,930)
Other Financing Sources/(Uses):					
Transfers	(170,827)		96,520	74,307	
Total Other Financing Sources/(Uses)	(170,827)		96,520	74,307	

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ 1,234,497	\$ (45,163)	\$ (5,536,150)	\$ (40,114)	\$ (4,386,930)
Fund Balance - July 1	<u>24,528,174</u>	<u>448,703</u>	<u>8,685,421</u>	<u>152,459</u>	<u>33,814,757</u>
Fund Balance - June 30	<u>\$ 25,762,671</u>	<u>\$ 403,540</u>	<u>\$ 3,149,271</u>	<u>\$ 112,345</u>	<u>\$ 29,427,827</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, 2023

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ (4,386,930)
Amounts reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:		
Capital outlays related to capital assets 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 capital outlays differ from depreciation and deleted assets in the period.		
	Depreciation Expense	\$ (2,910,685)
	Disposal of Capital Assets, Net of Accumulated Depreciation	(145,900)
	Capital Asset Additions	<u>9,848,150</u>
		6,791,565
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 (+).		
		65,592
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.		
		4,690,000
Repayment of financed purchases 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.		
		244,038
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 (+).		
		(279,205)
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	(3,269,408)
	Changes in Deferred Outflows and Inflows Related to Pensions	<u>6,068,209</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u><u>\$ 10,085,248</u></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, 2023

	Business-Type Activities - Enterprise Funds	
	Total Non-Major Funds	Total
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 550,392	\$ 550,392
Inventories	10,769	10,769
Total Current Assets	561,161	561,161
Non-Current Assets:		
Capital Assets	276,065	276,065
Less: Accumulated Depreciation	(173,670)	(173,670)
Total Non-Current Assets	102,395	102,395
Total Assets	663,556	663,556
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable - Vendors	4,130	4,130
Unearned Revenue	55,526	55,526
Total Current Liabilities	59,656	59,656
<u>NET POSITION:</u>		
Investment in Capital Assets	102,395	102,395
Unrestricted	501,505	501,505
Total Net Position	\$ 603,900	\$ 603,900

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, 2023

	Business-Type Activities - Enterprise Funds	
	Total Non-Major Funds	Total
Operating Revenue:		
Local Sources:		
Daily Sales - Non-Reimbursable Programs	\$ 826,830	\$ 826,830
Charges for Services - Program Fees	95,905	95,905
Miscellaneous Revenue	215,732	215,732
Total Operating Revenue	<u>1,138,467</u>	<u>1,138,467</u>
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs	435,279	435,279
Salaries	264,414	264,414
Employee Benefits & Payroll Taxes	97,907	97,907
Purchased Professional and Technical Services	86,458	86,458
Other Purchased Services	4,291	4,291
Cleaning, Repair and Maintenance Services	29,351	29,351
Supplies and Materials	51,158	51,158
Miscellaneous Expense	4,364	4,364
Depreciation Expense	18,382	18,382
Total Operating Expenses	<u>991,604</u>	<u>991,604</u>
Operating Income/ (Loss)	146,863	146,863
Non-Operating Revenue:		
Local Sources:		
Interest Income	4,925	4,925
Total Non-Operating Revenue	<u>4,925</u>	<u>4,925</u>
Change in Net Position	151,788	151,788
Net Position - Beginning of Year	<u>452,112</u>	<u>452,112</u>
Net Position - End of Year	<u>\$ 603,900</u>	<u>\$ 603,900</u>

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, 2023

	<u>Business-Type Activities</u> <u>- Enterprise Funds</u>	
	<u>Total</u> <u>Non-Major</u> <u>Funds</u>	<u>Total</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 1,151,444	\$ 1,151,444
Payments to Food Service Contractors	(944,828)	(944,828)
Payments to Suppliers	(34,510)	(34,510)
Net Cash Provided by Operating Activities	<u>172,106</u>	<u>172,106</u>
Cash Flows from Investing Activities:		
Interest Income	<u>4,925</u>	<u>4,925</u>
Net Cash Provided by Investing Activities	<u>4,925</u>	<u>4,925</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	<u>(30,849)</u>	<u>(30,849)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(30,849)</u>	<u>(30,849)</u>
Net Increase in Cash and Cash Equivalents	146,182	146,182
Cash and Cash Equivalents, July 1	<u>404,210</u>	<u>404,210</u>
Cash and Cash Equivalents, June 30	<u>\$ 550,392</u>	<u>\$ 550,392</u>
Reconciliation of Operating Income		
to Net Cash Provided by Operating Activities:		
Operating Income	\$ 146,863	\$ 146,863
Adjustment to Reconcile Operating Income		
to Net Cash Provided by Operating Activities:		
Depreciation	18,382	18,382
Changes in Assets and Liabilities:		
Decrease in Inventory	4,521	4,521
(Decrease) in Accounts Payable	(10,637)	(10,637)
Increase in Unearned Revenue	<u>12,977</u>	<u>12,977</u>
Net Cash Provided by Operating Activities	<u>\$ 172,106</u>	<u>\$ 172,106</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, 2023

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, 2023

(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, lease assets, or subscription 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, 2023

(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 liabilities, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription assets acquisitions are reported as expenditures in the Governmental Funds. Proceeds of general long-term liabilities and acquisitions under financed purchases are reported as other financing sources.

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

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis 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.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of NJ Clean Energy Program grants. Grants are recognized in the full year the grants are awarded on the budgetary basis; but are not recognized on the GAAP basis until certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursement.

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

	Capital Projects Fund	
	Revenue	Fund Balance
Revenue/Restricted or Committed Fund Balance	\$ 5,073,633	\$ 4,838,156
Restricted or Committed - Year End Encumbrances		3,280,619
	5,073,633	8,118,775
Reconciliation to Governmental Funds Statements (GAAP):		
Grant Revenue not Recognized on GAAP Basis	(4,969,504)	(4,969,504)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ 104,129	\$ 3,149,271

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 127,533,579	\$ 4,828,115
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		(90,657)
Cancellation of Prior Year Encumbrances		(730)
Prior Year Encumbrances		292,147
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	436,133	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(528,289)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 127,441,423	\$ 5,028,875
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 126,036,099	\$ 4,873,278
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		(90,657)
Cancellation of Prior Year Encumbrances		(730)
Prior Year Encumbrances		292,147
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 126,036,099	\$ 5,074,038

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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.

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

H. Encumbrances: (Cont'd)

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, 2023.

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

K. Capital Assets: (Cont'd)

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. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. 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.

O. 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, 2023.

P. 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.

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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

P. Compensated Absences: (Cont'd)

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.

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscriptions Payable

In the district-wide financial statements, subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$25,762,671 General Fund balance at June 30, 2023, \$1,534,445 is assigned for year-end encumbrances; \$10,656,204 is restricted in the capital reserve account; \$4,202,578 is restricted in a maintenance reserve; \$450,000 is restricted in an emergency reserve; \$644,967 is restricted for unemployment compensation; \$2,541,487 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, 2024; \$2,300,000 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, 2025; \$500,000 is assigned and included as anticipated budget revenue for the fiscal year ending June 30, 2024; and \$2,932,990 is unassigned, which is \$528,289 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, 2024.

Special Revenue Fund: The \$403,540 fund balance in the Special Revenue Fund at June 30, 2023 is restricted for student activities.

Capital Projects Fund: Of the \$3,149,271 Capital Projects Fund balance at June 30, 2023, \$5,363,022 is restricted and (\$2,213,751) is an unassigned deficit balance which is \$4,969,504 less on a GAAP basis due to the NJ Clean Energy Program grant not being recognized on a GAAP basis until certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursements.

Debt Service Fund: Of the \$112,345 restricted fund balance in the Debt Service Fund at June 30, 2023, \$38,038 is anticipated revenue for the fiscal year ended June 30, 2024.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (§1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus as outlined above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last 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.

U. Deficit Net Position/Fund Balance:

The District has a deficit in unrestricted net position of \$20,146,239 in its governmental activities, which is primarily due to deferred inflows, outflows and liabilities related to pensions and compensated absences. The District also has a deficit of \$2,213,751 in Capital Projects Fund fund balance due to a difference in the recognition of grant revenue. These deficits do not indicate the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. 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, 2023.

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, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization 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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

V. Net Position: (Cont'd)

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.

W. 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 and the capital projects and debt service funds.

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 on the GAAP basis at June 30, 2023.

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, 2023.

X. 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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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.

Y. 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.

Z. 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.

AA. 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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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 in the section of this note on investments.

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.

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Investments: (Cont'd)

- (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
- (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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

As of June 30, 2023, 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	\$ 5,701,085	\$ 16,838,891	\$ 22,539,976
NJ ARM	10,656,204	29,598	10,685,802
	\$ 16,357,289	\$ 16,868,489	\$ 33,225,778

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$33,225,778 and the bank balance was \$36,220,746. The balance of \$10,658,802 in NJ ARM is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both.

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, 2022	\$ 5,764,494
Add: Interest Earnings	91,886
Transfer from Unassigned Fund Balance per Board Resolution - June 2023	4,800,000
Less: Budgeted Withdrawal from Capital Reserve	(176)
Ending Balance, June 30, 2023	\$ 10,656,204

The balance in the capital reserve account at June 30, 2023 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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 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	37,407,579	\$ 5,736,799	\$ (25,593,176)	17,551,202
Total Capital Assets Not Being Depreciated	<u>37,516,624</u>	<u>5,736,799</u>	<u>(25,593,176)</u>	<u>17,660,247</u>
Capital Assets Being Depreciated:				
Site Improvements	7,929,575	1,133,724		9,063,299
Buildings and Building Improvements	83,562,736	2,003,273	25,593,176	111,159,185
Machinery and Equipment	7,657,039	974,354	(304,547)	8,326,846
Total Capital Assets Being Depreciated	<u>99,149,350</u>	<u>4,111,351</u>	<u>25,288,629</u>	<u>128,549,330</u>
Governmental Activities Capital Assets	<u>136,665,974</u>	<u>9,848,150</u>	<u>(304,547)</u>	<u>146,209,577</u>
Less Accumulated Depreciation for:				
Site Improvements	(3,900,872)	(349,535)		(4,250,407)
Buildings and Building Improvements	(40,480,969)	(1,840,793)		(42,321,762)
Machinery and Equipment	(4,915,084)	(720,357)	158,647	(5,476,794)
	<u>(49,296,925)</u>	<u>(2,910,685)</u>	<u>158,647</u>	<u>(52,048,963)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 87,369,049</u>	<u>\$ 6,937,465</u>	<u>\$ (145,900)</u>	<u>\$ 94,160,614</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 245,216	\$ 30,849		\$ 276,065
Less: Accumulated Depreciation	(155,288)	(18,382)		(173,670)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 89,928</u>	<u>\$ 12,467</u>	<u>\$ -0-</u>	<u>\$ 102,395</u>

The District expended \$9,848,150 on various capital projects during the fiscal year, which included \$5,736,799 of construction projects in progress. As of June 30, the District has \$8,118,775 in active construction projects, \$3,280,619 of which has been encumbered for awarded contracts.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 2,228,806
Special Education Instruction	245,765
Other Instruction	136,715
Student and Other Instruction Related Services	42,094
General Administration	5,228
School Administration	60,742
Central Services	39,062
Operations and Maintenance of Plant	93,673
Student Transportation	58,600
	<u>\$ 2,910,685</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023	Due Within One Year
Serial Bonds Payable	\$ 52,033,000		\$ 4,690,000	\$ 47,343,000	\$ 4,850,000
Unamortized Bond					
Issuance Premium	1,284,636		255,718	1,028,918	255,718
Financed Purchases Payable	2,799,028		244,038	2,554,990	257,044
Compensated Absences Payable	2,066,940	\$ 411,857	132,652	2,346,145	
Net Pension Liability	12,906,304	3,269,408		16,175,712	
	<u>\$ 71,089,908</u>	<u>\$ 3,681,265</u>	<u>\$ 5,322,408</u>	<u>\$ 69,448,765</u>	<u>\$ 5,362,762</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, 2023 as follows:

<u>Serial Bonds</u>			
Purpose	Final Maturity Date	Interest Rate	Amount
Refunding Bonds	09/15/23	4.00%	\$ 745,000
Refunding Bonds	07/15/27	5.00%	6,805,000
School Bonds	08/01/41	3.50%-4.00%	22,343,000
School Bonds	02/15/35	2.00%-2.50%	17,450,000
			<u>\$ 47,343,000</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. 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
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
2027	4,065,000	1,090,095	5,155,095
2028	4,170,000	941,470	5,111,470
Thereafter 5 Years (2029-2033)	13,400,000	3,306,100	16,706,100
Thereafter 5 Years (2034-2038)	8,000,000	1,552,350	9,552,350
Thereafter 5 Years (2039-2042)	4,743,000	374,520	5,117,520
	<u>\$ 47,343,000</u>	<u>\$ 11,405,595</u>	<u>\$ 58,748,595</u>

B. 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 \$773,200.

C. Financed Purchases Payable:

On August 7, 2015, the District entered into a \$4,483,000 financed 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, 2023, \$1,928,010 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 financed 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, 2023
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

C. Financed Purchases Payable: (Cont'd)

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

<u>Fiscal Year</u>	<u>Amount</u>
2024	\$ 317,080
2025	324,286
2026	332,185
2027	339,185
2028	346,898
Thereafter 4 Years (2029-2032)	<u>1,181,747</u>
Total Minimum Financed Purchases Payments	2,841,381
Less: Amount Representing Interest	<u>(286,391)</u>
Present Value Net of Minimum Financed Purchase Payments	<u><u>\$ 2,554,990</u></u>

The current portion of financed purchases payable at June 30, 2023 is \$257,044 and the long-term portion is \$2,297,946. The General Fund will be used to liquidate the financed purchases payable.

D. 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 \$-0- and is separated from the long-term portion of compensated absences of \$2,346,145. The General Fund will be used to liquidate compensated absences payable. There is no liability for compensated absences in the Proprietary fund types.

