

**MILFORD BOROUGH
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2024

**Responsibility of the Management of
Milford Borough School District
Hunterdon County, New Jersey**



**MILFORD BOROUGH
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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**MILFORD BOROUGH
SCHOOL DISTRICT**

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MILFORD BOROUGH SCHOOL DISTRICT
7 HILLSIDE AVENUE
MILFORD, NEW JERSEY 08848
Phone (908) 995-4349
Fax (908) 996-4310

Dr. Rick Falkenstein
Superintendent

Michele McCann
*Business Administrator/
Board Secretary*

November 20, 2024

Honorable President and
Members of the Board of Education
Milford Borough School District
Hunterdon County, New Jersey

The Annual Comprehensive Financial Report of the Milford Borough School District (the District) for the fiscal year ended June 30, 2024, 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 District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups 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: introduction, Financial, Statistical and Single Audit. The introduction section includes this transmittal letter, the District's Organizational Chart and a list of principal officials. The Financial Section includes the general-purpose financial schedules, as well as the auditors' report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report of the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

Milford Borough School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Milford Borough School District and the school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through eight. This includes regular, as well as special education for special need students. The District completed the 2023-2024 fiscal year with an enrollment of 65 students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	94.7	-11.50%
2015-2016	92.1	-2.75%
2016-2017	80.7	-12.38%
2017-2018	74.8	-7.31%
2018-2019	85.3	14.04%
2019-2020	62.8	-25.38%
2020-2021	53.0	-15.65%
2021-2022	56.1	5.83%
2022-2023	59.9	6.77%
2023-2024	65.5	9.35%

2) ECONOMIC CONDITION AND OUTLOOK

Milford Borough is a small town nestled in the hills of Hunterdon County. It sits on the banks of the Delaware River. Across the river is its nearest neighboring community Upper Black Eddy, Pennsylvania. The Borough has a small downtown section, which adds to the charm of the community. Besides the usual grocery, post office, and churches, the Borough is host to a compliment of small businesses, many having originated as family businesses.

3) MAJOR INITIATIVES

Milford Public School will continue to seek opportunities to provide students with an environment that grows students to their fullest potential. We will continue to use the Fountas and Pinnell reading assessment into our school culture. Students' progress will be monitored on a Data Wall and quarterly meetings with ensure that students are securing a strong literacy foundation.

The District will also continue to implement Project Based Learning (PBL) into our classrooms. PBL is a great strategy to help students apply the content and knowledge to real world applications.

In addition, our preschool program was funded by the Preschool Expansion Aid to increase our revenues, as well as offer a service to the community, residents no longer pay tuition to receive this benefit. We have been a choice school for several years and receive revenue for students who attend from other districts. The program will continue in the current school year.

In conclusion, the Milford Borough School District commits itself to financial excellence which it has enjoyed for many years. The School District's system for financial planning, budgeting, and internal financial controls are well regarded as evidenced by the lack of any major audit recommendations. The School District plans to continue its sound financial practices in order to meet the demands and challenges that will be placed on small school districts in the future.

4) INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure 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 financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District Management.

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

5) BUDGETARY CONTROLS

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

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 re-appropriations of fund balances in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

6) ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in Notes to the Financial Statements, Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END

As demonstrated by the various statements and schedules included in the Financial Section of this report, the District continues to meet its responsibility for sound financial management for the fiscal year ended June 30, 2024.

8) DEBT ADMINISTRATION

At June 30, 2024, the District had outstanding debt issues of \$40,000 at an interest rate of 5.125%.

9) CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in the Notes to the Financial Statements. 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 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.

10) RISK MANAGEMENT

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

11) OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the Financial Section of this report. The auditors' reports related specifically to single audit are included in the Single Audit Section of this report.

12) ACKNOWLEDGMENTS

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

Respectfully submitted,

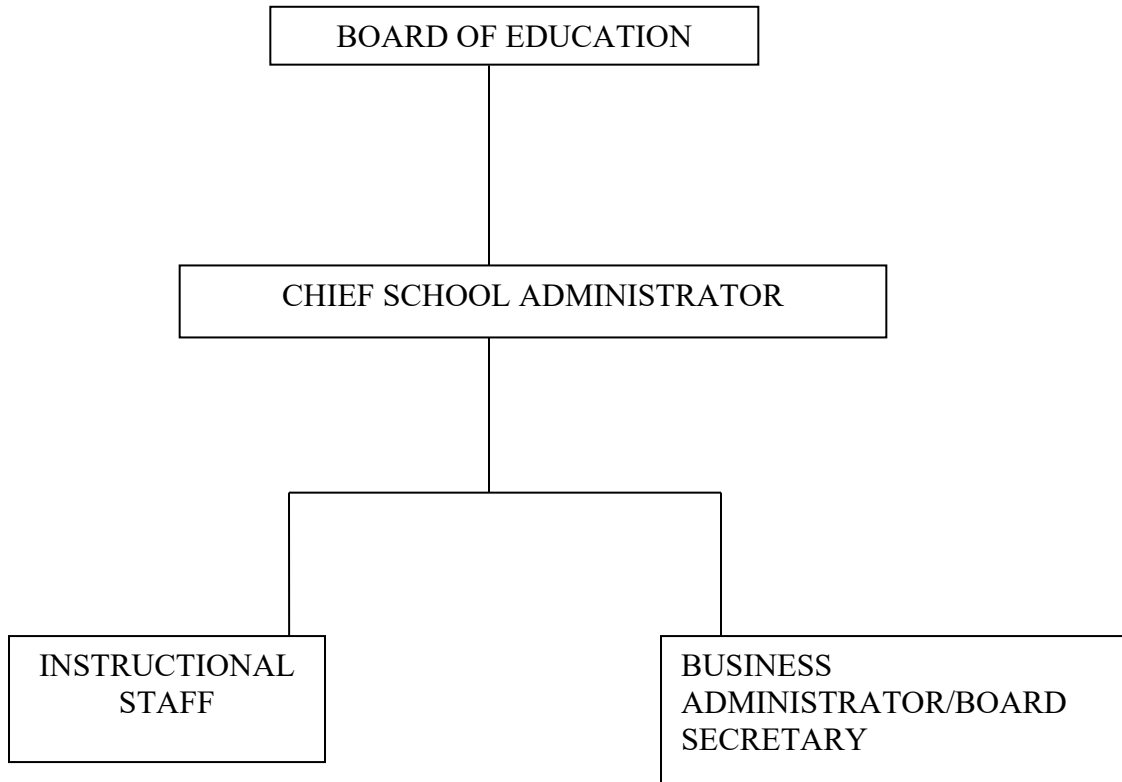


Dr. Rick Falkenstein
Superintendent



Michele McCann
Business Administrator/Board Secretary

**MILFORD BOROUGH SCHOOL DISTRICT
ORGANIZATIONAL CHART
(UNIT CONTROL)**



MILFORD BOROUGH SCHOOL DISTRICT
Roster of Officials
June 30, 2024

Members of the Board of Education	Title	Term Expires
Laura Hanson	President	2026
Angela Caban	Vice President	2025
Nicole Kempf		2024
Benjamin Cramer		2025
Teresa Kane		2026

Other Officials	Title
Rick Falkenstein	Superintendent
Michele McCann	Board Secretary/School Business Administrator
Paula Hatch	School Treasurer

MILFORD BOROUGH SCHOOL DISTRICT
Consultants and Advisors
June 30, 2024

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

ARCHITECTS

SSP Architectural Group
1011 Route 22, Suite 203
Bridgewater, NJ 08807-2950

ATTORNEY

Comengo Law Group
521 Pleasant Valley Avenue
Moorestown, NJ 08057

OFFICIAL DEPOSITORY

Citizens Bank
101 Wood Ave S
Iselin, NJ 08830



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Milford Borough School District
Milford, New Jersey

Report on the Financial Statements

Opinion

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 Milford Borough School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, 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 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the Other Information included in the annual report. The Other Information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion 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, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

November 20, 2024
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MILFORD BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of Milford Borough School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the Basic Financial Statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position increased \$688,976 which represents a 19.76% increase from 2023.
- General revenues accounted for \$2,753,271 in revenue or 89.97% of all revenues. Program specific revenues in the form of operating grants and contributions and capital grants and contributions accounted for \$306,777 or 10.03% to total revenues of \$3,060,048.
- Total assets of governmental activities increased by \$581,739. As cash and cash equivalents increased by \$24,930, receivables and other assets increased by \$427,188 and capital assets increased by \$129,621.
- The School District had \$2,371,072 in expenses; only \$306,777 of these expenses was offset by program specific charges, grants or contributions. General revenues (primarily property taxes) of \$2,753,271 were adequate to provide for these expenses.
- Among major funds, the general fund had \$2,739,034 in revenues, \$2,261,893 in expenditures and net operating transfers out of \$25,748. The general fund's balance increased \$451,393 from 2023.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Milford Borough School District as a financial whole as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Milford Borough School District, the general fund is by far the most significant fund.

MILFORD BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business activities. Governmental activities are the activities where most of the School District's programs and services are reported, including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Business activities are the services provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The food service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these Fund Financial Statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

MILFORD BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2024 compared to June 30, 2023.

Table 1
Net Position

	6/30/24	6/30/23	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 3,584,961	\$ 3,132,843	\$ 452,118	14.43%
Capital assets	1,123,403	993,946	129,457	13.02%
Total assets	<u>4,708,364</u>	<u>4,126,789</u>	<u>581,575</u>	14.09%
Deferred outflows of resources				
Deferred amount on pension activity	<u>91,470</u>	<u>81,117</u>	<u>10,353</u>	12.76%
Liabilities				
Long-term liabilities	394,744	401,986	(7,242)	-1.80%
Other liabilities	<u>101,516</u>	<u>99,873</u>	<u>1,643</u>	1.65%
Total liabilities	<u>496,260</u>	<u>501,859</u>	<u>(5,599)</u>	-1.12%
Deferred inflows of resources				
Deferred amount on pension activity	<u>127,124</u>	<u>218,573</u>	<u>(91,449)</u>	-41.84%
Net position				
Net investment in capital assets	1,083,403	913,946	169,457	18.54%
Restricted	2,585,153	2,339,406	245,747	10.50%
Unrestricted	<u>507,894</u>	<u>234,122</u>	<u>273,772</u>	116.94%
Total net position	<u>\$ 4,176,450</u>	<u>\$ 3,487,474</u>	<u>\$ 688,976</u>	19.76%

Total assets increased \$581,575. Cash and cash equivalents increased by \$24,930, receivables and other assets increased by \$427,188 and capital assets increased by \$129,457. Unrestricted net assets, the part of net assets that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$273,772.

MILFORD BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Table 2 shows the changes in net position for the fiscal year ended June 30, 2024 compared to June 30, 2023.

Table 2
Changes in Net Position

	6/30/24	6/30/23	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Charges for services	\$ 8,138	\$ 31,096	\$ (22,958)	-73.83%
Operating grants and contributions	298,639	343,481	(44,842)	-13.06%
General revenues				
Property taxes	2,106,364	2,067,958	38,406	1.86%
Grants and entitlements	585,770	812,595	(226,825)	-27.91%
Other	61,137	29,338	31,799	108.39%
Total revenues	<u>3,060,048</u>	<u>3,284,468</u>	<u>(224,420)</u>	-6.83%
Expenses				
Instruction				
Regular	1,110,348	1,079,276	31,072	2.88%
Special	213,360	213,487	(127)	-0.06%
Other	3,174	556	2,618	470.86%
Support services				
Tuition	229,780	282,333	(52,553)	-18.61%
Student & instructional related services	364,498	427,584	(63,086)	-14.75%
General & business administration	96,672	101,435	(4,763)	-4.70%
School administration	16,864	10,805	6,059	56.08%
Maintenance	290,178	245,331	44,847	18.28%
Transportation	42,073	55,153	(13,080)	-23.72%
Aftercare	-	350	(350)	-100.00%
Food service	164	165	(1)	-0.61%
Interest on long-term debt	3,961	6,010	(2,049)	-34.09%
Total expenses	<u>2,371,072</u>	<u>2,422,485</u>	<u>(51,413)</u>	-2.12%
Change in net position	<u>\$ 688,976</u>	<u>\$ 861,983</u>	<u>\$ (173,007)</u>	-20.07%

MILFORD BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Governmental Activities

Local property taxes made up 68.75% of revenues for governmental activities for the Milford School District for fiscal year 2024.

