

**MILLBURN TOWNSHIP
SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025**

Annual Comprehensive Financial Report

of the

**Millburn Township School District
Board of Education**

Millburn, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

**Millburn Township School District
Board Office**

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INTRODUCTORY SECTION
(UNAUDITED)



MILLBURN TOWNSHIP PUBLIC SCHOOLS

Office of the Business Administrator

434 Millburn Avenue

Millburn, NJ 07041

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

Peter F. Starrs, Interim Business Administrator/Board Secretary

November 20, 2025

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, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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 2024-2025 fiscal year with an average daily enrollment of 4,545 students which is a decrease of 140 students from the previous year.

2) ECONOMIC CONDITION AND OUTLOOK: The Township's cash surplus at December 31, 2024 amounted to \$16,579,550.38. A systematic and active investment program has been followed; income earned from investments of the Township's surplus cash amounted to \$1,468,819.99 in 2024. The current tax rate is \$1.982 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 98% occupied with a variety of storefront, second floor offices and multi-tenant office buildings. There are an estimated 1,000 businesses in the Township (250 in the Downtown) and there are approximately 400 doctors, lawyers and dentists in the town. Downtown Millburn was recently named as a Main Street New Jersey awardee for 2024 which is the highest statewide designation a downtown can receive in New Jersey.

3) MAJOR INITIATIVES:

District Goals for FY 2025-2026

1. By June 2026, the district will develop and adopt a Strategic Plan that reflects community aspirations for students, as evidenced by:
 - Selection of a strategic planning service provider by September 2025
 - Formation of a Strategic Planning Steering Committee by November 2025
 - Completion of draft and final plan for Board approval by June 2026
2. By June 2026, the district will enhance operational efficiency and collaboration by implementing Standard Operating Procedures (SOPs), strengthening leadership capacity, and increasing efficiency in serving students, as evidenced by:
 - Launch of a Leadership Academy for school leaders by September 2025
 - Standard Operating Procedure report by March 2026
 - Development of a consistent onboarding/offboarding process by April 2026
3. By June 2026, the district will enhance academic culture and climate through equitable access, collaborative learning, as evidenced by:
 - Analysis of middle school data by December 2025
 - Evaluate the alignment between Middle School and High School grading, placement, and course progression by January 2026
 - Evaluation and recommendation of AP electives by February 2026
 - Development of the Elementary initiative with WIN (What I Need) periods in all elementary schools by November
 - Development of Counseling Framework and SEL district-wide programming by April 2026

Board of Education Goals for FY 2025-2026

1. By June 2026, establish an Educational Reporting Calendar in collaboration with the Superintendent, as evidenced by:
 - Inventory of current reports and metrics by December 2025
 - Development of a reporting framework for internal and external stakeholders by April 2026
2. By June 2026, strengthening communication with the community and staff, in coordination with the Superintendent as evidenced by:
 - Increased frequency of Staff Liaison meetings starting in November 2025
 - Formation of an Ad Hoc Website Committee by November 2025
 - Completion of a Communications Audit by January 2026
3. By June 2026, ensure all mandated district policies are compliant and accessible, as evidenced by:
 - Formation of a Policy Audit Committee by October 2025
 - Completion of a full policy audit with prioritized recommendations by April 2026
 - Update the district website for improved policy accessibility by June 2026

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 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, 2025.

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

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

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

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of 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 state 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.

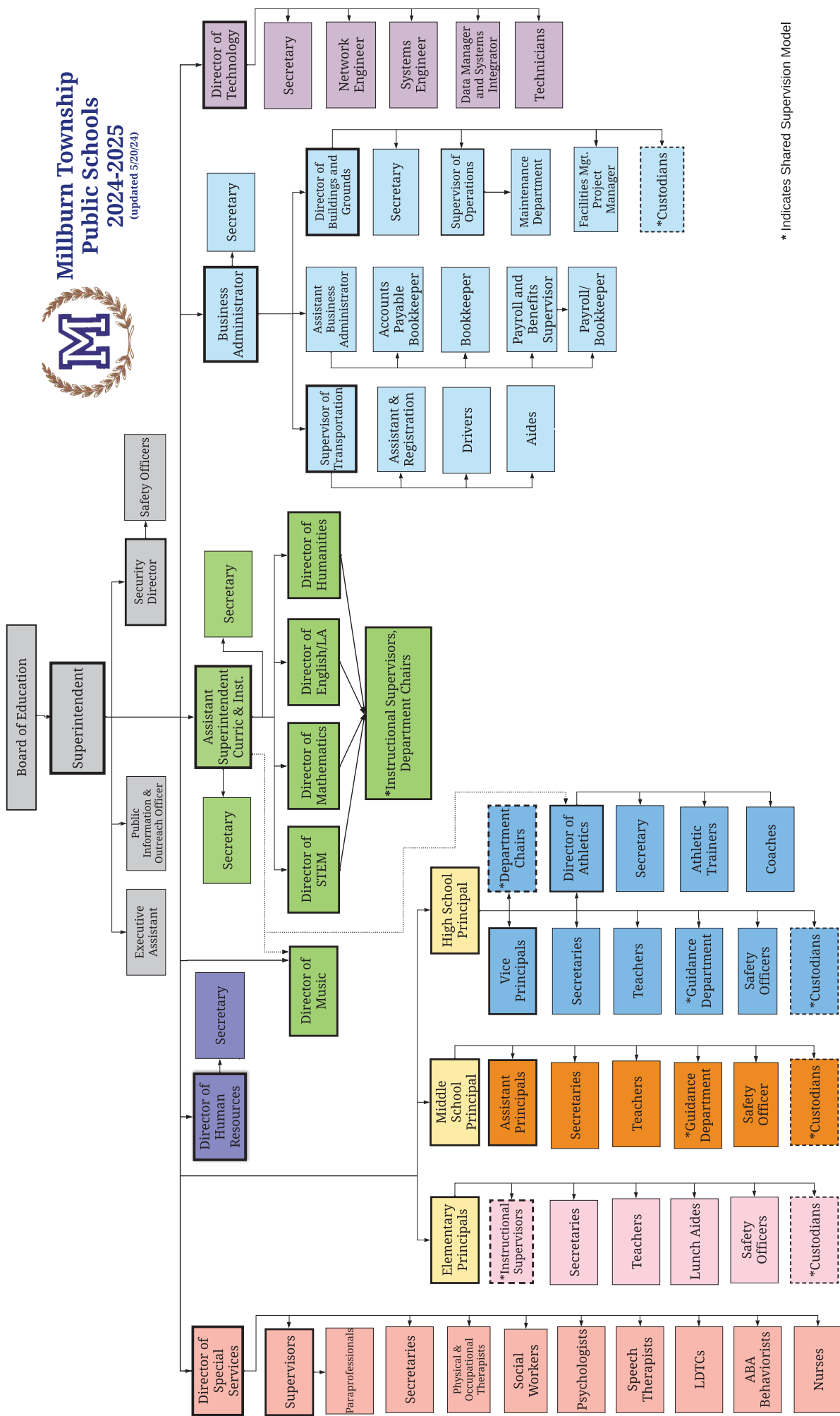
Respectfully submitted,



Dr. Kate Diskin
Superintendent of Schools



Peter F. Starrs
Interim Business Administrator/Board Secretary



* Indicates Shared Supervision Model

**MILLBURN TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kris Heinrichs, President	2025
Priya Shivani, Vice President	2026
Jennifer Bhathena	2025
Noel Bigman	2027
Asaf Farashuddin	2027
Andrew Finkelstein	2026
Brian Lawrence	2027
Viswa Reddy	2025
Cynthia Longley Richards	2026

<u>Other Officers</u>	<u>Title</u>
Dr. Christine Burton	Superintendent of Schools (to 10/1/24)
Dr. Kate Diskin	Superintendent of Schools (from 10/28/24)
Dr. Kate Diskin	Acting Superintendent of Schools (to 10/28/24)
Dr. Kate Diskin	Assistant Superintendent (to 10/28/24)
John Connolly	Assistant Superintendent (from 1/1/25)
Cheryl Schneider	Business Administrator/Board Secretary (to 6/30/25)
Peter F. Starrs	Interim Business Administrator/Board Secretary (from 7/1/25)
Cheryl Nardino	Treasurer
Mark Tabakin, Esq.	School Board Attorney

MILLBURN TOWNSHIP BOARD OF EDUCATION

Consultants and Advisors

Architect

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

Audit Firm

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

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Weiner Law Group
629 Parsippany Road
Parsippany, NJ 07054

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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 schedule of expenditures of 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 schedule of expenditures of 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 November 20, 2025 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.

November 20, 2025
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, 2025**

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, 2025. 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

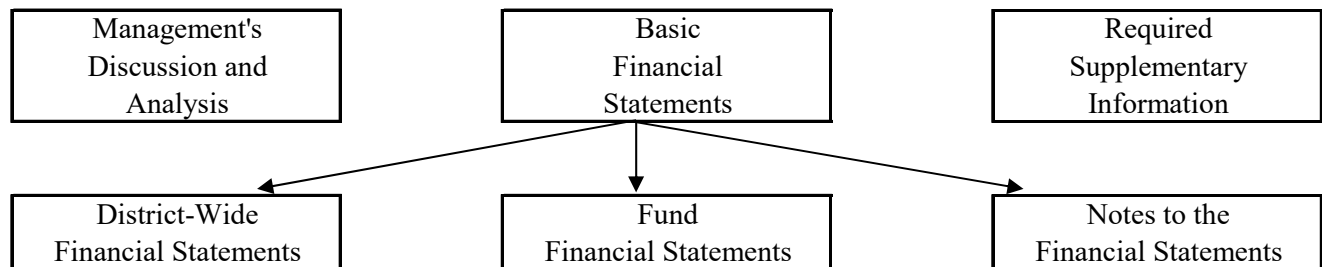
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2025**

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	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• 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, 2025**

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, 2025**

Fund Financial Statements

- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

Notes to Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$8,456,574. Net position from governmental activities increased by \$8,349,808 and net position from business-type activities increased by \$106,766. Net investment in capital assets increased by \$4,112,979, restricted net position increased by \$3,256,975, and unrestricted net position increased by \$1,086,620.

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

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Current and Other Assets	\$ 45,466,481	\$ 47,440,148	\$ 779,992	\$ 716,879	\$ 46,246,473	\$ 48,157,027	
Capital Assets, Net	101,416,652	95,784,686	201,175	153,807	101,617,827	95,938,493	
Total Assets	146,883,133	143,224,834	981,167	870,686	147,864,300	144,095,520	2.62%
Deferred Outflows of Resources	2,754,289	3,010,026			2,754,289	3,010,026	-8.50%
Other Liabilities	7,875,355	5,711,486	81,729	78,014	7,957,084	5,789,500	
Long-Term Liabilities	71,034,557	77,643,696			71,034,557	77,643,696	
Total Liabilities	78,909,912	83,355,182	81,729	78,014	78,991,641	83,433,196	-5.32%
Deferred Inflows of Resources	1,395,731	1,897,707			1,395,731	1,897,707	-26.45%
Net Position:							
Net Investment in Capital Assets	57,921,805	53,856,194	201,175	153,807	58,122,980	54,010,001	
Restricted	23,474,095	20,217,120			23,474,095	20,217,120	
Unrestricted/(Deficit)	(12,064,121)	(13,091,343)	698,263	638,865	(11,365,858)	(12,452,478)	
Total Net Position	\$ 69,331,779	\$ 60,981,971	\$ 899,438	\$ 792,672	\$ 70,231,217	\$ 61,774,643	13.69%

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Changes in Net Position. The District's *combined* net position was \$70,231,217 on June 30, 2025, an increase of \$8,456,574 or 13.69% over the previous year (see Figure A-3). Net position in the Governmental Activities increased due primarily to capital assets additions offset by depreciation expense, an increase in the capital and maintenance reserves, an increase in excess surplus, an increase in resources committed for capital projects and changes in net pension liability and related deferred outflows and inflows; net of the maturity of long term liabilities and a decrease 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
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Revenue:							
Program Revenue:							
Charges for Services	\$ 2,548,982	\$ 2,400,278	\$ 1,274,428	\$ 1,203,862	\$ 3,823,410	\$ 3,604,140	
Operating Grants and Contributions	22,972,468	27,254,802			22,972,468	27,254,802	
Capital Grants and Contributions	2,369,196	2,531,206		27,170	2,369,196	2,558,376	
General Revenue:							
Property Taxes	102,063,965	100,138,028			102,063,965	100,138,028	
Unrestricted State and Federal Aid	2,201,201	1,752,028			2,201,201	1,752,028	
Other	2,580,388	2,171,183	18,071	8,883	2,598,459	2,180,066	
Total Revenue	<u>134,736,200</u>	<u>136,247,525</u>	<u>1,292,499</u>	<u>1,239,915</u>	<u>136,028,699</u>	<u>137,487,440</u>	-1.06%
Expenses:							
Instruction	71,973,832	73,003,948			71,973,832	73,003,948	
Pupil/Instruction Services	25,838,691	24,507,924			25,838,691	24,507,924	
Administrative & Business	10,646,866	9,152,464			10,646,866	9,152,464	
Maintenance & Operations	11,405,334	13,466,266			11,405,334	13,466,266	
Transportation	5,016,646	4,899,574			5,016,646	4,899,574	
Other	1,505,023	1,438,947	1,185,733	1,051,143	2,690,756	2,490,090	
Total Expenses	<u>126,386,392</u>	<u>126,469,123</u>	<u>1,185,733</u>	<u>1,051,143</u>	<u>127,572,125</u>	<u>127,520,266</u>	0.04%
Transfer		(27,170)					100.00%
Increase/(Decrease) in Net Position	<u>\$ 8,349,808</u>	<u>\$ 9,751,232</u>	<u>\$ 106,766</u>	<u>\$ 188,772</u>	<u>\$ 8,456,574</u>	<u>\$ 9,967,174</u>	-15.16%

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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
	2024/25	2024/25	2023/24	2023/24
Instruction	\$ 71,973,832	\$ 54,080,911	\$ 73,003,948	\$ 52,063,438
Pupil and Instruction Services	25,838,691	21,356,754	24,507,924	18,759,930
Administrative and Business	10,646,866	9,937,446	9,152,464	8,390,562
Maintenance and Operations	11,405,334	9,036,138	13,466,266	10,932,139
Transportation	5,016,646	2,579,474	4,899,574	2,697,821
Other	1,505,023	1,505,023	1,438,947	1,438,947
	<u>\$ 126,386,392</u>	<u>\$ 98,495,746</u>	<u>\$ 126,469,123</u>	<u>\$ 94,282,837</u>

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Business-Type Activities

Net position from the District's business-type activity increased by \$106,766. (Refer to Figure A-4). Factors contributing to these results included:

- Field Rental/Joint Facilities Fund revenue exceeded expenses by \$22,140, which was primarily due to an increase in program fees.
- Food Service Fund revenue exceeded expenses by \$84,626, 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 primarily due to expenditures of the District's referendum and ROD grant projects. 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
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Change 2024/25
Sites	\$ 109,045	\$ 109,045			\$ 109,045	\$ 109,045	
Construction in Progress	30,333,921	21,696,703			30,333,921	21,696,703	
Site Improvements	4,082,060	4,467,929			4,082,060	4,467,929	
Buildings & Building Improvements	63,457,183	66,428,487			63,457,183	66,428,487	
Machinery and Equipment	3,434,443	3,082,522	\$ 201,175	\$ 153,807	3,635,618	3,236,329	
Total Capital Assets, Net	<u>\$ 101,416,652</u>	<u>\$ 95,784,686</u>	<u>\$ 201,175</u>	<u>\$ 153,807</u>	<u>\$ 101,617,827</u>	<u>\$ 95,938,493</u>	5.92%

During the fiscal year, the District acquired or constructed \$ \$10,171,675 in capital additions (\$10,099,619 from its governmental activities and \$72,056 from its business-type activities). The District also recorded \$4,492,341 in current year depreciation expense (\$4,467,653 from its governmental activities and \$24,688 from its business-type activities). There were no capital asset disposals from its governmental or business-type activities.

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Long-term Liabilities

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change 2024/25
	2024/25	2023/24	
General Obligation Bonds (Financed with Property Taxes)	\$ 50,513,000	\$ 55,468,000	
Net Pension Liability	15,314,627	16,314,610	
Other Long-Term Liabilities	5,206,930	5,861,086	
	<u>\$ 71,034,557</u>	<u>\$ 77,643,696</u>	-8.51%

- The District continued to pay down its bonded debt, retiring \$4,955,000 of outstanding bonds.
- Compensated absences payable decreased by a net amount of \$172,758.
- Net pension liability decreased by \$999,983.
- The District paid down \$270,525 in financed purchase agreement principal during the fiscal year.
- The District amortized \$210,873 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 District is enrolled in the School Employee Health Benefit plan for its medical insurance. In August 2025, the State announced a preliminary estimate for premium increases effective January 1, 2026. The projected rate increase announced was 28%. This would have an extremely detrimental impact on the District budget given a 28% increase equates to over a \$3M increase to that one line item. The District is actively investigating its options.
- The District is committed to maintaining facilities. 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. In November 2023 a bond referendum was approved that included upgrades throughout the District. The Board received approval for state-funded grants to complete HVAC upgrades at the High School, Washington Elementary School and Wyoming Elementary School. 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 next referendum vote is planned for the 2027-28 school year.

**MILLBURN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

- The District just recently finalized contracts with the Millburn Administrators Association, the Millburn Education Association and the Communications Workers of America that will expire on June 30, 2028. The salary settlements all exceeded 3%, given the 2% tax cap, salary increases will have to be paid for with spending reductions in other areas. The Board will also continue to explore new sources of revenue.