E. 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, 2023 is \$-0- and the long-term portion is \$16,175,712. See Note 7 for further information on the PERS.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. 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. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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. 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 \$1,395,733 for fiscal year 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$34,034 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$16,175,712 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.107%, which was a decrease of 0.002% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$1,439,606. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension benefit on behalf of the District in the amount of \$34,034 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. 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)

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 388,832
	2019	5.21		485,910
	2020	5.16		1,428,838
	2021	5.13		118,564
	2022	5.04	\$ 50,117	
			<u>50,117</u>	<u>2,422,144</u>
Changes in Proportion	2018	5.63	42,099	
	2019	5.21		50,190
	2020	5.16	236,319	
	2021	5.13		928,025
	2022	5.04		268,500
			<u>278,418</u>	<u>1,246,715</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	16,002	
	2020	5.00	480,853	
	2021	5.00	(2,999,252)	
	2022	5.00	3,171,895	
			<u>669,498</u>	
Difference Between Expected and Actual Experience	2018	5.63		14,808
	2019	5.21	37,143	
	2020	5.16	79,606	
	2021	5.13		39,856
	2022	5.04		48,292
			<u>116,749</u>	<u>102,956</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	1,430,000	
			<u>\$ 2,544,782</u>	<u>\$ 3,771,815</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. 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)

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 the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2023	\$ (1,640,463)
2024	(969,162)
2025	(690,192)
2026	647,096
2027	(4,312)
	\$ (2,657,033)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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-2021.

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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, 2022 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, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 20,747,475	\$ 16,175,712	\$ 12,236,580

Pension plan Fiduciary Net Position

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

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.

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.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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 2022, the State's pension contribution was more 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$16,469,559 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$5,569,831. 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, 2023
(Continued)

NOTE 7. 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, 2023, the State's proportionate share of the net pension liability associated with the District was \$206,958,473. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.401%, which was a decrease of 0.004% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>206,958,473</u>
Total	<u>\$ 206,958,473</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$5,569,831 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. 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	2015	8.50	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</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 Ending June 30,</u>	<u>Total</u>
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	<u>\$ (14,678,515,482)</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

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

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

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-2021.

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

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. 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 Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit 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, 2022 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, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 242,663,207	\$ 206,958,473	\$ 176,881,720

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. 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 \$50,857 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$68,038 for the fiscal year ended June 30, 2023.

NOTE 8. 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 Annual Comprehensive 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, 2023
(Continued)

NOTE 8. 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, 2023 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, 2022 is as follows:

Total Assets	\$ 20,734,051
Net Position	\$ 6,279,806
Total Revenue	\$ 9,242,784
Total Expenses	\$ 10,198,425
Change in Net Position	\$ (955,641)
Members Dividends	\$ 1,137,231

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>
2022-2023	\$ -0-	\$ 7,064	\$ 94,516	\$ 98,595	\$ 644,967
2021-2022	-0-	1,662	87,258	1,319	641,982
2020-2021	-0-	3,545	96,932	42,659	554,381

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. 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 10. INTERFUND BALANCES AND TRANSFERS

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,072,321	
Special Revenue Fund		\$ 575,039
Capital Projects Fund		602,793
Debt Service Fund	105,511	
	\$ 1,177,832	\$ 1,177,832

The interfund between the General Fund and the Capital Projects Fund is due to a cash advance to the Capital Projects Fund. 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. This deficit is due to the timing between expenditure and reimbursement of grants from the State of New Jersey. The interfund receivable in the Debt Service Fund is comprised of the prior year's and current year's interest due from the Capital Projects Fund.

During the fiscal year, the District transferred \$74,307 of interest earned in the Capital Projects Fund to the Debt Service Fund and transferred \$224 of interest earned in the Capital Projects Fund to the General Fund.

NOTE 11. 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 12. 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, 2023
(Continued)

NOTE 12. 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 November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 13. 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, 2023, 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
\$ 1,534,445	\$ 90,657	\$ 3,280,619	\$ 4,905,721

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$90,657 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 \$3,280,619 year-end encumbrances in the Capital Projects Fund are included in the \$3,149,271 of total fund balance.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental Activities as of June 30, 2023 consisted of the following:

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to the Measure- ment Date</u>	<u>Total Governmental Activities</u>	<u>Business- Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			
Due to State of New Jersey		\$ 80,012		\$ 1,430,000	\$ 1,510,012	
Vendors	\$ 3,445,546	258,683	\$ 789,139		4,493,368	\$ 4,130
Accrued Salaries and Wages	238,562	16,405			254,967	
Payroll Deductions and Withholdings	157,011				157,011	
	<u>\$ 3,841,119</u>	<u>\$ 355,100</u>	<u>\$ 789,139</u>	<u>\$ 1,430,000</u>	<u>\$ 6,415,358</u>	<u>\$ 4,130</u>

NOTE 15. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District made no transfers to the capital outlay accounts.

NOTE 16. 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 or 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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 450,000
Ending Balance, June 30, 2023	<u>\$ 450,000</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 17. 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, 2022	\$ 3,607,695
Add: Transfer from Unassigned Fund Balance per Board Resolution - June 2023	1,005,289
Less: Budgeted Withdrawal from Maintenance Reserve	<u>(410,406)</u>
Ending Balance, June 30, 2023	<u>\$ 4,202,578</u>

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

A. 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 Employees 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 paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. 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 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 annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-oheb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

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.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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, 2021	\$ 177,604,074
Changes for Year:	
Service Cost	8,781,773
Interest on the Total OPEB Liability	3,967,948
Difference between Actual and Expected Experience	3,343,939
Changes of Assumptions	(40,165,789)
Contributions from Members	126,088
Gross Benefit Payments by the State	(3,930,370)
Net Changes	(27,876,411)
Balance at June 30, 2022	\$ 149,727,663

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, 2022, 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, 2022		
	At 1%	At	At 1%
	Decrease	Discount Rate	Increase
	(2.54%)	(3.54%)	(4.54%)
Total OPEB Liability Attributable to the District	\$ 175,989,118	\$ 149,727,663	\$ 128,680,420

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (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, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 123,759,065	\$ 149,727,663	\$ 183,838,993

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$6,512,290 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, 2022 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		\$ 7,774,021
	2018	9.51		7,418,627
	2019	9.29	\$ 1,047,398	
	2020	9.24	24,729,532	
	2021	9.24	137,138	
	2022	9.13		35,766,469
			25,914,068	50,959,117
Differences between Expected and Actual Experience	2018	9.51		7,012,912
	2019	9.29		12,327,933
	2020	9.24	23,048,894	
	2021	9.24		26,372,742
	2022	9.13		3,683,433
			26,732,327	45,713,587
Changes in Proportion	N/A	N/A	6,145,599	195,189
			\$ 58,791,994	\$ 96,867,893

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (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
2023	\$ (7,441,531)
2024	(7,441,531)
2025	(7,441,531)
2026	(6,431,348)
2027	(3,677,530)
Thereafter	(11,592,838)
	\$ (44,026,309)

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

MILLBURN TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's Proportion of the Net Pension Liability	0.1076168755%	0.1078048987%	0.11151853278%	0.1126986898%	0.1143666831%	0.1134126488%	0.1159201523%	0.1089461467%	0.1071851330%
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	\$ 12,906,304	\$ 16,175,712
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	\$ 7,748,483	\$ 7,844,819
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%	166.57%	206.20%
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%	70.33%	62.91%

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 TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 887,178	\$ 926,833	\$ 1,032,163	\$ 1,070,057	\$ 1,151,998	\$ 1,145,460	\$ 1,268,109	\$ 1,275,886	\$ 1,395,733
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)	(1,275,886)	(1,395,733)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-	\$ -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	\$ 7,844,819	\$ 8,715,379
Contributions as a Percentage of Covered Employee Payroll	11.55%	11.92%	13.04%	13.42%	14.26%	14.41%	16.37%	16.26%	16.01%

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 TOWNSHIP SCHOOL DISTRICT
 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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
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%	0.4052783316%	0.4011257212%
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	\$ 194,838,322	\$ 206,958,473
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	\$ 45,564,868	\$ 45,174,696
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%	427.61%	458.13%
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%	35.52%	32.29%

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 TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST NINE FISCAL YEARS

	Fiscal Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 11,292,097	\$ 15,701,085	\$ 24,312,817	\$ 19,269,238	\$ 15,309,011	\$ 14,804,598	\$ 16,045,759	\$ 4,584,631	\$ 5,569,831	
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)	(16,512,967)	(16,469,559)	
Contribution deficiency/(excess)	\$ 9,092,521	\$ 12,407,762	\$ 19,834,696	\$ 13,190,348	\$ 7,265,228	\$ 6,209,587	\$ 4,264,809	\$ (11,928,336)	\$ (10,899,728)	
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	\$ 45,174,696	\$ 48,160,878	
Contributions as a percentage of covered employee payroll	5.22%	7.88%	10.51%	14.49%	18.39%	18.94%	25.86%	36.55%	34.20%	

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 TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	Fiscal Year Ending					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 7,122,113	\$ 5,906,639	\$ 5,351,212	\$ 5,543,054	\$ 10,020,652	\$ 8,781,773
Interest Cost	4,716,209	5,481,306	5,300,268	4,412,735	4,607,237	3,967,948
Change in Benefit Terms					(189,038)	
Differences between Expected and Actual Experience		(8,134,431)	(20,037,473)	34,349,175	(33,099,591)	3,343,939
Changes in Assumptions	(19,615,191)	(15,309,398)	1,822,092	36,460,248	175,220	(40,165,789)
Member Contributions	127,003	123,292	111,200	105,324	117,784	126,088
Gross Benefit Payments	(3,449,056)	(3,567,320)	(3,751,341)	(3,474,889)	(3,629,212)	(3,930,370)
Net Change in Total OPEB Liability	(11,098,922)	(15,499,912)	(11,204,042)	77,395,647	(21,996,948)	(27,876,411)
Total OPEB Liability - Beginning	160,008,251	148,909,329	133,409,417	122,205,375	199,601,022	177,604,074
Total OPEB Liability - Ending	\$ 148,909,329	\$ 133,409,417	\$ 122,205,375	\$ 199,601,022	\$ 177,604,074	\$ 149,727,663
District's Covered Employee Payroll *	\$ 49,562,187	\$ 50,537,401	\$ 49,914,690	\$ 51,825,124	\$ 53,320,463	\$ 53,313,351
Total OPEB Liability as a Percentage of Covered Employee Payroll	300%	264%	245%	385%	333%	281%

* Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, 2020, 2021 and 2022 are based on the payroll on the June 30, 2016, 2017, 2018, 2019, 2020 and 2021 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, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 92,137,785		\$ 92,137,785	\$ 92,137,785	
Tuition From Individuals	85,000		85,000	125,727	\$ 40,727
Tuition From Other LEAs Within the State			80,000	168,950	88,950
Tuition From Summer School			10,000		(10,000)
Transportation Fees From Individuals	600,000		600,000	1,049,322	449,322
Rents and Royalties			65,000	144,392	79,392
Unrestricted Miscellaneous Revenues	330,000		175,000	1,271,280	1,096,280
Interest Earned on Current Expense Emergency Reserve	10		10		(10)
Interest Earned on Maintenance Reserve	20		20		(20)
Interest Earned on Capital Reserve Funds	70		70	91,886	91,816
Other Restricted Miscellaneous Revenues				2,985	2,985
Total Revenues from Local Sources	93,152,885		93,152,885	94,992,327	1,839,442
Revenues from State Sources:					
Categorical Transportation Aid	788,722		788,722	788,722	
Extraordinary Aid	500,000		500,000	1,774,086	1,274,086
Categorical Special Education Aid	4,324,483		4,324,483	4,324,483	
Categorical Security Aid	389,098		389,098	389,098	
Excess Nonpublic School Transportation Costs				155,688	155,688
TPAF Post Retirement Contributions (Non-Budgeted)				4,386,539	4,386,539
TPAF Pension Contributions (Non-Budgeted)				16,469,559	16,469,559
TPAF Non-Contributory Insurance (Non-Budgeted)				228,496	228,496
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,163	5,163
Reimbursed TPAF Social Security Contributions				3,542,153	3,542,153
Total Revenues from State Sources	6,002,303		6,002,303	32,063,987	26,061,684
Revenues from Federal Sources:					
Medicaid Reimbursement	17,567		17,567	13,476	(4,091)
COVID 19 - Coronavirus Relief Fund				463,789	463,789
Total Revenues from Federal Sources	17,567		17,567	477,265	459,698

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL REVENUE	\$ 99,172,755		\$ 99,172,755	\$ 127,533,579	\$ 28,360,824
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	214,366	\$ (7,000)	207,366	207,316	50
Kindergarten - Salaries of Teachers	1,997,009	(61,200)	1,935,809	1,935,367	442
Grades 1-5 - Salaries of Teachers	11,338,982	(1,093,052)	10,245,930	10,245,829	101
Grades 6-8 - Salaries of Teachers	8,128,771	(260,808)	7,867,963	7,867,963	
Grades 9-12 - Salaries of Teachers	11,180,938	(438,463)	10,742,475	10,738,087	4,388
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000		25,000	23,325	1,675
Purchased Professional - Educational Services	24,000	(4,338)	19,662	15,625	4,037
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	85,520	(16,912)	68,608	68,544	64
Purchased Professional - Educational Services	352,520	771,530	1,124,050	1,120,925	3,125
Purchased Technical Services	1,254,668	85,922	1,340,590	1,340,569	21
Other Purchased Services (400-500 series)	148,545	(135,295)	13,250	10,774	2,476
General Supplies	1,473,818	333,203	1,807,021	1,767,226	39,795
Textbooks	356,800	(107,154)	249,646	231,882	17,764
Total Regular Programs - Instruction	36,580,937	(933,567)	35,647,370	35,573,432	73,938
Special Education - Instruction:					
Cognitive - Moderate:	4,000	(2,000)	2,000		2,000
Purchased Professional - Educational Services	4,000	(2,000)	2,000		2,000
Total Cognitive - Moderate					