Instruction comprises 55.96% of district expenses. Support services expenses and debt service make up 44.04% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2024 compared to June 30, 2023.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/24	06/30/23	06/30/24	6/30/23
Instruction	\$ 1,326,882	\$ 1,293,319	\$ 1,130,443	\$ 1,141,159
Support services				
Tuition	229,780	282,333	229,780	256,203
Student & instructional staff	364,498	427,584	297,486	303,818
General & business administration	96,672	101,435	96,672	101,435
School administration	16,864	10,805	(26,462)	(57,268)
Plant operations & maintenance	290,178	245,331	290,178	240,883
Pupil transportation	42,073	55,153	42,073	55,153
Aftercare	-	350	-	350
Food services	164	165	164	165
Interest on long-term debt	3,961	6,010	3,961	6,010
Total expenses	<u>\$ 2,371,072</u>	<u>\$ 2,422,485</u>	<u>\$ 2,064,295</u>	<u>\$ 2,047,908</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration, and business administration include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

MILFORD BOROUGH SCHOOL DISTRICT
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Unaudited

Pupil transportation includes activities involved with the conveyance of students to and from school activities, as provided by State law.

Extracurricular activities include expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for purposes of motivation, enjoyment, and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. For all activities, general revenue support is 89.97%. The community, as a whole, is the primary support for the Milford Borough School District.

The Schools District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$3,083,136 and expenditures of \$2,633,600. The general fund had an increase in fund balance of \$451,393.

General Fund Budgeting Highlights

The School District's budgetary is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year 2024, the School District amended its general fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the general fund, budgetary basis revenue of \$2,422,346 was \$151,537 over the original budgeted estimates of \$2,270,809. This difference was due primarily to additional state aid.

MILFORD BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Capital Assets

At the end of the fiscal year 2024, the School District had \$1,123,403 invested in land, building, furniture and equipment and vehicles. Table 4 shows the fiscal year ended June 30, 2024 compared to June 30, 2023.

Table 4
Capital Assets (Net of Depreciation)

	06/30/24	6/30/23	Variance	
			Dollars	Percent
Land	\$ 26,248	\$ 26,248	\$ -	0.00%
Construction in progress	128,782	21,870	106,912	488.85%
Land improvements	23,385	-	23,385	*
Buildings & improvements	871,755	899,981	(28,226)	-3.14%
Vehicles & equipment	73,233	45,847	27,386	59.73%
Total	<u>\$ 1,123,403</u>	<u>\$ 993,946</u>	<u>\$ 129,457</u>	13.02%

* Undefined

Overall capital assets increased \$129,457 from fiscal year 2023 to fiscal year 2024. Increases in capital assets were due to increases in capital outlays exceeding depreciation.

Long-term liabilities

At June 30, 2024, the School District had \$394,744 of outstanding long-term liabilities. This amount is detailed in Table 5 for the fiscal year ended June 30, 2024 compared to June 30, 2023.

Table 5
Long-Term Liabilities

	6/30/24	6/30/23	Variance	
			Dollars	Percent
2009 Bond issue	\$ 40,000	\$ 80,000	\$ (40,000)	-50.00%
Compensated absences	43,507	41,412	2,095	5.06%
PERS net pension liability	311,237	280,574	30,663	10.93%
	<u>\$ 394,744</u>	<u>\$ 401,986</u>	<u>\$ (7,242)</u>	-1.80%

MILFORD BOROUGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

For the Future

Milford Borough School District continues to monitor the fiscal health of the Organization. The reduction in state aid and increasing expenses is a major concern to the community and District.

Increasing student enrollment continues to be a priority and we hope the recent changes in program will attract new residence and possible School Choice students.

In conclusion, Milford Borough School District is committed to providing our students and community with an exceptional experience while being sensitive to cost to the community. The challenges being placed on the District requires the Administration and Board to think creatively to address our concerns.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Michele McCann, School Business Administrator at Milford School District, 7 Hillside Avenue, Milford, NJ 08848 or call (908) 995-4349.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

MILFORD BOROUGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 8,347	\$ 3,976	\$ 12,323
Due from other funds, net	3,976	-	3,976
Receivables, net	935,324	-	935,324
Restricted assets			
Capital reserve - cash	2,249,370	-	2,249,370
Emergency reserve - cash	19,066	-	19,066
Maintenance reserve - cash	75,000	-	75,000
Special revenue - cash	46,527	-	46,527
Student activities - cash	7,990	-	7,990
Unemployment claims - cash	235,385	-	235,385
Capital assets, net			
Land	26,248	-	26,248
Construction in progress	128,782	-	128,782
Other capital assets, net of depreciation	967,636	737	968,373
Total assets	4,703,651	4,713	4,708,364
Deferred outflows of resources			
Deferred amount on pension activity	91,470	-	91,470
Liabilities			
Accounts payable	24,374	-	24,374
Due to other funds, net	-	3,976	3,976
Accrued interest	940	-	940
Payroll deductions and withholdings payable	8,203	-	8,203
Unemployment compensation claims payable	1,658	-	1,658
Unearned revenue	62,365	-	62,365
Long-term liabilities			
Due within one year	40,000	-	40,000
Due beyond one year	354,744	-	354,744
Total liabilities	492,284	3,976	496,260
Deferred inflows of resources			
Deferred amount on pension liability	127,124	-	127,124

See accompanying notes to the financial statements.

MILFORD BOROUGH SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 1,082,666	\$ 737	\$ 1,083,403
Restricted for			
Capital reserve	2,249,370	-	2,249,370
Emergency reserve	19,066	-	19,066
Maintenance reserve	75,000	-	75,000
Student activities	7,990	-	7,990
Unemployment claims	233,727	-	233,727
Unrestricted	507,894	-	507,894
Total net position	<u>\$ 4,175,713</u>	<u>\$ 737</u>	<u>\$ 4,176,450</u>

See accompanying notes to the financial statements.

MILFORD BOROUGH SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Direct Expenses	Indirect Expenses (Benefit) Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business- Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 846,886	\$ 263,462	\$ 5,750	\$ 163,023	\$ -	\$ (941,575)	\$ -	\$ (941,575)
Special education	178,904	34,456	-	27,666	-	(185,694)	-	(185,694)
Other instruction	3,077	97	-	-	-	(3,174)	-	(3,174)
Support services								
Tuition	229,780	-	-	-	-	(229,780)	-	(229,780)
Students & instruction related services	328,400	36,098	2,388	64,624	-	(297,486)	-	(297,486)
General & business administration services	94,195	2,477	-	-	-	(96,672)	-	(96,672)
School administration services	16,351	513	-	43,326	-	26,462	-	26,462
Plant operations & maintenance	310,160	(19,982)	-	-	-	(290,178)	-	(290,178)
Pupil transportation	42,073	-	-	-	-	(42,073)	-	(42,073)
Interest on long-term debt	3,961	-	-	-	-	(3,961)	-	(3,961)
Total governmental activities	<u>2,053,787</u>	<u>317,121</u>	<u>8,138</u>	<u>298,639</u>	<u>-</u>	<u>(2,064,131)</u>	<u>-</u>	<u>(2,064,131)</u>
Business-type activities								
Food service	<u>164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(164)</u>	<u>(164)</u>
Total business-type activities	<u>164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(164)</u>	<u>(164)</u>
Total primary government	<u>\$ 2,053,951</u>	<u>\$ 317,121</u>	<u>\$ 8,138</u>	<u>\$ 298,639</u>	<u>\$ -</u>	<u>(2,064,131)</u>	<u>(164)</u>	<u>(2,064,295)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						2,063,289	-	2,063,289
Property taxes levied for debt service						43,075	-	43,075
Federal and state aid not restricted						585,770	-	585,770
Investment earnings						34,847	-	34,847
Miscellaneous income						26,290	-	26,290
Transfers in (out)						3,976	(3,976)	-
Total general revenues, special items and transfers						<u>2,757,247</u>	<u>(3,976)</u>	<u>2,753,271</u>
Change in net position						693,116	(4,140)	688,976
Net position - beginning						3,482,597	4,877	3,487,474
Net position - ending						<u>\$ 4,175,713</u>	<u>\$ 737</u>	<u>\$ 4,176,450</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

MILFORD BOROUGH SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 8,347	\$ -	\$ -	\$ -	\$ 8,347
Due from other funds	22,531	-	-	-	22,531
Receivables from other governments					
Local	818,094	-	-	-	818,094
State	98,915	-	-	-	98,915
Federal	-	17,796	-	-	17,796
Other accounts receivable	270	249	-	-	519
Restricted cash and cash equivalents	2,578,821	54,517	-	-	2,633,338
Total assets	<u>\$ 3,526,978</u>	<u>\$ 72,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,599,540</u>
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 18,555	\$ -	\$ -	\$ 18,555
Accounts payable	24,374	-	-	-	24,374
Payroll deductions and withholdings payable	8,203	-	-	-	8,203
Unearned revenue	-	62,365	-	-	62,365
Unemployment compensation claims payable	1,658	-	-	-	1,658
Total liabilities	<u>34,235</u>	<u>80,920</u>	<u>-</u>	<u>-</u>	<u>115,155</u>

See accompanying notes to the financial statements.

MILFORD BOROUGH SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated					
for subsequent year's expenditures	\$ 58,876	\$ -	\$ -	\$ -	\$ 58,876
Excess surplus - current year	140,510	-	-	-	140,510
Capital reserve	2,249,370	-	-	-	2,249,370
Emergency reserve	19,066	-	-	-	19,066
Maintenance reserve	75,000	-	-	-	75,000
Unemployment compensation	233,727	-	-	-	233,727
Student activities	-	7,990	-	-	7,990
Committed fund balance					
Year-end encumbrances	386,110	-	-	-	386,110
Assigned fund balance					
Designated for subsequent					
year's expenditures	312	-	-	-	312
Unassigned fund balance	329,772	(16,348)	-	-	313,424
Total fund balances	<u>3,492,743</u>	<u>(8,358)</u>	<u>-</u>	<u>-</u>	<u>3,484,385</u>
 Total liabilities and fund balances	 <u>\$ 3,526,978</u>	 <u>\$ 72,562</u>	 <u>\$ -</u>	 <u>\$ -</u>	

Amounts reported for governmental activities in the
Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources
and therefore are not reported in the funds. The cost of the assets
are \$1,896,805 and the accumulated depreciation is \$774,139. 1,122,666

Deferred outflows and inflows of resources related to pensions are
applicable to future periods and, therefore, are not reported in the funds. (35,654)

Long-term liabilities, including bonds payable and compensated absences
are not due and payable in the current period and therefore are not reported
as liabilities in the funds. (394,744)

Interest on long-term debt is not accrued in governmental funds, but rather
is recognized as an expenditure when due. (940)

Total net position of governmental activities \$ 4,175,713

See accompanying notes to the financial statements.

MILFORD BOROUGH SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 2,063,289	\$ -	\$ -	\$ 43,075	\$ 2,106,364
Tuition					
Individuals	5,750	-	-	-	5,750
Interest on investments	34,847	-	-	-	34,847
Miscellaneous	26,290	2,388	-	-	28,678
Total local sources	2,130,176	2,388	-	43,075	2,175,639
State sources	608,858	127,337	-	-	736,195
Federal sources	-	171,302	-	-	171,302
Total revenues	2,739,034	301,027	-	43,075	3,083,136
Expenditures					
Current					
Instructional					
Regular instruction	659,036	187,850	-	-	846,886
Special education instruction	151,238	27,666	-	-	178,904
Other instruction	3,077	-	-	-	3,077
Support service & undistributed costs					
Tuition	229,780	-	-	-	229,780
Student & instruction related services	236,744	91,656	-	-	328,400
General & business administrative services	94,195	-	-	-	94,195
School administrative services	16,351	-	-	-	16,351
Plant operations & maintenance	310,160	-	-	-	310,160
Pupil transportation	42,073	-	-	-	42,073
Unallocated benefits	363,172	-	-	-	363,172

See accompanying notes to the financial statements.

MILFORD BOROUGH SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 154,242	\$ 21,460	\$ -	\$ -	\$ 175,702
Debt service					
Principal	-	-	-	40,000	40,000
Interest & other charges	1,825	-	-	3,075	4,900
Total expenditures	<u>2,261,893</u>	<u>328,632</u>	<u>-</u>	<u>43,075</u>	<u>2,633,600</u>
Excess (deficit) of revenues over (under) expenditures	477,141	(27,605)	-	-	449,536
Other financing sources (uses)					
Operating transfers in (out)	(25,748)	29,724	-	-	3,976
Total other financing sources (uses)	<u>(25,748)</u>	<u>29,724</u>	<u>-</u>	<u>-</u>	<u>3,976</u>
Net change in fund balance	451,393	2,119	-	-	453,512
Fund balances, July 1	<u>3,041,350</u>	<u>(10,477)</u>	<u>-</u>	<u>-</u>	<u>3,030,873</u>
Fund balances, June 30	<u><u>\$ 3,492,743</u></u>	<u><u>\$ (8,358)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,484,385</u></u>

See accompanying notes to the financial statements.

MILFORD BOROUGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net changes in fund balances - governmental fund (from B-2)	\$ 453,512
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Amounts reported for governmental activities in the Statement of Activities (A-2) are different because

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 175,702	
Depreciation expense	<u>(46,081)</u>	129,621

Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Debt principal payments	40,000
-------------------------	--------

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

71,139

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a reconciling item.