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, 2025

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 25,690,696	\$ 770,508	\$ 26,461,204
Receivables from State Government	2,163,558		2,163,558
Receivables from Federal Government	118,583		118,583
Inventories		9,484	9,484
Restricted Cash and Cash Equivalents	17,493,644		17,493,644
Capital Assets, Net:			
Sites (Land) and Construction in Progress	30,442,966		30,442,966
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	70,973,686	201,175	71,174,861
Total Assets	146,883,133	981,167	147,864,300
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Amount on Refunding	251,549		251,549
Deferred Outflows Related to Pensions	2,502,740		2,502,740
Total Deferred Outflows of Resources	2,754,289		2,754,289
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	5,867,640	27,106	5,894,746
Accrued Interest Payable	673,174		673,174
Payable to Federal Government	8		8
Payable to State Government	38,836		38,836
Unearned Revenue	1,295,697	54,623	1,350,320
Noncurrent Liabilities:			
Due Within One Year	5,705,907		5,705,907
Due Beyond One Year	65,328,650		65,328,650
Total Liabilities	78,909,912	81,729	78,991,641
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	1,395,731		1,395,731
Total Deferred Inflows of Resources	1,395,731		1,395,731
<u>NET POSITION</u>			
Net Investment in Capital Assets	57,921,805	201,175	58,122,980
Restricted for:			
Capital Projects	11,456,786		11,456,786
Debt Service	860,519		860,519
Maintenance	4,702,578		4,702,578
Emergency	450,000		450,000
Excess Surplus	5,119,932		5,119,932
Unemployment Compensation	638,239		638,239
Student Activities	246,041		246,041
Unrestricted/(Deficit)	(12,064,121)	698,263	(11,365,858)
Total Net Position	\$ 69,331,779	\$ 899,438	\$ 70,231,217

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, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 57,126,400	\$ 158,250	\$ 8,200,153		\$ (48,767,997)		\$ (48,767,997)
Special Education	10,571,657	172,165	8,981,564		(1,417,928)		(1,417,928)
Other Special Instruction	2,378,037		380,787		(1,997,250)		(1,997,250)
Other Instruction	1,897,738				(1,897,738)		(1,897,738)
Support Services:							
Tuition	4,915,747		949,642		(3,966,105)		(3,966,105)
Student and Instruction Related Services	20,922,944	1,051,584	2,480,711		(17,390,649)		(17,390,649)
General Administrative Services	1,757,380		62,080		(1,695,300)		(1,695,300)
School Administrative Services	6,010,573		597,197		(5,413,376)		(5,413,376)
Central Services	1,651,724		50,145		(1,601,579)		(1,601,579)
Administrative Information Technology	1,227,189				(1,227,189)		(1,227,189)
Plant Operations and Maintenance	11,405,334			\$ 2,369,196	(9,036,138)		(9,036,138)
Pupil Transportation	5,016,646	1,166,983	1,270,189		(2,579,474)		(2,579,474)
Interest on Long-Term Debt	1,505,023				(1,505,023)		(1,505,023)
Total Governmental Activities	126,386,392	2,548,982	22,972,468	2,369,196	(98,495,746)		(98,495,746)
Business-Type Activities:							
Field Rental/Joint Facilities	30,498	52,638				\$ 22,140	22,140
Food Service	1,155,235	1,221,790				66,555	66,555
Total Business-Type Activities	1,185,733	1,274,428				88,695	88,695

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	\$ 127,572,125	\$ 3,823,410	\$ 22,972,468	\$ 2,369,196	\$ (98,495,746)	\$ 88,695	\$ (98,407,051)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					97,209,957		97,209,957
Taxes Levied for Debt Service					4,854,008		4,854,008
Federal, State and Local Aid not Restricted					2,201,201		2,201,201
Interest Earnings					1,940,972	18,071	1,959,043
Miscellaneous Income					639,416		639,416
Total General Revenues					106,845,554	18,071	106,863,625
Change in Net Position					8,349,808	106,766	8,456,574
Net Position - Beginning					60,981,971	792,672	61,774,643
Net Position - Ending					\$ 69,331,779	\$ 899,438	\$ 70,231,217

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 12,048,595	\$ 55,370	\$ 13,264,667	\$ 322,064	\$ 25,690,696
Interfund Receivable	246,157			538,455	784,612
Receivables From State Government	2,162,388	1,170			2,163,558
Receivables From Federal Government		118,583			118,583
Restricted Cash and Cash Equivalents	17,247,603	246,041			17,493,644
Total Assets	\$ 31,704,743	\$ 421,164	\$ 13,264,667	\$ 860,519	\$ 46,251,093
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable			\$ 784,612		\$ 784,612
Accounts Payable	4,022,884	\$ 9,845	234,911		4,267,640
Payable to Federal Government		8			8
Payable to State Government		38,836			38,836
Unearned Revenue	1,169,263	126,434			1,295,697
Total Liabilities	5,192,147	175,123	1,019,523		6,386,793
Fund Balances:					
Restricted:					
Capital Reserve Account	11,456,786				11,456,786
Emergency Reserve	450,000				450,000
Maintenance Reserve	4,702,578				4,702,578
Excess Surplus - For 2026-2027	2,819,932				2,819,932
Excess Surplus - For 2025-2026	2,300,000				2,300,000
Unemployment Compensation	638,239				638,239
Student Activities		246,041			246,041
Capital Projects			9,356,352		9,356,352
Debt Service				\$ 860,519	860,519
Committed:					
Capital Projects			2,888,792		2,888,792
Assigned:					
Year End Encumbrances	800,066				800,066
Designated for Subsequent Year's Expenditures	211,913				211,913
Unassigned / (Deficit)	3,133,082				3,133,082
Total Fund Balances	26,512,596	246,041	12,245,144	860,519	39,864,300
Total Liabilities and Fund Balances	\$ 31,704,743	\$ 421,164	\$ 13,264,667	\$ 860,519	\$ 46,251,093

MILLBURN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

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

Total Fund Balances from previous page	\$ 39,864,300
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	101,416,652
Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure	251,549
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(673,174)
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.	(70,472,230)
Bond Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are sold.	(562,327)
District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the Statement of Net Position.	(1,600,000)
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>1,107,009</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 69,331,779</u></u>

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 97,209,957			\$ 4,854,008	\$102,063,965
Tuition from Individuals	158,250				158,250
Tuition from Other LEAs	172,165				172,165
Transportation Fees From Individuals	1,166,983				1,166,983
Interest Earned on Capital Reserve Funds	341,585				341,585
Restricted Miscellaneous Revenue		\$ 1,051,584			1,051,584
Unrestricted Miscellaneous Revenue	1,531,512	274,447	\$ 707,291		2,513,250
Total - Local Sources	100,580,452	1,326,031	707,291	4,854,008	107,467,782
State Sources	34,793,326	330,545		1,738,280	36,862,151
Federal Sources	5,770	2,155,117	2,369,196		4,530,083
Total Revenues	135,379,548	3,811,693	3,076,487	6,592,288	148,860,016
EXPENDITURES:					
Current:					
Regular Instruction	37,574,906	819,965			38,394,871
Special Education Instruction	6,963,802	89,016			7,052,818
Other Special Instruction	1,757,632				1,757,632
School-Sponsored/Other Instruction	1,671,473				1,671,473
Support Services and Undistributed Costs:					
Tuition	3,966,105	949,642			4,915,747
Student/Other Instruction Related Services	14,168,170	1,946,524			16,114,694
General Administrative Services	1,534,636				1,534,636
School Administrative Services	4,494,689				4,494,689
Central Services	1,306,232				1,306,232
Administrative Information Technology	1,004,433				1,004,433
Plant Operations and Maintenance	10,875,143				10,875,143
Student Transportation	4,760,841				4,760,841
Unallocated Benefits	43,075,348				43,075,348
Capital Outlay	725,669	40,172	8,637,218		9,403,059
Debt Service:					
Principal				4,955,000	4,955,000
Interest and Other Charges				1,711,595	1,711,595
Total Expenditures	133,879,079	3,845,319	8,637,218	6,666,595	153,028,211
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,500,469	(33,626)	(5,560,731)	(74,307)	(4,168,195)
Other Financing Sources/(Uses):					
Transfers	200,142		(707,291)	507,149	
Total Other Financing Sources/(Uses)	200,142		(707,291)	507,149	

MILLBURN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<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	\$ 1,700,611	\$ (33,626)	\$ (6,268,022)	\$ 432,842	\$ (4,168,195)
Fund Balance - July 1	<u>24,811,985</u>	<u>279,667</u>	<u>18,513,166</u>	<u>427,677</u>	<u>44,032,495</u>
Fund Balance - June 30	<u><u>\$ 26,512,596</u></u>	<u><u>\$ 246,041</u></u>	<u><u>\$ 12,245,144</u></u>	<u><u>\$ 860,519</u></u>	<u><u>\$ 39,864,300</u></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, 2025

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (4,168,195)

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 in the period.

Depreciation Expense	\$ (4,467,653)	
Capital Asset Additions	<u>10,099,619</u>	
		5,631,966

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 (+). 90,030

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. 4,955,000

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. 270,525

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. 210,873

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 (+). 172,758

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	999,983	
Changes in Deferred Outflows and Inflows Related to Pensions	<u>281,199</u>	

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 8,349,808

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, 2025

	Business-Type Activities - Enterprise Funds	
	Total Non-Major Funds	Total
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 770,508	\$ 770,508
Inventories	9,484	9,484
Total Current Assets	779,992	779,992
Non-Current Assets:		
Capital Assets	426,579	426,579
Less: Accumulated Depreciation	(225,404)	(225,404)
Total Non-Current Assets	201,175	201,175
Total Assets	981,167	981,167
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable - Vendors	27,106	27,106
Unearned Revenue	54,623	54,623
Total Current Liabilities	81,729	81,729
<u>NET POSITION:</u>		
Investment in Capital Assets	201,175	201,175
Unrestricted	698,263	698,263
Total Net Position	\$ 899,438	\$ 899,438

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, 2025

	Business-Type Activities - Enterprise Funds	
	Total Non-Major Funds	Total
Operating Revenue:		
Local Sources:		
Daily Sales - Non-Reimbursable Programs	\$ 1,177,538	\$ 1,177,538
Charges for Services - Program Fees	52,638	52,638
Miscellaneous Revenue	44,252	44,252
Total Operating Revenue	1,274,428	1,274,428
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs	531,957	531,957
Salaries	308,969	308,969
Employee Benefits & Payroll Taxes	112,708	112,708
Purchased Professional and Technical Services	113,098	113,098
Other Purchased Services	3,076	3,076
Cleaning, Repair and Maintenance Services	30,498	30,498
Supplies and Materials	33,039	33,039
Miscellaneous Expense	27,700	27,700
Depreciation Expense	24,688	24,688
Total Operating Expenses	1,185,733	1,185,733
Operating Income/ (Loss)	88,695	88,695
Non-Operating Revenue:		
Local Sources:		
Interest Income	18,071	18,071
Total Non-Operating Revenue	18,071	18,071
Change in Net Position	106,766	106,766
Net Position - Beginning of Year	792,672	792,672
Net Position - End of Year	\$ 899,438	\$ 899,438

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, 2025

	Business-Type Activities - Enterprise Funds	
	Total Non-Major Funds	Total
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 1,276,804	\$ 1,276,804
Payments to Food Service Contractors	(1,105,744)	(1,105,744)
Payments to Suppliers	(52,631)	(52,631)
Net Cash Provided by Operating Activities	118,429	118,429
Cash Flows from Investing Activities:		
Interest Income	18,071	18,071
Net Cash Provided by Investing Activities	18,071	18,071
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(72,056)	(72,056)
Net Cash (Used for) Capital and Related Financing Activities	(72,056)	(72,056)
Net Increase in Cash and Cash Equivalents	64,444	64,444
Cash and Cash Equivalents, July 1	706,064	706,064
Cash and Cash Equivalents, June 30	\$ 770,508	\$ 770,508
Reconciliation of Operating Income		
to Net Cash Provided by Operating Activities:		
Operating Income	\$ 88,695	\$ 88,695
Adjustment to Reconcile Operating Income		
to Net Cash Provided by Operating Activities:		
Depreciation	24,688	24,688
Changes in Assets and Liabilities:		
Decrease in Inventory	1,331	1,331
Increase in Accounts Payable	1,339	1,339
Increase in Unearned Revenue	2,376	2,376
Net Cash Provided by Operating Activities	\$ 118,429	\$ 118,429

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, 2025

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, 2025
(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, 2025
(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, 2025
(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, 2025 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 and SDA grants. The NJ Clean Energy Program grants are recognized on the budgetary basis in the fiscal year of award, but are not recognized on the GAAP basis until certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursement. The SDA grants are recognized on the budgetary basis in the fiscal year of award, but are not recognized on the GAAP basis until they are expended and requested 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	\$ 707,291	\$ 3,894,955
Restricted or Committed - Year End Encumbrances		11,457,763
	707,291	15,352,718
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue not Recognized on GAAP Basis		(3,107,574)
NJ Clean Energy Program Grant Revenue Recognized on a GAAP Basis	2,369,196	
Revenue/Fund Balance per Governmental Funds (GAAP)	<u>\$ 3,076,487</u>	<u>\$ 12,245,144</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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	\$ 135,447,738	\$ 3,225,172
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		(39,165)
Cancellation of Prior Year Encumbrances		(29,195)
Prior Year Encumbrances		654,881
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	618,905	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(687,095)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 135,379,548</u>	<u>\$ 3,811,693</u>
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 133,879,079	\$ 3,258,798
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		(39,165)
Cancellation of Prior Year Encumbrances		(29,195)
Prior Year Encumbrances		654,881
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 133,879,079</u>	<u>\$ 3,845,319</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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, 2025
(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, 2025.

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, 2025
(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, 2025.

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, 2025
(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 \$26,512,596 General Fund fund balance at June 30, 2025, \$11,456,786 is restricted in the capital reserve account; \$4,702,578 is restricted in the maintenance reserve account; \$450,000 is restricted in an emergency reserve; \$638,239 is restricted for unemployment compensation; \$2,300,000 is prior year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2026; \$2,819,932 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2027; \$800,066 is assigned for encumbrances; \$211,913 is assigned fund balance designated for subsequent year's expenditures; and \$3,133,082 is unassigned which is \$687,095 more than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2025 is \$246,041 and is restricted for student activities.

Capital Projects Fund: Of the \$12,245,144 Capital Projects Fund fund balance as of June 30, 2025, \$9,356,352 is restricted; and \$2,888,792 is committed, which is \$3,107,574 less on the GAAP basis due to the SDA grants receivable not recognized on the GAAP basis.

Debt Service Fund: Of the \$860,519 of restricted fund balance in the Debt Service Fund at June 30, 2025, \$353,370 is anticipated revenue for the fiscal year ended June 30, 2026.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 \$12,064,121 in its governmental activities, which is primarily due to deferred inflows, outflows and liabilities related to pensions and compensated absences. This deficit does not indicate the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

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, 2025.

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, 2025
(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, capital projects and debt service.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed funds for Capital Projects on the GAAP basis at June 30, 2025.

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, 2025.

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, 2025
(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, 2025
(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, 2025

(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, 2025
(Continued)

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

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents	Cash and Cash Equivalents	Total
Checking/Money Market Accounts	\$ 6,036,858	\$ 9,077,568	\$ 15,114,426
NJ ARM	11,456,786	17,383,636	28,840,422
	<u>\$ 17,493,644</u>	<u>\$ 26,461,204</u>	<u>\$ 43,954,848</u>

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$43,954,848 and the bank balance was \$46,988,409. The balance of \$28,840,422 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, 2024	\$ 9,615,201
Add: Interest Earnings	341,585
Transfer from Unassigned Fund Balance per Board Resolution - June 2025	<u>1,500,000</u>
Ending Balance, June 30, 2025	<u>\$ 11,456,786</u>

The balance in the capital reserve account at June 30, 2025 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP. Any withdrawals from the capital reserve are 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, 2025

(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 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	21,696,703	\$ 8,637,218		30,333,921
Total Capital Assets Not Being Depreciated	21,805,748	8,637,218		30,442,966
Capital Assets Being Depreciated:				
Site Improvements	9,118,930	14,725		9,133,655
Buildings and Building Improvements	111,916,812	173,769		112,090,581
Machinery and Equipment	9,300,372	1,273,907		10,574,279
Total Capital Assets Being Depreciated	130,336,114	1,462,401		131,798,515
Governmental Activities Capital Assets	152,141,862	10,099,619		162,241,481
Less Accumulated Depreciation for:				
Site Improvements	(4,651,001)	(400,594)		(5,051,595)
Buildings and Building Improvements	(45,488,325)	(3,145,073)		(48,633,398)
Machinery and Equipment	(6,217,850)	(921,986)		(7,139,836)
	(56,357,176)	(4,467,653)		(60,824,829)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 95,784,686	\$ 5,631,966	\$ -0-	\$ 101,416,652
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 354,523	\$ 72,056		\$ 426,579
Less: Accumulated Depreciation	(200,716)	(24,688)		(225,404)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 153,807	\$ 47,368	\$ -0-	\$ 201,175

The District expended \$10,099,619 on various capital projects during the fiscal year, which included \$8,637,218 of construction projects in progress. As of June 30, 2025, the District has \$15,352,718 in active construction projects, \$11,457,763 of which has been encumbered for awarded contracts.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 3,429,680
Special Education Instruction	411,646
Other Instruction	90,111
Student and Other Instruction Related Services	69,666
General Administration	4,890
School Administration	250,832
Central Services	45,910
Operations and Maintenance of Plant	107,264
Student Transportation	57,654
	<u>\$ 4,467,653</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2024	Accrued	Retired	Balance 6/30/2025	Due Within One Year
Serial Bonds Payable	\$ 55,468,000		\$ 4,955,000	\$ 50,513,000	\$ 5,210,000
Unamortized Bond					
Issuance Premium	773,200		210,873	562,327	210,872
Financed Purchases Payable	2,297,946		270,525	2,027,421	285,035
Compensated Absences Payable	2,789,940	\$ 257,800	430,558	2,617,182	
Net Pension Liability	16,314,610		999,983	15,314,627	
	<u>\$ 77,643,696</u>	<u>\$ 257,800</u>	<u>\$ 6,866,939</u>	<u>\$ 71,034,557</u>	<u>\$ 5,705,907</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 was approved by the voters 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.