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 215,247	\$ 2,500	\$ 217,747	\$ 216,799	\$ 948
Purchased Professional - Educational Services		4,000	4,000	1,309	2,691
General Supplies	8,000	(5,524)	2,476	2,476	
Textbooks	1,000	(1,000)			
Total Learning and/or Language Disabilities	<u>224,247</u>	<u>(24)</u>	<u>224,223</u>	<u>220,584</u>	<u>3,639</u>
Auditory Impairments:					
Salaries of Teachers	108,067	2,115	110,182	110,182	
General Supplies	5,000	(1,365)	3,635	2,630	1,005
Total Auditory Impairments	<u>113,067</u>	<u>750</u>	<u>113,817</u>	<u>112,812</u>	<u>1,005</u>
Multiple Disabilities:					
Salaries of Teachers	224,540	(1,582)	222,958	222,059	899
Other Salaries for Instruction	70,408	(1,800)	68,608	68,081	527
Purchased Professional-Educational Services		3,500	3,500	268	3,232
General Supplies	200	(8)	192	189	3
Textbooks	300		300		300
Total Multiple Disabilities	<u>295,448</u>	<u>110</u>	<u>295,558</u>	<u>290,597</u>	<u>4,961</u>
Resource Room/Resource Center:					
Salaries of Teachers	5,290,673	(410,818)	4,879,855	4,830,368	49,487
Purchased Professional - Educational Services		94,786	94,786	85,342	9,444
General Supplies	29,150	(14,655)	14,495	14,495	
Textbooks	23,511	(7,785)	15,726	15,726	
Total Resource Room/Resource Center	<u>5,343,334</u>	<u>(338,472)</u>	<u>5,004,862</u>	<u>4,945,931</u>	<u>58,931</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism:					
Salaries of Teachers	\$ 371,937	\$ 15,241	\$ 387,178	\$ 387,178	
Other Salaries for Instruction	83,200	6,960	90,160	59,803	\$ 30,357
Purchased Professional-Educational Services		3,000	3,000	307	2,693
General Supplies	8,775		8,775	8,677	98
Total Autism	463,912	25,201	489,113	455,965	33,148
Preschool Disabilities - Part-Time:					
Salaries of Teachers	56,000		56,000	52,066	3,934
Other Salaries for Instruction	100,000		100,000	88,461	11,539
General Supplies	2,500	(143)	2,357	2,238	119
Total Preschool Disabilities - Part-Time	158,500	(143)	158,357	142,765	15,592
Preschool Disabilities - Full-Time:					
Salaries of Teachers	70,682	(225)	70,457	69,561	896
Other Salaries for Instruction	35,454	(1,500)	33,954	31,577	2,377
Purchased Professional-Educational Services		7,500	7,500	2,817	4,683
General Supplies	500	(54)	446	446	
Total Preschool Disabilities - Full-Time	106,636	5,721	112,357	104,401	7,956
Home Instruction:					
Salaries of Teachers	40,000	(23,000)	17,000	3,608	13,392
Purchased Professional - Educational Services	27,000	(262)	26,738	7,309	19,429
Total Home Instruction	67,000	(23,262)	43,738	10,917	32,821
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,776,144	(332,119)	6,444,025	6,283,972	160,053

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 1,279,390	\$ (238,336)	\$ 1,041,054	\$ 1,038,158	\$ 2,896
Purchased Professional-Educational Services	6,850	36,639	36,639	35,404	1,235
General Supplies	1,286,240	(284)	6,566	6,063	503
Total Basic Skills/Remedial - Instruction	<u>1,286,240</u>	<u>(201,981)</u>	<u>1,084,259</u>	<u>1,079,625</u>	<u>4,634</u>
Bilingual Education - Instruction:					
Salaries of Teachers	473,117	(90,328)	382,789	381,439	1,350
Purchased Professional - Educational Services	3,400	4,000	4,000	920	3,080
General Supplies	476,517	80	3,480	3,479	1
Total Bilingual Education - Instruction	<u>476,517</u>	<u>(86,248)</u>	<u>390,269</u>	<u>385,838</u>	<u>4,431</u>
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	374,439	6,000	380,439	369,580	10,859
Other Objects	92,750	(4,469)	88,281	87,106	1,175
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	<u>467,189</u>	<u>1,531</u>	<u>468,720</u>	<u>456,686</u>	<u>12,034</u>
School-Sponsored Athletics - Instruction:					
Salaries	878,313	5,139.00	883,452	872,331	11,121
Purchased Services (300-500 series)	171,680	(17,150)	154,530	142,010	12,520
Supplies and Materials	110,764	30,283	141,047	130,990	10,057
Other Objects	21,655	(7,190)	14,465	9,147	5,318
Total School-Sponsored Athletics - Instruction	<u>1,182,412</u>	<u>11,082</u>	<u>1,193,494</u>	<u>1,154,478</u>	<u>39,016</u>
Community Services Programs/Operations:					
Salaries	36,000	100	36,100	25,879	10,221
Total Community Services Programs/Operations	<u>36,000</u>	<u>100</u>	<u>36,100</u>	<u>25,879</u>	<u>10,221</u>
TOTAL INSTRUCTION	<u>46,805,439</u>	<u>(1,541,202)</u>	<u>45,264,237</u>	<u>44,959,910</u>	<u>304,327</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 491,095	\$ (187,767)	\$ 303,328	\$ 257,211	\$ 46,117
Tuition to County Voc. School Dist.-Regular	9,000		9,000		9,000
Tuition to County Voc. School Dist. - Special	36,224	(9,224)	27,000	21,000	6,000
Tuition to Priv. Sch. for the Handicap. Within the State	3,592,288		3,592,288	3,267,185	325,103
Tuition to Priv Sch Handicap & Oth LEAs - Spl,O/S St	396,005	(228,606)	167,399	167,399	
Total Undist. Expend. - Instruction	<u>4,524,612</u>	<u>(425,597)</u>	<u>4,099,015</u>	<u>3,712,795</u>	<u>386,220</u>
Undist. Expend. - Health Services:					
Salaries	757,379	(22,200)	735,179	732,287	2,892
Purchased Professional and Technical Services	70,800	(25,878)	44,922	41,241	3,681
Other Purchased Services (400-500 series)	100		100	100	
Supplies and Materials	23,750	5,955	29,705	26,357	3,348
Other Objects	2,650		2,650	295	2,355
Total Undist. Expend. - Health Services	<u>854,679</u>	<u>(42,123)</u>	<u>812,556</u>	<u>800,180</u>	<u>12,376</u>
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	1,448,665	(85,150)	1,363,515	1,360,775	2,740
Purchased Professional - Educational Services	195,000	(41,993)	153,007	88,618	64,389
Supplies and Materials	3,200		3,200	3,200	
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>1,646,865</u>	<u>(127,143)</u>	<u>1,519,722</u>	<u>1,452,593</u>	<u>67,129</u>
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Salaries	3,566,280	(298,061)	3,268,219	3,252,177	16,042
Purchased Professional - Educational Services		142,451	142,451	132,038	10,413
Supplies and Materials	3,800	(2,356)	1,444	1,281	163
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	<u>3,570,080</u>	<u>(157,966)</u>	<u>3,412,114</u>	<u>3,385,496</u>	<u>26,618</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 1,074,469	\$ 63,853	\$ 1,138,322	\$ 1,132,662	\$ 5,660
Salaries of Secretarial and Clerical Assistants	222,445	1,793	224,238	222,738	1,500
Other Salaries	71,840	1,616	73,456	73,456	
Purchased Professional - Educational Services		22,413	22,413	21,931	482
Other Purchased Services (400-500 series)	2,000		2,000	743	1,257
Total Undist. Expend. - Guidance	1,370,754	89,675	1,460,429	1,451,530	8,899
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	2,725,461	29,185	2,754,646	2,752,721	1,925
Salaries of Secretarial and Clerical Assistants	240,970	(1,000)	239,970	239,869	101
Purchased Professional - Educational Services		51,892	51,892	77	51,815
Other Purchased Prof. and Tech. Services	90,000	(34,077)	55,923	37,382	18,541
Other Purchased Services (400-500 series)	3,220		3,220	1,958	1,262
Supplies and Materials	59,700	3,500	63,200	61,994	1,206
Other Objects	10,178		10,178	5,693	4,485
Total Undist. Expend. - Child Study Team	3,129,529	49,500	3,179,029	3,099,694	79,335
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	760,452	20	760,472	760,471	1
Salaries of Other Professional Staff	772,921	(18,563)	754,358	745,707	8,651
Salaries of Secretarial and Clerical Assistants	63,778	(1,892)	61,886	53,158	8,728
Unused Vacation Payment to Terminated/Retired Staff		1,962	1,962	1,962	
Other Purchased Services (400-500 series)	4,500	(2,188)	2,312	1,901	411
Supplies and Materials	24,000	(5,170)	18,830	17,370	1,460
Other Objects	9,885	(533)	9,352	9,297	55
Total Undist. Expend. - Improv. of Inst. Serv.	1,635,536	(26,364)	1,609,172	1,589,866	19,306

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	\$ 521,061	\$ (31,409)	\$ 489,652	\$ 489,652	\$ 731
Purchased Professional and Technical Services	118,857	8,000	8,000	7,269	920
Supplies and Materials	639,918	(4,693)	114,164	113,244	1,651
Total Undist. Expend. - Edu. Media Serv./Sch. Library		(28,102)	611,816	610,165	
Undist. Expend. - Instructional Staff Training Services:					
Salaries of Other Professional Staff	30,000	(16,000)	14,000	8,660	5,340
Other Salaries	36,000	(16,000)	20,000	8,212	11,788
Purchased Professional - Educational Service	59,000	56,100	115,100	115,100	
Other Purchased Services (400-500 series)	2,500	616	3,116	1,725	1,391
Supplies and Materials	1,750	(350)	1,400	1,400	
Other Objects	38,040	(2,265)	35,775	23,506	12,269
Total Undist. Expend. - Instructional Staff Training Services	167,290	22,101	189,391	158,603	30,788
Undist. Expend. - Support Serv. - Gen. Admin.:					
Salaries	454,133	(9,524)	444,609	444,373	236
Legal Services	438,335	(182,509)	255,826	174,194	81,632
Audit Fees	67,500	3,250	70,750	70,750	
Architectural/Engineering Services	249,824	105,711	355,535	231,142	124,393
Other Purchased Professional Services	23,208	(2,454)	20,754	11,661	9,093
Communications / Telephone	309,000	(63,565)	245,435	237,111	8,324
BOE Other Purchased Services	3,000		3,000	2,010	990
Other Purch. Serv. (400-500 series other than 530 & 585)	59,000	(7,048)	51,952	50,864	1,088
General Supplies	3,200	(1,700)	1,500	265	1,235
BOE In-house training/ Meeting Supplies	300	200	500	379	121
Judgments Against The School District	645,000		645,000	109,164	535,836
Miscellaneous Expenditures	21,800	(1,152)	20,648	5,881	14,767
BOE Membership Dues and Fees	30,000	(622)	29,378	29,378	
Total Undist. Expend. - Support Serv. - Gen. Admin.	2,304,300	(159,413)	2,144,887	1,367,172	777,715

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 2,028,573	\$ 19,694	\$ 2,048,267	\$ 2,048,267	
Salaries of Other Professional Staff	541,504	5,200	546,704	546,689	\$ 15
Salaries of Secretarial and Clerical Assistants	975,210	5,787	980,997	979,609	1,388
Other Salaries	2,500		2,500	500	2,000
Purchased Professional and Technical Services		201	201	201	
Supplies and Materials	146,000	(46,712)	99,288	93,068	6,220
Other Objects	31,781	(10,473)	21,308	20,932	376
Total Undist. Expend. - Support Serv. - School Adm.	<u>3,725,568</u>	<u>(26,303)</u>	<u>3,699,265</u>	<u>3,689,266</u>	<u>9,999</u>
Undist. Expend. - Central Services:					
Salaries	891,416	46,167	937,583	937,117	466
Purchased Professional Services	72,000		72,000	72,000	
Purchased Technical Services	73,450	18,376	91,826	89,738	2,088
Miscellaneous Purchased Services (400-500 series other than 594)	2,500	(1)	2,499	1,305	1,194
Supplies and Materials	27,500	(5,984)	21,516	17,742	3,774
Other Objects	121,550	(10,474)	111,076	105,251	5,825
Total Undist. Expend. - Central Services	<u>1,188,416</u>	<u>48,084</u>	<u>1,236,500</u>	<u>1,223,153</u>	<u>13,347</u>
Undist. Expend. - Admin. Info. Technology:					
Salaries	906,198	(153,708)	752,490	751,574	916
Unused Vacation Payment to Terminated/Retired Staff		24,797	24,797	24,797	
Purchased Professional Services	87,454	(27,606)	59,848	59,848	
Purchased Technical Services	28,823	181,170	209,993	209,993	
Other Purchased Services (400-500 series)	9,100		9,100	191	8,909
Supplies and Materials	13,300	8,168	21,468	18,793	2,675
Other Objects	4,300		4,300	263	4,037
Total Undist. Expend. - Admin. Info. Technology	<u>1,049,175</u>	<u>32,821</u>	<u>1,081,996</u>	<u>1,065,459</u>	<u>16,537</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	\$ 417,278	\$ (35,419)	\$ 381,859	\$ 379,385	\$ 2,474
Unused Vacation Payment to Terminated/Retired Staff		738	738	738	
Cleaning, Repair, and Maintenance Services	1,151,184	4,198,767	5,349,951	5,071,512	278,439
Lead Testing of Drinking Water	2,000	(2,000)			
General Supplies	240,325	(21,940)	218,385	193,772	24,613
Other Objects	62,869	(6,274)	56,595	56,370	225
Total Undist. Expend. - Required Maintenance for School Facilities	1,873,656	4,133,872	6,007,528	5,701,777	305,751
Undist. Expend. - Custodial Services:					
Salaries	2,646,804	(80,562)	2,566,242	2,565,742	500
Salaries of Non-Instructional Aides	531,855	(60,626)	471,229	470,881	348
Purchased Professional and Technical Services	50,000	90,714	140,714	110,930	29,784
Cleaning, Repair, and Maintenance Services	457,300	96,168	553,468	476,289	77,179
Lease Purchase Payments - Energy Savings Impr Prog	310,033		310,033	310,033	
Other Purchased Property Services	118,995	12,000	130,995	130,259	736
Insurance	575,000	13,694	588,694	588,069	625
Miscellaneous Purchased Services	3,750	(1,412)	2,338	421	1,917
General Supplies	207,912	10,583	218,495	217,068	1,427
Energy (Natural Gas)	353,401	85,492	438,893	408,957	29,936
Energy (Electricity)	743,430	142,561	885,991	806,761	79,230
Other Objects	1,550	(825)	725	725	
Total Undist. Expend. - Custodial Services	6,000,030	307,787	6,307,817	6,086,135	221,682
Care and Upkeep of Grounds:					
Salaries	246,522	(50,000)	196,522	188,767	7,755
Cleaning, Repair, and Maintenance Services	89,000	32,360	121,360	119,824	1,536
General Supplies	25,000	(18,890)	6,110	4,887	1,223
Total Care And Upkeep Of Grounds	360,522	(36,530)	323,992	313,478	10,514