939

In the Statement of Activities, compensated absences and early retirement benefits 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

(2,095)

Change in net position of governmental activities

\$ 693,116

See accompanying notes to the financial statements.

MILFORD BOROUGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2024

	After Care Fund	Food Service Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 3,976	\$ -	\$ 3,976
Total current assets	<u>3,976</u>	<u>-</u>	<u>3,976</u>
Noncurrent assets			
Capital assets	-	13,624	13,624
Less: accumulated depreciation	<u>-</u>	<u>12,887</u>	<u>12,887</u>
Total noncurrent assets	<u>-</u>	<u>737</u>	<u>737</u>
Total assets	<u>3,976</u>	<u>737</u>	<u>4,713</u>
Liabilities			
Due to other funds	3,976	-	3,976
Total liabilities	<u>3,976</u>	<u>-</u>	<u>3,976</u>
Net position			
Net investment in capital assets	-	737	737
Total net position	<u>\$ -</u>	<u>\$ 737</u>	<u>\$ 737</u>

See accompanying notes to the financial statements.

MILFORD BOROUGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	After Care Fund	Food Service Fund	Total
Operating expenses			
Depreciation	\$ -	\$ 164	\$ 164
Total operating expenses	<u>-</u>	<u>164</u>	<u>164</u>
Operating income (loss)	-	(164)	(164)
Other financing sources (uses)			
Transfers out	<u>(3,976)</u>	<u>-</u>	<u>(3,976)</u>
Change in net position	(3,976)	(164)	(4,140)
Net position, beginning	<u>3,976</u>	<u>901</u>	<u>4,877</u>
Net position, ending	<u><u>\$ -</u></u>	<u><u>\$ 737</u></u>	<u><u>\$ 737</u></u>

See accompanying notes to the financial statements.

MILFORD BOROUGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	<u>After Care Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Cash and cash equivalents, beginning	<u>\$ 3,976</u>	<u>\$ -</u>	<u>\$ 3,976</u>
Cash and cash equivalents, ending	<u><u>\$ 3,976</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,976</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ -	\$ (164)	\$ (164)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	<u>-</u>	<u>164</u>	<u>164</u>
Net cash provided by (used for) operating activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Milford Borough School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Basic Financial Statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic Financial Statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2024 of 65 students.

The primary criterion for including activities within the District's reporting entity as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

1. The Organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the Organization.
3. The District appoints a voting majority of the Organization's Board.
4. The District is able to impose its will on the Organization.
5. The Organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the Organization on the District.

Based on the aforementioned criteria, the District has no component units.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the Fund Financial Statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 revenues.

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 expense by Board Resolution.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (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.

The District did not utilize the capital projects fund during the fiscal year.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary fund types (continued)

Enterprise Fund - The enterprise fund is 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 on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund and the after care fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

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 budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. 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. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. 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 reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the Balance Sheet as unearned revenues 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.

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2023-2024 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

Short-term interfund receivables and 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.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicles	5 - 10

K. Compensated absences

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

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits 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 Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the Balance Sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted general fund balance policy described below as unassigned.

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's Fund Financial Statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the Municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et. seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the Municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2024, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

New Jersey school districts are limited as to the types 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.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

N.J.S.A. 17:9-41 et. 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 public 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 saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2024, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	<u>2,480,220</u>
Total bank balances	<u><u>\$ 2,730,220</u></u>

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, balance sheet	B-1	\$ 8,347
Proprietary funds, balance sheet	B-4	3,976
Restricted cash		
Governmental funds, balance sheet	B-1	<u>2,633,338</u>
Total cash		<u><u>\$ 2,645,661</u></u>

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 26,248	\$ -	\$ -	\$ 26,248
Construction in progress	21,870	106,912	-	128,782
Total	48,118	106,912	-	155,030
Capital assets, being depreciated				
Land improvements	74,250	23,985	-	98,235
Building & improvements	1,488,301	5,702	-	1,494,003
Vehicles & equipment	120,595	39,103	10,161	149,537
Total	1,683,146	68,790	10,161	1,741,775
Accumulated depreciation				
Land improvements	74,250	600	-	74,850
Building & improvements	588,320	33,928	-	622,248
Vehicles & equipment	75,649	11,553	10,161	77,041
Total	738,219	46,081	10,161	774,139
Total capital assets, being depreciated, net	944,927	22,709	-	967,636
Governmental activities capital assets, net	\$ 993,045	\$ 129,621	\$ -	\$ 1,122,666
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 13,624	\$ -	\$ -	\$ 13,624
Less: accumulated depreciation	12,723	164	-	12,887
Business type activities capital assets, net	\$ 901	\$ (164)	\$ -	\$ 737

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction	
Regular	\$ 26,587
Special education	5,617
Other special education	97
Support services	
Student & instruction	10,310
General & business administration	2,957
School administration services	513
Total depreciation expense, governmental activities	<u>\$ 46,081</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 80,000	\$ -	\$ 40,000	\$ 40,000	\$ 40,000
Compensated absences payable	41,412	2,095	-	43,507	-
PERS net pension liability	280,574	30,663	-	311,237	-
Total governmental activities long- term liabilities	<u>\$ 401,986</u>	<u>\$ 32,758</u>	<u>\$ 40,000</u>	<u>\$ 394,744</u>	<u>\$ 40,000</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2024, including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	<u>\$ 40,000</u>	<u>\$ 1,025</u>	<u>\$ 41,025</u>

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2024, with their outstanding balances are comprised of the following individual issues:

\$480,000 - 2009 general obligation school building bonds, due in annual installments of \$25,000 to \$40,000, beginning July 15, 2010, through July 15, 2024, interest at 4.00% to 5.125%.	<u>\$</u> <u>40,000</u>
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The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2024 is \$4,056,295. General obligation debt at June 30, 2024 is \$40,000, resulting in a legal debt margin of \$4,016,295.

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute; The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Empower for the Division of Pensions and Benefits. TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

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 PERS, please refer to Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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 10 years of service.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Plan description (continued)

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled 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 Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit 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 55 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.

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the Plan.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The Allocation percentages presented for each group in the Schedule of Employer and Nonemployer allocations are applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer. The allocation percentages for each group as of June 30, 2023 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023 measurement date.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. 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 non-contributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

The employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15-years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The District's contractually required contribution rate for the year ended June 30, 2024 was 29.56% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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 this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective 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 non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2023:

Net pension liability	\$ 311,237
Proportionate share	0.0021487777%

Plan fiduciary net position as a percentage of the total pension liability	65.23%
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The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 6.55%
Investment rate of return	7.00%

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective net pension liability and actuarial information (continued)

Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 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 plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and 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's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 311,237
At a 1% lower rate (6.00%)	408,580
At a 1% higher rate (8.00%)	233,242

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,976	\$ 1,272
Changes of assumptions	684	18,862
Net difference between projected and actual earnings on pension plan investments	1,433	-
Changes in proportion and differences between District contributions and proportionate share of contributions	57,658	106,990
District contributions subsequent to the measurement date	28,719	-
Total	<u>\$ 91,470</u>	<u>\$ 127,124</u>

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2024, the Plan measurement date is June 30, 2023) of \$28,719 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2023 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 2,025	\$ 951	\$ 2,976
Changes of assumptions	869	(185)	684
Differences between expected and actual experience	11,613	(10,180)	1,433
Deferred inflows of resources			
Differences between expected and actual experience	(1,786)	514	(1,272)
Changes in assumptions	(42,013)	23,151	(18,862)
Differences between projected and actual investment earnings on pension plan investments	-	-	-
Net changes	<u>\$ (29,292)</u>	<u>\$ 14,251</u>	<u>\$ (15,041)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

Fiscal Year Ended June 30,

2024	\$ (16,431)
2025	(9,171)
2026	12,816
2027	(2,294)
2028	39
Total	<u>\$ (15,041)</u>

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension expense (benefit)

For the fiscal year ended June 30, 2024, the District recognized net pension expense (benefit) of (\$42,419), which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$3,137), plus the net amortization of deferred amounts from changes in proportion of (\$34,008), and plus other adjustments to the net pension liability of (\$5,274). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 26,037
Interest on total pension liability	98,323
Benefit changes	-
Member contributions	(20,998)
Administrative expense	459
Expected investment return net of investment expense	(57,957)
Pension expense related to specific liabilities of individual employers	(387)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	1,697
Changes of assumptions	(47,478)
Difference between projected and actual investment earnings on pension plan investments	(2,833)
Pension expense (benefit)	<u>\$ (3,137)</u>

B. Teacher's 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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Plan description (continued)

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Member Eligibility</u>
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled 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 Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62, and Tier 5 before age 65 with 30 years or more 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 employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

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 non-employer 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 of resources or deferred inflows of resources 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 non-employer 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 non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ended June 30, 2023, the State of New Jersey contributed \$201,495 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

District proportionate share of net pension liability	\$ 3,777,909
Less: State proportionate share of net pension liability	1,310,010
Net pension liability	<u>\$ 2,467,899</u>

Proportionate share	0.0048359207%
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Plan fiduciary net position as a percentage of the total pension liability	34.68%
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Actuarial assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 (based on years of service)	2.75 - 4.25%
Investment rate of return	7.00%

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Actuarial assumptions (continued)

Preretirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 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 plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and 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 TPAF's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make 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 after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 2,467,899
At a 1% lower rate (6.00%)	2,910,101
At a 1% higher rate (8.00%)	2,095,460

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense (benefit) related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 65,876
Interest on total pension liability	254,418
Benefit changes	-
Member contributions	(45,053)
Administrative expense	656
Expected investment return net of investment expense	(82,279)
Pension expense related to specific liabilities of individual employers	(22)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	9,453
Changes of assumptions	(147,223)
Difference between projected and actual investment earnings on pension plan investments	4,803
Pension expense (benefit)	<u>\$ 60,629</u>

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,300 in 2024) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended June 30, 2024 was \$0.

D. Other pension plan information

During the year ended June 30, 2024, the State of New Jersey contributed \$56,220 to the TPAF for postretirement medical benefits, \$2,329 for non-contributory insurance premiums, \$93 for long-term disability insurance, and \$204,239 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$42,426 during the fiscal year ended June 30, 2024 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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 Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notices.shtml>.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Total OPEB liability (continued)

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2023 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 52,361,668,239
District's proportionate share of the State's OPEB liability	3,458,033
Employer OPEB expense and related revenue	(84,688)
Allocable proportionate percentage	0.0066041307%

Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2022	\$ 3,900,420
Service cost	127,434
Interest cost	121,788
Change of benefit terms	-
Differences between expected and actual experiences	(606,765)
Changes of assumptions	6,970
Member contributions	3,121
Gross benefit payments	(94,935)
Total OPEB liability at June 30, 2023	<u>\$ 3,458,033</u>

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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</u>	<u>PERS</u>
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 - June 30, 2021.

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

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% 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 trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2023 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2023 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.65%)	\$ 3,458,033
At a 1% lower rate (2.65%)	4,053,950
At current discount rate (3.65%)	2,979,581

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$ 3,458,033
At a 1% lower rate (1% decrease)	2,870,701
At a 1% higher rate (1% increase)	4,226,559

OPEB expense and deferred outflows and inflows of resources related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense (benefit) of (\$84,688) determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a Trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - 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:

Note 9 - Interfund receivable and payables

The composition of interfund balances as of June 30, 2024 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 22,531	\$ -
Special revenue fund	-	18,555
Aftercare fund	-	3,976
Total	<u>\$ 22,531</u>	<u>\$ 22,531</u>

The special revenue fund had an interfund payable of \$18,555 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The aftercare fund has an interfund payable of \$3,976 due to the general fund to close out the account.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 10 - Contingent liabilities

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 11 - 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.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

<u>Fiscal Year</u>	<u>Board Contrib.</u>	<u>Interest Earnings</u>	<u>Employee Contrib.</u>	<u>Amount Reimbursed</u>	<u>Ending Balance Available for Claims</u>
2023 - 2024	\$ -	\$ 2,795	\$ 1,612	\$ 2,500	\$ 235,385
2022 - 2023	120,000	1,056	1,784	2,687	233,478
2021 - 2022	-	19	1,873	53	113,325

Note 12 - Reserve accounts

A capital reserve account was established by the District 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.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Reserve accounts (continued)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the 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. 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. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contrib.</u>	<u>Interest Earnings</u>	<u>Return Unused Withdrawal</u>	<u>Withdrawal</u>	<u>Ending Balance</u>
Capital	\$ 2,006,970	\$ 350,000	\$ -	\$ -	\$ 107,600	\$ 2,249,370
Emergency	19,066	-	-	-	-	19,066
Maintenance	75,000	-	-	-	-	75,000
Total	<u>\$ 2,101,036</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,600</u>	<u>\$ 2,343,436</u>

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2024 is as follows:

Restricted

Excess surplus - designated for subsequent year's expenditures.	
Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 58,876
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	140,510
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	2,249,370
Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	19,066
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	75,000
Unemployment compensation - represents funds accumulated for future unemployment claims.	233,727