A referendum passed on November 7, 2023, authorizing the issuance of \$12,975,262 in bonds to finance several projects including building system improvements in eight schools and auditorium improvements at the Millburn High School. On December 28, 2023, the District issued serial bonds of \$12,975,000 with interest rates ranging from 0.050% to 4.000% to fund the referendum projects. The bonds mature on August 15, 2024 through 2034 and are non-callable until after August 15, 2031.

The District had bonds outstanding as of June 30, 2025 as follows:

<u>Serial Bonds</u>			
<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding Bonds	07/15/27	5.00%	\$ 4,095,000
School Bonds	08/01/41	3.50%-4.00%	20,143,000
School Bonds	02/15/35	2.50%	14,200,000
School Bonds	08/15/34	0.05%-4.00%	12,075,000
			<u>\$ 50,513,000</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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
2026	\$ 5,210,000	\$ 1,533,823	\$ 6,743,823
2027	5,395,000	1,386,577	6,781,577
2028	5,600,000	1,230,470	6,830,470
2029	3,900,000	1,101,570	5,001,570
2030	3,975,000	996,445	4,971,445
Thereafter 5 Years (2031-2035)	18,090,000	3,110,300	21,200,300
Thereafter 5 Years (2036-2040)	6,000,000	1,040,850	7,040,850
Thereafter 2 Years (2041-2042)	2,343,000	92,580	2,435,580
	<u>\$ 50,513,000</u>	<u>\$ 10,492,615</u>	<u>\$ 61,005,615</u>

B. Bonds Authorized But Not Issued

As of June 30, 2025, the Board had \$262 bonds authorized but not issued.

C. Unamortized Bond Issuance Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$210,872 and is separated from the long-term portion of \$351,455.

D. 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, 2025, \$2,455,579 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, 2025
(Continued)

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

D. 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, 2025.

<u>Fiscal Year</u>	<u>Amount</u>
2026	\$ 332,185
2027	339,185
2028	346,898
2029	354,758
2030	362,858
Thereafter 2 Years (2031-2032)	464,132
Total Minimum Financed Purchases Payments	2,200,016
Less: Amount Representing Interest	(172,595)
Present Value Net of Minimum Financed Purchase Payments	<u>\$ 2,027,421</u>

The current portion of the financed purchases payable as of June 30, 2025 in the governmental activities is \$285,035 and the long-term portion is \$1,742,386. The General Fund will be used to liquidate the financed purchases payable.

E. Compensated Absences Payable:

The liability for compensated absences of the Governmental fund types is recorded in 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 \$2,617,182. The General Fund will be used to liquidate compensated absences payable. There is no liability for compensated absences in the Proprietary fund types.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is \$-0- and the long-term portion is \$15,314,627. 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, 2025

(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.nj.gov/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:

<u>Tier</u>	<u>Definition</u>
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. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being 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 is adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$1,590,123 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$49,374 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

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of \$15,314,627 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.1127% for PERS, which was an increase of 0.0001% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense of \$252,438 for PERS.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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)

Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of \$49,374 and the District recognized pension expense and revenue for the same amount in the fiscal year ended June 30, 2025 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

At June 30, 2025, 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	2020	5.16		\$ (111,292)
	2021	5.13	\$ 19,026	
	2022	5.04		(62,953)
			<u>19,026</u>	<u>(174,245)</u>
Changes in Proportion	2020	5.16	17,505	
	2021	5.13		(335,037)
	2022	5.04		(135,580)
	2023	5.08	550,810	
	2024	5.08	8,619	
			<u>576,934</u>	<u>(470,617)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		(1,051,251)
	2022	5.00		1,667,645
	2023	5.00		(432,449)
	2024	5.00		(894,042)
				<u>(710,097)</u>
Difference Between Expected and Actual Experience	2020	5.16	6,200	
	2021	5.13		(15,131)
	2022	5.04		(25,641)
	2023	5.08	78,778	
	2024	5.08	221,802	
			<u>306,780</u>	<u>(40,772)</u>
District Contribution Subsequent to the Measurement Date	2024	1.00	1,600,000	
			<u>\$ 2,502,740</u>	<u>\$ (1,395,731)</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2025	\$ (814,722)
2026	579,067
2027	(111,169)
2028	(150,683)
2029	4,516
	<u>\$ (492,991)</u>

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 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, 2023 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, 2025
(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, 2024) 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, 2024 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based 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, 2025
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (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, 2024 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, 2024		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 20,349,374	\$ 15,314,627	\$ 11,030,085

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/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, 2025
(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 2024, 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 2025, the State of New Jersey contributed \$16,871,602 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of (\$696,308). 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, 2025
(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, 2025, the State's proportionate share of the net pension liability associated with the District was \$190,881,976. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.3862% which was a decrease of -0.0167% as of June 30, 2023.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>190,881,976</u>
Total	<u><u>\$ 190,881,976</u></u>

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of \$696,308 and the District recognized pension benefit and revenue for \$696,308 in the fiscal year ended June 30, 2025 financial statements.

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	<u>67,989,902</u>	
			<u>671,623,600</u>	<u>9,874,858,005</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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	2017	8.30	\$ 8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		\$ 39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual	2021	5.00		888,658,452
Actual Investment Earnings on Pension	2022	5.00		(1,659,667,329)
Plan Investments	2023	5.00		357,972,332
	2024	5.00		816,400,864
				<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	<u>(34,177,408)</u>
	<u>\$ (9,436,989,313)</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% 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, 2023 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, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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, 2024 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, 2024		
	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	\$ 226,890,252	\$ 190,881,976	\$ 160,556,202

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 \$52,408 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$71,367 for the fiscal year ended June 30, 2025.

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. 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, 2025
(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, 2025 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, 2024 is as follows:

Total Assets	\$ 22,064,961
Net Position	\$ 2,480,582
Total Revenue	\$ 12,067,611
Total Expenses	\$ 12,287,913
Change in Net Position	\$ (220,302)
Members Dividends	\$ -0-

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>
2024-2025	\$ -0-	\$ 18,022	\$ 100,878	\$ 122,658	\$ 638,239
2023-2024	-0-	10,875	100,790	114,635	641,997
2022-2023	-0-	7,064	94,516	98,595	644,967

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 246,157	
Capital Projects Fund		\$ 784,612
Debt Service Fund	<u>538,455</u>	
	<u>\$ 784,612</u>	<u>\$ 784,612</u>

The interfund receivable in the General Fund is comprised of the current year's interest due from the Capital Projects Fund and expenses paid on behalf of the Capital Projects Fund by the General Fund. 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 \$507,149 of interest earned in the Capital Projects Fund to the Debt Service Fund and transferred \$200,142 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:

AIG Retirement Services/VALIC	Lincoln Investment Planning
AXA Equitable	Prudential
Security Benefits	VANGUARD

AXA Equitable, Lincoln Investment Planning, AIG Retirement Services/VALIC and Security Benefits 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, 2025
(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, 2025, 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
<u>\$ 800,066</u>	<u>\$ 39,165</u>	<u>\$ 11,457,763</u>	<u>\$ 12,296,994</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2025, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$39,165 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 \$11,457,763 year-end encumbrances in the Capital Projects Fund are included in the \$9,356,352 of restricted fund balance and the \$2,888,792 of committed fund balance.

Arbitrage

The District does not have a liability for arbitrage payable to the federal government relative to its \$20,500,000 School Bonds dated April 21, 2020. The District is not subject to liability for arbitrage payable to the federal government relative to its \$12,975,000 School Bonds dated December 28, 2023 as the District is considered a small issuer with debt under \$15,000,000.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 14. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities as of June 30, 2025 consisted of the following:

	Governmental Funds			District Contribution		Business- Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund	Subsequent to the Measure- ment Date	Total Governmental Activities	Proprietary Funds
Due to State of New Jersey				\$ 1,600,000	\$ 1,600,000	
Vendors	\$ 245,930	\$ 3,900	\$ 234,911		484,741	\$ 27,106
Accrued Salaries and Wages	3,574,604	5,945			3,580,549	
Payroll Deductions and Withholdings	202,350				202,350	
	<u>\$ 4,022,884</u>	<u>\$ 9,845</u>	<u>\$ 234,911</u>	<u>\$ 1,600,000</u>	<u>\$ 5,867,640</u>	<u>\$ 27,106</u>

NOTE 15. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2025 the District transferred \$405,465 to the capital outlay accounts for equipment which did not require County Superintendent approval.

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, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	<u>\$ 450,000</u>
Ending Balance, June 30, 2025	<u>\$ 450,000</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024	\$ 4,202,578
Add: Transfer from Unassigned Fund Balance per Board Resolution - June 2025	<u>500,000</u>
Ending Balance, June 30, 2025	<u><u>\$ 4,702,578</u></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, 2025
(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 local 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.nj.gov/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retiree Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	<u>219,185</u>
Total	<u><u>372,741</u></u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

Actuarial Assumptions and Other Inputs

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65% 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, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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

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 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine 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, 2025
(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 3.93%. This represents the municipal bond return 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, 2022	\$ 157,400,684
Changes for Year:	
Service Cost	6,866,848
Interest on the Total OPEB Liability	6,037,347
Difference between Actual and Expected Experience	3,834,416
Changes of Assumptions	13,721,334
Contributions from Members	157,879
Gross Benefit Payments by the State	(4,610,819)
Net Changes	26,007,005
Balance at June 30, 2023	\$ 183,407,689

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, 2024, 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 was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	\$ 214,809,684	\$ 183,407,689	\$ 157,877,245

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024, 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 was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 152,779,940	\$ 183,407,689	\$ 223,302,353

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

For the fiscal year ended June 30, 2025 the District recognized OPEB expense of \$8,435,058 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, 2024, 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		\$ 3,517,326
	2018	9.51		4,294,082
	2019	9.29	\$ 677,489	
	2020	9.24	17,476,189	
	2021	9.24	103,228	
	2022	9.13		28,047,592
	2023	9.30	254,717	
	2024	9.33	12,250,666	
			<u>30,762,289</u>	<u>35,859,000</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	2018	9.51		\$ 4,059,243
	2019	9.29		7,974,070
	2020	9.24	\$ 16,288,494	
	2021	9.24		19,851,695
	2022	9.13	2,888,499	
	2023	9.30		2,366,229
	2024	9.33	436,299	
			<u>19,613,292</u>	<u>34,251,237</u>
Changes in Proportion	N/A	N/A	10,262,940	147,172
			<u>\$ 60,638,521</u>	<u>\$ 70,257,409</u>

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
2025	\$ (6,505,683)
2026	(5,455,055)
2027	(2,590,978)
2028	680,954
2029	(4,728,043)
Thereafter	<u>(1,135,851)</u>
	<u>\$ (19,734,656)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's Proportion of the Net Pension Liability	0.1078048987%	0.1151853278%	0.1126986898%	0.1143666831%	0.1134126488%	0.1159201523%	0.1089461467%	0.1071851330%	0.1126359369%	0.1127066163%
District's Proportionate Share of the Net Pension Liability	\$ 24,200,039	\$ 34,114,590	\$ 26,234,454	\$ 22,518,230	\$ 20,435,239	\$ 18,903,545	\$ 12,906,304	\$ 16,175,712	\$ 16,314,610	\$ 15,314,627
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	\$ 9,033,527
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	315.19%	438.78%	331.34%	282.40%	253.02%	237.76%	166.57%	206.20%	187.19%	169.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 926,833	\$ 1,032,163	\$ 1,070,057	\$ 1,151,998	\$ 1,145,460	\$ 1,268,109	\$ 1,275,886	\$ 1,395,733	\$ 1,543,009	\$ 1,590,123
Contributions in relation to the Contractually Required Contribution	(926,833)	(1,032,163)	(1,070,057)	(1,151,998)	(1,145,460)	(1,268,109)	(1,275,886)	(1,395,733)	(1,543,009)	(1,590,123)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Employee Payroll	\$ 7,774,941	\$ 7,917,692	\$ 7,973,891	\$ 8,076,501	\$ 7,950,746	\$ 7,748,483	\$ 7,844,819	\$ 8,715,379	\$ 9,033,527	\$ 9,099,439
Contributions as a Percentage of Covered Employee Payroll	11.92%	13.04%	13.42%	14.26%	14.41%	16.37%	16.26%	16.01%	17.08%	17.47%

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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's Proportion of the Net Pension Liability Attributable to the District	0.4068492581%	0.4113368574%	0.4125498369%	0.4127866375%	0.4089868782%	0.3918609393%	0.4052783316%	0.4011257212%	0.4028697616%	0.3862044811%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 257,146,105	\$ 323,583,762	\$ 278,155,976	\$ 262,605,992	\$ 250,999,107	\$ 258,035,713	\$ 194,838,322	\$ 206,958,473	\$ 205,595,194	\$ 190,881,976
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	\$ 49,658,018
State's proportionate share of the net pension liability attributable to the District as a Percentage of its Covered Employee Payroll	610.67%	774.36%	652.65%	626.13%	573.73%	568.74%	427.61%	458.13%	426.89%	384.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 15,701,085	\$ 24,312,817	\$ 19,269,238	\$ 15,309,011	\$ 14,804,598	\$ 16,045,759	\$ 4,584,631	\$ 5,569,831	\$ 5,050,876	\$ (696,308)
Contributions in relation to the contractually required contribution	(3,293,323)	(4,478,121)	(6,078,890)	(8,043,783)	(8,595,011)	(11,780,950)	(16,512,967)	(16,469,559)	(16,457,462)	(16,871,602)
Contribution deficiency/(excess)	\$ 12,407,762	\$ 19,834,696	\$ 13,190,348	\$ 7,265,228	\$ 6,209,587	\$ 4,264,809	\$ (11,928,336)	\$ (10,899,728)	\$ (11,406,586)	\$ (17,567,910)
District's covered employee payroll	\$ 41,787,246	\$ 42,619,709	\$ 41,940,799	\$ 43,748,623	\$ 45,369,717	\$ 45,564,868	\$ 45,174,696	\$ 48,160,878	\$ 49,658,018	\$ 49,533,118
Contributions as a percentage of covered employee payroll	7.88%	10.51%	14.49%	18.39%	18.94%	25.86%	36.55%	34.20%	33.14%	34.06%

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

	Fiscal Year Ending							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 7,122,113	\$ 5,906,639	\$ 5,351,212	\$ 5,543,054	\$ 10,020,652	\$ 8,781,773	\$ 6,877,033	\$ 6,866,848
Interest Cost	4,716,209	5,481,306	5,300,268	4,412,735	4,607,237	3,967,948	5,543,460	6,037,347
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	(885,569)	3,834,416
Changes in Assumptions	(19,615,191)	(15,309,398)	1,822,092	36,460,248	175,220	(40,165,789)	317,255	13,721,334
Member Contributions	127,003	123,292	111,200	105,324	117,784	126,088	142,059	157,879
Gross Benefit Payments	(3,449,056)	(3,567,320)	(3,751,341)	(3,474,889)	(3,629,212)	(3,930,370)	(4,321,217)	(4,610,819)
Net Change in Total OPEB Liability	(11,098,922)	(15,499,912)	(11,204,042)	77,395,647	(21,996,948)	(27,876,411)	7,673,021	26,007,005
Total OPEB Liability - Beginning	160,008,251	148,909,329	133,409,417	122,205,375	199,601,022	177,604,074	149,727,663	157,400,684
Total OPEB Liability - Ending	\$ 148,909,329	\$ 133,409,417	\$ 122,205,375	\$ 199,601,022	\$ 177,604,074	\$ 149,727,663	\$ 157,400,684	\$ 183,407,689
District's Covered Employee Payroll *	\$ 49,562,187	\$ 50,537,401	\$ 49,914,690	\$ 51,825,124	\$ 53,320,463	\$ 53,313,351	\$ 53,019,515	\$ 56,876,257
Total OPEB Liability as a Percentage of Covered Employee Payroll	300%	264%	245%	385%	333%	281%	297%	322%

* Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the June 30, 2016 through 2023 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, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