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Salaries	\$ 255,194	\$ (7,800)	\$ 247,394	\$ 244,585	\$ 2,809
Purchased Professional and Technical Services	15,000	(15,000)			
Cleaning, Repair, and Maintenance Services	20,000	(10,711)	9,289	8,640	649
General Supplies	21,352	7,314	28,666	28,666	
Total Security	<u>311,546</u>	<u>(26,197)</u>	<u>285,349</u>	<u>281,891</u>	<u>3,458</u>
Total Undist. Expend. - Oper. And Maint. Of Plant Serv.	8,545,754	4,378,932	12,924,686	12,383,281	541,405
Undist. Expend. - Student Transportation Serv.:					
Salaries of Non-Instructional Aides	106,940	5,700	112,640	97,072	15,568
Sal. for Pupil Trans. (Bet. Home and Sch) - Reg.	258,506	(21,515)	236,991	215,745	21,246
Sal. for Pupil Trans. (Bet. Home and Sch) - Spl. Ed.	293,149	(5,300)	287,849	250,669	37,180
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	94,500	300	94,800	46,363	48,437
Management Fee - ESC&CTSA Transportation Program	96,500	(18,288)	78,212	69,164	9,048
Cleaning, Repair, and Maint. Services	70,000		70,000	67,280	2,720
Contract. Serv. - Aid in Lieu of Payments - Nonpublic Students	350,000	140,000	490,000	448,018	41,982
Contract. Serv. (Bet. Home & Sch.) - Vendors	36,000	(36,000)			
Contract. Serv. (Oth. than Bet. Home & Sch.) - Vend.	321,300	25,000	346,300	235,247	111,053
Contract. Serv. (Spl. Ed. Students) - Vendors	9,000	17,100	26,100	26,100	
Contract. Serv. (Reg. Students) - ESCs & CTSA	2,211,419	(143,787)	2,067,632	1,874,307	193,325
Contract. Serv. (Spl. Ed. Students) - ESCs & CTSA	1,100,000	(17,100)	1,082,900	1,009,474	73,426
Misc. Purchased Serv. - Transportation	26,100	15,572	41,672	40,027	1,645
General Supplies	39,899	(5,000)	34,899	30,493	4,406
Transportation Supplies	500		500		500
Other Objects	10,500		10,500	275	10,225
Total Undist. Expend. - Student Transportation Serv.	<u>5,024,313</u>	<u>(43,318)</u>	<u>4,980,995</u>	<u>4,410,234</u>	<u>570,761</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 1,325,000	\$ (207,674)	\$ 1,117,326	\$ 1,089,112	\$ 28,214
Other Retirement Contributions - PERS	1,375,000	20,733	1,395,733	1,395,733	
Other Retirement Contributions Deferred PERS Payment	40,000	(2,867)	37,133	37,133	
Other Retirement Contributions - Regular	51,350	(492)	50,858	50,857	1
Workers Compensation	450,000	(214,306)	235,694	210,889	24,805
Health Benefits	13,077,352	(1,228,136)	11,849,216	10,787,348	1,061,868
Tuition Reimbursement	143,600		143,600	111,803	31,797
Other Employee Benefits	691,000	(77,588)	613,412	593,897	19,515
Unused Sick Payment to Terminated/Retired Staff	180,000		180,000	136,016	43,984
TOTAL UNALLOCATED BENEFITS	17,333,302	(1,710,330)	15,622,972	14,412,788	1,210,184
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				4,386,539	(4,386,539)
TPAF Pension Contributions (Non-Budgeted)				16,469,559	(16,469,559)
TPAF Non-Contributory Insurance (Non-Budgeted)				228,496	(228,496)
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,163	(5,163)
Reimbursed TPAF Social Security Contributions				3,542,153	(3,542,153)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				24,631,910	(24,631,910)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	17,333,302	(1,710,330)	15,622,972	39,044,698	(23,421,726)
TOTAL UNDISTRIBUTED EXPENDITURES	56,710,091	1,874,454	58,584,545	79,444,185	(20,859,640)
TOTAL GENERAL CURRENT EXPENSE	103,515,530	333,252	103,848,782	124,404,095	(20,555,313)
CAPITAL OUTLAY					
Equipment:					
Grades 9-12	68,992	7,219	76,211	70,310	5,901

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Vocational Programs:					
School-Sponsored and Other Instructional Programs					
Undistributed:					
Undist. Expend. - Instruction	668,727	(158,367)	510,360	477,515	\$ 32,845
Undistributed Expenditures - School Admin.		3,768	3,768	3,121	647
Undist. Expend. - Required Maint for School Fac.	418,836	43,907	462,743	54,788	407,955
School Buses - Special	100,000	461	100,461		100,461
Total Equipment	<u>1,263,055</u>	<u>(93,721)</u>	<u>1,169,334</u>	<u>621,525</u>	<u>547,809</u>
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services		12,500	12,500	8,904	3,596
Construction Services	1,040,000	(12,500)	1,027,500	925,363	102,137
Assessment for Debt Service on SDA Funding	76,212		76,212	76,212	
Total Facilities Acquisition and Const. Serv.	<u>1,116,212</u>		<u>1,116,212</u>	<u>1,010,479</u>	<u>105,733</u>
TOTAL CAPITAL OUTLAY	<u>2,379,267</u>	<u>(93,721)</u>	<u>2,285,546</u>	<u>1,632,004</u>	<u>653,542</u>
TOTAL EXPENDITURES	<u>105,894,797</u>	<u>239,531</u>	<u>106,134,328</u>	<u>126,036,099</u>	<u>(19,901,771)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(6,722,042)</u>	<u>(239,531)</u>	<u>(6,961,573)</u>	<u>1,497,480</u>	<u>8,459,053</u>
Other Financing Sources/(Uses):					
Transfer In - Capital Projects Fund Interest				224	(224)
Capital Outlay - Transfer to Capital Projects Fund		(170,875)	(170,875)	(170,875)	
Capital Reserve - Transfer to Capital Projects Fund		(176)	(176)	(176)	
		<u>(171,051)</u>	<u>(171,051)</u>	<u>(170,827)</u>	<u>(224)</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Uses	\$ (6,722,042)	\$ (410,582)	\$ (7,132,624)	\$ 1,326,653	\$ 8,459,277
Fund Balance, July 1	24,964,307		24,964,307	24,964,307	
Fund Balance, June 30	\$ 18,242,265	\$ (410,582)	\$ 17,831,683	\$ 26,290,960	\$ 8,459,277
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 2,300,000	
Excess Surplus - Restricted For 2023-2024				2,541,487	
Capital Reserve				10,656,204	
Maintenance Reserve				4,202,578	
Emergency Reserve				450,000	
Unemployment Compensation				644,967	
Assigned Fund Balance:					
Year End Encumbrances				1,534,445	
Designated for Subsequent Year's Expenditures				500,000	
Unassigned Fund Balance				3,461,279	
				26,290,960	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(528,289)	
Fund Balance per Governmental Funds (GAAP)				\$ 25,762,671	

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 1,409,224		\$ 1,409,224	\$ 1,307,215	\$ (102,009)
State Sources	420,746	125,565	546,311	486,354	(59,957)
Federal Sources	1,196,063	4,900,517	6,096,580	3,034,546	(3,062,034)
Total Revenues	1,616,809	6,435,306	8,052,115	4,828,115	(3,224,000)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	343,746	242,519	586,265	254,382	331,883
Purchased Professional and Technical Services	73,849	(9,252)	64,597	2,100	62,497
Tuition	755,479	406,713	1,162,192	1,162,192	
General Supplies	152,235	383,764	535,999	216,913	319,086
Textbooks		38,412	38,412	37,969	443
Other Objects		591,516	591,516	523,340	68,176
Total Instruction	1,325,309	1,653,672	2,978,981	2,196,896	782,085
Support Services:					
Salaries of Other Professional Staff		323,496	323,496	47,682	275,814
Personal Services - Employee Benefits		200,156	200,156	24,261	175,895
Purchased Professional and Technical Services	196,475	1,787,818	1,984,293	762,335	1,221,958
Purchased Property Services		820,912	820,912	470,000	350,912
Other Purchased Services		145,841	145,841	102,338	43,503
Supplies and Materials	95,025	358,774	453,799	299,679	154,120
Other Objects		22,414	22,414		22,414
Student Activities		940,898	940,898	940,898	
Total Support Services	291,500	4,600,309	4,891,809	2,647,193	2,244,616
Facilities Acquisition and Construction Services:					
Instructional Equipment		226,488	226,488	29,189	197,299
Total Facilities Acquisition and Construction Services		226,488	226,488	29,189	197,299
Total Expenditures	\$ 1,616,809	\$ 6,480,469	\$ 8,097,278	\$ 4,873,278	\$ 3,224,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ (45,163)	\$ (45,163)	\$ (45,163)	\$ -0-

MILLBURN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 127,533,579	\$ 4,828,115
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		(90,657)
Cancellation of Prior Year Encumbrances		(730)
Prior Year Encumbrances		292,147
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	436,133	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(528,289)	
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 127,441,423</u>	<u>\$ 5,028,875</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 126,036,099	\$ 4,873,278
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		(90,657)
Cancellation of Prior Year Encumbrances		(730)
Prior Year Encumbrances		292,147
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 126,036,099</u>	<u>\$ 5,074,038</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023 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, 2023

	I.D.E.A.					ACRS
	FY23	Basic FY22	FY22 - ARP	FY23	Preschool FY22	
REVENUES:						
Local Sources						
State Sources						
Federal Sources		\$ 3,137	\$ 205	\$ 41,757	\$ 2,350	\$ 314,413
Total Revenues	1,179,757	3,137	205	41,757	2,350	314,413
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional and Technical Services						
Tuition	928,941		205	306	2,350	233,251
General Supplies						
Textbooks						
Other Objects						
Total Instruction	928,941		205	306	2,350	233,251
Support Services:						
Salaries of Other Professional Staff				27,990		
Personal Services - Employee Benefits				13,461		
Purchased Professional and Technical Services	96,976					
Purchased Property Services						
Other Purchased Services		3,137				81,162
Supplies and Materials						
Student Activities						
Total Support Services	221,627	3,137		41,451		81,162
Facilities Acquisition and Construction Services:						
Instructional Equipment	29,189					
Total Facilities Acquisition and Construction Services	29,189					
Total Expenditures	\$ 1,179,757	\$ 3,137	\$ 205	\$ 41,757	\$ 2,350	\$ 314,413

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CARES Emergency Relief	ESSER II	CRRSA Learning Acceleration	Mental Health	ESSER III	ARP Learning Acceleration	Mental Health
REVENUES:							
Local Sources							
State Sources							
Federal Sources	\$ 20,292	\$ 682,421	\$ 71,827	\$ 45,000	\$ 254,523	\$ 24,596	\$ 10,060
Total Revenues	<u>20,292</u>	<u>682,421</u>	<u>71,827</u>	<u>45,000</u>	<u>254,523</u>	<u>24,596</u>	<u>10,060</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers		49,436	50,420			22,848	
Purchased Professional and Technical Services							
Tuition					28,884		
General Supplies	15,225	134,660					
Textbooks							
Other Objects							
Total Instruction	<u>15,225</u>	<u>184,096</u>	<u>50,420</u>		<u>28,884</u>	<u>22,848</u>	
Support Services:							
Salaries of Other Professional Staff		2,737			3,424		
Personal Services - Employee Benefits		3,991	3,857		262	1,748	
Purchased Professional and Technical Services		16,775	17,550	43,500	221,240		
Purchased Property Services		470,000					
Other Purchased Services		4,750					10,060
Supplies and Materials	5,067	72		1,500	713		
Student Activities							
Total Support Services	<u>5,067</u>	<u>498,325</u>	<u>21,407</u>	<u>45,000</u>	<u>225,639</u>	<u>1,748</u>	<u>10,060</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	<u>\$ 20,292</u>	<u>\$ 682,421</u>	<u>\$ 71,827</u>	<u>\$ 45,000</u>	<u>\$ 254,523</u>	<u>\$ 24,596</u>	<u>\$ 10,060</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Elementary and Secondary Education Act					
	Title II A		Title III		Title III	
	FY23	FY22	FY23	FY22	Immigrant	Title IV
REVENUES:						
Local Sources						
State Sources						
Federal Sources						
Total Revenues	\$ 198,327	\$ 198,327	\$ 79,301	\$ 35,440	\$ 26,528	\$ 1,321
			79,301	35,440	26,528	1,321
					7,575	35,716
					7,575	35,716
EXPENDITURES:						
Instruction:						
Salaries of Teachers	117,634				12,310	
Purchased Professional and Technical Services					2,100	
Tuition						
General Supplies					3,530	1,321
Textbooks						
Other Objects						
Total Instruction	117,634				17,940	1,321
					1,575	
Support Services:						
Salaries of Other Professional Staff	13,531					
Personal Services - Employee Benefits					942	
Purchased Professional and Technical Services	67,162		54,393		3,100	6,000
Purchased Property Services						34,000
Other Purchased Services			2,700		1,950	1,716
Supplies and Materials			22,208	35,440	2,596	
Student Activities						
Total Support Services	80,693		79,301	35,440	8,588	6,000
					6,000	35,716
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 198,327	\$ 198,327	\$ 79,301	\$ 35,440	\$ 26,528	\$ 1,321
			\$ 79,301	\$ 35,440	\$ 26,528	\$ 1,321
					7,575	35,716

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic					School Climate Change	SDA Emergent and Capital Maintenance Needs
	Nursing	Textbooks	Technology Initiative	Security Aid			
REVENUES:							
Local Sources							
State Sources	\$ 65,184	\$ 37,969	\$ 20,397	\$ 104,295	\$ 6,660	\$ 115,394	
Federal Sources							
Total Revenues	<u>65,184</u>	<u>37,969</u>	<u>20,397</u>	<u>104,295</u>	<u>6,660</u>	<u>115,394</u>	
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Purchased Professional and Technical Services							
Tuition							
General Supplies			20,397		6,660		
Textbooks		37,969					
Other Objects							115,394
Total Instruction		<u>37,969</u>	<u>20,397</u>		<u>6,660</u>	<u>115,394</u>	
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits	65,184						
Purchased Professional and Technical Services							
Purchased Property Services							
Other Purchased Services				104,295			
Supplies and Materials							
Student Activities							
Total Support Services	<u>65,184</u>			<u>104,295</u>			
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	<u>\$ 65,184</u>	<u>\$ 37,969</u>	<u>\$ 20,397</u>	<u>\$ 104,295</u>	<u>\$ 6,660</u>	<u>\$ 115,394</u>	