Committed

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	386,110
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Assigned

Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	312
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Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	348,915
Total fund balance - budgetary basis (Exhibit C-1)	3,511,886
Last state aid payments not recognized on GAAP basis	(19,143)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 3,492,743</u>

Note 14 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved 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 reserve 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 years' budget. The excess fund balance at June 30, 2024 is \$140,510.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Deficit unassigned fund balance in the special revenue fund

The District has a deficit unassigned fund balance of (\$16,348) in the special revenue fund as of June 30, 2024 as reported in the fund statements. PL 2005, Chapter 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment 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 inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and 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 state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

Note 16 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report:

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 17 - Subsequent events

The District has evaluated subsequent events through November 20, 2024, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

MILFORD BOROUGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Revenues					
Local sources					
Local tax levy	\$ 2,063,289	\$ -	\$ 2,063,289	\$ 2,063,289	\$ -
Other local governmental units - unrestricted	4,265	-	4,265	-	(4,265)
Tuition from individuals	10,000	-	10,000	5,750	(4,250)
Unrestricted miscellaneous revenues	-	-	-	58,342	58,342
Other restricted miscellaneous revenues	-	-	-	2,795	2,795
Total	2,077,554	-	2,077,554	2,130,176	52,622
State sources					
School choice aid	46,135	-	46,135	46,135	-
Extraordinary aid	-	-	-	98,460	98,460
Categorical special education aid	85,315	-	85,315	85,315	-
Equalization aid	54,466	-	54,466	54,466	-
Categorical security aid	7,339	-	7,339	7,339	-
Other state aid	-	-	-	455	455
TPAF Pension (on-behalf)	-	-	-	204,239	204,239
TPAF Non-contributory insurance	-	-	-	2,329	2,329
TPAF Social Security (reimbursed)	-	-	-	42,426	42,426
TPAF Postretirement benefits	-	-	-	56,220	56,220
TPAF Long-term disability insurance	-	-	-	93	93
Total	193,255	-	193,255	597,477	404,222
Total revenues	\$ 2,270,809	\$ -	\$ 2,270,809	\$ 2,727,653	\$ 456,844
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ -	\$ 14,757	\$ 14,757	\$ 14,417	\$ 340
Kindergarten	77,134	5,600	82,734	81,964	770
Grades 1-5	295,367	(27,279)	268,088	264,966	3,122
Regular programs - undistributed instruction					
Other salaries for instruction	1,500	-	1,500	1,500	-
Purchased professional - educational services	58,800	7,685	66,485	65,995	490
Other purchased services	69,848	(25,483)	44,365	43,022	1,343
General supplies	27,585	45,399	72,984	51,019	21,965
Other objects	-	85	85	85	-
Total	530,234	20,764	550,998	522,968	28,030

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Special education					
Resource room/resource center					
Salaries of Teachers	\$ 126,136	\$ (29,894)	\$ 96,242	\$ 74,889	\$ 21,353
Other salaries for instruction	-	25,104	25,104	11,252	13,852
Other purchased services	-	5,129	5,129	5,129	-
General supplies	1,000	1,310	2,310	2,310	-
Total	127,136	1,649	128,785	93,580	35,205
Total special education	127,136	1,649	128,785	93,580	35,205
School-sponsored co/extra curricular activities - instruction					
Salaries	5,600	3,236	8,836	3,077	5,759
Total	5,600	3,236	8,836	3,077	5,759
Total instruction regular	\$ 662,970	\$ 25,649	\$ 688,619	\$ 619,625	\$ 68,994
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - regular	\$ 139,295	\$ 4,286	\$ 143,581	\$ 143,581	\$ -
Tuition to other LEAs within the State - special	106,800	33,298	140,098	86,199	53,899
Total	246,095	37,584	283,679	229,780	53,899
Undistributed expenditures - attendance & social work					
Salaries	36,164	-	36,164	18,139	18,025
Total	36,164	-	36,164	18,139	18,025
Undistributed expenditures - health services					
Salaries	55,772	3,356	59,128	56,563	2,565
Purchased professional and technical services	4,250	(4,181)	69	69	-
Other purchased services	250	-	250	-	250
Supplies and materials	3,000	-	3,000	1,755	1,245
Total	63,272	(825)	62,447	58,387	4,060
Undistributed expenditures - speech, ot, pt & related services					
Purchased professional - educational services	49,920	-	49,920	19,320	30,600
Total	49,920	-	49,920	19,320	30,600
Undistributed expend - other supp. service stds. - extra service					
Purchased professional - educational services	49,957	(29,888)	20,069	14,945	5,124
Total	49,957	(29,888)	20,069	14,945	5,124
Undistributed expenditures - guidance					
Purchased professional - educational services	13,324	(13,324)	-	-	-
Other purchased professional & technical services	-	13,324	13,324	-	13,324
Supplies and materials	550	(300)	250	-	250
Total	13,874	(300)	13,574	-	13,574

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - child study teams					
Purchased professional - educational services	\$ 46,055	\$ 7,408	\$ 53,463	\$ 52,875	\$ 588
Other purchased professional & technical services	3,500	(57)	3,443	210	3,233
Other purchased services	5,000	(5,000)	-	-	-
Supplies and materials	250	-	250	-	250
Total	54,805	2,351	57,156	53,085	4,071
Undistributed expenditures - improvement of inst. service					
Salaries of Supervisor of Instruction	14,500	5,500	20,000	8,048	11,952
Purchased professional - educational services	27,200	2,818	30,018	29,018	1,000
Total	41,700	8,318	50,018	37,066	12,952
Undistributed expenditures - edu. media service/sch. library					
Other purchased services	12,889	(2,818)	10,071	1,300	8,771
Total	12,889	(2,818)	10,071	1,300	8,771
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	-	259	259	259	-
Other purchased services	1,000	(259)	741	-	741
Supplies and materials	250	-	250	-	250
Total	1,250	-	1,250	259	991
Undistributed expenditures - support service - general admin.					
Legal services	15,708	-	15,708	7,906	7,802
Audit fees	15,257	-	15,257	13,900	1,357
Other purchased professional services	29,500	(500)	29,000	21,850	7,150
Communications/telephone	-	500	500	84	416
BOE other purchased services	4,980	(4,980)	-	-	-
Miscellaneous purchased services	3,700	(965)	2,735	582	2,153
Miscellaneous expenditures	-	4,056	4,056	1,581	2,475
BOE membership dues and fees	2,600	1,889	4,489	3,146	1,343
Total	71,745	-	71,745	49,049	22,696
Undistributed expenditures - supp. service - school admin.					
Purchased professional and technical services	16,351	-	16,351	16,351	-
Total	16,351	-	16,351	16,351	-
Undistributed expenditures - central services					
Salaries	1,984	484	2,468	2,468	-
Purchased professional services	36,565	-	36,565	36,565	-
Purchased technical services	6,395	(282)	6,113	6,113	-
Supplies and materials	250	(6)	244	-	244
Total	45,194	196	45,390	45,146	244

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - req. maint. for school facilities					
Salaries	\$ 38,832	\$ 156,272	\$ 195,104	\$ 147,753	\$ 47,351
Cleaning, repair, and maintenance services	160,395	(138,180)	22,215	9,843	12,372
General supplies	5,000	(300)	4,700	248	4,452
Other objects	1,900	(760)	1,140	389	751
Total	206,127	17,032	223,159	158,233	64,926
Undistributed expenditures - custodial services					
Salaries	69,572	(17,477)	52,095	36,438	15,657
Purchased professional and technical services	48,300	(1,926)	46,374	2	46,372
Cleaning, repair, and maintenance service	23,225	3,964	27,189	23,834	3,355
Other purchased property services	4,000	(185)	3,815	3,174	641
Insurance	30,666	(4,158)	26,508	25,371	1,137
General supplies	9,121	2,770	11,891	8,807	3,084
Energy (electricity)	24,638	20,103	44,741	31,892	12,849
Energy (oil)	-	17,170	17,170	-	17,170
Energy (gasoline)	24,215	(24,215)	-	-	-
Other objects	-	4,352	4,352	4,352	-
Total	233,737	398	234,135	133,870	100,265
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	12,025	(1,815)	10,210	7,200	3,010
General supplies	1,900	(853)	1,047	27	1,020
Total	13,925	(2,668)	11,257	7,227	4,030
Undistributed expenditures - security					
Cleaning, repair, and maintenance service	2,000	3,139	5,139	5,139	-
General supplies	1,000	(789)	211	-	211
Total	3,000	2,350	5,350	5,139	211
Undistributed expenditures - student transportation service					
Other purchased professional and technical service	8,245	135	8,380	8,380	-
Contract serv-aid in lieu pymts - choice school students	-	7,154	7,154	3,382	3,772
Contract services (between home & school) - vendors	7,154	(7,154)	-	-	-
Contract service (oth. than between home & school) - vend	-	32,889	32,889	10,527	22,362
Contr service (between home & school) - joint agreements	39,262	(39,212)	50	50	-
Contract service (sp ed stds) - joint agreements	16,260	2,718	18,978	18,828	150
Miscellaneous purchased services - transportation	-	906	906	906	-
General supplies	4,000	(3,580)	420	-	420
Total	74,921	(6,144)	68,777	42,073	26,704
Allocated benefits - employee benefits					
Regular programs - instruction					
Health benefits	190,845	(53,374)	137,471	136,067	1,404
Total	190,845	(53,374)	137,471	136,067	1,404
Special programs - instruction					
Social Security contributions	408	(408)	-	-	-
Health benefits	69,992	(11,407)	58,585	57,658	927
Total	70,400	(11,815)	58,585	57,658	927

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Health services					
Health benefits	\$ 41,921	\$ (1,525)	\$ 40,396	\$ 34,243	\$ 6,153
Total	41,921	(1,525)	40,396	34,243	6,153
Custodial services					
Health benefits	28,103	-	28,103	5,692	22,411
Total	28,103	-	28,103	5,692	22,411
Total allocated benefits - employees	\$ 331,269	\$ (66,714)	\$ 264,555	\$ 233,660	\$ 30,895
Unallocated benefits - employee benefits					
Social Security contributions	\$ 14,500	\$ 1,639	\$ 16,139	\$ 15,418	\$ 721
Other retirement contributions - PERS	23,459	5,260	28,719	28,719	-
Other retirement contributions - regular	2,354	(1,095)	1,259	-	1,259
Workmen's compensation	12,189	114	12,303	12,303	-
Tuition reimbursement	5,000	-	5,000	1,000	4,000
Other employee benefits	-	425	425	425	-
Total	57,502	6,343	63,845	57,865	5,980
On-behalf TPAF Pension contribution	-	-	-	204,239	(204,239)
On-behalf TPAF Non-contributory insurance	-	-	-	2,329	(2,329)
On-behalf TPAF Postretirement medical benefits	-	-	-	56,220	(56,220)
On-behalf TPAF Long-term disability insurance	-	-	-	93	(93)
Reimbursed TPAF Social Security contribution	-	-	-	42,426	(42,426)
Total	-	-	-	305,307	(305,307)
Total undistributed expenditures	\$ 1,623,697	\$ (34,785)	\$ 1,588,912	\$ 1,486,201	\$ 102,711
Total current	\$ 2,286,667	\$ (9,136)	\$ 2,277,531	\$ 2,105,826	\$ 171,705
Capital outlay					
Equipment					
Grades 1-5	\$ -	\$ 64,435	\$ 64,435	\$ -	\$ 64,435
Undistributed					
Undistributed expenditures - instruction	7,500	-	7,500	7,500	-
Undistributed expenditures - general admin.	105,000	-	105,000	6,456	98,544
Undistributed expenditures - req. maint. for school facilities	142,728	39,931	182,659	124,441	58,218
Undistributed expenditures - custodial services	-	107,600	107,600	-	107,600
Undistributed expenditures - non-instructional service	15,845	-	15,845	15,845	-
Total equipment	271,073	211,966	483,039	154,242	328,797
Facilities acquisition and construction service					
Architectural/engineering services	18,476	-	18,476	-	18,476
Assessment for debt service on SDA funding	1,825	-	1,825	1,825	-
Total facilities acquisition and construction service	20,301	-	20,301	1,825	18,476
Total capital outlay	\$ 291,374	\$ 211,966	\$ 503,340	\$ 156,067	\$ 347,273
Total expenditures	\$ 2,578,041	\$ 202,830	\$ 2,780,871	\$ 2,261,893	\$ 518,978