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, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 97,209,957		\$ 97,209,957	\$ 97,209,957	
Tuition From Individuals	126,000		126,000	158,250	\$ 32,250
Tuition From Other LEAs Within the State				172,165	172,165
Transportation Fees From Individuals	950,000		950,000	1,166,983	216,983
Rents and Royalties				334,942	334,942
Unrestricted Miscellaneous Revenues	339,000		339,000	1,196,570	857,570
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	341,585	341,515
Total Revenues from Local Sources	98,625,057		98,625,057	100,580,452	1,955,395
Revenues from State Sources:					
Categorical Transportation Aid	1,009,647		1,009,647	1,009,647	
Extraordinary Aid	500,000		500,000	1,872,301	1,372,301
Categorical Special Education Aid	5,589,106		5,589,106	5,589,106	
Categorical Security Aid	465,014		465,014	465,014	
Excess Nonpublic School Transportation Costs				283,002	283,002
Menstrual Product Reimbursement				7,085	7,085
TPAF Post Retirement Contributions (Non-Budgeted)				4,990,964	4,990,964
TPAF Pension Contributions (Non-Budgeted)				16,871,602	16,871,602
TPAF Non-Contributory Insurance (Non-Budgeted)				208,994	208,994
TPAF Long-Term Disability Insurance (Non-Budgeted)				6,592	6,592
Reimbursed TPAF Social Security Contributions				3,557,209	3,557,209
Total Revenues from State Sources	7,563,767		7,563,767	34,861,516	27,297,749
Revenues from Federal Sources:					
Medicaid Reimbursement	20,428		20,428	5,770	(14,658)
Total Revenues from Federal Sources	20,428		20,428	5,770	(14,658)
TOTAL REVENUE	106,209,252		106,209,252	135,447,738	29,238,486

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 221,844	\$ (2,300)	\$ 219,544	\$ 219,544	
Kindergarten - Salaries of Teachers	1,832,110	(43,198)	1,788,912	1,788,912	
Grades 1-5 - Salaries of Teachers	11,808,748	(1,042,456)	10,766,292	10,766,292	
Grades 6-8 - Salaries of Teachers	8,716,470	(89,552)	8,626,918	8,626,918	
Grades 9-12 - Salaries of Teachers	11,902,564	(235,669)	11,666,895	11,666,895	
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000	(10,153)	14,847	14,847	
Purchased Professional - Educational Services	40,504	9,510	50,014	45,888	\$ 4,126
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	77,420	23,706	101,126	101,126	
Purchased Professional - Educational Services	337,800	612,238	950,038	929,186	20,852
Purchased Technical Services	1,002,956	431,224	1,434,180	1,432,097	2,083
Other Purchased Services (400-500 series)	155,558	(2,812)	152,746	145,913	6,833
General Supplies	1,703,088	(53,405)	1,649,683	1,592,606	57,077
Textbooks	202,294	47,238	249,532	244,682	4,850
Total Regular Programs - Instruction	38,026,356	(355,629)	37,670,727	37,574,906	95,821
Special Education - Instruction:					
Cognitive - Moderate:	4,000	(4,000)			
Purchased Professional - Educational Services	4,000	(4,000)			
Total Cognitive - Moderate					
Learning and/or Language Disabilities:					
Salaries of Teachers	360,128	(19,842)	340,286	340,286	
Purchased Professional - Educational Services		4,524	4,524	4,524	
General Supplies	8,000	(4,003)	3,997	3,787	210
Textbooks	1,000		1,000		1,000
Total Learning and/or Language Disabilities	369,128	(19,321)	349,807	348,597	1,210

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Auditory Impairments:					
Salaries of Teachers	\$ 115,711	\$ 949	\$ 116,660	\$ 116,660	
General Supplies	5,000	(3,000)	2,000	377	\$ 1,623
Total Auditory Impairments	120,711	(2,051)	118,660	117,037	1,623
Multiple Disabilities:					
Salaries of Teachers	231,765	(93,893)	137,872	137,872	
Other Salaries for Instruction	75,170	4,642	79,812	79,812	
Purchased Professional-Educational Services		3,150	3,150	431	2,719
General Supplies	200		200	95	105
Textbooks	300		300	300	300
Total Multiple Disabilities	307,435	(86,101)	221,334	218,210	3,124
Resource Room/Resource Center:					
Salaries of Teachers	5,528,230	(94,670)	5,433,560	5,433,560	
Purchased Professional - Educational Services		47,767	47,767	38,346	9,421
General Supplies	30,249	(12,134)	18,115	17,762	353
Textbooks	23,511	(8,671)	14,840	14,840	
Total Resource Room/Resource Center	5,581,990	(67,708)	5,514,282	5,504,508	9,774
Autism:					
Salaries of Teachers	422,607	6,341	428,948	428,948	
Other Salaries for Instruction	84,320	(41,302)	43,018	43,018	
Purchased Professional-Educational Services		3,971	3,971	3,527	444
General Supplies	8,775	(1,212)	7,563	7,563	
Total Autism	515,702	(32,202)	483,500	483,056	444
Preschool Disabilities - Part-Time:					
Salaries of Teachers	58,693	(2,217)	56,476	56,476	
Other Salaries for Instruction	101,503	(16,181)	85,322	85,322	
General Supplies	2,500		2,500	1,267	1,233
Total Preschool Disabilities - Part-Time	162,696	(18,398)	144,298	143,065	1,233

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 64,690	\$ (2)	\$ 64,688	\$ 64,688	
Other Salaries for Instruction	37,853	(728)	37,125	37,125	
Purchased Professional-Educational Services		3,500	3,500	2,131	\$ 1,369
General Supplies	500		500	78	422
Total Preschool Disabilities - Full-Time	103,043	2,770	105,813	104,022	1,791
Home Instruction:					
Salaries of Teachers	38,000	(24,988)	13,012	13,012	
Purchased Professional - Educational Services	27,000	8,900	35,900	32,295	3,605
Total Home Instruction	65,000	(16,088)	48,912	45,307	3,605
TOTAL SPECIAL EDUCATION - INSTRUCTION	7,229,705	(243,099)	6,986,606	6,963,802	22,804
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,254,128	1,700	1,255,828	1,255,828	
Purchased Professional-Educational Services		10,000	10,000	8,116	1,884
General Supplies	15,650		15,650	14,071	1,579
Total Basic Skills/Remedial - Instruction	1,269,778	11,700	1,281,478	1,278,015	3,463
Bilingual Education - Instruction:					
Salaries of Teachers	488,465	(35,688)	452,777	452,777	
Purchased Professional - Educational Services		4,000	4,000	3,632	368
General Supplies	25,037		25,037	23,208	1,829
Total Bilingual Education - Instruction	513,502	(31,688)	481,814	479,617	2,197
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	409,823	8,514	418,337	418,337	
Other Objects	79,500		79,500	78,342	1,158
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	489,323	8,514	497,837	496,679	1,158

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 936,765	\$ (841,558)	\$ 95,207	\$ 82,075	\$ 13,132
Purchased Services (300-500 series)	174,225	(23,851)	150,374	144,547	5,827
Supplies and Materials	139,341	(14,500)	124,841	93,624	31,217
Other Objects	24,230		24,230	13,523	10,707
Total School-Sponsored Athletics - Instruction	1,274,561	(27,165)	1,247,396	1,152,193	95,203
Community Services Programs/Operations:					
Salaries	36,000		36,000	22,601	13,399
Total Community Services Programs/Operations	36,000		36,000	22,601	13,399
TOTAL INSTRUCTION	48,839,225	(637,367)	48,201,858	47,967,813	234,045
Undist. Expend. - Instruction:					
Tuition to Other LEAs Within the State - Special	268,451	250,551	519,002	469,899	49,103
Tuition to County Voc. School Dist. - Special	31,350	(8,100)	23,250	23,250	
Tuition to Priv. Sch. for the Handicap. Within the State	3,832,835	(786,271)	3,046,564	2,900,921	145,643
Tuition to Priv Sch Handicap & Oth LEAs - Spl,O/S St	475,358	117,892	593,250	572,035	21,215
Total Undist. Expend. - Instruction	4,607,994	(425,928)	4,182,066	3,966,105	215,961
Undist. Expend. - Health Services:					
Salaries	740,070	19,806	759,876	759,876	
Purchased Professional and Technical Services	81,900	4,470	86,370	86,370	
Other Purchased Services (400-500 series)	100	(10)	90	16	74
Supplies and Materials	23,558	(2,406)	21,152	20,334	818
Other Objects	2,650	(1,600)	1,050	263	787
Total Undist. Expend. - Health Services	848,278	20,260	868,538	866,859	1,679
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	1,437,930	(55,576)	1,382,354	1,382,354	
Purchased Professional - Educational Services	175,000	(74,360)	100,640	100,640	
Supplies and Materials	4,500		4,500	4,480	20
Total Undist. Expend. - Speech, OT, PT, Related Svcs	1,617,430	(129,936)	1,487,494	1,487,474	20

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Salaries	\$ 3,878,709	\$ (345,422)	\$ 3,533,287	\$ 3,533,287	
Purchased Professional - Educational Services		257,960	257,960	257,960	
Supplies and Materials	3,800	(2,900)	900	800	\$ 100
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	<u>3,882,509</u>	<u>(90,362)</u>	<u>3,792,147</u>	<u>3,792,047</u>	<u>100</u>
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,336,724	152,285	1,489,009	1,489,009	
Salaries of Secretarial and Clerical Assistants	236,855	(8,459)	228,396	228,396	
Other Salaries	80,425	1,081	81,506	81,506	
Unused Vacation Payment to Terminated/Retired Staff		19,573	19,573	19,573	
Other Purchased Services (400-500 series)	3,000	(769)	2,231		2,231
Total Undist. Expend. - Guidance	<u>1,657,004</u>	<u>163,711</u>	<u>1,820,715</u>	<u>1,818,484</u>	<u>2,231</u>
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	3,043,722	43,651	3,087,373	3,087,373	
Salaries of Secretarial and Clerical Assistants	250,670	50	250,720	250,720	
Other Purchased Prof. and Tech. Services	70,000	7,520	77,520	67,932	9,588
Other Purchased Services (400-500 series)	3,220		3,220	2,332	888
Supplies and Materials	74,730	(7,264)	67,466	65,611	1,855
Other Objects	10,700		10,700	6,446	4,254
Total Undist. Expend. - Child Study Team	<u>3,453,042</u>	<u>44,111</u>	<u>3,497,153</u>	<u>3,480,414</u>	<u>16,739</u>
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	811,499	152,447	963,946	963,946	
Salaries of Other Professional Staff	818,603	151,789	970,392	961,957	8,435
Salaries of Secretarial and Clerical Assistants	60,445	739	61,184	61,184	
Unused Vacation Payment to Terminated/Retired Staff		24,838	24,838	23,852	986
Other Purchased Services (400-500 series)	11,895	(5,427)	6,468	6,468	
Supplies and Materials	21,000	1,416	22,416	22,416	
Other Objects	16,514	1,788	18,302	17,752	550
Total Undist. Expend. - Improv. of Inst. Serv.	<u>1,739,956</u>	<u>327,590</u>	<u>2,067,546</u>	<u>2,057,575</u>	<u>9,971</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	\$ 518,946	\$ (72,366)	\$ 446,580	\$ 446,580	
Purchased Professional and Technical Services		7,000	7,000	4,141	\$ 2,859
Supplies and Materials	108,366	27,899	136,265	130,804	5,461
Total Undist. Expend. - Edu. Media Serv./Sch. Library	627,312	(37,467)	589,845	581,525	8,320
Undist. Expend. - Instructional Staff Training Services:					
Salaries of Other Professional Staff	20,000	(13,264)	6,736	6,736	
Other Salaries	26,000	74	26,074	26,074	
Purchased Professional - Educational Service	45,000	(16,579)	28,421	28,421	
Other Purchased Services (400-500 series)	2,250	(1,936)	314	314	
Supplies and Materials	6,950	(5,270)	1,680	1,680	
Other Objects	37,715	(16,598)	21,117	20,567	550
Total Undist. Expend. - Instructional Staff Training Services	137,915	(53,573)	84,342	83,792	550
Undist. Expend. - Support Serv. - Gen. Admin.:					
Salaries	717,309	(56,487)	660,822	660,354	468
Unused Vacation Payment to Terminated/Retired Staff		13,511	13,511	13,510	1
Legal Services	330,000	(64,163)	265,837	224,218	41,619
Audit Fees	73,260	13,740	87,000	87,000	
Architectural/Engineering Services	239,691	(13,740)	225,951	152,448	73,503
Other Purchased Professional Services	109,794	(25,555)	84,239	54,478	29,761
Communications / Telephone	247,400	14,100	261,500	244,716	16,784
BOE Other Purchased Services	2,000		2,000	65	1,935
Other Purch. Serv. (400-500 series other than 530 & 585)	58,500		58,500	51,942	6,558
General Supplies	2,000	61,491	63,491	438	63,053
BOE In-house training/ Meeting Supplies	300	7,850	8,150	4,315	3,835
Judgments Against The School District	500,000	(168,094)	331,906		331,906
Miscellaneous Expenditures	20,000		20,000	11,152	8,848
BOE Membership Dues and Fees	30,000		30,000	30,000	
Total Undist. Expend. - Support Serv. - Gen. Admin.	2,330,254	(217,347)	2,112,907	1,534,636	578,271

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 2,157,015	\$ 522,630	\$ 2,679,645	\$ 2,679,645	
Salaries of Other Professional Staff	579,439	(3,165)	576,274	576,274	
Salaries of Secretarial and Clerical Assistants	1,013,169	(34,796)	978,373	978,373	
Other Salaries	2,400	(1,800)	600	600	
Unused Vacation Payment to Terminated/Retired Staff		136,288	136,288	131,023	\$ 5,265
Purchased Professional and Technical Services	144,550	13,411	13,411	13,411	
Supplies and Materials		(52,282)	92,268	90,695	1,573
Other Objects	32,420	(4,483)	27,937	24,668	3,269
Total Undist. Expend. - Support Serv. - School Adm.	3,928,993	575,803	4,504,796	4,494,689	10,107
Undist. Expend. - Central Services:					
Salaries	978,883	12,871	991,754	991,754	
Purchased Professional Services	48,000		48,000	48,000	
Purchased Technical Services	68,000	(8,055)	59,945	59,945	
Miscellaneous Purchased Services (400-500 series other than 594)	2,500		2,500	1,096	1,404
Supplies and Materials	22,500	(8,380)	14,120	13,920	200
Other Objects	136,154	4,610	140,764	139,594	1,170
Total Undist. Expend. - Central Services	1,256,037	84,380	1,340,417	1,306,232	34,185
Undist. Expend. - Admin. Info. Technology:					
Salaries	883,209	(8,400)	874,809	874,809	
Purchased Professional Services	44,000	20,353	64,353	26,180	38,173
Purchased Technical Services	28,823	(3,819)	25,004	22,771	2,233
Other Purchased Services (400-500 series)	9,100	(6,500)	2,600	2,321	279
Supplies and Materials	16,670	60,842	77,512	77,512	
Other Objects	6,499	(5,000)	1,499	840	659
Total Undist. Expend. - Admin. Info. Technology	988,301	57,476	1,045,777	1,004,433	41,344

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	\$ 450,200	\$ 44,579	\$ 494,779	\$ 492,109	\$ 2,670
Cleaning, Repair, and Maintenance Services	1,064,411	1,401,206	2,465,617	2,414,324	51,293
Lead Testing of Drinking Water	11,000	(1,155)	9,845	9,845	
General Supplies	240,000	(52,463)	187,537	168,945	18,592
Other Objects	55,000	6,387	61,387	57,389	3,998
Total Undist. Expend. - Required Maintenance for School Facilities	1,820,611	1,398,554	3,219,165	3,142,612	76,553
Undist. Expend. - Custodial Services:					
Salaries	2,799,900	85,760	2,885,660	2,884,527	1,133
Salaries of Non-Instructional Aides	504,000	(34,634)	469,366	469,366	
Unused Vacation Payment to Terminated/Retired Staff		22,511	22,511	18,128	4,383
Purchased Professional and Technical Services	50,000	(15,963)	34,037	32,585	1,452
Cleaning, Repair, and Maintenance Services	439,000	(32,751)	406,249	378,648	27,601
Lease Purchase Payments - Energy Savings Impr Prog	324,286		324,286	324,286	
Other Purchased Property Services	245,656	(89,980)	155,676	149,170	6,506
Insurance	705,000	(29,777)	675,223	673,960	1,263
Miscellaneous Purchased Services	2,750		2,750	2,061	689
General Supplies	218,000	55,615	273,615	262,209	11,406
Energy (Natural Gas)	451,987	(80,000)	371,987	322,426	49,561
Energy (Electricity)	1,126,809		1,126,809	1,016,493	110,316
Other Objects	1,550		1,550	900	650
Total Undist. Expend. - Custodial Services	6,868,938	(119,219)	6,749,719	6,534,759	214,960
Care and Upkeep of Grounds:					
Salaries	207,357	(32,827)	174,530	174,530	
Cleaning, Repair, and Maintenance Services	175,368	137,965	313,333	300,047	13,286
General Supplies	25,000	(6,580)	18,420	16,687	1,733
Total Care And Upkeep Of Grounds	407,725	100,662	508,387	492,422	15,965