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic Handicapped Services		Nonpublic Auxiliary Services		Private Donations	Student Activities	Totals
	Supplementary Instruction	Examination and Classification	Corrective Speech	Compensatory Education			
REVENUES:							
Local Sources	\$ 24,698	\$ 50,813	\$ 28,923	\$ 32,021	\$ 411,480	\$ 895,735	\$ 1,307,215
State Sources							486,354
Federal Sources							3,034,546
Total Revenues	<u>24,698</u>	<u>50,813</u>	<u>28,923</u>	<u>32,021</u>	<u>411,480</u>	<u>895,735</u>	<u>4,828,115</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers					1,734		254,382
Purchased Professional and Technical Services							2,100
Tuition							1,162,192
General Supplies					1,800		216,913
Textbooks							37,969
Other Objects					407,946		523,340
Total Instruction					<u>411,480</u>		<u>2,196,896</u>
Support Services:							
Salaries of Other Professional Staff							47,682
Personal Services - Employee Benefits							24,261
Purchased Professional and Technical Services	24,698	50,813	28,923	32,021			762,335
Purchased Property Services							470,000
Other Purchased Services							102,338
Supplies and Materials							299,679
Student Activities						940,898	940,898
Total Support Services	<u>24,698</u>	<u>50,813</u>	<u>28,923</u>	<u>32,021</u>		<u>940,898</u>	<u>2,647,193</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment							29,189
Total Facilities Acquisition and Construction Services							29,189
Total Expenditures	<u>24,698</u>	<u>50,813</u>	<u>28,923</u>	<u>32,021</u>	<u>411,480</u>	<u>940,898</u>	<u>4,873,278</u>

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, 2023

Revenue:

Interest on Investments	\$ 74,531
Federal Sources - NJ Clean Energy Program Grant	4,999,102
Transfer from General Fund - Capital Outlay	170,875
Transfer from General Fund - Capital Reserve	176
	<hr/>
Total Revenue	5,244,684
	<hr/>

Expenditures and Other Financing Uses:

Purchased Professional and Technical Services	296,921
Construction Services	5,439,878
Transfer to General Fund:	
Interest on Investments	224
Transfer to Debt Service Fund:	
Interest on Investments	74,307
	<hr/>
Total Expenditures and Other Financing Uses	5,811,330
	<hr/>

Deficit of Revenue Under Expenditures
and Other Financing Uses

(566,646)

Fund Balance - Beginning of Year

8,685,421

Fund Balance - End of Year

\$ 8,118,775

Recapitulation:

Restricted Fund Balance	\$ 4,805,776
Restricted - Year End Encumbrances	557,246
Committed Fund Balance	32,380
Committed - Year End Encumbrances	2,723,373
	<hr/>
Total Fund Balance - Budgetary Basis	\$ 8,118,775
	<hr/> <hr/>

Reconciliation to Governmental Funds Statements (GAAP):

NJ Clean Energy Program Grant Revenue not Recognized on the GAAP Basis	<hr/> (4,969,504)
Fund Balance per Governmental Funds (GAAP)	<hr/> <hr/> \$ 3,149,271

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, 2023

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 25,593,000		\$ 25,593,000	\$ 25,593,000
Transfer from Capital Reserve		\$ 176	176	176
Total Revenue and Other Financing Sources	25,593,000	176	25,593,176	25,593,176
Expenditures:				
Legal Services	157,449		157,449	157,500
Purchased Professional and Technical Services	2,209,988		2,209,988	2,210,446
Construction Services	19,082,273	8,878	19,091,151	19,090,230
Furniture and Equipment	884,588		884,588	885,000
Purchase of Building	3,250,000		3,250,000	3,250,000
Total Expenditures	25,584,298	8,878	25,593,176	25,593,176
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 8,702</u>	<u>\$ (8,702)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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	\$ 25,593,176
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 25,593,176
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	06/30/19
Revised Target Completion Date	06/30/23

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, 2023

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Federal Sources -				
NJ Clean Energy Program Grant		\$ 4,486,477	\$ 4,486,477	\$ 4,486,477
Bond Proceeds	\$ 20,500,000		20,500,000	20,500,000
Total Revenue and Other Financing Sources	20,500,000	4,486,477	24,986,477	24,986,477
Expenditures:				
Legal Services	178,871		178,871	178,871
Purchased Professional and Technical Services	2,078,399	254,910	2,333,309	2,736,072
Construction Services	9,566,011	4,821,991	14,388,002	22,051,534
Furniture and Equipment				20,000
Total Expenditures	11,823,281	5,076,901	16,900,182	24,986,477
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 8,676,719	\$ (590,424)	\$ 8,086,295	\$ -0-

Additional Project Information:

Project Number	3190-XXX-XX-1000
Grant Number	SSB-VEEVR-68355
Grant Date	10/18/23
Bond Authorization Date	04/21/20
Bonds Authorized	\$ 20,500,000
Bonds Issued	\$ 20,500,000
Original Authorized Cost	\$ 24,986,477
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 24,986,477

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	67.64%
Original Target Completion Date	06/30/25
Revised Target Completion Date	N/A

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
EDUCATION CENTER HVAC REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Federal Sources -				
NJ Clean Energy Program Grant		\$ 512,625	\$ 512,625	\$ 512,625
Transfer from Capital Outlay		170,875	170,875	170,875
Total Revenue and Other Financing Sources		683,500	683,500	683,500
Expenditures:				
Purchased Professional and Technical Services		42,011	42,011	45,000
Construction Services		609,009	609,009	638,500
Total Expenditures		651,020	651,020	683,500
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 32,480	\$ 32,480	\$ -0-

Additional Project Information:

Project Number	SSB-VEEVR-67714
Grant Date	10/18/22
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 683,500
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 683,500
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	95.25%
Original Target Completion Date	06/30/24
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Non-Major Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Field Rental/ Joint Facilities</u>	
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 402,775	\$ 147,617	\$ 550,392
Inventories	10,769		10,769
Total Current Assets	<u>413,544</u>	<u>147,617</u>	<u>561,161</u>
Non-Current Assets:			
Capital Assets	276,065		276,065
Less: Accumulated Depreciation	<u>(173,670)</u>		<u>(173,670)</u>
Total Non-Current Assets	<u>102,395</u>		<u>102,395</u>
Total Assets	<u>515,939</u>	<u>147,617</u>	<u>663,556</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors	4,130		4,130
Unearned Revenue	<u>55,526</u>		<u>55,526</u>
Total Current Liabilities	<u>59,656</u>		<u>59,656</u>
<u>NET POSITION:</u>			
Investment in Capital Assets	102,395		102,395
Unrestricted	<u>353,888</u>	<u>147,617</u>	<u>501,505</u>
Total Net Position	<u>\$ 456,283</u>	<u>\$ 147,617</u>	<u>\$ 603,900</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, 2023

	<u>Non-Major Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Field Rental/ Joint Facilities</u>	
Operating Revenue:			
Daily Sales:			
Non-Reimbursable Programs	\$ 826,830		\$ 826,830
Charges for Services:			
Program Fees		\$ 95,905	95,905
Miscellaneous Revenue	215,732		215,732
Total Operating Revenue	<u>1,042,562</u>	<u>95,905</u>	<u>1,138,467</u>
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs	435,279		435,279
Salaries	264,414		264,414
Employee Benefits & Payroll Taxes	97,907		97,907
Purchased Professional and Technical Services	86,458		86,458
Other Purchased Services	4,291		4,291
Cleaning, Repair and Maintenance Services		29,351	29,351
Supplies and Materials	51,158		51,158
Miscellaneous Expense	4,364		4,364
Depreciation Expense	18,382		18,382
Total Operating Expenses	<u>962,253</u>	<u>29,351</u>	<u>991,604</u>
Operating Income	80,309	66,554	146,863
Non-Operating Revenue:			
Local Sources:			
Interest Earnings	4,925		4,925
Total Non-Operating Income	<u>4,925</u>		<u>4,925</u>
Change in Net Position	85,234	66,554	151,788
Net Position - Beginning of Year	<u>371,049</u>	<u>81,063</u>	<u>452,112</u>
Net Position - End of Year	<u>\$ 456,283</u>	<u>\$ 147,617</u>	<u>\$ 603,900</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Non-Major Funds		Total
	Food Service	Field Rental/ Joint Facilities	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,055,539	\$ 95,905	\$ 1,151,444
Payments to Food Service Contractors	(944,828)		(944,828)
Payments to Suppliers	(5,159)	(29,351)	(34,510)
Net Cash Provided by Operating Activities	<u>105,552</u>	<u>66,554</u>	<u>172,106</u>
Cash Flows from Investment Activities:			
Interest Income	4,925		4,925
Net Cash Provided by Investing Activities	<u>4,925</u>		<u>4,925</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(30,849)		(30,849)
Net Cash (Used for) Capital and Related Financing Activities	<u>(30,849)</u>		<u>(30,849)</u>
Net Increase in Cash and Cash Equivalents	79,628	66,554	146,182
Cash and Cash Equivalents, July 1	<u>323,147</u>	<u>81,063</u>	<u>404,210</u>
Cash and Cash Equivalents, June 30	<u>\$ 402,775</u>	<u>\$ 147,617</u>	<u>\$ 550,392</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 80,309	\$ 66,554	146,863
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	18,382		18,382
Changes in Assets and Liabilities:			
Decrease in Inventory	4,521		4,521
(Decrease) in Accounts Payable	(10,637)		(10,637)
Increase in Unearned Revenue	12,977		12,977
Net Cash Provided by Operating Activities	<u>\$ 105,552</u>	<u>\$ 66,554</u>	<u>\$ 172,106</u>

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding				Interest Rate	Balance July 1, 2022	Matured	Balance June 30, 2023
			Date	Amount	June 30, 2023	June 30, 2023				
Refunding Bonds	07/20/11	\$ 7,920,000	09/15/23	\$ 745,000	\$ 745,000	4.000%	\$ 1,535,000	\$ 790,000	\$ 745,000	
Refunding Bonds	02/19/15	12,110,000	07/15/23	1,355,000	1,355,000	5.000%	7,955,000	1,150,000	6,805,000	
			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%				
School Bonds	12/06/16	25,593,000	08/01/23	1,100,000	1,100,000	3.500%	23,443,000	1,100,000	22,343,000	
			08/01/24	1,100,000	1,100,000	3.500%				
			08/01/25	1,100,000	1,100,000	3.500%				
			08/01/26	1,100,000	1,100,000	3.500%				
			08/01/27	1,200,000	1,200,000	3.500%				
			08/01/28	1,200,000	1,200,000	3.500%				
			08/01/29	1,200,000	1,200,000	3.500%				
			08/01/30	1,200,000	1,200,000	3.500%				
			08/01/31	1,200,000	1,200,000	3.500%				
			08/01/32	1,200,000	1,200,000	3.500%				
			08/01/33	1,200,000	1,200,000	3.500%				
08/01/34	1,200,000	1,200,000	3.500%							
08/01/35	1,200,000	1,200,000	3.500%							
08/01/36	1,200,000	1,200,000	3.625%							
08/01/37	1,200,000	1,200,000	3.750%							
08/01/38	1,200,000	1,200,000	3.700%							
08/01/39	1,200,000	1,200,000	4.000%							
08/01/40	1,200,000	1,200,000	4.000%							
08/01/41	1,143,000	1,143,000	4.000%							

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance July 1, 2022	Matured	Balance June 30, 2023
			Date	Amount	June 30, 2023				
School Bonds	04/21/20	\$ 20,500,000	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%			
							\$ 19,100,000	\$ 1,650,000	\$ 17,450,000
							\$ 52,033,000	\$ 4,690,000	\$ 47,343,000

MILLBURN TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2022</u>	<u>Matured</u>	<u>Balance June 30, 2023</u>
Energy Savings Improvement Project	2.410%	\$ 4,483,000	<u>\$ 2,799,028</u>	<u>\$ 244,038</u>	<u>\$ 2,554,990</u>
			<u>\$ 2,799,028</u>	<u>\$ 244,038</u>	<u>\$ 2,554,990</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,910,920		\$ 4,910,920	\$ 4,910,920	
State Sources:					
Debt Service Aid Type II	1,358,729		1,358,729	1,358,729	
Total Revenues	6,269,649		6,269,649	6,269,649	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,694,070		1,694,070	1,694,070	
Redemption of Principal	4,690,000		4,690,000	4,690,000	
Total Expenditures	6,384,070		6,384,070	6,384,070	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(114,421)		(114,421)	(114,421)	
Other Financing Sources:					
Transfer from Capital Projects Fund:					
Interest Earned				74,307	\$ 74,307
Total Other Financing Sources				74,307	74,307
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(114,421)		(114,421)	(40,114)	74,307
Fund Balance, July 1	152,459		152,459	152,459	
Fund Balance, June 30	\$ 38,038	\$ -0-	\$ 38,038	\$ 112,345	\$ 74,307
<u>Recapitulation:</u>					
Restricted - For Subsequent Year's Expenditures			\$ 38,038		
Restricted			74,307		
Total Restricted Fund Balance			\$ 112,345		

STATISTICAL SECTION
(UNAUDITED)

This part of the District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

Contents

	<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 annual comprehensive 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,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,771,816	\$ 19,470,545	\$ 19,776,677	\$ 3,960,021	\$ 15,652,816	\$ 27,873,570	\$ 32,080,148	\$ 37,214,574	\$ 41,748,282	\$ 51,561,349
Restricted	6,772,940	5,293,272	5,645,522	26,787,992	20,542,697	11,945,149	14,604,938	13,175,989	15,857,522	19,815,629
Unrestricted (Deficit)	(20,235,005)	(22,788,588)	(20,496,217)	(25,538,115)	(26,700,182)	(27,251,342)	(27,604,775)	(22,547,613)	(16,460,313)	(20,146,239)
Total Governmental Activities Net Position	\$ 309,751	\$ 1,975,229	\$ 4,925,982	\$ 5,209,898	\$ 9,495,331	\$ 12,567,377	\$ 19,080,311	\$ 27,842,950	\$ 41,145,491	\$ 51,230,739
Business-type Activities:										
Investment in Capital Assets	\$ 46,386	\$ 57,281	\$ 55,293	\$ 61,764	\$ 74,734	\$ 108,949	\$ 131,294	\$ 109,964	\$ 89,928	\$ 102,395
Unrestricted	514,707	492,834	394,635	421,512	402,686	376,958	325,298	314,413	362,184	501,505
Total Business-type Activities Net Position	\$ 561,093	\$ 550,115	\$ 449,928	\$ 483,276	\$ 477,420	\$ 485,907	\$ 456,592	\$ 424,377	\$ 452,112	\$ 603,900
District-wide:										
Net Investment in Capital Assets	\$ 13,818,202	\$ 19,527,826	\$ 19,831,970	\$ 4,021,785	\$ 15,727,550	\$ 27,982,519	\$ 32,211,442	\$ 37,324,538	\$ 41,838,210	\$ 51,663,744
Restricted	6,772,940	5,293,272	5,645,522	26,787,992	20,542,697	11,945,149	14,604,938	13,175,989	15,857,522	19,815,629
Unrestricted (Deficit)	(19,720,298)	(22,295,754)	(20,101,582)	(25,116,603)	(26,297,496)	(26,874,384)	(27,279,477)	(22,233,200)	(16,098,129)	(19,644,734)
Total District Net Position	\$ 870,844	\$ 2,525,344	\$ 5,375,910	\$ 5,693,174	\$ 9,972,751	\$ 13,053,284	\$ 19,536,903	\$ 28,267,327	\$ 41,597,603	\$ 51,834,639