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Variance
	Original Budget	Budget Transfers	Final Budget	Final to Actual
Excess (deficiency) of revenues over (under) expenditures	\$ (307,232)	\$ (202,830)	\$ (510,062)	\$ 465,760
Other financing sources (uses)				
Operating transfer in				
Transfers from after care fund	-	-	-	3,976
Operating transfer out				
Transfer to special revenue fund - preschool programs	(29,724)	-	(29,724)	(29,724)
Total other financing sources (uses)	(29,724)	-	(29,724)	(25,748)
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(336,956)	(202,830)	(539,786)	440,012
Fund balances, July 1	3,071,874	-	3,071,874	3,071,874
Fund balances, June 30	\$ 2,734,918	\$ (202,830)	\$ 2,532,088	\$ 3,511,886
Recapitulation of excess (deficiency) of revenues over (under) expenditures				
Adjustment for prior year encumbrances	\$ (336,956)	\$ -	\$ (336,956)	\$ (336,956)
Increase in capital reserve	-	350,000	350,000	350,000
Withdrawal from capital reserve	-	(107,600)	(107,600)	(107,600)
Interest earned on unemployment compensation	-	-	-	2,795
Budgeted fund balance	-	(445,230)	(445,230)	531,773
Total	\$ (336,956)	\$ (202,830)	\$ (539,786)	\$ 440,012
Recapitulation of fund balance				
Restricted fund balance				
Excess surplus - designated for subsequent year's expenditures				\$ 58,876
Excess surplus - current year				140,510
Capital reserve				2,249,370
Emergency reserve				19,066
Maintenance reserve				75,000
Unemployment compensation				233,727
Committed fund balance				
Year-end encumbrances				386,110
Assigned fund balance				
Designated for subsequent year's expenditures				312
Unassigned fund balance				348,915
Fund balance per budgetary basis				3,511,886
Reconciliation to governmental statements (GAAP)				
Last state aid payments not recognized on GAAP basis				(19,143)
Fund balance per governmental funds (GAAP)				\$ 3,492,743

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 2,388	\$ -	\$ 2,388	\$ 2,388	\$ -
State sources	133,766	1,259	135,025	133,767	(1,258)
Federal sources	270,333	(89,209)	181,124	181,123	(1)
Total revenues	<u>406,487</u>	<u>(87,950)</u>	<u>318,537</u>	<u>317,278</u>	<u>(1,259)</u>
Other financing sources					
Transfers in	<u>29,724</u>	<u>-</u>	<u>29,724</u>	<u>29,724</u>	<u>-</u>
Total revenues & other financing sources	<u>\$ 436,211</u>	<u>\$ (87,950)</u>	<u>\$ 348,261</u>	<u>\$ 347,002</u>	<u>\$ (1,259)</u>
Expenditures					
Instruction					
Salaries	\$ 151,011	\$ (67,006)	\$ 84,005	\$ 84,005	\$ -
Purchased professional and technical services	35,298	83,749	119,047	119,047	-
Other purchased services	162		162	162	-
Supplies	21,941	1	21,942	21,942	-
Total	<u>208,412</u>	<u>16,744</u>	<u>225,156</u>	<u>225,156</u>	<u>-</u>
Support services					
Tuition	26,198	(26,198)	-	-	-
Salaries	76,496	(23,589)	52,907	52,907	-
Employee benefits	5,613	638	6,251	6,251	-
Purchased professional and technical services	-				
	41,870	(26,333)	15,537	15,537	-
Plant operations and maintenance	-	1,259	1,259	-	1,259
Other purchased services	40,002	(25,303)	14,699	14,699	-
Supplies	11,222	(2,618)	8,604	8,604	-
Student activities	1,836	-	1,836	1,836	-
Total	<u>203,237</u>	<u>(102,144)</u>	<u>101,093</u>	<u>99,834</u>	<u>1,259</u>
Capital outlay					
Non-Instructional Equipment	<u>24,010</u>	<u>(2,550)</u>	<u>21,460</u>	<u>21,460</u>	<u>-</u>
Total	<u>24,010</u>	<u>(2,550)</u>	<u>21,460</u>	<u>21,460</u>	<u>-</u>
Total expenditures	<u>\$ 435,659</u>	<u>\$ (87,950)</u>	<u>\$ 347,709</u>	<u>\$ 346,450</u>	<u>\$ 1,259</u>

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2024

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues over (under) expenditures	\$ 552	\$ -	\$ 552	\$ 552	\$ -
Fund balances, July 1	7,438	-	7,438	7,438	-
Fund balances, June 30	<u>\$ 7,990</u>	<u>\$ -</u>	<u>\$ 7,990</u>	<u>\$ 7,990</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 7,990	
Fund balance per budgetary basis				<u>7,990</u>	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(16,348)</u>	
Fund balance per governmental funds (GAAP)				<u><u>\$ (8,358)</u></u>	

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2024

Explanation of Differences Between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 2,727,653	\$ 317,278
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	637
Outstanding encumbrances - prior year cancelled	-	(14)
Outstanding encumbrances - current year	-	(18,441)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)		
State aid receivable prior year	30,524	17,915
State aid receivable current year	(19,143)	(16,348)
Total revenues (GAAP basis)	<u>\$ 2,739,034</u>	<u>\$ 301,027</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 2,261,893	\$ 346,450
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:		
Outstanding encumbrances - prior year	-	637
Outstanding encumbrances - prior year cancelled	-	(14)
Outstanding encumbrances - current year	-	(18,441)
Total expenditures (GAAP basis)	<u>\$ 2,261,893</u>	<u>\$ 328,632</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68)
(UNAUDITED)**

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value			
2015	0.0029694144%	\$ 666,574	\$ 212,947	313.02%	47.93%
2016	0.0030978661%	917,499	224,806	408.13%	40.14%
2017	0.0032845664%	764,595	169,089	452.18%	48.10%
2018	0.0024078200%	474,087	178,049	266.27%	53.60%
2019	0.0026321432%	474,272	199,935	237.21%	56.27%
2020	0.0029649447%	483,505	110,873	436.09%	58.32%
2021	0.0021427421%	253,840	137,021	185.26%	70.33%
2022	0.0018591679%	280,574	136,961	204.86%	62.91%
2023	0.0021487777%	311,237	113,785	273.53%	65.23%
2024	N/A	N/A	97,168	N/A	N/A

N/A = Information not available

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 17,532	\$ (17,532)	\$ -	\$ 212,947	8.23%
2016	25,529	(25,529)	-	224,806	11.36%
2017	27,521	(27,521)	-	169,089	16.28%
2018	30,428	(30,428)	-	178,049	17.09%
2019	23,950	(23,950)	-	199,935	11.98%
2020	25,603	(25,603)	-	110,873	23.09%
2021	32,435	(32,435)	-	137,021	23.67%
2022	25,094	(25,094)	-	136,961	18.32%
2023	23,445	(23,445)	-	113,785	20.60%
2024	28,719	(28,719)	-	97,168	29.56%

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)			Total	District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary net position as
	District's proportion		State's proportion			as a percentage of its covered employee payroll	as a percentage of the total pension liability
	Percentage	Value					
2015	0.00%	-	\$ 5,013,924	\$ 5,013,924	\$ 725,683	0.00%	28.71%
2016	0.00%	-	5,239,618	5,239,618	820,687	0.00%	22.33%
2017	0.00%	-	5,015,491	5,015,491	876,712	0.00%	25.41%
2018	0.00%	-	5,015,491	5,015,491	912,419	0.00%	26.49%
2019	0.00%	-	5,141,056	5,141,056	775,397	0.00%	26.95%
2020	0.00%	-	5,569,359	5,569,359	581,292	0.00%	24.60%
2021	0.00%	-	3,406,778	3,406,778	615,297	0.00%	35.52%
2022	0.00%	-	2,840,212	2,840,212	540,399	0.00%	32.29%
2023	0.00%	-	2,467,899	2,467,899	496,988	0.00%	34.68%
2024	N/A	N/A	N/A	N/A	575,555	N/A	N/A

N/A = Information not available

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 39,781	\$ (39,781)	\$ -	\$ 725,683	5.48%
2016	51,030	(51,030)	-	820,687	6.22%
2017	87,410	(87,410)	-	876,712	9.97%
2018	118,918	(118,918)	-	912,419	13.03%
2019	168,205	(168,205)	-	775,397	21.69%
2020	168,432	(168,432)	-	581,292	28.98%
2021	191,656	(191,656)	-	615,297	31.15%
2022	207,666	(207,666)	-	540,399	38.43%
2023	230,393	(230,393)	-	496,988	46.36%
2024	201,495	(201,495)	-	575,555	35.01%

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75)
(UNAUDITED)**

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefit Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other post employment employee benefits liability
	District's proportion		State's proportion				
	Percentage	Value					
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 4,769,733	\$ 4,769,733	\$ 1,045,801	0.00%	0.00%
2018	0.00%	-	4,032,614	4,032,614	1,090,468	0.00%	0.00%
2019	0.00%	-	3,670,857	3,670,857	975,332	0.00%	0.00%
2020	0.00%	-	6,001,188	6,001,188	692,165	0.00%	0.00%
2021	0.00%	-	5,404,590	5,404,590	752,318	0.00%	0.00%
2022	0.00%	-	3,900,420	3,900,420	677,360	0.00%	0.00%
2023	0.00%	-	3,458,033	3,458,033	610,773	0.00%	0.00%
2024	N/A	N/A	N/A	N/A	672,723	N/A	N/A

N/A = Information not available

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2024

- Note 1 - Special funding situation - TPAF, PERS, and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% in State fiscal year 2022 and 2.75% in State fiscal year 2023.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% for State fiscal year 2022 and 2.75% for State fiscal year 2023.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 3.54% in State fiscal year 2022 to 3.65% in State fiscal year 2023.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
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 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% 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 trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

MILFORD BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	IDEA Basic	IDEA Preschool	ESEA Title IIA	ESEA Title IV Part A	CRRSA Learning Acceleration	ARP ESSER III	ARP Beyond the School Day
Revenues							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	26,198	1,468	229	970	3,273	41,917	38,269
Total revenues	26,198	1,468	229	970	3,273	41,917	38,269
Other financing sources							
Transfer from general fund	-	-	-	-	-	-	-
Total revenues & other financing sources	\$ 26,198	\$ 1,468	\$ 229	\$ 970	\$ 3,273	\$ 41,917	\$ 38,269
Expenditures							
Instruction							
Salaries	\$ -	\$ 1,468	\$ -	\$ -	\$ -	\$ -	\$ 6,723
Purchased professional and technical services	26,198	-	-	-	-	-	17,104
Other purchased services	-	-	162	-	-	-	-
Supplies	-	-	-	970	-	-	-
Total	26,198	1,468	162	970	-	-	23,827
Support services							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	561
Purchased professional and technical services	-	-	67	-	3,273	11,853	-
Other purchased services	-	-	-	-	-	-	13,881
Supplies	-	-	-	-	-	8,604	-
Student activities	-	-	-	-	-	-	-
Total	-	-	67	-	3,273	20,457	14,442
Capital outlay							
Non-Instructional Equipment	-	-	-	-	-	21,460	-
Total	-	-	-	-	-	21,460	-
Total expenditures	\$ 26,198	\$ 1,468	\$ 229	\$ 970	\$ 3,273	\$ 41,917	\$ 38,269
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-	-
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2024

	ARP Accelerated Learning	ARP Summer Learning	ARP NJTSS Mental Health	Preschool Education	Student Activities	Total
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 2,388	\$ 2,388
State sources	-	-	-	133,767	-	133,767
Federal sources	6,034	17,765	45,000	-	-	181,123
Total revenues	6,034	17,765	45,000	133,767	2,388	317,278
Other financing sources						
Transfer from general fund	-	-	-	29,724	-	29,724
Total revenues & other financing sources	\$ 6,034	\$ 17,765	\$ 45,000	\$ 163,491	\$ 2,388	\$ 347,002
Expenditures						
Instruction						
Salaries	\$ -	\$ -	\$ -	\$ 75,814	\$ -	\$ 84,005
Purchased professional and technical services	-	16,947	32,500	26,298	-	119,047
Other purchased services	-	-	-	-	-	162
Supplies	-	-	12,500	8,472	-	21,942
Total	-	16,947	45,000	110,584	-	225,156
Support services						
Salaries	-	-	-	52,907	-	52,907
Employee benefits	5,690	-	-	-	-	6,251
Purchased professional and technical services	344	-	-	-	-	15,537
Other purchased services	-	818	-	-	-	14,699
Supplies	-	-	-	-	-	8,604
Student activities	-	-	-	-	1,836	1,836
Total	6,034	818	-	52,907	1,836	99,834
Capital outlay						
Non-Instructional Equipment	-	-	-	-	-	21,460
Total	-	-	-	-	-	21,460
Total expenditures	\$ 6,034	\$ 17,765	\$ 45,000	\$ 163,491	\$ 1,836	\$ 346,450
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ 552	\$ 552
Fund balances, July 1	-	-	-	-	7,438	7,438
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ 7,990	\$ 7,990