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Salaries	\$ 635,046	\$ 10,915	\$ 645,961	\$ 645,961	
Purchased Professional and Technical Services		4,365	4,365	4,365	
Cleaning, Repair, and Maintenance Services	20,000	(18,200)	1,800	1,800	
General Supplies	30,000	25,441	55,441	53,224	\$ 2,217
Total Security	685,046	22,521	707,567	705,350	2,217
Total Undist. Expend. - Oper. And Maint. Of Plant Serv.	9,782,320	1,402,518	11,184,838	10,875,143	309,695
Undist. Expend. - Student Transportation Serv.:					
Salaries of Non-Instructional Aides	112,507	12,613	125,120	125,120	
Sal. for Pupil Trans. (Bet. Home and Sch.) - Reg.	237,147	5,563	242,710	242,710	
Sal. for Pupil Trans. (Bet. Home and Sch.) - Spl. Ed.	304,465	31,231	335,696	335,696	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	75,500	(11,956)	63,544	63,544	
Management Fee - ESC&CTSA Transportation Program	80,000		80,000	72,748	7,252
Cleaning, Repair, and Maint. Services	75,000		75,000	67,165	7,835
Contract. Serv. - Aid in Lieu of Payments - Nonpublic Students	600,000	40,075	640,075	640,075	
Contract. Serv. (Oth. than Bet. Home & Sch.) - Vend.	389,984	(123,362)	266,622	194,666	71,956
Contract. Serv. (Spl. Ed. Students) - Vendors	30,000	9,600	39,600	34,650	4,950
Contract. Serv. (Reg. Students) - ESCs & CTSA	2,140,000	(49,556)	2,090,444	2,008,845	81,599
Contract. Serv. (Spl. Ed. Students) - ESCs & CTSA	1,170,000	(155,244)	1,014,756	921,479	93,277
Misc. Purchased Serv. - Transportation	26,750	300	27,050	25,696	1,354
General Supplies	37,000	(300)	36,700	26,957	9,743
Transportation Supplies	200		200	27	173
Other Objects	6,000		6,000	1,463	4,537
Total Undist. Expend. - Student Transportation Serv.	5,284,553	(241,036)	5,043,517	4,760,841	282,676

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 1,325,000		\$ 1,325,000	\$ 1,255,378	\$ 69,622
Other Retirement Contributions - PERS	1,540,629	\$ 11,736	1,552,365	1,552,365	
Other Retirement Contributions Deferred PERS Payment	40,000	(2,242)	37,758	37,758	
Other Retirement Contributions - Regular	56,000		56,000	52,408	3,592
Unemployment Compensation		3,758	3,758	3,758	
Workers Compensation	350,000	(94,158)	255,842	255,842	
Health Benefits	14,966,013	(1,298,720)	13,667,293	13,279,256	388,037
Tuition Reimbursement	136,500		136,500	74,343	62,157
Other Employee Benefits	640,000	(17,937)	622,063	615,746	6,317
Unused Sick Payment to Terminated/Retired Staff	180,000	149,265	329,265	313,133	16,132
TOTAL UNALLOCATED BENEFITS	19,234,142	(1,248,298)	17,985,844	17,439,987	545,857
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				4,990,964	(4,990,964)
TPAF Pension Contributions (Non-Budgeted)				16,871,602	(16,871,602)
TPAF Non-Contributory Insurance (Non-Budgeted)				208,994	(208,994)
TPAF Long-Term Disability Insurance (Non-Budgeted)				6,592	(6,592)
Reimbursed TPAF Social Security Contributions				3,557,209	(3,557,209)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				25,635,361	(25,635,361)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	19,234,142	(1,248,298)	17,985,844	43,075,348	(25,089,504)
TOTAL UNDISTRIBUTED EXPENDITURES	61,376,040	231,902	61,607,942	85,185,597	(23,577,655)
TOTAL GENERAL CURRENT EXPENSE	110,215,265	(405,465)	109,809,800	133,153,410	(23,343,610)

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment:					
Grades 9-12	\$ 48,595	\$ (20,125)	\$ 28,470	\$ 25,655	\$ 2,815
School-Sponsored and Other Instructional Programs	22,836	(12,672)	10,164	10,164	
Undistributed:					
Undist. Expend. - Instruction		277,394	277,394	265,214	12,180
Undist. Expend. - Required Maint for School Fac.	153,007	56,675	209,682	209,682	
School Buses - Special	138,742		138,742	138,742	
Total Equipment	363,180	405,465	768,645	649,457	119,188
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	1,862		1,862		1,862
Assessment for Debt Service on SDA Funding	76,212		76,212	76,212	
Total Facilities Acquisition and Const. Serv.	78,074		78,074	76,212	1,862
TOTAL CAPITAL OUTLAY	441,254	405,465	846,719	725,669	121,050
TOTAL EXPENDITURES	110,656,519		110,656,519	133,879,079	(23,222,560)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(4,447,267)		(4,447,267)	1,568,659	6,015,926
Other Financing Sources/(Uses):					
Transfer In - Capital Projects Fund Interest				200,142	200,142
Total Other Financing Sources/(Uses)				200,142	200,142
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(4,447,267)		(4,447,267)	1,768,801	6,216,068
Fund Balance, July 1	25,430,890		25,430,890	25,430,890	
Fund Balance, June 30	\$ 20,983,623	\$ -0-	\$ 20,983,623	\$ 27,199,691	\$ 6,216,068

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2026-2027	\$			2,819,932	
Excess Surplus - Restricted For 2025-2026				2,300,000	
Capital Reserve				11,456,786	
Maintenance Reserve				4,702,578	
Emergency Reserve				450,000	
Unemployment Compensation				638,239	
Assigned Fund Balance:					
Year End Encumbrances				800,066	
Designated for Subsequent Year's Expenditures				211,913	
Unassigned Fund Balance				3,820,177	
				<u>27,199,691</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(687,095)</u>	
Fund Balance per Governmental Funds (GAAP)	\$			<u><u>26,512,596</u></u>	

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 700,000	\$ 574,993	\$ 1,274,993	\$ 1,172,444	\$ (102,549)
State Sources	410,968	(50,423)	360,545	327,568	(32,977)
Federal Sources	1,144,525	925,244	2,069,769	1,725,160	(344,609)
Total Revenues	2,255,493	1,449,814	3,705,307	3,225,172	(480,135)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	163,300	186,495	349,795	309,358	40,437
Purchased Professional and Technical Services		2,500	2,500	2,145	355
Purchased Professional - Educational Services	71,657	(5,426)	66,231	54,945	11,286
Tuition	899,144	50,498	949,642	949,642	
General Supplies	104,450	103,325	207,775	166,707	41,068
Textbooks	32,643	(8,864)	23,779	20,615	3,164
Other Objects		229,856	229,856	136,004	93,852
Total Instruction	1,271,194	558,384	1,829,578	1,639,416	190,162
Support Services:					
Salaries of Other Professional Staff		61,659	61,659	48,183	13,476
Personal Services - Employee Benefits		41,396	41,396	25,665	15,731
Purchased Professional and Technical Services		430,970	430,970	188,124	242,846
Purchased Professional-Educational Services	191,657	(39,232)	152,425	146,171	6,254
Purchased Property Services		2,820	2,820	2,820	
Other Purchased Services		13,352	13,352	6,049	7,303
Supplies and Materials	92,642	9,047	101,689	97,326	4,363
Student Activities	700,000	351,584	1,051,584	1,085,210	(33,626)
Total Support Services	984,299	871,596	1,855,895	1,599,548	256,347
Facilities Acquisition and Construction Services:					
Instructional Equipment		19,834	19,834	19,834	
Total Facilities Acquisition and Construction Services		19,834	19,834	19,834	
Total Expenditures	\$ 2,255,493	\$ 1,449,814	\$ 3,705,307	\$ 3,258,798	\$ 446,509
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (33,626)	\$ (33,626)

MILLBURN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 135,447,738	\$ 3,225,172
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		(39,165)
Cancellation of Prior Year Encumbrances		(29,195)
Prior Year Encumbrances		654,881
Prior Year State Aid Payments Recognized for GAAP Purposes, not		
Recognized for Budgetary Statements	618,905	
Current Year State Aid Payments Recognized for Budgetary Purposes,		
not Recognized for GAAP Statements	(687,095)	
Total Revenues as Reported on the Statement of Revenues, Expenditures		
and Changes in Fund Balances - Governmental Funds	<u>\$ 135,379,548</u>	<u>\$ 3,811,693</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 133,879,079	\$ 3,258,798
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		(39,165)
Cancellation of Prior Year Encumbrances		(29,195)
Prior Year Encumbrances		654,881
Total Expenditures as Reported on the Statement of Revenues,		
Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 133,879,079</u>	<u>\$ 3,845,319</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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, 2025 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.

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, 2025

	I.D.E.A.				COVID-19 ARP-GEER High Impact Tutoring
	Basic	Preschool			
	FY25	FY24	FY25	FY24	
REVENUES:					
Local Sources					
State Sources					
Federal Sources					
Total Revenues	\$ 1,082,950	\$ 13,230	\$ 40,801	\$ 700	\$ 120,314
	1,082,950	13,230	40,801	700	120,314
EXPENDITURES:					
Instruction:					104,096
Salaries of Teachers					
Purchased Professional and Technical Services					
Purchased Professional - Educational Services					
Tuition	936,412	13,230			
General Supplies	60,788		34,007	700	
Textbooks					
Other Objects					
Total Instruction	997,200	13,230	34,007	700	104,096
Support Services:					
Salaries of Other Professional Staff			4,176		7,668
Personal Services - Employee Benefits			319		8,550
Purchased Professional and Technical Services					
Purchased Professional - Educational Services					
Purchased Property Services					
Other Purchased Services	85,750		2,299		
Supplies and Materials					
Student Activities					
Total Support Services	85,750		6,794		16,218
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 1,082,950	\$ 13,230	\$ 40,801	\$ 700	\$ 120,314

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ARP				Elementary and Secondary Education Act	
	ESSER III	Learning Acceleration	Summer Learning and Enrichment	Beyond School Day	Title III Immigrant FY25	FY24
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 87,505	\$ 100,192	\$ 40,000	\$ 25,166	\$ 3,000	\$ 1,350
Total Revenues	87,505	100,192	40,000	25,166	3,000	1,350
EXPENDITURES:						
Instruction:						
Salaries of Teachers		72,715	37,157	23,377		
Purchased Professional and Technical Services						
Purchased Professional - Educational Services						
Tuition						
General Supplies	41,456	2,481				
Textbooks						
Other Objects						
Total Instruction	41,456	75,196	37,157	23,377		
Support Services:						
Salaries of Other Professional Staff	19,888					
Personal Services - Employee Benefits	1,523	5,162	2,843	1,789	3,000	1,350
Purchased Professional and Technical Services	18,558					
Purchased Professional - Educational Services						
Purchased Property Services	2,820					
Other Purchased Services						
Supplies and Materials	3,260					
Student Activities						
Total Support Services	46,049	5,162	2,843	1,789	3,000	1,350
Facilities Acquisition and Construction Services:						
Instructional Equipment		19,834				
Total Facilities Acquisition and Construction Services		19,834				
Total Expenditures	\$ 87,505	\$ 100,192	\$ 40,000	\$ 25,166	\$ 3,000	\$ 1,350

TOWNSHIP OF MILLBURN SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Elementary and Secondary Education Act					
	Title IA		Title IIA		Title III	
	FY25	FY24	FY25	FY24	FY24	Title IV FY24
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 134,488	\$ 8,780	\$ 37,207	\$ 200	\$ 14,127	\$ 15,150
Total Revenues	134,488	8,780	37,207	200	14,127	15,150
EXPENDITURES:						
Instruction:						
Salaries of Teachers	62,822				6,816	
Purchased Professional and Technical Services					2,145	
Purchased Professional - Educational Services						
Tuition						
General Supplies	24,341				1,953	
Textbooks						
Other Objects						
Total Instruction	87,163				10,914	
Support Services:						
Salaries of Other Professional Staff	6,740	8,525			1,186	
Personal Services - Employee Benefits	5,202				277	
Purchased Professional and Technical Services	28,654	255	35,207	200		15,150
Purchased Professional - Educational Services						
Purchased Property Services						
Other Purchased Services			2,000		1,750	
Supplies and Materials	6,729					
Student Activities						
Total Support Services	47,325	8,780	37,207	200	3,213	15,150
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 134,488	\$ 8,780	\$ 37,207	\$ 200	\$ 14,127	\$ 15,150

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonpublic			Nonpublic Auxiliary Services		
	Nursing	Textbooks	Technology Initiative	Security Aid	Compensatory Education	Home Instruction
REVENUES:						
Local Sources						
State Sources	\$ 60,450	\$ 20,615	\$ 18,500	\$ 87,337	\$ 36,583	\$ 2,090
Federal Sources						
Total Revenues	60,450	20,615	18,500	87,337	36,583	2,090
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional and Technical Services						
Purchased Professional - Educational Services					36,583	2,090
Tuition						
General Supplies						
Textbooks		20,615	18,500			
Other Objects						
Total Instruction		20,615	18,500		36,583	2,090
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits						
Purchased Professional and Technical Services						
Purchased Professional - Educational Services						
Purchased Property Services	60,450					
Other Purchased Services						
Supplies and Materials				87,337		
Student Activities						
Total Support Services	60,450			87,337		
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 60,450	\$ 20,615	\$ 18,500	\$ 87,337	\$ 36,583	\$ 2,090

MILLBURN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonpublic Handicapped Services					Totals
	Supplementary Instruction	Examination and Classification	Corrective Speech	Private Donations	Student Activities	
REVENUES:						
Local Sources						
State Sources	\$ 16,272	\$ 53,822	\$ 31,899	\$ 120,860	\$ 1,051,584	\$ 1,172,444
Federal Sources						327,568
Total Revenues	16,272	53,822	31,899	120,860	1,051,584	1,725,160
						3,225,172
EXPENDITURES:						
Instruction:						
Salaries of Teachers				2,375		309,358
Purchased Professional and Technical Services						2,145
Purchased Professional - Educational Services	16,272					54,945
Tuition						949,642
General Supplies				981		166,707
Textbooks						20,615
Other Objects				117,504		136,004
Total Instruction	16,272			120,860		1,639,416
Support Services:						
Salaries of Other Professional Staff						48,183
Personal Services - Employee Benefits						25,665
Purchased Professional and Technical Services						188,124
Purchased Professional - Educational Services		53,822	31,899			146,171
Purchased Property Services						2,820
Other Purchased Services						6,049
Supplies and Materials						97,326
Student Activities					1,085,210	1,085,210
Total Support Services		53,822	31,899		1,085,210	1,599,548
Facilities Acquisition and Construction Services:						
Instructional Equipment						19,834
Total Facilities Acquisition and Construction Services						19,834
Total Expenditures	\$ 16,272	\$ 53,822	\$ 31,899	\$ 120,860	\$ 1,085,210	\$ 3,258,798

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, 2025

Revenue and Other Financial Sources:	
Interest on Investments	\$ 707,291
Total Revenue and Other Financial Sources	<u>707,291</u>
Expenditures and Other Financing Uses:	
Legal Services	811
Purchased Professional and Technical Services	1,535,921
Construction Services	6,969,012
Furniture and Equipment	131,474
Cancellation of NJ Clean Energy Program Grant Receivable	43,773
Transfer to General Fund:	
Interest on Investments	200,142
Transfer to Debt Service Fund:	
Interest on Investments	<u>507,149</u>
Total Expenditures and Other Financing Uses	<u>9,388,282</u>
Deficit of Revenue and Other Financing Sources Under	
Expenditures and Other Financing Uses	(8,680,991)
Fund Balance - Beginning of Year	<u>24,033,709</u>
Fund Balance - End of Year	<u><u>\$ 15,352,718</u></u>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 737,743
Restricted - Year End Encumbrances	8,618,609
Committed Fund Balance	3,157,212
Committed - Year End Encumbrances	<u>2,839,154</u>
Total Fund Balance - Budgetary Basis	<u><u>\$ 15,352,718</u></u>
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
SDA Grant Revenue not Recognized on the GAAP Basis	<u>(3,107,574)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 12,245,144</u></u>

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, 2025

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Federal Sources -				
NJ Clean Energy Program Grant	\$ 4,486,477	\$ (43,773)	\$ 4,442,704	\$ 4,442,704
Bond Proceeds	20,500,000		20,500,000	20,500,000
Total Revenue and Other Financing Sources	24,986,477	(43,773)	24,942,704	24,942,704
Expenditures:				
Legal Services	178,871		178,871	178,871
Purchased Professional and Technical Services	2,561,883	198,095	2,759,978	2,898,912
Construction Services	18,282,056	2,170,604	20,452,660	21,864,921
Furniture and Equipment				
Total Expenditures	21,022,810	2,368,699	23,391,509	24,942,704
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 3,963,667	\$ (2,412,472)	\$ 1,551,195	\$ -0-

Additional Project Information:

Project Number	3190-XXX-XX-1000
Grant Number	SSB-VEEVR-68355
Grant Date	10/18/23
Bond Authorization Date	01/28/20
Bonds Authorized	\$ 20,500,000
Bonds Issued	\$ 20,500,000
Original Authorized Cost	\$ 20,500,000
Additional Authorized Cost	\$ 4,442,704
Revised Authorized Cost	\$ 24,942,704

Percentage Increase over Original Authorized Cost	22%
Percentage Completion	93.78%
Original Target Completion Date	06/30/25
Revised Target Completion Date	04/01/26

MILLBURN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2023 REFERENDUM PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 12,975,000		\$ 12,975,000	\$ 12,975,000
Total Revenue and Other Financing Sources	12,975,000		12,975,000	12,975,000
Expenditures:				
Legal Services	92,567	\$ 811	93,378	92,576
Purchased Professional and Technical Services	581,326	721,845	1,303,171	1,847,161
Construction Services		3,641,820	3,641,820	8,432,238
Furniture and Equipment		131,474	131,474	2,603,025
Total Expenditures	673,893	4,495,950	5,169,843	12,975,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 12,301,107	\$ (4,495,950)	\$ 7,805,157	\$ -0-

Additional Project Information:

Project Number	3190-XXX-XX-1000
Grant Date	N/A
Bond Authorization Date	11/07/23
Bonds Authorized	\$ 12,975,262
Bonds Issued	\$ 12,975,000
Original Authorized Cost	\$ 12,975,000
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	<u>\$ 12,975,000</u>
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	39.84%
Original Target Completion Date	11/30/26
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
MILLBURN HIGH SCHOOL BOILERS AND HOT WATER HEATERS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,151,388		\$ 1,151,388	\$ 1,151,388
Transfer from Capital Reserve	1,727,082		1,727,082	1,727,082
Total Revenue and Other Financing Sources	2,878,470		2,878,470	2,878,470
Expenditures:				
Purchased Professional and Technical Services		\$ 223,795	223,795	284,400
Construction Services		560,345	560,345	2,594,070
Total Expenditures		784,140	784,140	2,878,470
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 2,878,470	\$ (784,140)	\$ 2,094,330	\$ -0-

Additional Project Information:

Project Number	3190-050-23-R501
Grant Date	09/13/23
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,878,470
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 2,878,470
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	27.24%
Original Target Completion Date	12/31/25
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
WYOMING ELEMENTARY SCHOOL HVAC SYSTEM UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,510,426		\$ 1,510,426	\$ 1,510,426
Transfer from Capital Reserve	2,265,639		2,265,639	2,265,639
Total Revenue and Other Financing Sources	3,776,065		3,776,065	3,776,065
Expenditures:				
Purchased Professional and Technical Services		\$ 297,532	297,532	371,800
Construction Services		474,435	474,435	3,404,265
Total Expenditures		771,967	771,967	3,776,065
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 3,776,065	\$ (771,967)	\$ 3,004,098	\$ -0-

Additional Project Information:

Project Number	3190-120-23-R501
Grant Date	09/27/23
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 3,776,065
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 3,776,065
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	20.44%
Original Target Completion Date	12/31/25
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
WASHINGTON ELEMENTARY SCHOOL HVAC SYSTEM UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 445,760		\$ 445,760	\$ 445,760
Transfer from Capital Reserve	668,640		668,640	668,640
Total Revenue and Other Financing Sources	1,114,400		1,114,400	1,114,400
Expenditures:				
Purchased Professional and Technical Services		\$ 94,654	94,654	118,400
Construction Services		121,808	121,808	996,000
Total Expenditures		216,462	216,462	1,114,400
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 1,114,400	\$ (216,462)	\$ 897,938	\$ -0-

Additional Project Information:

Project Number	3190-300-23-R501
Grant Date	09/27/23
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,114,400
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 1,114,400
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	19.42%
Original Target Completion Date	12/31/25
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	Non-Major Funds		
	Food Service	Field Rental/ Joint Facilities	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 580,351	\$ 190,157	\$ 770,508
Inventories	9,484		9,484
Total Current Assets	589,835	190,157	779,992
Non-Current Assets:			
Capital Assets	426,579		426,579
Less: Accumulated Depreciation	(225,404)		(225,404)
Total Non-Current Assets	201,175		201,175
Total Assets	791,010	190,157	981,167
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors	27,106		27,106
Unearned Revenue	54,623		54,623
Total Current Liabilities	81,729		81,729
<u>NET POSITION:</u>			
Investment in Capital Assets	201,175		201,175
Unrestricted	508,106	190,157	698,263
Total Net Position	\$ 709,281	\$ 190,157	\$ 899,438

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Non-Major Funds		
	Food Service	Field Rental/ Joint Facilities	Total
Operating Revenue:			
Daily Sales:			
Non-Reimbursable Programs	\$ 1,177,538		\$ 1,177,538
Charges for Services:			
Program Fees		\$ 52,638	52,638
Miscellaneous Revenue	44,252		44,252
Total Operating Revenue	<u>1,221,790</u>	<u>52,638</u>	<u>1,274,428</u>
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs	531,957		531,957
Salaries	308,969		308,969
Employee Benefits & Payroll Taxes	112,708		112,708
Purchased Professional and Technical Services	113,098		113,098
Other Purchased Services	3,076		3,076
Cleaning, Repair and Maintenance Services		30,498	30,498
Supplies and Materials	33,039		33,039
Miscellaneous Expense	27,700		27,700
Depreciation Expense	24,688		24,688
Total Operating Expenses	<u>1,155,235</u>	<u>30,498</u>	<u>1,185,733</u>
Operating Income	66,555	22,140	88,695
Non-Operating Revenue:			
Local Sources:			
Interest Earnings	18,071		18,071
Total Non-Operating Income	<u>18,071</u>		<u>18,071</u>
Change in Net Position	84,626	22,140	106,766
Net Position - Beginning of Year	<u>624,655</u>	<u>168,017</u>	<u>792,672</u>
Net Position - End of Year	<u>\$ 709,281</u>	<u>\$ 190,157</u>	<u>\$ 899,438</u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Non-Major Funds		
	Food Service	Field Rental/ Joint Facilities	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,224,166	\$ 52,638	\$ 1,276,804
Payments to Food Service Contractors	(1,105,744)		(1,105,744)
Payments to Suppliers	(22,133)	(30,498)	(52,631)
Net Cash Provided by Operating Activities	96,289	22,140	118,429
Cash Flows from Investment Activities:			
Interest Income	18,071		18,071
Net Cash Provided by Investing Activities	18,071		18,071
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(72,056)		(72,056)
Net Cash (Used for) Capital and Related Financing Activities	(72,056)		(72,056)
Net Increase in Cash and Cash Equivalents	42,304	22,140	64,444
Cash and Cash Equivalents, July 1	538,047	168,017	706,064
Cash and Cash Equivalents, June 30	\$ 580,351	\$ 190,157	\$ 770,508
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 66,555	\$ 22,140	\$ 88,695
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	24,688		24,688
Changes in Assets and Liabilities:			
Decrease in Inventory	1,331		1,331
Increase in Accounts Payable	1,339		1,339
Increase in Unearned Revenue	2,376		2,376
Net Cash Provided by Operating Activities	\$ 96,289	\$ 22,140	\$ 118,429

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	
			Date	June 30, 2025 Amount		July 1, 2024	June 30, 2025
Refunding Bonds	02/19/15	\$ 12,110,000	07/15/25	\$ 1,360,000	5.000%		
			07/15/26	1,365,000	5.000%		
			07/15/27	1,370,000	5.000%	\$ 5,450,000	\$ 4,095,000
School Bonds	12/06/16	25,593,000	08/01/25	1,100,000	3.500%		
			08/01/26	1,100,000	3.500%		
			08/01/27	1,200,000	3.500%		
			08/01/28	1,200,000	3.500%		
			08/01/29	1,200,000	3.500%		
			08/01/30	1,200,000	3.500%		
			08/01/31	1,200,000	3.500%		
			08/01/32	1,200,000	3.500%		
			08/01/33	1,200,000	3.500%		
			08/01/34	1,200,000	3.500%		
			08/01/35	1,200,000	3.500%		
			08/01/36	1,200,000	3.625%		
			08/01/37	1,200,000	3.750%		
			08/01/38	1,200,000	3.700%		
			08/01/39	1,200,000	4.000%		
			08/01/40	1,200,000	4.000%		
			08/01/41	1,143,000	4.000%	21,243,000	20,143,000
						1,100,000	

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance	
			Date	June 30, 2025	Amount		July 1, 2024	Matured
School Bonds	04/21/20	\$ 20,500,000	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%	\$ 15,800,000	\$ 1,600,000
								\$ 14,200,000
School Bonds	12/28/23	12,975,000	08/15/25		1,150,000	0.050%		
			08/15/26		1,330,000	0.050%		
			08/15/27		1,430,000	1.000%		
			08/15/28		1,100,000	1.000%		
			08/15/29		1,175,000	3.000%		
			08/15/30		1,210,000	4.000%		
			08/15/31		1,230,000	4.000%		
			08/15/32		1,180,000	4.000%		
			08/15/33		1,135,000	4.000%		
			08/15/34		1,135,000	4.000%		
							12,975,000	900,000
							\$ 55,468,000	\$ 4,955,000
							\$ 50,513,000	

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, 2024</u>	<u>Matured</u>	<u>Balance June 30, 2025</u>
Energy Savings Improvement Project	2.410%	\$ 4,483,000	<u>\$ 2,297,946</u>	<u>\$ 270,525</u>	<u>\$ 2,027,421</u>
			<u><u>\$ 2,297,946</u></u>	<u><u>\$ 270,525</u></u>	<u><u>\$ 2,027,421</u></u>

MILLBURN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,854,008		\$ 4,854,008	\$ 4,854,008	
State Sources:					
Debt Service Aid Type II	1,738,280		1,738,280	1,738,280	
Total Revenues	6,592,288		6,592,288	6,592,288	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,711,595		1,711,595	1,711,595	
Redemption of Principal	4,955,000		4,955,000	4,955,000	
Total Expenditures	6,666,595		6,666,595	6,666,595	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(74,307)		(74,307)	(74,307)	
Other Financing Sources:					
Transfer from Capital Projects Fund:					
Interest Earned				507,149	\$ 507,149
Total Other Financing Sources				507,149	507,149
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(74,307)		(74,307)	432,842	507,149
Fund Balance, July 1	427,677		427,677	427,677	
Fund Balance, June 30	\$ 353,370	\$ -0-	\$ 353,370	\$ 860,519	\$ 507,149
<u>Recapitulation:</u>					
Restricted - For Subsequent Year's Expenditures				\$ 353,370	
Restricted				507,149	
Total Restricted Fund Balance				\$ 860,519	

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

Exhibit

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment in Capital Assets	\$ 19,776,677	\$ 3,960,021	\$ 15,652,816	\$ 27,873,570	\$ 32,080,148	\$ 37,214,574	\$ 41,748,282	\$ 51,561,349	\$ 54,629,394	\$ 57,921,805
Restricted	5,645,522	26,787,992	20,542,697	11,945,149	14,604,938	13,175,989	15,857,522	19,815,629	20,217,120	23,474,095
Unrestricted (Deficit)	(20,496,217)	(25,538,115)	(26,700,182)	(27,251,342)	(27,604,775)	(22,547,613)	(16,460,313)	(20,146,239)	(13,864,543)	(12,064,121)
Total Governmental Activities Net Position	\$ 4,925,982	\$ 5,209,898	\$ 9,495,331	\$ 12,567,377	\$ 19,080,311	\$ 27,842,950	\$ 41,145,491	\$ 51,230,739	\$ 60,981,971	\$ 69,331,779
Business-type Activities:										
Investment in Capital Assets	\$ 55,293	\$ 61,764	\$ 74,734	\$ 108,949	\$ 131,294	\$ 109,964	\$ 89,928	\$ 102,395	\$ 153,807	\$ 201,175
Unrestricted	394,635	421,512	402,686	376,958	325,298	314,413	362,184	501,505	638,865	698,263
Total Business-type Activities Net Position	\$ 449,928	\$ 483,276	\$ 477,420	\$ 485,907	\$ 456,592	\$ 424,377	\$ 452,112	\$ 603,900	\$ 792,672	\$ 899,438
District-wide:										
Net Investment in Capital Assets	\$ 19,831,970	\$ 4,021,785	\$ 15,727,550	\$ 27,982,519	\$ 32,211,442	\$ 37,324,538	\$ 41,838,210	\$ 51,663,744	\$ 54,783,201	\$ 58,122,980
Restricted	5,645,522	26,787,992	20,542,697	11,945,149	14,604,938	13,175,989	15,857,522	19,815,629	20,217,120	23,474,095
Unrestricted (Deficit)	(20,101,582)	(25,116,603)	(26,297,496)	(26,874,384)	(27,279,477)	(22,233,200)	(16,098,129)	(19,644,734)	(13,225,678)	(11,365,858)
Total District Net Position	\$ 5,375,910	\$ 5,693,174	\$ 9,972,751	\$ 13,053,284	\$ 19,536,903	\$ 28,267,327	\$ 41,597,603	\$ 51,834,639	\$ 61,774,643	\$ 70,231,217

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,									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:											
Governmental Activities:											
Instruction:											
Regular		\$ 51,995,207	\$ 57,424,866	\$ 58,668,768	\$ 56,568,289	\$ 58,682,297	\$ 57,823,251	\$ 55,526,422	\$ 53,754,047	\$ 58,030,812	\$ 57,126,400
Special Education		9,237,742	10,724,925	10,896,791	10,833,943	11,383,817	10,957,566	10,039,030	9,559,425	10,434,791	10,571,657
Other Special Education		1,380,632	1,418,558	1,455,998	1,443,328	2,744,389	2,228,268	2,149,203	2,239,814	2,499,046	2,378,037
Other Instruction		2,616,014	3,268,450	3,128,104	2,599,252	1,798,279	1,673,896	1,666,416	1,879,053	2,039,299	1,897,738
Support Services:											
Tuition		3,098,798	3,356,840	3,373,699	3,183,825	3,636,377	3,822,388	3,798,421	4,874,987	4,715,191	4,915,747
Student & Instruction Related Services		17,763,520	20,582,202	20,178,058	19,704,944	17,844,740	17,990,945	17,913,660	19,673,817	19,792,733	20,922,944
General Administrative Services		1,443,137	1,474,315	1,272,743	1,460,576	1,413,123	1,350,287	1,547,716	1,550,821	1,412,287	1,757,380
School Administrative Services		4,856,047	5,670,633	5,912,096	5,697,263	5,433,436	5,392,584	4,895,037	5,118,264	5,111,196	6,010,573
Central Services		1,838,095	2,152,534	1,956,525	1,949,222	1,405,582	1,356,882	1,309,018	1,467,345	1,342,602	1,651,724
Administrative Information Technology		987,689	1,010,471	967,382	1,146,112	1,176,529	1,150,771	781,169	1,152,814	1,286,379	1,227,189
Plant Operations and Maintenance		8,145,426	8,799,935	8,573,502	11,023,920	9,761,668	9,291,657	8,907,077	12,721,510	13,466,266	11,405,334
Pupil Transportation		3,211,620	3,809,984	3,763,410	3,425,972	3,182,580	3,158,894	3,877,816	4,525,863	4,899,574	5,016,646
Transfer of Funds to Charter School		34,471	30,316			13,143	13,473				
Interest on Long-term Debt		1,147,166	1,520,463	1,775,324	1,606,083	1,530,824	1,778,541	1,627,857	1,467,091	1,438,947	1,505,023
Unallocated Depreciation		88,705									
Total Governmental Activities Expenses		107,844,269	121,244,492	121,922,400	120,642,729	120,006,784	117,989,403	114,038,842	119,984,851	126,469,123	126,386,392
Business-type Activities:											
Food Service		760,617	736,619	784,318	807,173	595,050	68,373	690,999	962,253	1,029,957	1,155,235
Field Rental/Joint Facilities		183,900	78,423	76,022	100,600	67,158	10,515	42,868	29,351	21,186	30,498
Total Business-type Activities Expense		944,517	815,042	860,340	907,773	662,208	78,888	733,867	991,604	1,051,143	1,185,733
Total District-wide Expenses		\$ 108,788,786	\$ 122,059,534	\$ 122,782,740	\$ 121,550,502	\$ 120,668,992	\$ 118,068,291	\$ 114,772,709	\$ 120,976,455	\$ 127,520,266	\$ 127,572,125
Program Revenues:											
Governmental Activities:											
Charges for Services:											
Regular Instruction		\$ 110,198	\$ 105,474	\$ 92,960	\$ 132,497	\$ 111,969	\$ 91,040	\$ 263,348	\$ 294,677	\$ 122,640	\$ 158,250
Special Education Instruction		99,060	128,699	18,149			460,057	701,027	895,735	932,479	1,051,584
Student and Instruction Related Services					956,650	838,965	3,120	695,579	1,049,322	1,186,463	1,166,983
Pupil Transportation		715,380	729,291	668,194	31,578,936	31,169,565	31,368,900	28,211,172	27,405,454	27,254,802	22,972,468
Operating Grants and Contributions		26,857,263	35,591,815	37,153,588					29,598	2,531,206	2,369,196
Capital Grants and Contributions		583,331							29,674,786	32,186,286	27,890,646
Total Governmental Activities Program Revenues		28,365,232	36,555,279	37,932,891	32,668,083	32,120,499	31,923,117	29,871,126	29,674,786	32,186,286	27,890,646