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 41,581,725	\$ 48,136,945	\$ 51,995,207	\$ 57,424,866	\$ 58,668,768	\$ 56,568,289	\$ 58,682,297	\$ 57,823,251	\$ 55,526,422	\$ 53,754,047
Special Education	7,084,468	8,481,855	9,237,742	10,724,925	10,896,791	10,833,943	11,383,817	10,957,566	10,039,030	9,559,425
Other Special Education	1,282,301	1,333,784	1,380,632	1,418,558	1,455,998	1,443,328	2,744,389	2,228,268	2,149,203	2,239,814
Other Instruction	1,910,641	2,379,325	2,616,014	3,268,450	3,128,104	2,599,252	1,798,279	1,673,896	1,666,416	1,879,053
Support Services:										
Tuition	2,526,107	2,884,505	3,098,798	3,356,840	3,373,699	3,183,825	3,636,377	3,822,388	3,798,421	4,874,987
Student & Instruction Related Services	13,897,109	16,626,291	17,763,520	20,582,202	20,178,058	19,704,944	17,844,740	17,990,945	17,913,660	19,673,817
General Administrative Services	1,655,392	1,844,306	1,443,137	1,474,315	1,272,743	1,460,576	1,413,123	1,350,287	1,547,716	1,550,821
School Administrative Services	4,308,270	4,762,840	4,856,047	5,670,633	5,912,096	5,697,263	5,433,436	5,392,584	4,895,037	5,118,264
Central Services	1,489,790	1,688,684	1,838,095	2,152,534	1,956,525	1,949,222	1,405,582	1,356,882	1,309,018	1,467,345
Administrative Information Technology	819,105	881,864	987,689	1,010,471	967,382	1,146,112	1,176,529	1,150,771	781,169	1,152,814
Plant Operations and Maintenance	7,835,646	8,047,309	8,145,426	8,799,935	8,573,502	11,023,920	9,761,668	9,291,657	8,907,077	12,721,510
Pupil Transportation	3,127,389	3,126,168	3,211,620	3,809,984	3,763,410	3,425,972	3,182,580	3,158,894	3,877,816	4,525,863
Transfer of Funds to Charter School			34,471	30,316			13,143			
Interest on Long-term Debt	1,551,376	1,323,123	1,147,166	1,520,463	1,775,324	1,606,083	1,530,824	1,778,541	1,627,857	1,467,091
Unallocated Depreciation	123,337	99,280	88,705							
Total Governmental Activities Expenses	89,192,656	101,616,279	107,844,269	121,244,492	121,922,400	120,642,729	120,006,784	117,989,403	114,038,842	119,984,851
Business-type Activities:										
Food Service	602,583	690,178	760,617	736,619	784,318	807,173	595,050	68,373	690,999	962,253
Field Rental/Joint Facilities	21,292	58,600	183,900	78,423	76,022	100,600	67,158	10,515	42,868	29,351
Total Business-type Activities Expense	623,875	748,778	944,517	815,042	860,340	907,773	662,208	78,888	733,867	991,604
Total District-wide Expenses	\$ 89,816,531	\$ 102,365,057	\$ 108,788,786	\$ 122,059,534	\$ 122,782,740	\$ 121,550,502	\$ 120,668,992	\$ 118,068,291	\$ 114,772,709	\$ 120,976,455
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 127,252	\$ 111,497	\$ 110,198	\$ 105,474	\$ 92,960	\$ 132,497	\$ 111,969	\$ 91,040	\$ 263,348	\$ 294,677
Special Education Instruction	256,439	103,634	99,060	128,699	18,149					
Student and Instruction Related Services	648,246	680,764	715,380	729,291	668,194	956,650	838,965	460,057	701,027	895,735
Pupil Transportation	12,723,227	22,000,460	26,857,263	35,591,815	37,153,588	31,578,936	31,169,565	31,368,900	28,211,172	27,405,454
Operating Grants and Contributions		435,655	583,331							29,598
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	13,755,164	23,332,010	28,365,232	36,555,279	37,932,891	32,668,083	32,120,499	31,923,117	29,871,126	29,674,786

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues:										
Business-type Activities:										
Charges for Services:										
Food Service	\$ 615,182	\$ 675,733	\$ 776,827	\$ 794,772	\$ 805,799	\$ 862,892	\$ 591,694	\$ 85	\$ 718,270	\$ 1,042,562
Field Rental/Joint Facilities	42,491	62,780	67,880	53,241	48,952	52,280	37,463	44,537	42,370	95,905
Operating Grants and Contributions	29,612									
Total Business-type Activities Program Revenues	\$ 687,285	\$ 738,513	\$ 844,707	\$ 848,013	\$ 854,751	\$ 915,172	\$ 629,157	\$ 44,622	\$ 760,640	\$ 1,138,467
Total District-wide Program Revenues	\$ 14,442,449	\$ 24,070,523	\$ 29,209,939	\$ 37,403,292	\$ 38,787,642	\$ 33,583,255	\$ 32,749,656	\$ 31,967,739	\$ 30,631,766	\$ 30,813,253
Net (Expense)/Revenue:										
Governmental Activities	\$ (75,437,492)	\$ (78,284,269)	\$ (79,479,037)	\$ (84,689,213)	\$ (83,989,509)	\$ (87,974,646)	\$ (87,886,285)	\$ (86,066,286)	\$ (84,167,716)	\$ (90,310,065)
Business-type Activities	63,410	(10,265)	(99,810)	32,971	(5,589)	7,399	(33,051)	(34,266)	26,773	146,863
Total District-wide Net Expense	\$ (75,374,082)	\$ (78,294,534)	\$ (79,578,847)	\$ (84,656,242)	\$ (83,995,098)	\$ (87,967,247)	\$ (87,919,336)	\$ (86,100,552)	\$ (84,140,943)	\$ (90,163,202)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 73,341,773	\$ 74,808,608	\$ 77,515,026	\$ 79,613,584	\$ 81,901,838	\$ 84,264,875	\$ 86,558,845	\$ 88,290,022	\$ 90,055,822	\$ 92,137,785
Taxes Levied for Debt Service	4,494,542	4,466,798	4,354,061	4,449,479	5,129,644	5,114,771	4,920,615	4,912,230	4,973,203	4,910,920
Unrestricted Grants and Contributions	324,298	408,990	413,122	466,108	761,207	920,995	961,027	1,091,347	1,733,218	1,761,534
Investment Earnings	426	394	935	43,481	212,792	199,243	284,402	258,944	117,409	249,727
Miscellaneous Income	220,240	264,957	146,646	400,477	269,461	546,808	607,221	276,382	590,605	1,335,347
Total Governmental Activities	\$ 78,381,279	\$ 79,949,747	\$ 82,429,790	\$ 84,973,129	\$ 88,274,942	\$ 91,046,692	\$ 93,332,110	\$ 94,828,925	\$ 97,470,257	\$ 100,395,313
Business-type Activities:										
Investment Earnings	272	271	292	377	466	1,088	3,736	2,051	962	4,925
Disposal of Capital Assets		(984)	(669)	(733)						
Total Business-type Activities	272	(713)	(377)	377	(267)	1,088	3,736	2,051	962	4,925
Total District-wide General Revenues and Other Changes in Net Position	\$ 78,381,551	\$ 79,949,034	\$ 82,429,413	\$ 84,973,506	\$ 88,274,675	\$ 91,047,780	\$ 93,335,846	\$ 94,830,976	\$ 97,471,219	\$ 100,400,238
Change in Net Position:										
Governmental Activities	\$ 2,943,787	\$ 1,665,478	\$ 2,950,753	\$ 283,916	\$ 4,285,433	\$ 3,072,046	\$ 5,445,825	\$ 8,762,639	\$ 13,302,541	\$ 10,085,248
Business-type Activities	63,682	(10,978)	(100,187)	33,348	(5,856)	8,487	(29,315)	(32,215)	27,735	151,788
Total District-wide Change in Net Position	\$ 3,007,469	\$ 1,654,500	\$ 2,850,566	\$ 317,264	\$ 4,279,577	\$ 3,080,533	\$ 5,416,510	\$ 8,730,424	\$ 13,330,276	\$ 10,237,036

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 6,348,623	\$ 5,055,135	\$ 5,526,274	\$ 6,146,061	\$ 7,657,754	\$ 8,973,680	\$ 12,481,874	\$ 12,509,895	\$ 15,247,658	\$ 20,795,236
Assigned	900,167	391,347	925,655	1,257,548	1,000,990	518,194	313,628	2,018,500	4,480,142	2,034,445
Unassigned	1,452,631	1,490,129	1,639,470	1,710,303	1,646,797	2,022,770	1,879,038	4,737,140	4,800,374	2,932,990
Total General Fund	\$ 8,701,421	\$ 6,936,611	\$ 8,091,399	\$ 9,113,912	\$ 10,305,541	\$ 11,514,644	\$ 14,674,540	\$ 19,265,535	\$ 24,528,174	\$ 25,762,671
All Other Governmental Funds:										
Restricted	\$ 424,317	\$ 238,137	\$ 119,248	\$ 20,641,931	\$ 12,884,943	\$ 2,971,469	\$ 21,332,317	\$ 13,512,121	\$ 9,286,583	\$ 5,878,907
Committed		833,644	2,945,830	376,183	215,622					
Unassigned/(Deficit)										(2,213,751)
Total All Other Governmental Funds	\$ 424,317	\$ 1,071,781	\$ 3,065,078	\$ 21,018,114	\$ 13,100,565	\$ 2,971,469	\$ 21,332,317	\$ 13,512,121	\$ 9,286,583	\$ 3,665,156
Total Governmental Funds	\$ 9,125,738	\$ 8,008,392	\$ 11,156,477	\$ 30,132,026	\$ 23,406,106	\$ 14,486,113	\$ 36,006,857	\$ 32,777,656	\$ 33,814,757	\$ 29,427,827

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Tax Levy	\$77,836,315	\$79,275,406	\$81,869,087	\$84,063,063	\$87,031,482	\$ 89,379,646	\$ 91,479,460	\$ 93,202,252	\$ 95,029,025	\$ 97,048,705
Tuition Charges	323,564	215,131	209,258	234,173	111,109	132,497	111,969	91,040	263,348	294,677
Transportation Fees	653,446	680,764	715,380	729,291	668,194	956,650	838,965	3,120	695,322	1,049,322
Interest Earnings	300	86	584	3,495	16,334	41,222	33,800	1,196	2,670	91,886
Unrestricted Miscellaneous Revenue	451,220	575,764	316,758	537,724	1,018,500	959,365	1,081,383	1,181,224	1,481,244	2,855,646
State Sources	10,239,376	12,163,368	13,961,718	14,811,750	16,990,622	20,168,263	20,416,921	25,746,371	32,223,298	33,820,480
Federal Sources	1,284,251	1,278,717	1,314,475	1,314,216	1,375,183	1,422,070	1,411,411	1,757,692	2,272,869	3,683,360
Total Revenue	90,788,472	94,189,236	98,387,260	101,693,712	107,211,424	113,059,713	115,373,909	121,982,895	131,968,033	138,844,076
Expenditures:										
Instruction:										
Regular Instruction	30,434,621	30,875,039	31,136,618	30,775,312	31,677,275	33,006,805	34,071,024	33,982,870	36,126,980	36,664,084
Special Education Instruction	5,068,136	5,286,587	5,357,314	5,626,995	5,738,381	6,020,057	6,336,052	6,161,076	6,276,628	6,312,209
Other Special Instruction	1,271,205	1,336,927	1,384,356	1,412,598	1,454,312	1,442,016	1,575,372	1,303,624	1,332,442	1,465,463
School-Sponsored/Other Instruction	1,343,508	1,391,507	1,422,326	1,466,305	1,449,151	1,391,726	1,416,444	1,306,874	1,471,543	1,637,043
Support Services:										
Tuition	2,526,107	2,884,505	3,098,798	3,356,840	3,373,699	3,183,825	3,636,377	3,822,388	3,798,421	4,874,987
Student & Other Instruction Related Services	10,191,260	10,885,108	10,931,629	11,338,113	11,279,143	11,699,508	11,688,099	12,337,444	13,865,843	15,311,895
General Administrative Services	1,374,606	1,580,988	1,037,577	1,234,410	961,559	1,158,228	1,070,821	1,135,410	1,394,274	1,367,172
School Administrative Services	3,178,838	3,182,014	3,159,053	3,170,497	3,332,572	3,405,865	3,345,749	3,400,424	3,582,587	3,689,266
Central Services	925,461	982,523	1,074,412	1,096,422	1,071,473	1,038,973	1,025,171	1,060,220	1,141,360	1,223,153
Administrative Information Technology	741,734	795,951	785,485	775,100	803,529	825,688	784,697	949,682	744,842	1,065,459
Plant Operations and Maintenance	6,219,494	6,273,134	6,139,564	6,589,033	6,954,330	8,867,111	8,706,796	8,598,585	8,834,545	12,383,281
Student Transportation	2,726,348	2,716,063	2,747,680	3,273,343	3,351,714	3,059,189	2,975,711	2,952,685	3,790,907	4,410,234
Unallocated Benefits	18,911,488	20,464,489	22,953,393	25,037,059	27,629,973	29,554,441	30,032,323	33,099,435	36,896,059	39,044,698
Transfer of Funds to Charter School		34,471		30,316			13,143			
Capital Outlay	4,283,021	2,560,818	4,460,374	9,064,954	9,194,306	13,312,139	3,057,464	9,350,459	5,296,225	7,397,992
Debt Service:										
Principal	3,315,000	3,375,000	3,390,000	3,505,000	3,625,000	3,865,000	4,014,000	3,825,000	4,525,000	4,690,000
Interest and Other Charges	1,655,643	1,520,832	1,320,574	1,230,756	2,099,427	1,837,039	1,671,031	1,912,447	1,853,276	1,694,070
Total Expenditures	94,166,470	96,111,485	100,433,624	109,003,053	113,995,844	123,667,610	115,420,274	125,212,096	130,930,932	143,231,006