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries of teachers	\$ 82,054	\$ 52,330	\$ 29,724
Other salaries for instruction	23,484	23,484	-
Purchased professional and technical services	26,298	26,298	-
Supplies	8,472	8,472	-
Total	<u>140,308</u>	<u>110,584</u>	<u>29,724</u>
Support services			
Other salaries	43,907	43,907	-
Salaries of community parent involvement spec.	3,000	3,000	-
Salaries of master teachers	6,000	6,000	-
Total	<u>52,907</u>	<u>52,907</u>	<u>-</u>
Total expenditures	<u><u>\$ 193,215</u></u>	<u><u>\$ 163,491</u></u>	<u><u>\$ 29,724</u></u>

MILFORD BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2024

Calculation of Budget and Carryover

Total revised 2023 - 2024 preschool education aid allocation	\$ 163,482
Add: actual ECPA/PEA carryover (June 30, 2023)	23,293
Add: budgeted transfer from general fund	<u>29,724</u>
Total preschool education aid funds available for 2023 - 2024 budget	216,499
Less: 2023 - 2024 budgeted preschool education aid	<u>(193,215)</u>
Available and unbudgeted preschool education aid funds as of June 30, 2024	23,284
Add: 2023 - 2024 unexpended preschool education aid	<u>29,724</u>
2023 - 2024 Actual carryover preschool education aid	<u><u>\$ 53,008</u></u>
Preschool education aid carryover budgeted for preschool programs 2024 - 2025	<u><u>\$ 23,285</u></u>

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

MILFORD BOROUGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Retired	Balance
			Date	Amount		07/01/23			06/30/24
Series 2009	07/15/09	\$ 480,000	7/15/24	\$ 40,000	5.13%	\$ 80,000	\$ -	\$ 40,000	\$ 40,000
						\$ 80,000	\$ -	\$ 40,000	\$ 40,000

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 43,075	\$ -	\$ 43,075	\$ 43,075	\$ -
Total revenues	43,075	-	43,075	43,075	-
Expenditures					
Regular debt service					
Redemption of principal	40,000	-	40,000	40,000	-
Interest	3,075	-	3,075	3,075	-
Total expenditures	43,075	-	43,075	43,075	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

STATISTICAL SECTION

MILFORD BOROUGH SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

MILFORD BOROUGH SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities										
Net investment in capital assets	\$ 506,905	\$ 749,823	\$ 822,976	\$ 844,239	\$ 845,923	\$ 845,936	\$ 843,595	\$ 856,023	\$ 913,045	\$ 1,082,666
Restricted	373,659	291,147	273,102	423,102	545,877	1,024,139	1,478,893	1,817,817	2,339,406	2,585,153
Unrestricted	(242,968)	(303,971)	(402,758)	(449,565)	(441,516)	(394,576)	(246,455)	(53,741)	230,146	507,894
Total governmental activities	<u>\$ 637,596</u>	<u>\$ 736,999</u>	<u>\$ 693,320</u>	<u>\$ 817,776</u>	<u>\$ 950,284</u>	<u>\$ 1,475,499</u>	<u>\$ 2,076,033</u>	<u>\$ 2,620,099</u>	<u>\$ 3,482,597</u>	<u>\$ 4,175,713</u>
Business-type activities										
Net investment in capital assets	\$ 4,431	\$ 3,843	\$ 3,792	\$ 3,247	\$ 2,702	\$ 2,156	\$ 1,611	\$ 1,066	\$ 901	\$ 737
Unrestricted	13,861	6,176	7,235	12,253	6,280	-	-	4,326	3,976	-
Total business-type activities	<u>\$ 18,292</u>	<u>\$ 10,019</u>	<u>\$ 11,027</u>	<u>\$ 15,500</u>	<u>\$ 8,982</u>	<u>\$ 2,156</u>	<u>\$ 1,611</u>	<u>\$ 5,392</u>	<u>\$ 4,877</u>	<u>\$ 737</u>
District-wide										
Net investment in capital assets	\$ 511,336	\$ 753,666	\$ 826,768	\$ 847,486	\$ 848,625	\$ 848,092	\$ 845,206	\$ 857,089	\$ 913,946	\$ 1,083,403
Restricted	373,659	291,147	273,102	423,102	545,877	1,024,139	1,478,893	1,817,817	2,339,406	2,585,153
Unrestricted	(229,107)	(297,795)	(395,523)	(437,312)	(435,236)	(394,576)	(246,455)	(49,415)	234,122	507,894
Total district-wide	<u>\$ 655,888</u>	<u>\$ 747,018</u>	<u>\$ 704,347</u>	<u>\$ 833,276</u>	<u>\$ 959,266</u>	<u>\$ 1,477,655</u>	<u>\$ 2,077,644</u>	<u>\$ 2,625,491</u>	<u>\$ 3,487,474</u>	<u>\$ 4,176,450</u>

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,042,003	\$ 1,046,780	\$ 1,301,717	\$ 1,310,946	\$ 1,645,259	\$ 1,121,409	\$ 1,346,323	\$ 1,110,458	\$ 1,079,276	\$ 1,110,348
Special education	306,097	344,532	171,231	194,963	273,973	271,676	395,377	392,565	213,487	213,360
Other instruction	23,419	74,096	47,624	76,708	25,410	2,031	3,090	-	556	3,174
Support services										
Tuition	150,041	130,450	119,434	71,587	61,700	276,000	294,780	323,270	282,333	229,780
Student & instruction related services	526,520	474,697	628,549	611,220	561,088	370,505	389,160	337,947	427,584	364,498
General & business administrative services	119,885	123,848	138,204	138,481	105,706	110,419	89,081	87,137	101,435	96,672
School administration	70,726	71,273	81,600	72,546	34,751	182,933	21,741	17,014	10,805	16,864
Plant operations & maintenance	176,776	254,049	323,959	323,213	262,086	215,815	261,914	277,964	245,331	290,178
Pupil transportation	122,971	123,621	160,778	88,684	51,536	61,309	28,940	82,260	55,153	42,073
Interest on long-term debt	19,870	18,032	16,496	14,958	13,420	11,638	9,844	8,050	6,010	3,961
Total governmental activities expenses	<u>2,558,308</u>	<u>2,661,378</u>	<u>2,989,592</u>	<u>2,903,306</u>	<u>3,034,929</u>	<u>2,623,735</u>	<u>2,840,250</u>	<u>2,636,665</u>	<u>2,421,970</u>	<u>2,370,908</u>
Business-type activities										
Food services	34,007	34,830	31,811	27,361	31,104	546	545	545	350	-
Aftercare	-	-	-	-	-	-	-	8,208	165	164
Total business-type activities	<u>34,007</u>	<u>34,830</u>	<u>31,811</u>	<u>27,361</u>	<u>31,104</u>	<u>546</u>	<u>545</u>	<u>8,753</u>	<u>515</u>	<u>164</u>
Total district expenses	<u>\$ 2,592,315</u>	<u>\$ 2,696,208</u>	<u>\$ 3,021,403</u>	<u>\$ 2,930,667</u>	<u>\$ 3,066,033</u>	<u>\$ 2,624,281</u>	<u>\$ 2,840,795</u>	<u>\$ 2,645,418</u>	<u>\$ 2,422,485</u>	<u>\$ 2,371,072</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Governmental activities										
Charges for services	\$ 67,848	\$ 42,721	\$ 42,965	\$ 60,825	\$ 79,792	\$ 34,861	\$ 15,441	\$ 36,255	\$ 31,096	\$ 8,138
Operating grants & contributions	58,216	46,724	53,290	44,147	51,322	30,081	49,675	105,609	343,481	298,639
Total governmental activities	<u>126,064</u>	<u>89,445</u>	<u>96,255</u>	<u>104,972</u>	<u>131,114</u>	<u>64,942</u>	<u>65,116</u>	<u>141,864</u>	<u>374,577</u>	<u>306,777</u>
Business-type activities										
Charges for services										
Food service	19,706	17,000	15,140	12,701	14,558	-	-	-	-	-
Aftercare	-	-	-	-	-	-	-	12,534	-	-
Operating grants & contributions	8,334	9,557	9,023	7,133	10,028	-	-	-	-	-
Total business-type activities	<u>28,040</u>	<u>26,557</u>	<u>24,163</u>	<u>19,834</u>	<u>24,586</u>	<u>-</u>	<u>-</u>	<u>12,534</u>	<u>-</u>	<u>-</u>
Total district-wide program revenues	<u>\$ 154,104</u>	<u>\$ 116,002</u>	<u>\$ 120,418</u>	<u>\$ 124,806</u>	<u>\$ 155,700</u>	<u>\$ 64,942</u>	<u>\$ 65,116</u>	<u>\$ 154,398</u>	<u>\$ 374,577</u>	<u>\$ 306,777</u>
Net (expense) revenues										
Governmental activities	\$ (2,432,244)	\$ (2,571,933)	\$ (2,893,337)	\$ (2,798,334)	\$ (2,903,815)	\$ (2,558,793)	\$ (2,775,134)	\$ (2,494,801)	\$ (2,047,393)	\$ (2,064,131)
Business-type activities	<u>(5,967)</u>	<u>(8,273)</u>	<u>(7,648)</u>	<u>(7,527)</u>	<u>(6,518)</u>	<u>(546)</u>	<u>(545)</u>	<u>3,781</u>	<u>(515)</u>	<u>(164)</u>
Total district-wide net expenses	<u>\$ (2,438,211)</u>	<u>\$ (2,580,206)</u>	<u>\$ (2,900,985)</u>	<u>\$ (2,805,861)</u>	<u>\$ (2,910,333)</u>	<u>\$ (2,559,339)</u>	<u>\$ (2,775,679)</u>	<u>\$ (2,491,020)</u>	<u>\$ (2,047,908)</u>	<u>\$ (2,064,295)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 1,783,737	\$ 1,819,400	\$ 1,855,788	\$ 1,887,914	\$ 1,887,914	\$ 1,906,793	\$ 1,944,580	\$ 1,983,200	\$ 2,022,833	\$ 2,063,289
Taxes levied for debt service	48,281	44,725	45,375	43,838	42,300	45,635	43,841	42,047	45,125	43,075
Unrestricted grants & contributions	708,734	799,973	957,761	993,609	1,101,116	998,102	1,379,183	1,010,231	812,595	585,770
Capital grants - unallocated	104,000	-	-	-	-	-	-	-	-	-
Investment earnings	315	-	-	-	-	-	-	-	26,714	34,847
Miscellaneous income	9,056	7,391	2,737	9,429	4,993	16,558	8,064	3,389	2,624	26,290
Grant funds deobligated	-	-	(2,003)	-	-	-	-	-	-	-
Operating transfer	-	-	(10,000)	(12,000)	-	-	-	-	-	3,976
Special item - gain/(loss) on disposal of assets	-	(153)	-	-	-	-	-	-	-	-
Total governmental activities	<u>2,654,123</u>	<u>2,671,336</u>	<u>2,849,658</u>	<u>2,922,790</u>	<u>3,036,323</u>	<u>2,967,088</u>	<u>3,375,668</u>	<u>3,038,867</u>	<u>2,909,891</u>	<u>2,757,247</u>
Business-type activities										
Special item - gain/(loss) on disposal of assets/operations	-	-	(1,344)	-	-	(6,280)	-	-	-	-
Operating transfer	-	-	10,000	12,000	-	-	-	-	-	(3,976)
Total business-type activities	<u>-</u>	<u>-</u>	<u>8,656</u>	<u>12,000</u>	<u>-</u>	<u>(6,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,976)</u>
Total district-wide	<u>\$ 2,654,123</u>	<u>\$ 2,671,336</u>	<u>\$ 2,858,314</u>	<u>\$ 2,934,790</u>	<u>\$ 3,036,323</u>	<u>\$ 2,960,808</u>	<u>\$ 3,375,668</u>	<u>\$ 3,038,867</u>	<u>\$ 2,909,891</u>	<u>\$ 2,753,271</u>
Change in net position										
Governmental activities	\$ 221,879	\$ 99,403	\$ (43,679)	\$ 124,456	\$ 132,508	\$ 408,295	\$ 600,534	\$ 544,066	\$ 862,498	\$ 693,116
Business-type activities	<u>(5,967)</u>	<u>(8,273)</u>	<u>1,008</u>	<u>4,473</u>	<u>(6,518)</u>	<u>(6,826)</u>	<u>(545)</u>	<u>3,781</u>	<u>(515)</u>	<u>(4,140)</u>
Total district	<u>\$ 215,912</u>	<u>\$ 91,130</u>	<u>\$ (42,671)</u>	<u>\$ 128,929</u>	<u>\$ 125,990</u>	<u>\$ 401,469</u>	<u>\$ 599,989</u>	<u>\$ 547,847</u>	<u>\$ 861,983</u>	<u>\$ 688,976</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Restricted	\$ 114,944	\$ 254,944	\$ 273,102	\$ 423,102	\$ 545,877	\$ 1,024,139	\$ 1,471,839	\$ 1,810,893	\$ 2,390,844	\$ 2,776,549
Committed	15,894	18,484	917	-	34,005	39,076	49,812	181,911	336,956	386,110
Assigned	50,787	20,787	-	9,908	1,316	-	-	-	-	312
Unassigned	217,423	189,416	212,075	241,736	243,095	262,193	369,684	314,197	313,550	329,772
Total general fund	<u>\$ 399,048</u>	<u>\$ 483,631</u>	<u>\$ 486,094</u>	<u>\$ 674,746</u>	<u>\$ 824,293</u>	<u>\$ 1,325,408</u>	<u>\$ 1,891,335</u>	<u>\$ 2,307,001</u>	<u>\$ 3,041,350</u>	<u>\$ 3,492,743</u>
						*				
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,092	\$ 7,054	\$ 6,905	\$ (10,477)	\$ 7,990
Capital projects fund	256,528	36,203	-	-	-	-	-	-	-	-
Assigned, reported in										
Debt service fund	2,187	-	-	-	-	-	-	-	-	-
Unassigned, reported in										
Special revenue fund	-	-	-	-	-	-	-	-	-	(16,348)
Total all other governmental funds	<u>\$ 258,715</u>	<u>\$ 36,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,092</u>	<u>\$ 7,054</u>	<u>\$ 6,905</u>	<u>\$ (10,477)</u>	<u>\$ (8,358)</u>
						*				