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues:										
Business-type Activities:										
Charges for Services:										
Food Service	\$ 776,827	\$ 794,772	\$ 805,799	\$ 862,892	\$ 591,694	\$ 85	\$ 718,270	\$ 1,042,562	\$ 1,162,276	\$ 1,221,790
Field Rental/Joint Facilities	67,880	53,241	48,952	52,280	37,463	44,537	42,370	95,905	41,586	52,638
Operating Grants and Contributions:										
Food Service									27,170	
Total Business-type Activities Program Revenues	844,707	848,013	854,751	915,172	629,157	44,622	760,640	1,138,467	1,231,032	1,274,428
Total District-wide Program Revenues	\$ 29,209,939	\$ 37,403,292	\$ 38,787,642	\$ 33,583,255	\$ 32,749,656	\$ 31,967,739	\$ 30,631,766	\$ 30,813,253	\$ 33,417,318	\$ 29,165,074
Net (Expense)/Revenue:										
Governmental Activities	\$ (79,479,037)	\$ (84,689,213)	\$ (83,989,509)	\$ (87,974,646)	\$ (87,886,285)	\$ (86,066,286)	\$ (84,167,716)	\$ (90,310,065)	\$ (94,282,837)	\$ (98,495,746)
Business-type Activities	(99,810)	32,971	(5,589)	7,399	(33,051)	(34,266)	26,773	146,863	179,889	88,695
Total District-wide Net Expense	\$ (79,578,847)	\$ (84,656,242)	\$ (83,995,098)	\$ (87,967,247)	\$ (87,919,336)	\$ (86,100,552)	\$ (84,140,943)	\$ (90,163,202)	\$ (94,102,948)	\$ (98,407,051)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 77,515,026	\$ 79,613,584	\$ 81,901,838	\$ 84,264,875	\$ 86,558,845	\$ 88,290,022	\$ 90,055,822	\$ 92,137,785	\$ 95,159,762	\$ 97,209,957
Taxes Levied for Debt Service	4,354,061	4,449,479	5,129,644	5,114,771	4,920,615	4,912,230	4,973,203	4,910,920	4,978,266	4,854,008
Unrestricted Grants and Contributions	413,122	466,108	761,207	920,995	961,027	1,091,347	1,733,218	1,761,534	1,752,028	2,201,201
Investment Earnings	935	43,481	212,792	199,243	284,402	258,944	117,409	249,727	1,027,820	1,940,972
Miscellaneous Income	146,646	400,477	269,461	546,808	607,221	276,382	590,605	1,335,347	1,143,363	639,416
Transfers									(27,170)	
Total Governmental Activities	82,429,790	84,973,129	88,274,942	91,046,692	93,332,110	94,828,925	97,470,257	100,395,313	104,034,069	106,845,554
Business-type Activities:										
Investment Earnings	292	377	466	1,088	3,736	2,051	962	4,925	8,883	18,071
Disposal of Capital Assets	(669)		(733)							
Total Business-type Activities	(377)	377	(267)	1,088	3,736	2,051	962	4,925	8,883	18,071
Total District-wide General Revenues and Other Changes in Net Position	\$ 82,429,413	\$ 84,973,506	\$ 88,274,675	\$ 91,047,780	\$ 93,335,846	\$ 94,830,976	\$ 97,471,219	\$ 100,400,238	\$ 104,042,952	\$ 106,863,625
Change in Net Position:										
Governmental Activities	\$ 2,950,753	\$ 283,916	\$ 4,285,433	\$ 3,072,046	\$ 5,445,825	\$ 8,762,639	\$ 13,302,541	\$ 10,085,248	\$ 9,751,232	\$ 8,349,808
Business-type Activities	(100,187)	33,348	(5,856)	8,487	(29,315)	(32,215)	27,735	151,788	188,772	106,766
Total District-wide Change in Net Position	\$ 2,850,566	\$ 317,264	\$ 4,279,577	\$ 3,080,533	\$ 5,416,510	\$ 8,730,424	\$ 13,330,276	\$ 10,237,036	\$ 9,940,004	\$ 8,456,574

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	\$ 5,526,274	\$ 6,146,061	\$ 7,657,754	\$ 8,973,680	\$ 12,481,874	\$ 12,509,895	\$ 15,247,658	\$ 20,795,236	\$ 19,509,776	\$ 22,367,535
Assigned	925,655	1,257,548	1,000,990	518,194	313,628	2,018,500	4,480,142	2,034,445	2,147,367	1,011,979
Unassigned	1,639,470	1,710,303	1,646,797	2,022,770	1,879,038	4,737,140	4,800,374	2,932,990	3,154,842	3,133,082
Total General Fund	\$ 8,091,399	\$ 9,113,912	\$ 10,305,541	\$ 11,514,644	\$ 14,674,540	\$ 19,265,535	\$ 24,528,174	\$ 25,762,671	\$ 24,811,985	\$ 26,512,596
All Other Governmental Funds:										
Restricted	\$ 119,248	\$ 20,641,931	\$ 12,884,943	\$ 2,971,469	\$ 21,332,317	\$ 13,512,121	\$ 9,286,583	\$ 5,878,907	\$ 16,972,118	\$ 10,462,912
Committed	2,945,830	376,183	215,622						2,248,392	2,888,792
Unassigned/(Deficit)								(2,213,751)		
Total All Other Governmental Funds	\$ 3,065,078	\$ 21,018,114	\$ 13,100,565	\$ 2,971,469	\$ 21,332,317	\$ 13,512,121	\$ 9,286,583	\$ 3,665,156	\$ 19,220,510	\$ 13,351,704
Total Governmental Funds	\$ 11,156,477	\$ 30,132,026	\$ 23,406,106	\$ 14,486,113	\$ 36,006,857	\$ 32,777,656	\$ 33,814,757	\$ 29,427,827	\$ 44,032,495	\$ 39,864,300

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Tax Levy	\$ 81,869,087	\$ 84,063,063	\$ 87,031,482	\$ 89,379,646	\$ 91,479,460	\$ 93,202,252	\$ 95,029,025	\$ 97,048,705	\$ 100,138,028	\$ 102,063,965
Tuition Charges	209,258	234,173	111,109	132,497	111,969	91,040	263,348	294,677	281,336	330,415
Transportation Fees	715,380	729,291	668,194	956,650	838,965	3,120	695,579	1,049,322	1,186,463	1,166,983
Interest Earnings	584	3,495	16,334	41,222	33,800	1,196	2,670	91,886	515,457	341,585
Unrestricted Miscellaneous Revenue	316,758	537,724	1,018,500	959,365	1,081,383	1,181,224	1,481,244	2,855,646	2,803,830	3,564,834
State Sources	13,961,718	14,811,750	16,990,622	20,168,263	20,416,921	25,746,371	32,223,298	33,820,480	34,993,632	36,862,151
Federal Sources	1,314,475	1,314,216	1,375,183	1,422,070	1,411,411	1,757,692	2,272,869	3,683,360	6,327,845	4,530,083
Total Revenue	98,387,260	101,693,712	107,211,424	113,059,713	115,373,909	121,982,895	131,968,033	138,844,076	146,246,591	148,860,016
Expenditures:										
Instruction:										
Regular Instruction	31,136,618	30,775,312	31,677,275	33,006,805	34,071,024	33,982,870	36,126,980	36,664,084	37,414,426	38,394,871
Special Education Instruction	5,357,314	5,626,995	5,738,381	6,020,057	6,336,052	6,161,076	6,276,628	6,312,209	6,664,056	7,052,818
Other Special Instruction	1,384,356	1,412,598	1,454,312	1,442,016	1,575,372	1,303,624	1,332,442	1,465,463	1,653,997	1,757,632
School-Sponsored/Other Instruction	1,422,326	1,466,305	1,449,151	1,391,726	1,416,444	1,306,874	1,471,543	1,637,043	1,669,308	1,671,473
Support Services:										
Tuition	3,098,798	3,356,840	3,373,699	3,183,825	3,636,377	3,822,388	3,798,421	4,874,987	4,715,191	4,915,747
Student & Other Instruction Related Services	10,931,629	11,358,113	11,279,143	11,699,508	11,688,099	12,337,444	13,865,843	15,311,895	15,241,627	16,114,694
General Administrative Services	1,037,577	1,234,410	961,559	1,158,228	1,070,821	1,135,410	1,394,274	1,367,172	1,265,627	1,534,636
School Administrative Services	3,159,053	3,170,497	3,332,572	3,405,865	3,345,749	3,400,424	3,582,587	3,689,266	3,767,565	4,494,689
Central Services	1,074,412	1,096,422	1,071,473	1,038,973	1,025,171	1,060,220	1,141,360	1,223,153	1,162,690	1,306,232
Administrative Information Technology	785,485	775,100	803,529	825,688	784,697	949,682	744,842	1,065,459	1,117,148	1,004,433
Plant Operations and Maintenance	6,139,564	6,589,033	6,954,330	8,867,111	8,706,796	8,598,585	8,834,545	12,383,281	12,556,852	10,875,143
Student Transportation	2,747,680	3,273,343	3,351,714	3,059,189	2,975,711	2,952,685	3,790,907	4,410,234	4,721,875	4,760,841
Unallocated Benefits	22,953,393	25,037,059	27,629,973	29,554,441	30,032,323	33,099,435	36,896,059	39,044,698	40,663,595	43,075,348
Transfer of Funds to Charter School	34,471	30,316			13,143	13,473				
Capital Outlay	4,460,374	9,064,954	9,194,306	13,312,139	3,057,464	9,350,459	5,296,225	7,397,992	5,596,551	9,403,059
Debt Service:										
Principal	3,390,000	3,505,000	3,625,000	3,865,000	4,014,000	3,825,000	4,525,000	4,690,000	4,850,000	4,955,000
Interest and Other Charges	1,320,574	1,230,756	2,099,427	1,837,039	1,671,031	1,912,447	1,853,276	1,694,070	1,529,245	1,711,595
Total Expenditures	100,433,624	109,003,053	113,995,844	123,667,610	115,420,274	125,212,096	130,930,932	143,231,006	144,589,753	153,028,211

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (2,046,364)	\$ (7,309,341)	\$ (6,784,420)	\$ (10,607,897)	\$ (46,365)	\$ (3,229,201)	\$ 1,037,101	\$ (4,386,930)	\$ 1,656,838	\$ (4,168,195)
Other Financing Sources/(Uses):										
Serial Bonds Issued	711,449	25,593,000			20,500,000				12,975,000	
Financed Purchases		691,890	58,500	1,687,904						
Lease Purchase Agreement Proceeds	4,483,000									
Transfers									(27,170)	
Total Other Financing Sources/(Uses)	5,194,449	26,284,890	58,500	1,687,904	20,500,000	-0-	-0-	-0-	12,947,830	-0-
Net Change in Fund Balances	\$ 3,148,085	\$ 18,975,549	\$ (6,725,920)	\$ (8,919,993)	\$ 20,453,635	\$ (3,229,201)	\$ 1,037,101	\$ (4,386,930)	\$ 14,604,668	\$ (4,168,195)
Debt Service as a % of Noncapital Expenditures	4.91%	4.74%	5.46%	5.17%	5.06%	4.95%	5.08%	4.70%	4.59%	4.64%

Source: Millburn Township School District Financial Reports.

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition from Other LEAs	Pre-School Tuition	Subscription Busing	Rentals	Prior Year Refunds	Miscellaneous	Total
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
2024	974,233	158,696	122,640	1,186,463	146,220	325,323	296,354	3,209,929
2025	1,233,681	172,165	158,250	1,166,983	334,942	149,611	154,863	3,370,495

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)
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	0.978	10,397,397,069
2023	35,517,500	7,985,522,000	-0-	-0-	1,616,249,300	64,609,600	166,516,300	9,868,414,700	7,238,300	9,875,653,000	676,043,600	0.998	10,870,676,625
2024	34,081,200	8,028,440,100	-0-	-0-	1,616,941,100	64,387,200	166,516,300	9,910,365,900	6,685,600	9,917,051,500	684,542,300	1.019	11,892,859,962

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)

Millburn Township							
Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate	
	General		Total Direct	Millburn Township	Essex County		
	Obligation						
	Basic Rate ^a	Debt Service ^b					
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	0.927	0.050	0.978	0.481	0.484	1.943	
2023	0.948	0.050	0.998	0.487	0.470	1.955	
2024	0.970	0.050	1.019	0.504	0.457	1.980	

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	2024		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Shorthills Mall C/O Taubman/R E Tax	\$ 930,819,000	1	9.39%
SH Residential Unit LLC C/O Veris	74,737,500	3	0.75%
51 JFK Real Estate LLC	66,392,800	2	0.67%
101 103 JFK Re LLC C/O JLL Prop Mgm	58,072,400	4	0.59%
Short Hills Hilton LLC C/O Tax Dept	57,887,900	5	0.58%
150 JFK Real Estate LLC	49,273,300	6	0.50%
Stone Mountain Properties 806	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. Tax Dept.	20,000,000	10	0.20%
	<u>\$ 1,331,307,600</u>		<u>13.42%</u>
Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Short Hills Association, LLC C/O Taubman	\$ 700,000,000	1	8.56%
Reckson Short Hills LLC	67,761,100	3	0.83%
Short Hills Hilton LLC	56,816,500	2	0.69%
101/103 JFK Parkway Special LLC Corp	45,000,000	4	0.55%
Mack-Cali Realty Corp	38,705,200	5	0.47%
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>\$ 999,783,200</u>		<u>12.23%</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	
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-
2024	100,138,028	100,138,028	100.00%	-0-
2025	102,063,965	102,063,965	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)			
2016	\$ 29,299,000	\$6,559,983	\$ 1,073,000	\$ 36,931,983	3.19%	\$ 1,828
2017	51,387,000	6,306,892	583,000	58,276,892	4.91%	2,884
2018	47,762,000	5,336,522	-0-	53,098,522	4.43%	2,629
2019	43,897,000	5,928,621	-0-	49,825,621	3.92%	2,471
2020	60,383,000	4,905,572	-0-	65,288,572	4.82%	3,248
2021	56,558,000	3,853,306	-0-	60,411,306	3.67%	2,739
2022	52,033,000	2,799,028	-0-	54,832,028	3.28%	2,508
2023	47,343,000	2,554,990	-0-	49,897,990	2.84%	2,283
2024	55,468,000	2,297,946	-0-	57,765,946	3.15%	2,538
2025	50,513,000	2,027,421	-0-	52,540,421	2.87%	2,309

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		
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%	2,166
2024	55,468,000	-0-	55,468,000	0.56%	2,438
2025	50,513,000	-0-	50,513,000	0.51%	2,220

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, 2024
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	\$ 39,024,940	100.00%	\$ 39,024,940
Essex County General Obligation Debt	5,100,549	10.06%	512,953
Subtotal, Overlapping Debt			39,537,893
Millburn Township School District Direct Debt			52,113,000
Total Direct and Overlapping Debt			\$ 91,650,893

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 364,866,344	\$ 379,663,197	\$ 393,605,084	\$ 408,775,339	\$ 412,079,271	\$ 405,901,225	\$ 401,576,976	\$ 412,434,002	\$ 442,605,416	\$ 475,275,903
Total Net Debt Applicable to Limit	29,299,000	51,387,000	47,762,000	43,897,000	60,383,000	56,558,000	52,033,000	47,343,000	55,468,000	50,513,000
Legal Debt Margin	\$ 335,567,344	\$ 328,276,197	\$ 345,843,084	\$ 364,878,339	\$ 351,696,271	\$ 349,343,225	\$ 349,543,976	\$ 365,091,002	\$ 387,137,416	\$ 424,762,903
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	8.03%	13.53%	12.13%	10.74%	14.65%	13.93%	12.96%	11.48%	12.53%	10.63%
Legal Debt Margin Calculation for Fiscal Year 2025										
Equalized valuation basis										
							2024			\$ 12,710,485,956
							2023			12,154,716,960
							2022			10,780,489,785
										<u>\$ 35,645,692,701</u>
							Average Equalized Valuation of Taxable Property			<u>\$ 11,881,897,567</u>
							Debt Limit (4% of average equalization value) ^a			\$ 475,275,903
							Net Bonded School Debt			<u>50,513,000</u>
							Legal Debt Margin			<u>\$ 424,762,903</u>

^a Limit set by NISA 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>
2016	20,200	\$ 57,228	\$ 1,156,005,600	2.90%
2017	20,204	58,707	1,186,116,228	2.70%
2018	20,195	59,322	1,198,007,790	2.10%
2019	20,165	63,077	1,271,947,705	2.00%
2020	20,102	67,431	1,355,497,962	4.80%
2021	22,059	74,714	1,648,116,126	3.70%
2022	21,863	76,488	1,672,257,144	2.30%
2023	21,859	80,460	1,758,775,140	2.90%
2024	22,756	80,460 *	1,830,947,760	3.10%
2025	22,756 **	80,460 *	1,830,947,760 ***	N/A

* - Latest Essex County per capita personal income available (2024) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

*** - Latest available population data (2024) and latest available Essex County per capita personal income (2023) 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	2024		
	Employees	Rank	Percentage of Total Employment
Prudential Ins. Co. of America	38,196	1	9.51%
Rutgers University-Newark Campus	23,980	2	5.97%
Verizon	15,000	3	3.73%
Public Service Electric & Gas	12,500	4	3.11%
St. Barnabas Health Care System	11,624	5	2.89%
New Jersey Transit	11,500	6	2.86%
City of Newark	10,001	7	2.49%
Montclair State University	7,900	8	1.97%
Newark Board of Education	7,050	9	1.76%
Gateway Group One	6,250	10	1.56%
	<u>144,001</u>		<u>35.85%</u>
Total Employment	<u>401,693</u>		
Employer	2015		
	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.56%
Verizon	17,100	2	4.88%
Prudential Ins. Co. of America	16,850	3	4.81%
Rutgers University-Newark Campus	15,500	4	4.42%
Continental Airlines	11,000	5	3.14%
Newark Board of Education	7,050	6	2.01%
Automatic Data Processing	5,649	7	1.61%
New Jersey Transit	4,000	8	1.14%
City of Newark	4,000	9	1.14%
Essex County	3,500	10	1.00%
	<u>107,649</u>		<u>30.72%</u>
Total Employment	<u>350,404</u>		

Source: Essex County Economic Development Corporation

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

<u>Function/Program</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction:										
Regular	329	327	327	326	326	328	332	323	329	317
Special Education	69	68	66	67	68	70	66	79	71	72
Other Instruction	19	20	21	20	19	19	21	7	7	8
Support Services:										
Student & Instruction Related Services	152	156	161	165	168	165	179	171	166	164
School Administration	30	30	32	32	32	33	37	32	31	33
General Administration	3	3	3	3	3	3	4	4	4	6
Plant Operations and Maintenance	69	68	71	73	72	71	71	72	66	67
Pupil Transportation	15	15	15	12	13	14	13	13	13	13
Business and Other Support Services	19	19	19	18	18	17	18	17	19	20
Total	<u>705</u>	<u>706</u>	<u>715</u>	<u>716</u>	<u>719</u>	<u>720</u>	<u>741</u>	<u>718</u>	<u>706</u>	<u>700</u>

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				
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%
2024	4,689	132,613,957	28,282	3.69%	445	1:12	1:10	1:09	4,685	4,454	-1.66%	95.07%
2025	4,537	136,958,557	30,187	6.74%	451	1:11	1:10	1:09	4,545	4,293	-2.98%	94.45%

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Deerfield Elementary School (1962)										
Square Feet	70,084	70,084	70,084	70,084	70,084	70,084	70,652	70,652	70,652	70,652
Capacity (Students)	531	531	531	531	531	531	531	531	531	531
Enrollment	591	565	437	414	430	410	423	402	376	358
Glenwood Elementary School (1938) *										
Square Feet	51,728	51,728	49,243	49,243	49,243	49,243	49,243	49,243	49,243	49,243
Capacity (Students)	405	405	369	369	369	369	369	369	369	369
Enrollment	458	475	371	365	367	361	376	378	349	315
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	529	498	425	409	402	396	432	438	428	392
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	356	373	319	308	304	277	288	283	286	278
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	373	385	314	332	332	317	343	353	334	348
Washington Elementary School (1968) **										
Square Feet	N/A	N/A	39,777	39,777	39,777	39,777	39,777	39,777	39,777	39,777
Capacity (Students)	N/A	N/A	399	399	399	399	399	399	399	399
Enrollment	N/A	N/A	444	411	393	400	378	386	411	363

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

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Millburn Middle School (1930)										
Square Feet	235,541	235,541	235,541	239,705	239,705	239,705	242,880	242,880	242,880	242,880
Capacity (Students)	1,047	1,047	1,047	1,077	1,077	1,077	1,118	1,118	1,118	1,118
Enrollment	1,121	1,144	1,132	1,170	1,193	1,210	1,163	1,133	1,120	1,104
Millburn High School (1955)										
Square Feet	392,358	392,358	392,358	394,878	394,878	394,878	394,878	394,878	394,878	394,878
Capacity (Students)	1,391	1,391	1,391	1,423	1,423	1,423	1,423	1,423	1,423	1,423
Enrollment	1,466	1,454	1,414	1,374	1,388	1,308	1,335	1,373	1,385	1,379
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, 2025

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.