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (3,377,998)	\$ (1,922,249)	\$ (2,046,364)	\$ (7,309,341)	\$ (6,784,420)	\$ (10,607,897)	\$ (46,365)	\$ (3,229,201)	\$ 1,037,101	\$ (4,386,930)
Other Financing Sources/(Uses):				25,593,000			20,500,000			
Serial Bonds Issued		12,110,000								
Bond Premium		2,741,348								
Serial Bonds Defeased		(13,500,000)								
Bond Issuance Costs		(125,042)								
Deferred Amount on Refunding		(1,226,306)								
Financed Purchases	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)	773,104	804,903	5,194,449	26,284,890	58,500	1,687,904	20,500,000	-0-	-0-	-0-
Net Change in Fund Balances	\$ (2,604,894)	\$ (1,117,346)	\$ 3,148,085	\$ 18,975,549	\$ (6,725,920)	\$ (8,919,993)	\$ 20,453,635	\$ (3,229,201)	\$ 1,037,101	\$ (4,386,930)
Debt Service as a % of Noncapital Expenditures	5.53%	5.23%	4.91%	4.74%	5.46%	5.17%	5.06%	4.95%	5.08%	4.70%

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		Subscription		Rentals	Prior Year Refunds	Miscellaneous	Total
			Tuition	Busing						
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		
2022	85,980	156,600	106,748	695,579	109,475	173,337	307,793	1,635,512		
2023	438,740	168,950	125,727	1,049,322	144,392	136,827	790,584	2,854,542		

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)
2013	\$42,556,000	\$6,665,839,600	\$ -	\$ -	\$ 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	0.949	9,975,334,640
2021	49,488,500	7,889,951,100	-0-	-0-	1,617,176,300	64,645,100	92,069,800	9,713,330,800	7,652,971	9,720,983,771	678,331,800	0.968	9,913,209,273
2022	35,524,700	7,931,409,700	-0-	-0-	1,616,256,600	64,609,600	166,757,300	9,814,557,900	7,297,228	9,821,855,128	678,358,200	0.988	10,397,397,069

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/reassessment 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 Debt Service ^b	Total Direct	Millburn Township	Essex County	
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	0.899	0.050	0.949	0.481	0.495	1.925
2021	0.917	0.051	0.968	0.481	0.488	1.937
2022	0.938	0.050	0.988	0.481	0.484	1.953

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/reassessment 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	2023		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Short Hills Mall, C/O Taubman	\$ 930,819,000	1	9.48%
SH Residential Unit LLC C/O Veris	74,737,500	2	0.76%
51 JFK Unit LLC	66,392,800	3	0.68%
101-103 JFK Realty	58,072,400	4	0.59%
Short Hills Hilton LLC	57,887,900	5	0.59%
150 JFK Real Estate LLC	49,273,300	6	0.50%
Stone Mountain Properties	27,720,100	7	0.28%
Canoe Brook Country Club	26,330,300	8	0.27%
UE Millburn LLC C/O Urban Edge Prop	20,074,300	9	0.20%
New Creek C/O Kimco Prop.	20,000,000	10	0.20%
Total	<u>\$ 1,331,307,600</u>		<u>13.55%</u>

Taxpayer	2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Short Hills Association, LLC C/O Taubman	\$ 700,000,000	1	8.60%
Short Hills Hilton LLC	75,960,000	2	0.93%
Reckson Short Hills LLC	57,761,100	3	0.71%
101/103 JFK Parkway Special LLC Corp	45,000,000	4	0.55%
Mack-Cali Realty Corp	38,705,200	5	0.48%
New Creek II LLC/Bollard Group	19,857,700	6	0.24%
Canoe Brook Country Club	19,385,000	7	0.24%
Stone Mountain Properties	17,840,700	8	0.22%
A&R Millburn Associates/Ackerman	17,223,100	9	0.21%
MSS Millburn Realty Co.	17,193,900	10	0.21%
Total	<u>\$ 1,008,926,700</u>		<u>12.39%</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	
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-
2022	95,029,025	95,029,025	100.00%	-0-
2023	97,048,705	97,048,705	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 Financed Purchases	Bond Anticipation Notes (BANs)			
2014	\$ 37,454,000	\$1,654,759	\$ -0-	\$ 39,108,759	3.40%	\$ 1,943
2015	32,689,000	1,944,090	1,073,000	35,706,090	2.98%	1,767
2016	29,299,000	6,559,983	1,073,000	36,931,983	3.01%	1,828
2017	51,387,000	6,306,892	583,000	58,276,892	4.60%	2,884
2018	47,762,000	5,336,522	-0-	53,098,522	4.14%	2,629
2019	43,897,000	5,928,621	-0-	49,825,621	3.75%	2,471
2020	60,383,000	4,905,572	-0-	65,288,572	4.61%	3,248
2021	56,558,000	3,853,306	-0-	60,411,306	3.69%	2,739
2022	52,033,000	2,799,028	-0-	54,832,028	3.38%	2,508
2023	47,343,000	2,554,990	-0-	49,897,990	3.07%	2,282

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		
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%	2,564
2022	52,033,000	-0-	52,033,000	0.54%	2,380
2023	47,343,000	-0-	47,343,000	0.48%	2,165

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, 2022
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	\$ 16,521,169	100.00%	\$ 16,521,169
Essex County General Obligation Debt	685,637,111	10.54%	<u>72,259,216</u>
Subtotal, Overlapping Debt			88,780,384
Millburn Township School District Direct Debt			<u>47,343,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 136,123,384</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 Township. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 348,387,301	\$ 352,803,690	\$ 364,866,344	\$ 379,663,197	\$ 393,605,084	\$ 408,775,339	\$ 412,079,271	\$ 405,901,225	\$ 401,576,976	\$ 412,434,002
Total Net Debt Applicable to Limit	37,454,000	32,689,000	29,299,000	51,387,000	47,762,000	43,897,000	60,383,000	56,558,000	52,033,000	47,343,000
Legal Debt Margin	\$ 310,933,301	\$ 320,114,690	\$ 335,567,344	\$ 328,276,197	\$ 345,843,084	\$ 364,878,339	\$ 351,696,271	\$ 349,343,225	\$ 349,543,976	\$ 365,091,002
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	10.75%	9.27%	8.03%	13.53%	12.13%	10.74%	14.65%	13.93%	12.96%	11.48%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2022	\$ 10,780,489,785
2021	10,260,199,430
2020	9,891,860,922
	<u>\$ 30,932,550,137</u>
Average Equalized Valuation of Taxable Property	<u>\$ 10,310,850,046</u>
Debt Limit (4% of average equalization value) ^a	\$ 412,434,002
Net Bonded School Debt	<u>47,343,000</u>
Legal Debt Margin	<u>\$ 365,091,002</u>

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

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Essex County Per Capita Personal Income ^b</u>	<u>Millburn Township Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2014	20,133	\$ 57,133	\$ 1,150,258,689	3.60%
2015	20,203	59,395	1,199,957,185	3.20%
2016	20,200	60,735	1,226,847,000	3.10%
2017	20,204	62,659	1,265,962,436	2.90%
2018	20,195	63,521	1,282,806,595	2.30%
2019	20,165	65,927	1,329,417,955	2.10%
2020	20,102	70,497	1,417,130,694	5.20%
2021	22,059	74,310	1,639,204,290	3.60%
2022	21,863	74,310 *	1,624,639,530 ***	2.40%
2023	21,863 **	74,310 *	1,624,639,530 ***	N/A

* - Latest Essex County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes.

*** - Latest available population data (2022) and latest available Essex County per capita personal income (2021) 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	2023		Percentage of Total Employment
	Employees	Rank	

NO INFORMATION AVAILABLE

Employer	2014		Percentage of Total Employment
	Employees	Rank (Optional)	
St. Barnabas Health Care System	23,000	1	6.21%
Verizon	17,100	2	4.61%
Prudential Ins. Co. of America	16,850	3	4.55%
Rutgers University-Newark Campus	15,500	4	4.18%
Continental Airlines	11,000	5	2.97%
Newark Board of Education	7,050	6	1.90%
Automatic Data Processing	5,649	7	1.52%
New Jersey Transit	4,000	8	1.08%
City of Newark	4,000	9	1.08%
Essex County	3,500	10	0.94%
	107,649		29.05%
Total Employment	346,237		

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction:										
Regular	332	328	329	327	327	326	326	328	332	323
Special Education	62	64	69	68	66	67	68	70	66	79
Other Instruction	18	19	19	20	21	20	19	19	21	7
Support Services:										
Student & Instruction Related Services	135	146	152	156	161	165	168	165	179	171
School Administration	31	30	30	30	32	32	32	33	37	32
General Administration	4	3	3	3	3	3	3	3	4	4
Plant Operations and Maintenance	68	68	69	68	71	73	72	71	71	72
Pupil Transportation	15	15	15	15	15	12	13	14	13	13
Business and Other Support Services	17	19	19	19	19	18	18	17	18	17
Total	682	692	705	706	715	716	719	720	741	718

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				
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%
2022	4,738	119,256,431	25,170	6.94%	408	1:12	1:12	1:11	4,756	4,536	1.65%	95.37%
2023	4,746	129,448,944	27,275	8.36%	402	1:13	1:11	1:11	4,764	4,516	0.17%	94.79%

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deerfield Elementary School (1962)										
Square Feet	70,084	70,084	70,084	70,084	70,084	70,084	70,084	70,084	70,652	70,652
Capacity (Students)	531	531	531	531	531	531	531	531	531	531
Enrollment	575	569	591	565	437	414	430	410	423	402
Glenwood Elementary School (1938) *										
Square Feet	51,728	51,728	51,728	51,728	49,243	49,243	49,243	49,243	49,243	49,243
Capacity (Students)	405	405	405	405	369	369	369	369	369	369
Enrollment	464	478	458	475	371	365	367	361	376	378
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)	481	481	481	481	481	481	481	481	481	481
Enrollment	542	544	529	498	425	409	402	396	432	438
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)	338	338	338	338	338	338	338	338	338	338
Enrollment	333	357	356	373	319	308	304	277	288	283
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)	344	344	344	344	344	344	344	344	344	344
Enrollment	332	350	373	385	314	332	332	317	343	353
Washington Elementary School (1968) **										
Square Feet	N/A	N/A	N/A	N/A	39,777	39,777	39,777	39,777	39,777	39,777
Capacity (Students)	N/A	N/A	N/A	N/A	399	399	399	399	399	399
Enrollment	N/A	N/A	N/A	N/A	444	411	393	400	378	386

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

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Millburn Middle School (1930)										
Square Feet	235,541	235,541	235,541	235,541	235,541	239,705	239,705	239,705	242,880	242,880
Capacity (Students)	1,047	1,047	1,047	1,047	1,047	1,077	1,077	1,077	1,118	1,118
Enrollment	1,140	1,124	1,121	1,144	1,132	1,170	1,193	1,210	1,163	1,133
Millburn High School (1955)										
Square Feet	392,358	392,358	392,358	392,358	392,358	394,878	394,878	394,878	394,878	394,878
Capacity (Students)	1,391	1,391	1,391	1,391	1,391	1,423	1,423	1,423	1,423	1,423
Enrollment	1,521	1,464	1,466	1,454	1,414	1,374	1,388	1,308	1,335	1,373
Education Center/Board Office (1968)										
Square Feet	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375
Maintenance Building (1968)										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Number of Schools at June 30, 2023

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

* Temporary Classroom Units sold in 2017-2018

** 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		
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
2022	332,181	117,832	222,243	447,602	258,243	55,014		507,649	760,593	47,427	2,748,784
2023	783,561	351,108	331,073	334,732	376,830	157,918		895,682	2,173,166	297,707	5,701,777

* 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, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Utica National Insurance Group:		
Group: School Package		
Policy:		
Property Coverage:		
Building and Contents	\$ 199,475,145	\$ 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	5,248,800	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
Zurich American Insurance Company		
Student Accident Insurance-Compulsory Coverage	5,000,000	
Hudson Excess Insurance Company		
Excess Umbrella Liability	10,000,000	
Allied World Assurance Company		
Excess Umbrella Liability	10,000,000	
Great American E&S Insurance Company	10,000,000	
Excess Umbrella Liability		

MILLBURN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2023
UNAUDITED
(continued)

	<u>Coverage</u>	<u>Deductible</u>
Morris Essex Workers' Compensation Joint Insurance Fund Workers' Compensation Insurance	First \$ 500,000	of each claim
National Union Fire Insurance Company of Pittsburgh PA K&R/Malicious Attack	2,000,000	
Markel Insurance Company Adult Volunteer Accident	250,000	
Utica National Insurance Group Surety Bonds:		
Treasurer	400,000	\$ 500
School Business Administrator	249,000	500

Source: Millburn Township School District.

SINGLE AUDIT SECTION



Mount Arlington, NJ
 Newton, NJ
 Bridgewater, NJ

973.298.8500
 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 "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Millburn Township School District (the "District"), in the County of Essex, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 16, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

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

Report on 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 results 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.