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 1,832,018	\$ 1,864,125	\$ 1,901,163	\$ 1,931,752	\$ 1,930,214	\$ 1,952,428	\$ 1,988,421	\$ 2,025,247	\$ 2,067,958	\$ 2,106,364
Other local governmental units	-	5,369	3,650	3,750	3,840	-	1,964	2,224	4,448	-
Tuition charges	64,412	37,352	39,315	57,075	75,952	34,861	13,475	32,175	24,885	5,750
Interest earnings	315	-	-	-	-	-	-	-	26,714	34,847
Miscellaneous	17,484	7,391	2,737	10,239	4,993	16,558	8,066	5,245	4,387	28,678
State sources	484,462	516,000	579,031	630,635	656,822	648,598	757,976	655,051	850,867	736,195
State sources - capital grants	104,000	-	-	-	-	-	-	-	-	-
Federal sources	53,224	46,724	53,290	43,337	51,322	30,081	49,675	104,097	202,791	171,302
Total revenues	2,555,915	2,476,961	2,579,186	2,676,788	2,723,143	2,682,526	2,819,577	2,824,039	3,182,050	3,083,136
Expenditures										
Instruction										
Regular instruction	656,977	694,690	778,012	796,026	784,720	723,717	586,792	606,846	740,573	846,886
Special education instruction	215,532	209,577	102,039	117,169	119,016	157,322	153,134	192,268	175,879	178,904
Other special instruction	206	-	-	-	-	-	-	-	-	-
Other instruction	23,048	29,869	29,587	19,989	21,206	1,974	3,000	-	540	3,077
Support services										
Tuition	150,041	130,450	119,434	71,587	61,700	276,000	294,780	323,270	282,333	229,780
Student & inst related services	414,923	367,268	419,731	386,194	343,997	287,114	238,773	221,381	380,222	328,400
General administration	64,550	62,011	70,558	66,670	49,106	50,822	44,851	50,876	61,297	49,050
School administration services	45,153	46,966	47,237	40,444	32,408	20,484	21,106	16,528	10,500	16,351
Central services	49,928	47,600	49,188	47,892	48,905	55,291	41,630	33,773	37,594	45,145
Plant operations & maintenance	156,949	176,763	228,612	190,973	213,123	193,706	199,527	226,358	255,879	310,160
Pupil transportation	113,549	86,221	94,813	61,949	41,418	52,879	28,940	82,260	55,153	42,073
Employee benefits	242,517	271,496	313,424	338,984	436,670	103,670	268,041	273,042	70,548	57,865
On-behalf TPAF Pension & Social Security contribution	156,282	171,700	224,530	262,200	300,325	301,315	320,356	323,319	290,050	305,307
Capital outlay	7,527	24,041	60,264	30,396	12,881	2,242	-	14,729	57,565	175,702
Capital projects	3,472	219,326	20,122	-	-	-	-	-	-	-
Debt service										
Principal	30,000	30,000	30,000	30,000	30,000	35,000	35,000	35,000	40,000	40,000
Interest & other charges	18,281	16,912	15,375	15,663	14,125	12,460	10,666	8,872	6,950	4,900
Total expenditures	2,348,935	2,584,890	2,602,926	2,476,136	2,509,600	2,273,996	2,246,596	2,408,522	2,465,083	2,633,600

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (deficiency) of revenues over (under) expenditures	\$ 206,980	\$ (107,929)	\$ (23,740)	\$ 200,652	\$ 213,543	\$ 408,530	\$ 572,981	\$ 415,517	\$ 716,967	\$ 449,536
Other financing sources (uses)										
Transfers in (out)	(5,000)	-	(10,000)	(12,000)	(63,996)	(24,335)	-	-	-	3,976
Total other financing sources (uses)	(5,000)	-	(10,000)	(12,000)	(63,996)	(24,335)	-	-	-	3,976
Net change in fund balances	<u>\$ 201,980</u>	<u>\$ (107,929)</u>	<u>\$ (33,740)</u>	<u>\$ 188,652</u>	<u>\$ 149,547</u>	<u>\$ 384,195</u>	<u>\$ 572,981</u>	<u>\$ 415,517</u>	<u>\$ 716,967</u>	<u>\$ 453,512</u>
Debt service as a percentage of non-capital expenditures	2.11%	2.04%	1.83%	1.90%	1.80%	2.13%	2.07%	1.87%	1.99%	1.86%

Source: District Records

Note: Non-capital expenditures are total expenditures less capital outlay.

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interest income	\$ 315	\$ 373	\$ 407	\$ 1,664	\$ 2,796	\$ 2,477	\$ 462	\$ 396	\$ 26,714	\$ 34,847
Tuition	64,412	46,102	39,315	57,075	75,952	34,861	13,475	32,175	24,885	5,750
Milford - custodial services	3,436	5,369	3,650	3,750	3,840	-	1,964	2,224	4,448	4,671
Refunds	-	1,113	-	2,003	-	-	-	-	-	-
Contributions	-	404	100	490	200	-	200	-	-	-
Miscellaneous other	464	158	126	667	370	581	2,344	1,261	-	1,208
Building use fees	-	-	-	-	1,164	-	-	-	-	-
Insurance settlement	4,960	-	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	13,500	-	-	-	-
Prior year refunds	1,602	(4,220)	607	3,950	463	-	4,151	1,732	2,624	20,411
E-rate refunds	2,030	813	1,497	121	-	-	909	-	-	-
Prior year adjustment	-	-	-	534	-	-	-	-	-	-
Annual totals	<u>\$ 77,219</u>	<u>\$ 50,112</u>	<u>\$ 45,702</u>	<u>\$ 70,254</u>	<u>\$ 84,785</u>	<u>\$ 51,419</u>	<u>\$ 23,505</u>	<u>\$ 37,788</u>	<u>\$ 58,671</u>	<u>\$ 66,887</u>

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 2,265,200	\$ 2,179,300	\$ 2,138,600	\$ 2,131,000	\$ 2,131,700	\$ 2,131,700	\$ 2,131,700	\$ 2,013,900	\$ 3,143,400	\$ 2,518,400
Residential	94,625,300	94,300,400	94,080,271	94,617,171	94,533,071	95,139,271	95,143,071	94,884,171	94,294,171	94,773,500
Farm regular	1,418,800	1,418,800	1,418,800	1,418,800	1,177,300	1,166,400	1,166,400	1,166,400	1,166,400	837,700
Q farm	21,900	21,900	21,900	21,900	21,900	21,500	20,500	20,500	20,500	20,500
Commercial	12,447,070	12,447,070	12,447,070	12,377,670	13,026,370	13,043,770	12,877,870	12,877,870	11,746,870	12,852,900
Industrial	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000	1,985,800	1,985,800	1,985,800	649,200	649,200
Apartment	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Total assessed value	115,670,270	115,259,470	114,998,641	115,458,541	115,782,341	116,388,441	116,225,341	115,848,641	113,920,541	114,552,200
Public utilities (a)	188,786	182,807	182,071	178,706	179,792	183,074	187,355	175,574	169,252	149,560
Net valuation taxable	\$ 115,859,056	\$ 115,442,277	\$ 115,180,712	\$ 115,637,247	\$ 115,962,133	\$ 116,571,515	\$ 116,412,696	\$ 116,024,215	\$ 114,089,793	\$ 114,701,760
Estimated actual county equalized value	\$ 109,034,434	\$ 117,010,214	\$ 116,203,301	\$ 119,509,453	\$ 123,429,625	\$ 122,862,052	\$ 121,630,651	\$ 128,944,449	\$ 137,110,675	\$ 138,178,244
Percentage of net valuation to estimated actual equalized value	106.26%	98.66%	99.12%	96.76%	93.95%	94.88%	95.71%	89.98%	83.21%	83.01%
Total direct school tax rate (b)	\$ 1.651	\$ 1.647	\$ 1.678	\$ 1.670	\$ 1.684	\$ 1.706	\$ 1.740	\$ 1.783	\$ 1.846	\$ 1.871

Source: Municipal Tax Assessor

Notes: 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 the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
(b) Tax rates are per \$100.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic	General	(From J-6)				
	Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate		Municipality	County	
2015	\$ 1.607	\$ 0.044	\$ 1.651	\$ 0.613	\$ 0.706	\$ 0.335	\$ 3.305
2016	1.607	0.040	1.647	0.668	0.716	0.359	3.390
2017	1.638	0.040	1.678	0.774	0.730	0.358	3.540
2018	1.632	0.038	1.670	1.008	0.739	0.373	3.790
2019	1.647	0.037	1.684	0.877	0.750	0.381	3.692
2020	1.666	0.040	1.706	0.678	0.760	0.380	3.524
2021	1.702	0.038	1.740	0.652	0.770	0.377	3.539
2022	1.746	0.037	1.783	0.691	0.791	0.400	3.665
2023	1.806	0.040	1.846	0.854	0.859	0.431	3.990
2024	1.833	0.038	1.871	0.738	0.868	0.424	3.901

Sources: Municipal Tax Collector

Notes: N.J.S.A. 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (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.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

	2024			2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Pinecrest Village Associates	\$ 2,900,000	1	2.53%	\$ 2,900,000	1	2.50%
60 Bridge Street LLC	1,868,500	2	1.63%	1,507,600	2	1.30%
SBA Towers IXLLC	1,106,000	3	0.96%	-		0.00%
International Paper Company	1,097,900	4	0.96%	1,336,600	3	1.15%
Individual Property Owner	878,200	5	0.77%	539,100	6	0.47%
Individual Property Owner	689,300	6	0.60%	504,800	8	0.44%
Individual Property Owner	666,200	7	0.58%	-		0.00%
Individual Property Owner	601,300	8	0.52%	-		0.00%
Bridge Street Realty Partners, LLC	573,700	9	0.50%	-		0.00%
Individual Property Owner	565,000	10	0.49%	-		0.00%
Hunterdon Medical Center	-		0.00%	1,131,000	4	0.98%
Peter Trustee Kerl	-		0.00%	573,700	5	0.50%
Stem Brothers	-		0.00%	523,700	7	0.45%
Ingahdwe Trust	-		0.00%	485,400	9	0.42%
Little Kids NJ Partnership	-		0.00%	462,500	10	0.40%
	<u>\$ 10,946,100</u>		<u>9.54%</u>	<u>\$ 9,964,400</u>		<u>8.61%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2015	\$ 1,832,018	\$ 1,832,018	100.00%
2016	1,864,125	1,864,125	100.00%
2017	1,901,163	1,901,163	100.00%
2018	1,931,752	1,931,752	100.00%
2019	1,930,214	1,930,214	100.00%
2020	1,952,428	1,952,428	100.00%
2021	1,988,421	1,988,421	100.00%
2022	2,025,247	2,025,247	100.00%
2023	2,067,958	2,067,958	100.00%
2024	2,106,364	2,106,364	100.00%

Source: District records including the Certificate and Report of School Taxes (A4F Form)

- (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.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2015	\$ 345,000	\$ -	\$ -	\$ -	\$ 345,000	0.36%	\$ 286	
2016	315,000	-	-	-	315,000	0.32%	262	
2017	285,000	-	-	-	285,000	0.28%	239	
2018	255,000	-	-	-	255,000	0.25%	214	
2019	225,000	-	-	-	225,000	0.22%	189	
2020	190,000	-	-	-	190,000	0.17%	160	
2021	155,000	-	-	-	155,000	0.14%	132	
2022	120,000	-	-	-	120,000	0.10%	97	
2023	80,000	-	-	-	80,000	0.06%	66	
2024	40,000	-	-	-	40,000	N/A	33	

Notes: 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.