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
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
2024	448,926	222,973	259,050	396,401	638,257	392,430	1,285,669	1,687,253	86,151	5,417,110
2025	390,285	287,687	321,157	217,380	387,038	491,890	359,063	636,407	51,705	3,142,612

* School facilities as defined under EFCEA (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, 2025
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Utica National Insurance Group:		
Group: School Package		
Policy:		
Property Coverage:		
Building and Contents	\$ 244,652,992	\$ 5,000
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	
Cyber Suite	1,000,000	10,000
Inland Marine-Electronic Data Processing	5,511,240	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	1st	
Excess Umbrella Liability	10,000,000	
Allied World Assurance Company	2nd	
Excess Umbrella Liability	10,000,000	
Great American E&S Insurance Company	3rd	
Excess Umbrella Liability	10,000,000	

MILLBURN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2025
UNAUDITED
(Continued)

	<u>Coverage</u>	<u>Deductible</u>
Pooled Insurance Program of New Jersey		
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

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2025.

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.

November 20, 2025
Mount Arlington, New Jersey

Nisivoccia, LLP

NISIVOCCIA LLP

Kathryn L. Mantell

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



Report on Compliance For Each Major State Program; Report on Internal Control Over
Compliance Required by NJ OMB 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 State Program

Opinion on Each Major 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 *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2025. 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 state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major 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 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 Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional 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 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.

November 20, 2025
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expendi- tures	Repayment of Prior Years' Balances	Balance at June 30, 2025		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund State Aid:												
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	\$ 5,589,106			\$ 5,045,452	\$ (5,589,106)				\$ (543,654)	\$ 5,589,106
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	465,014			419,782	(465,014)				(45,232)	465,014
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	1,003,647			911,438	(1,003,647)				(98,209)	1,009,647
Excess Nonpublic Transportation Costs	25-495-034-5120-014	7/1/24-6/30/25	283,002				(283,002)		\$ (283,002)		(283,002)	283,002
Extraordinary Special Education Costs Aid	25-495-034-5120-044	7/1/24-6/30/25	1,872,301				(1,872,301)		(1,872,301)		(1,872,301)	1,872,301
Menstrual Product Reimbursement	25-495-034-5120-044	7/1/24-6/30/25	7,085				(7,085)		(7,085)		(7,085)	7,085
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	3,557,209			3,557,209	(3,557,209)					3,557,209
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	4,990,964			4,990,964	(4,990,964)					4,990,964
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	16,871,602			16,871,602	(16,871,602)					16,871,602
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	208,994			208,994	(208,994)					208,994
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	6,592			6,592	(6,592)					6,592
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	5,266,446	\$ (505,787)		505,787						5,266,446
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	389,098	(37,369)		37,369						389,098
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	788,722	(75,749)		75,749						788,722
Excess Nonpublic Transportation Costs	24-495-034-5120-014	7/1/23-6/30/24	226,590	(226,590)		226,590						226,590
Extraordinary Special Education Costs Aid	24-495-034-5120-044	7/1/23-6/30/24	1,890,310	(1,890,310)		1,890,310						1,890,310
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	3,568,473	(176,325)		176,325						3,568,473
Subtotal - General Fund				(2,912,130)		34,924,163	(34,861,516)		(2,162,388)		(2,849,483)	46,991,155
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	25-100-034-5120-066	7/1/24-6/30/25	38,147			38,147	(36,583)			1,564		36,583
Compensatory Education	24-100-034-5120-066	7/1/23-6/30/24	50,798		\$ 28,073		(2,090)	\$ (28,073)	(1,170)		(2,090)	22,725
Compensatory Education	25-100-034-5120-066	7/1/24-6/30/25	2,090									2,090
Home Instruction												
Nonpublic Handicapped Services:												
Supplementary Instruction	25-100-034-5120-066	7/1/24-6/30/25	28,084			28,084	(16,272)			11,812		16,272
Supplementary Instruction	24-100-034-5120-066	7/1/23-6/30/24	24,780		12,886		(31,899)	(12,886)		6,231		11,894
Corrective Speech	25-100-034-5120-066	7/1/24-6/30/25	38,130		1,023	38,130	(53,822)	(1,023)				31,899
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	35,805			53,845	(53,822)	(32,968)		23		34,782
Examination and Classification	25-100-034-5120-066	7/1/24-6/30/25	79,795		32,968		(20,615)	(789)		3,164		53,822
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	23,779			23,779	(60,450)	(789)				46,827
N.J. Nonpublic Textbook Aid	25-100-034-5120-066	7/1/24-6/30/25	29,424		789		(18,500)	(653)				20,615
N.J. Nonpublic Textbook Aid	24-100-034-5120-066	7/1/23-6/30/24	29,424			60,450	(60,450)					28,635
N.J. Nonpublic Nursing Aid	25-100-034-5120-066	7/1/24-6/30/25	60,450			22,785	(18,500)	(653)		4,285		60,450
N.J. Nonpublic Technology Initiative	25-100-034-5120-066	7/1/24-6/30/25	22,785		653		(87,337)	(17,729)		2,918		18,500
N.J. Nonpublic Technology Initiative	24-100-034-5120-066	7/1/23-6/30/24	24,941		2,918		(87,337)	(17,729)		7,988		24,288
N.J. Nonpublic Technology Initiative	20-100-034-5120-066	7/1/19-6/30/20	18,144			95,325						15,226
N.J. Nonpublic Security Aid	25-100-034-5120-066	7/1/24-6/30/25	95,325		17,729							87,337
N.J. Nonpublic Security Aid	24-100-034-5120-066	7/1/23-6/30/24	104,345									86,616
N.J. Nonpublic Security Aid	21-100-034-5120-066	7/1/20-6/30/21	84,700		851					851		83,849
Subtotal - Special Revenue Fund					97,890	360,545	(327,568)	(94,121)	(1,170)	38,836	(2,090)	715,001

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2025		MEMO		
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:													
Debt Service Fund Aid:													
Debt Service Aid - State Support	25-100-034-5120-125	7/1/24-6/30/25	\$ 1,738,280			\$ 1,738,280	\$ (1,738,280)					\$ 1,738,280	
Subtotal - Debt Service Fund						1,738,280	(1,738,280)					1,738,280	
Total State Department of Education				\$ (2,912,130)	\$ 97,890	37,022,988	(36,927,364)	\$ (94,121)	\$ (2,163,558)	\$ 38,836	\$ (2,851,573)	49,444,436	
Total State Awards				\$ (2,912,130)	\$ 97,890	\$ 37,022,988	\$ (36,927,364)	\$ (94,121)	\$ (2,163,558)	\$ 38,836	\$ (2,851,573)	\$ 49,444,436	
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	(4,990,964)				4,990,964						
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	(16,871,602)				16,871,602						
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	(208,994)				208,994						
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	(6,592)				6,592						
Subtotal - On-Behalf TPAF Pension System Contributions													
Total State Awards Subject to Single Audit Major Program Determination													
\$ (14,849,212)													

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 STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes the state grant activity of the Board of Education, Millburn Township School District under programs of the state government for the fiscal year ended June 30, 2025. The information in this schedule 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 schedule presents only a selected portion of the operations of the District, it is not intended to and does 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 schedule of expenditures of 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. 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 for the NJ Clean Energy Program grants. Grant revenue is recognized on the budgetary basis in the fiscal year of award, but is not recognized on the GAAP basis until expended and submitted for reimbursement for the NJ SDA grants.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$68,190) for the General Fund and \$586,521 (of which \$429,957 relates to federal grants and \$153,587 relates to local grants) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General, Special Revenue and Capital Projects Funds.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

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

	<u>State</u>
General Fund	\$ 34,793,326
Special Revenue Fund	330,545
Capital Projects Funds	
Debt Service Fund	<u>1,738,280</u>
Total Awards	<u>\$ 36,862,151</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. 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, 2025.

NOTE 6. NJ SCHOOL DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has been awarded three grants in the amount of \$3,107,574 in the Capital Projects Fund from the New Jersey School Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2025, all three projects are in progress. As of June 30, 2025, \$-0- of the grant funds 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, if any, reported under NJSDA on the Schedule of Expenditures of State Awards represents reimbursement requests submitted to the NJSDA.

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No

Federal Awards (Not Available)

State Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?			
	_____ Yes	_____ X	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Debt Service Fund Aid:					
Debt Service Aid - State Support	25-100-034-5120-125	7/1/24	6/30/25	\$ 1,738,280	\$ 1,738,280
Transportation Aid:					
Transportation Aid	25-495-034-5120-014	7/1/24	6/30/25	1,009,647	1,009,647
Excess Nonpublic Transportation Costs	25-495-034-5120-014	7/1/24	6/30/25	283,002	283,002
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?		_____ X	Yes	_____	No

Section II - Financial Statement Findings - N/A

Section III - State Financial Assistance Findings and Questioned Costs - N/A

MILLBURN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

The District had no prior year audit findings.

MILLBURN TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX
FEDERAL SINGLE AUDIT
FISCAL YEAR ENDED JUNE 30, 2025

MILLBURN TOWNSHIP SCHOOL DISTRICT
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FISCAL YEAR ENDED JUNE 30, 2025

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Report on Compliance For Each Major Federal Program; Report on Internal Control
Over Compliance and Report on Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance

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 Program

Opinion on Each Major Federal 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* that could have a direct and material effect on each of the District's major federal programs for the fiscal year ended June 30, 2025. The District's major Federal 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 programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal 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*) and 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). Our responsibilities under those standards and the Uniform Guidance 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 program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

The Honorable President and Members
of the Board of Education
Millburn Township School District
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Auditors' 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 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 program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, 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, 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.

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 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 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 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.

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

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. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon, dated November 20, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

December 8, 2025
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

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

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Cancellation of Prior Year Encum- brances	Balance at June 30, 2025		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Due to Grantor		Budgetary Accounts Receivable	Due to Grantor	
U.S. Department of Treasury: Passed-through State Department of Education: Special Revenue Fund: COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/30/20	\$ 128,451		\$ 8			\$ 8	
Special Revenue Fund: Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFREDOISES	7/1/23-6/30/24	202,785	\$ (98,509)	\$ 98,509				
Total Special Revenue Fund					(98,509)	98,509				
Passed-through New Jersey Board of Public Utilities: Capital Projects Fund: School and Small Business Ventilation and Energy Efficiency Verification and Repair Program: Education Center HVAC Replacement Middle School HVAC Replacement Total Capital Projects Fund	21.027 21.027	SSB-VEEVR- 67714 68355	10/18/22-4/18/24 10/18/22-10/18/24	487,296 4,442,704		171,150 2,198,046 2,369,196		\$ (171,150) (2,198,046) (2,369,196)		
Total U.S. Department of Treasury					(98,509)	8 2,467,705			8	
U.S. Department of Education: Passed-through State Department of Education: Special Revenue Fund: Special Education Cluster (I.D.E.A.) :	84.027 84.027 84.173 84.173	IDEA319025 IDEA319024 IDEA319025 IDEA319024	7/1/24-9/30/25 7/1/23-9/30/24 7/1/24-9/30/25 7/1/23-9/30/24	1,275,218 1,323,598 44,550 39,999		1,011,295 268,423 40,481 3,707		\$ (1,082,950) (13,230) (40,801) (700)	\$ (71,655) (321)	
Total Special Education Cluster					(258,200)	1,323,906	(1)	(71,976)		
Elementary and Secondary Education Act:										
Title I	84.010	ESEA319025	7/1/24-9/30/25	217,695		104,655		(29,833)		
Title I	84.010	ESEA319024	7/1/23-9/30/24	178,768	(38,300)	47,080				
Total Title I					(38,300)	151,735		(29,833)		
Title IIA	84.367	ESEA319025	7/1/24-9/30/25	82,175		28,290		(8,917)		
Title IIA	84.367	ESEA319024	7/1/23-9/30/24	65,867	(57,370)	57,370	\$ 200			
Total Title IIA					(57,370)	85,660	200	(8,917)		
Title III	84.365	ESEA319025	7/1/24-9/30/25	22,272		4,536		(9,591)		
Title III	84.365	ESEA319024	7/1/23-9/30/24	25,660	(16,438)	16,438				
Total Title III					(16,438)	20,974		(9,591)		
Title III - Immigrant	84.365	ESEA319025	7/1/24-9/30/25	24,837		3,000				
Title III - Immigrant	84.365	ESEA319024	7/1/23-9/30/24	25,551	(5,613)	6,963				
Total Title III - Immigrant					(5,613)	9,963				
Title IV	84.424	ESEA319024	7/1/23-9/30/24	19,929	(975)	16,125				
Total Title IV					(975)	16,125				

MILLBURN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Cancellation of Prior Year Encum- brances	Balance at June 30, 2025		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Due to Grantor		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 - ARP:										
	84.425U	S425U210027	3/13/20-9/30/24	\$ 2,606,912	\$ (1,407,055)	\$ 1,487,113	\$ 7,447			
	84.425U	S425U210027	3/13/20-9/30/24	380,270	(51,688)	130,331	1	21,548		
	84.425U	S425U210027	3/13/20-9/30/24	40,000		40,000		(40,000)		
	84.425U	S425U210027	3/13/20-9/30/24	40,000	(13,599)	38,765		(25,166)		
COVID 19 - ARP GEER:										
	84.425C	E2400298	10/11/23-12/31/24	162,616	(36,885)	139,504		\$ (17,695)		
					(1,509,227)	1,835,713	1	28,995		
					(1,886,123)	3,444,076		(138,012)		
Total U.S. Department of Education/Special Revenue Fund										
U.S. Department of Health and Human Services:										
General Fund:										
Medicaid Cluster:										
	93.778	N/A	7/1/24-6/30/25	5,770		5,770				
						5,770				
Total Medicaid Cluster										
Total Federal Awards										
					\$ (1,984,632)	\$ 8	\$ 5,917,551	\$ (138,012)	\$ 8	\$ -0-

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

SEE THE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Board of Education, Millburn Township School District under programs of the federal government for the fiscal year ended June 30, 2025. The information in this schedule 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"). Because the schedule presents only a selected portion of the operations of the District, this is not intended to and does 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 schedule of expenditures of federal awards are reported on the budgetary basis of accounting with the exception of programs noted under the food service fund, which are presented on the accrual basis of accounting. Under the budgetary basis of accounting, revenue is recognized when measurable and available and expenditures are recorded when the related liability is incurred. Under 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. 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 schedule 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 minimum indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The 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 for the NJ Clean Energy Program grants.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$429,957 for the Special Revenue Fund.

MILLBURN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

	<u>Federal</u>
General Fund	\$ 5,770
Special Revenue Fund	2,155,117
Capital Projects Funds	<u>2,369,196</u>
Total Awards	<u>\$ 4,530,083</u>

NOTE 5. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

NOTE 6. NJ CLEAN ENERGY GRANTS

The District has been awarded two grants in the amount of \$4,930,000 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, 2025, \$4,930,000 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 Federal 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, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No

Federal Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____	Yes	_____	X	No
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Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster (I.D.E.A.):					
I.D.E.A. Part B, Basic	84.027	7/1/24	9/30/25	\$ 1,275,218	\$ 1,082,950
I.D.E.A. Part B, Basic	84.027	7/1/23	9/30/24	1,323,598	13,230
I.D.E.A. Preschool	84.173	7/1/24	9/30/25	44,550	40,801
I.D.E.A. Preschool	84.173	7/1/23	9/30/24	39,999	700

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

Auditee qualified as low-risk auditee?	_____	X	Yes	_____	No
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Section II - Financial Statement Findings - N/A

Section III - Federal Awards Findings and Questioned Costs - N/A

MILLBURN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

The District had no prior year audit findings.