October 16, 2023
Mount Arlington, New Jersey

Nisiroccia LLP
NISIVOCCIA LLP

Kathryn L. Mantell

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



Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey's OMB Circular 15-08

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

Opinion on Each Major Federal and State Program

We have audited the Millburn Township School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit 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 year ended June 30, 2023. 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.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and NJOMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and NJOMB 15-08, we:

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

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

The Honorable President and Members
of the Board of Education
Millburn Township School District
Page 3

Report on Internal Control Over Compliance

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

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

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

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

October 16, 2023
Mount Arlington, New Jersey

Nisiroccia 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, 2023

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at		Cancellations of Prior Year Encum- brances	Adjustments	Balance at	
					June 30, 2022	June 30, 2023			June 30, 2022	June 30, 2023
					Budgetary Accounts Receivable	Due to Grantor	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Due to Grantor
U.S. Department of Treasury:										
Passed-through State Department of Education:										
General Fund:										
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/30/20	\$ 463,789			\$ 463,789	\$ (463,789)		\$ 8
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/30/20	128,451			463,789	(463,789)		8
Special Revenue Fund:										
Additional or Compensatory Special										
Education and Related Services (ACSERS)										
	21.027	SLFRDOEISES	7/1/22-6/30/23	314,413			157,207	(314,413)	\$ (157,206)	8
Capital Projects Fund:										
Passed-through New Jersey Board of Public Utilities:										
School and Small Business Ventilation and Energy										
Efficiency Verification and Repair Program:	21.027	SSB-VEEVR-	10/18/22-10/18/23	512,625			20,952	(20,952)		
Education Center HVAC Replacement	21.027	67714	10/18/22-10/18/23	4,486,478			8,646	(8,646)		
Middle School HVAC Replacement		68355					186,805	(344,011)	(157,206)	
Total U.S. Department of Treasury										
					8		650,594	(807,800)	(157,206)	8
U.S. Department of Education:										
Passed-through State Department of Education:										
Special Revenue Fund:										
Special Education Cluster:										
L.D.E.A. Part B, Basic	84.027	IDEA319023	7/1/22-9/30/23	1,359,699			951,605	(1,179,757)	(228,152)	
L.D.E.A. Part B, Basic	84.027	IDEA319022	7/1/21-9/30/22	1,114,695	\$ (257,659)		260,796	(3,137)		
COVID-19 - ARP - I.D.E.A. Part B, Basic	84.027X	IDEA319022	7/1/21-9/30/23	233,830	(78,237)		78,234	(205)	\$ 3	\$ 205
L.D.E.A. Preschool	84.173	IDEA319023	7/1/22-9/30/23	43,223			23,804	(41,757)	(17,953)	
L.D.E.A. Preschool	84.173	IDEA319022	7/1/21-9/30/22	48,416	(2,192)		4,542	(2,350)		
COVID-19 - ARP - I.D.E.A. Preschool	84.173X	IDEA319022	7/1/21-9/30/23	19,972	(5,278)		5,277			
Total Special Education Cluster										
					(343,366)		1,324,258	(1,227,206)	(246,105)	
Elementary and Secondary Education Act:										
Title I	84.010	ESEA319023	7/1/22-9/30/23	203,104			117,322	(198,327)	(81,005)	
Title I	84.010	ESEA319022	7/1/21-9/30/22	380,972	(149,422)		149,423		(1)	
Total Title I					(149,422)		266,745	(198,327)	(81,005)	
Title II A	84.367	ESEA319023	7/1/22-9/30/23	84,573			2,700	(79,301)	(76,601)	
Title II A	84.367	ESEA319022	7/1/21-9/30/22	120,722	(65,104)		100,544	(35,440)		
Total Title II A					(65,104)		103,244	(114,741)	(76,601)	
Title III	84.365	ESEA319023	7/1/22-9/30/23	36,215			11,358	(26,528)	(15,170)	
Title III	84.365	ESEA319022	7/1/21-9/30/22	46,360	(11,016)		18,591	(7,575)		
Total Title III					(11,016)		29,949	(34,103)	(15,170)	
Title III - Immigrant	84.365	ESEA319022	7/1/21-9/30/22	31,619	(15,983)		17,304	(1,321)		
Total Title III - Immigrant					(15,983)		17,304	(1,321)		
Title IV	84.424	ESEA319023	7/1/22-9/30/23	40,468			34,716	(35,716)	(1,000)	
Title IV	84.424	ESEA319022	7/1/21-9/30/22	41,037	(33,000)		30,500		2,500	
Total Title IV					(33,000)		65,216	(35,716)	(1,000)	

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at		Cash Received	Budgetary Expenditures	Adjustments	Cancellation of Prior Year Encum- brances	Balance at	
					June 30, 2022	June 30, 2023					Budgetary Accounts Receivable	Due to Grantor
U.S. Department of Education: (Cont'd)												
Passed-through State Department of Education: (Cont'd)												
Special Revenue Fund: (Cont'd)												
Education Stabilization Fund:												
COVID 19 - CARES Emergency Relief												
COVID 19 - CRBSA:												
84-425D	CARES19022		3/13/20-9/30/22	\$ 283,459	\$ (6,377)	\$	\$ (20,292)	\$	1	\$		
84-425D	S425D210027		3/13/20-9/30/23	1,159,950	(37,729)	211,500	(682,421)			\$ 374	\$ (508,276)	
84-425D	S425D210027		3/13/20-9/30/23	74,440	(1,550)	61,470	(71,827)				(11,907)	
84-425D	S425D210027		3/13/20-9/30/23	45,000		26,780	(45,000)				(18,220)	
COVID 19 - ARP:												
84-425U	S425U210027		3/13/20-9/30/24	2,606,912	(95,601)	290,884	(254,523)				(59,240)	
84-425U	S425U210027		3/13/20-9/30/24	380,270		22,848	(24,596)				(1,748)	
84-425U	S425U210027		3/13/20-9/30/24	45,000			(10,060)				(10,060)	
						640,150	(1,108,719)		1	374	(609,451)	
						(759,148)	(2,720,133)	2,504	579		(1,029,332)	
Total U.S. Department of Education												
U.S. Department of Health and Human Services:												
Medicaid Cluster:												
Medicaid Assistance Program												
Total Medicaid Cluster												
U.S. Department of Homeland Security:												
Passed-through State Department of Law and Public Safety:												
General Fund:												
Disaster Grants - Public Assistance - FEMA:												
Hurricane Ida												
97-036			9/1/21-9/3/21	52,573		52,573	(52,573)					
						52,573	(52,573)					
						66,049	(66,049)					
Total U.S. Department of Health and Human Services												
Total Federal Awards												
				\$ (759,148)	\$ 8	\$ 3,163,509	\$ (3,593,982)	\$ 2,504	\$ 579	\$ 8	\$ (1,186,538)	\$ -0-

* - Expended in Prior Year
N/A - Not Available/Applicable

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Cancellation of Prior Year Encumbrances	GAAP Accounts Receivable	Due to Grantor	MEMO	
				Budgetary Accounts Receivable	Budgetary Receivable								Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund State Aid:														
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 4,324,483	\$ (4,324,483)	\$	\$ 3,909,279	\$ (4,324,483)	\$			\$ (415,204)	\$	4,324,483	
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	389,098	(389,098)		351,740	(389,098)				(37,358)		389,098	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	788,722	(788,722)		712,995	(788,722)				(75,727)		788,722	
Excess Nonpublic Transportation Costs	23-495-034-5120-014	7/1/22-6/30/23	155,688	(155,688)			(155,688)			\$ (155,688)			155,688	
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	1,774,086	(1,774,086)			(1,774,086)			(1,774,086)			1,774,086	
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	3,542,153	(3,542,153)		3,542,153	(3,542,153)						3,542,153	
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	4,386,539	(4,386,539)		4,386,539	(4,386,539)						4,386,539	
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	16,469,559	(16,469,559)		16,469,559	(16,469,559)						16,469,559	
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	228,496	(228,496)		228,496	(228,496)						228,496	
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	5,163	(5,163)		5,163	(5,163)						5,163	
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	3,336,726	(3,336,726)		3,336,726	(3,336,726)						3,336,726	
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	389,098	(37,589)		37,589	(37,589)						389,098	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	788,722	(76,196)		76,196	(76,196)						788,722	
Excess Nonpublic Transportation Costs	22-495-034-5120-014	7/1/21-6/30/22	104,392	(104,392)		104,392	(104,392)						104,392	
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21-6/30/22	1,911,911	(1,911,911)		1,911,911	(1,911,911)						1,911,911	
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	3,300,219	(162,644)		162,644	(162,644)						3,300,219	
Subtotal - General Fund			(2,615,080)	(32,063,987)		32,221,004	(32,063,987)				(1,929,774)		3,300,219	41,895,055
Special Revenue Fund Aid:														
Nonpublic Auxiliary Services:														
Compensatory Education	23-100-034-5120-066	7/1/22-6/30/23	33,998			33,998	(32,021)					\$ 1,977	32,021	
Compensatory Education	22-100-034-5120-066	7/1/21-6/30/22	42,103					\$ (30,633)					11,470	
English as a Second Language	23-100-034-5120-066	7/1/22-6/30/23	1,002			1,002						1,002		
English as a Second Language	22-100-034-5120-066	7/1/21-6/30/22	2,010					(1,279)					731	
Nonpublic Handicapped Services:														
Supplementary Instruction	23-100-034-5120-066	7/1/22-6/30/23	26,597			26,597	(24,698)					1,899	24,698	
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22	29,736					(9,912)					19,824	
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	34,410			34,410	(28,923)					5,487	28,923	
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	53,010					(21,018)					31,992	
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	80,749			80,749	(50,813)					29,936	50,813	
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	93,258					(27,493)					65,765	
N.J. Nonpublic Textbook Aid	23-100-034-5120-066	7/1/22-6/30/23	32,591			38,412	(37,969)					443	37,969	
N.J. Nonpublic Textbook Aid	22-100-034-5120-066	7/1/21-6/30/22	65,184			65,184	(65,184)					151	31,962	
N.J. Nonpublic Textbook Aid	23-100-034-5120-066	7/1/22-6/30/23	24,444			24,444	(20,397)					4,047	20,397	
N.J. Nonpublic Technology Initiative	23-100-034-5120-066	7/1/22-6/30/23	60,816					(701)					60,115	
N.J. Nonpublic Technology Initiative	22-100-034-5120-066	7/1/21-6/30/22	18,144									2,918	15,226	
N.J. Nonpublic Technology Initiative	23-100-034-5120-066	7/1/19-6/30/20	119,310			119,310	(104,295)					15,015	104,295	
N.J. Nonpublic Security Aid	22-100-034-5120-066	7/1/22-6/30/22	95,025					(28,905)					66,120	
N.J. Nonpublic Security Aid	21-100-034-5120-066	7/1/20-6/30/21	84,700									851	83,849	
School Climate Change Pilot	23-100-034-5063-359	7/1/22-6/30/23	6,660			6,660	(6,660)						6,660	
Subtotal - Special Revenue Fund			124,339	430,766		430,766	(370,960)			151		63,726	758,014	

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Cancellation of Prior Year Encumbrances	Balance at June 30, 2023		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	22-100-034-5120-125	7/1/22-6/30/23	\$ 1,358,729		\$ 1,358,729		\$ 1,358,729	\$ (1,358,729)					\$ 1,358,729	
Subtotal - Debt Service Fund					1,358,729		1,358,729	(1,358,729)					1,358,729	
Total State Department of Education					\$2,615,080	\$ 124,339	\$34,010,499	\$ (33,793,676)	\$ (120,419)	\$ 151	\$ (1,929,774)	\$ 63,726	\$ (2,458,063)	44,011,798
School Development Authority:														
Special Revenue Fund Aid:														
Emergency & Capital Maintenance Needs	N/A	7/1/22-6/30/23	115,394		115,394			(115,394)						115,394
Total State Awards					\$2,615,080	\$ 124,339	\$34,125,893	\$ (33,909,070)	\$ (120,419)	\$ 151	\$ (1,929,774)	\$ 63,726	\$ (2,458,063)	44,127,192
Less: State Awards Not Subject to Single Audit Major Program Determination														
On-Behalf TPAF Pension System Contributions:														
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(4,386,539)					4,386,539						
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(16,469,559)					16,469,559						
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(228,496)					228,496						
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(5,163)					5,163						
Subtotal - On-Behalf TPAF Pension System Contributions								21,089,757						
Total State Awards Subject to Single Audit Major Program Determination								\$ (12,819,313)						

N/A - Not Available/Applicable

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, 2023

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, 2023. 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. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$144,729) of which (\$52,573) represents a portion of the FEMA Reimbursement grant posted as a refund against current year expenditures for the General Fund and \$200,760 (of which \$55,243 are for local grants) for the Special Revenue Fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$4,969,504) for the Capital Projects Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General, Special Revenue and Capital Projects Funds.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 477,265	\$ 31,971,831	\$ 32,449,096
Special Revenue Fund	3,176,497	489,920	3,666,417
Capital Projects Funds	29,598		29,598
Debt Service Fund		1,358,729	1,358,729
Total Awards	<u>\$ 3,683,360</u>	<u>\$ 33,820,480</u>	<u>\$ 37,503,840</u>

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, 2023.

NOTE 7. NJ CLEAN ENERGY GRANT

The District has been awarded two grants in the amount of \$4,999,103 which are recorded in the Capital Projects Fund from the School and Small Business Ventilation and Energy Efficiency Verification and Repair Program (SSB-VEEVR). As of June 30, 2023, \$29,598 of the grants have been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported under the SSB-VEEVR on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the SSB-VEEVR.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08*.
- The auditor's report on compliance for each major federal and state program 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:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/22-9/30/23	\$ 1,359,699	\$ 1,179,757
I.D.E.A. Part B, Basic	84.027	7/1/21-9/30/22	1,114,695	3,137
ARP - I.D.E.A. Part B, Basic	84.027X	7/1/21-9/30/23	233,830	205
I.D.E.A. Preschool	84.173	7/1/22-9/30/23	43,223	41,757
I.D.E.A. Preschool	84.173	7/1/21-9/30/22	48,416	2,350
Education Stabilization Fund:				
COVID 19 - CARES				
Emergency Relief	84.425D	3/13/20-9/30/22	283,459	20,292
COVID 19 - CRRSA:				
ESSER II	84.425D	3/13/20-9/30/23	1,159,950	682,421
Learning Acceleration	84.425D	3/13/20-9/30/23	74,440	71,827
Mental Health	84.425D	3/13/20-9/30/23	45,000	45,000
COVID 19 - ARP:				
ESSER III	84.425U	3/13/20-9/30/24	2,606,912	254,523
Learning Acceleration	84.425U	3/13/20-9/30/24	380,270	24,596
Mental Health	84.425U	3/13/20-9/30/24	45,000	10,060

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Summary of Auditors' Results: (Cont'd)

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	4,324,483	4,324,483
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	389,098	389,098
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	1,774,086	1,774,086

- The threshold used for distinguishing between federal and state Type A and Type B programs was \$750,000.
- The District was determined not 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.

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, 2023

Audit Report, dated October 12, 2022 for the period ended June 30, 2022, issued by Nisivoccia LLP:

Finding 2022-001: N.J. Department of Education – Extraordinary Special Education Costs Aid – Eligibility, Types of Services Allowed or Unallowed and Significant Deficiency. Compliance requirement: The School Funding Reform Act of 2018 (SFRA) and N.J.S.A.18A:7F-55(c) requests a school district to file an application with the N.J. Department of Education for reimbursement of current year's expenses in which the actual cost of providing an education for an individual pupil, excluding transportation costs, exceeds a predetermined threshold within a single fiscal year. Extraordinary Aid is available for partial reimbursement of allowable/eligible costs incurred for individual classified pupils whose Individualized Education Plan (IEP) requires the provision of at least one intensive service. As per state regulations, (1) the student's IEP must indicate the intensive service(s) which will be provided to the student in order to claim those costs in the Extraordinary Aid application; and (2) the District must maintain work papers and supporting cost documentation. Costs must be pro-rated if they are incurred for multiple students.

Condition and Context:

Prior year Finding 2022-001, noted: 1.) The IEPs for 2 out of 3 students selected for testing did not include the intensive service(s) claimed on the Extraordinary Aid application; 2.) The classroom and additional costs reported on the Extraordinary Aid application for 33 students did not agree to the supporting cost documentation maintained by the District. Certain costs were understated while others were overstated which resulted in a net overstatement of costs.

Status:

The prior year finding 2022-001 regarding greater care being taken in reporting intensive and other service(s) provided to students and the cost of classroom and other costs reported on the Extraordinary Aid application was fully resolved.