N/A Information is not available

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 345,000	\$ -	\$ 345,000	0.30%	\$ 286
2016	315,000	-	315,000	0.27%	262
2017	285,000	-	285,000	0.25%	239
2018	255,000	-	255,000	0.22%	214
2019	225,000	-	225,000	0.19%	189
2020	190,000	-	190,000	0.16%	160
2021	155,000	-	155,000	0.13%	132
2022	120,000	-	120,000	0.10%	97
2023	80,000	-	80,000	0.07%	66
2024	40,000	-	40,000	0.03%	33

Notes: 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.
- (b) Population data can be found in Exhibit J-14.

MILFORD BOROUGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Governmental unit			
Debt repaid with property taxes			
Municipality	\$ 709,349	100.00%	\$ 709,349
Regional High School	-	4.88%	-
County general obligation debt	71,347,396	0.54%	<u>385,276</u>
Subtotal, overlapping debt			1,094,625
School District direct debt			<u>40,000</u>
Total direct and overlapping debt			<u><u>\$ 1,134,625</u></u>

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

Notes: 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 the municipality. This process recognizes that when considering the District's ability to issue and repay long-term debt, 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 payment.

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

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2024

		Equalized Valuation Basis
	2023	\$ 137,237,129
	2022	139,224,421
	2021	129,167,972
		<u>\$ 405,629,522</u>
Average equalized valuation of taxable property		<u>\$ 135,209,841</u>
Debt limit (3.0% of average equalization value)	(a)	\$ 4,056,295
Total net debt applicable to limit		<u>40,000</u>
Legal debt margin		<u>\$ 4,016,295</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt limit	\$ 3,637,734	\$ 3,665,293	\$ 3,728,036	\$ 3,899,977	\$ 4,056,295
Total net debt applicable	<u>190,000</u>	<u>155,000</u>	<u>120,000</u>	<u>80,000</u>	<u>40,000</u>
Legal debt margin	<u>\$ 3,447,734</u>	<u>\$ 3,510,293</u>	<u>\$ 3,608,036</u>	<u>\$ 3,819,977</u>	<u>\$ 4,016,295</u>
Total net debt applicable to the limit as a percentage of debt limit	5.22%	4.23%	3.22%	2.05%	0.99%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 3,420,205	\$ 3,412,505	\$ 3,432,530	\$ 3,523,734	\$ 3,580,258
Total net debt applicable	<u>345,000</u>	<u>315,000</u>	<u>285,000</u>	<u>255,000</u>	<u>225,000</u>
Legal debt margin	<u>\$ 3,075,205</u>	<u>\$ 3,097,505</u>	<u>\$ 3,147,530</u>	<u>\$ 3,268,734</u>	<u>\$ 3,355,258</u>
Total net debt applicable to the limit as a percentage of debt limit	10.09%	9.23%	8.30%	7.24%	6.28%

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

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2015	1,206	\$ 95,107,572	\$ 78,862	5.2%
2016	1,203	97,420,143	80,981	4.7%
2017	1,194	100,013,022	83,763	3.3%
2018	1,191	101,130,192	84,912	3.3%
2019	1,188	104,465,592	87,934	3.8%
2020	1,184	108,864,064	91,946	8.0%
2021	1,176	111,823,488	95,088	4.6%
2022	1,231	123,454,528	100,288	3.6%
2023	1,218	124,289,592	102,044	3.4%
2024	1,222	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information not available

MILFORD BOROUGH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2024

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2015

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Function/program										
Instruction										
Regular and special education	16.65	16.53	15.65	16.40	15.42	13.10	12.50	11.60	8.80	8.60
Support services										
Student and instruction related services	2.00	2.00	2.04	1.40	2.54	1.70	1.00	2.10	2.50	3.20
General administration	0.49	0.49	0.49	0.49	0.09	0.30	0.30	0.30	0.30	0.30
School administration services	0.51	0.71	0.81	0.92	0.51	0.40	0.30	0.30	0.30	0.30
Business office	0.46	0.46	0.46	0.58	0.27	0.30	0.30	0.30	0.30	0.30
Plant operations and maintenance	1.26	1.26	1.47	1.55	1.82	1.82	2.00	2.00	2.50	2.00
Before & after care	0.62	0.62	0.62	0.55	0.15	0.15	-	-	-	-
Total	<u>21.99</u>	<u>22.07</u>	<u>21.54</u>	<u>21.89</u>	<u>20.80</u>	<u>17.77</u>	<u>16.40</u>	<u>16.60</u>	<u>14.70</u>	<u>14.70</u>

Source: District Personnel Records

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	95	\$ 2,289,655	\$ 24,102	13.28%	13.6	1 to 6.99	94.7	92.4	-11.50%	97.57%
2016	89	2,294,611	25,782	6.97%	13.8	1 to 6.45	92.1	89.3	-2.75%	96.96%
2017	81	2,477,165	30,582	18.62%	13.8	1 to 5.87	80.7	77.9	-12.38%	96.53%
2018	75	2,400,077	32,001	4.64%	13.8	1 to 5.43	74.9	69.4	-7.19%	92.66%
2019	88	2,452,594	27,870	-12.91%	12.8	1 to 6.88	85.3	81.7	13.89%	95.78%
2020	63	2,224,294	35,306	26.68%	9.4	1 to 6.70	62.8	59.9	-26.38%	95.38%
2021	53	2,200,930	41,527	17.62%	9.2	1 to 5.76	53.0	50.7	-15.61%	95.66%
2022	56	2,349,921	41,963	1.05%	9.0	1 to 6.22	56.1	51.8	5.85%	92.34%
2023	60	2,360,568	39,343	-6.24%	9.0	1 to 6.67	59.9	55.7	6.77%	92.99%
2024	65	2,412,998	37,123	-5.64%	8.6	1 to 7.56	65.5	61.4	9.35%	93.74%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

<u>District Building</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Elementary (1924)</u>										
Square feet	19,506	19,506	19,506	19,506	19,506	19,506	19,506	19,506	19,506	19,506
Capacity (students)	151.0	151.0	151.0	151.0	151.0	151.0	151.0	151.0	151.0	151.0
Enrollment	92.0	89.0	75.0	65.0	80.0	62.8	53.0	52.0	56.0	63.0

<u>Number of schools at June 30, 2024:</u>	
Elementary	1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October District count.

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ended</u>	<u>Amount</u>
2015	\$ 24,377
2016	39,575
2017	70,384
2018	53,264
2019	77,909
2020	48,512
2021	52,544
2022	61,130
2023	44,821
2024	158,233
Total school facilities	<u>\$ 630,749</u>

Source: District Records

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

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2024
(Unaudited)

	Coverage	Deductible
Commercial Package Policy - School Alliance Insurance Fund		
Property		
Blanket building and contents (fund limit)	\$ 5,000,000,000	\$ 2,500
Accounts receivable	2,500,000	2,500
Automobile physical damage	In Blanket Limit	1,000
Builders risk	25,000,000	2,500
Electronic data processing equipment	In Blanket Limit	2,500
Liability		
Comprehensive general liability	5,000,000	-
Automobile liability	5,000,000	-
Employee benefit liability	5,000,000	1,000
Excess liability (includes general/auto liability)	5,000,000	-
Crime		
Blanket employee dishonesty	500,000	1,000
Forgery	50,000	1,000
Theft/disappearance/destruction		
Inside	50,000	1,000
Outside	50,000	1,000
Computer Fraud	50,000	1,000
Funds transfer fraud	50,000	1,000
School board legal liability - School Alliance Insurance Fund		
Directors and Officers Policy	5,000,000	5,000
ACE American Insurance Company (SAIF):		
Environmental impairment liability		
Limit of liability		
Incident	1,000,000	10,000
Fund annual aggregate	25,000,000	-
Workers compensation - NJ Schools Insurance Group		
(a) Statutory Benefits	Included	-
(a) Employer's Liability	3,000,000	-
Supplemental Coverage (optional)	Included	-
Public employees' faithful performance - Selective Insurance Co		
Business administrator	130,000	-
Treasurer	130,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Honorable President and
Members of the Board of Education
Milford Borough School District
Milford, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Milford Borough School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, 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, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Milford Borough School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

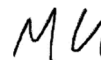
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

November 20, 2024
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period From To		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2024		
						Deferred Rev. (Accts. Rec)	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education Special Revenue Fund														
Special education cluster (IDEA)														
IDEA Basic	84.027A	H027A240100	\$ 26,198	07/01/23	06/30/24	\$ -	\$ -	\$ 26,198	\$ 26,198	\$ -	\$ -	\$ -	\$ -	\$ -
IDEA Preschool	84.173A	H173A240114	1,468	07/01/23	06/30/24	-	-	1,468	1,468	-	-	-	-	-
Total special education cluster (IDEA)						-	-	27,666	27,666	-	-	-	-	-
Title II A	84.367A	S367A230029	2,790	07/01/22	06/30/23	(2,192)	-	2,192	6	6	-	-	-	-
Title II A	84.367A	S367A240029	241	07/01/23	06/30/24	-	-	223	223	-	-	-	-	-
Title IV	84.424	S424A220031	10,000	07/01/21	06/30/22	970	-	-	970	-	-	-	-	-
Small, Rural School Achievement Program	84.358	S358B230030	19,814	07/01/22	06/30/23	19,814	-	-	-	(19,814)	-	-	-	-
COVID-19														
CRRSA - ESSER II	84.425D	S425D210027	37,302	03/13/20	09/30/23	(7,329)	-	7,329	-	-	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	25,000	03/13/20	09/30/23	(1,112)	-	4,385	3,273	-	-	-	-	-
CRRSA - Mental Health	84.425D	S425D210027	45,000	03/13/20	09/30/23	(242)	-	242	-	-	-	-	-	-
ARP ESSER														
ARP ESSER	84.425U	S425U210027	83,834	03/13/20	09/30/24	(24,172)	-	60,008	41,917	-	-	(6,081)	-	-
Evidenced Based Comprehensive														
Beyond the School Day	84.425U	S425U210027	40,000	03/13/20	09/30/24	(1,730)	-	31,184	38,269	-	-	(8,815)	-	-
Accelerated Learning Coach and														
Educator Support	84.425U	S425U210027	50,000	03/13/20	09/30/24	(21,828)	-	24,104	6,034	-	-	(3,758)	-	-
Evidenced Based Summer Learning														
and Enrichment	84.425U	S425U210027	40,000	03/13/20	09/30/24	798	-	16,967	17,765	-	-	-	-	-
NJTSS Mental Health	84.425U	S425U210027	45,000	03/13/20	09/30/24	-	-	35,415	45,000	-	-	(9,585)	-	-
Total Special Revenue Fund						(37,023)	-	209,715	181,123	(19,808)	-	(28,239)	-	-
Total Federal Awards						\$ (37,023)	\$ -	\$ 209,715	\$ 181,123	\$ (19,808)	\$ -	\$ (28,239)	\$ -	\$ -

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	To	Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2024			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Equalization Aid	24-495-034-5120-078	\$ 54,466	07/01/23	06/30/24	\$ -	\$ -	\$ 49,071	\$ 54,466	\$ -	\$ -	\$ -	\$ -	\$ 5,395	\$ 54,466
School Choice Aid	24-495-034-5120-068	46,135	07/01/23	06/30/24	-	-	41,565	46,135	-	-	-	-	4,570	46,135
Special Education Categorical Aid	24-495-034-5120-089	85,315	07/01/23	06/30/24	-	-	76,864	85,315	-	-	-	-	8,451	85,315
Security Aid	24-495-034-5120-084	7,339	07/01/23	06/30/24	-	-	6,612	7,339	-	-	-	-	727	7,339
Extraordinary Aid	23-495-034-5120-014	49,168	07/01/22	06/30/23	(49,168)	-	49,168	-	-	-	-	-	-	49,168
Extraordinary Aid	24-495-034-5120-014	98,460	07/01/23	06/30/24	-	-	-	98,460	-	(98,460)	-	-	-	98,460
Nonpublic Transportation	23-495-034-5120-014	312	07/01/22	06/30/23	(312)	-	312	-	-	-	-	-	-	312
Nonpublic Transportation	24-495-034-5120-014	455	07/01/23	06/30/24	-	-	-	455	-	(455)	-	-	-	455
On-Behalf TPAF Pension Contribution -														
Teachers' Pension & Annuity Fund	24-495-034-5094-002	204,239	07/01/23	06/30/24	-	-	204,239	204,239	-	-	-	-	-	204,239
Non-Contribution Insurance	24-495-034-5094-004	2,329	07/01/23	06/30/24	-	-	2,329	2,329	-	-	-	-	-	2,329
Post Retirement Medical	24-495-034-5094-001	56,220	07/01/23	06/30/24	-	-	56,220	56,220	-	-	-	-	-	56,220
Long-Term Disability Insurance	24-495-034-5094-004	93	07/01/23	06/30/24	-	-	93	93	-	-	-	-	-	93
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	42,426	07/01/23	06/30/24	-	-	42,426	42,426	-	-	-	-	-	42,426
Total General Fund					(49,480)	-	528,899	597,477	-	(98,915)	-	-	19,143	646,957
State Department of Education														
Special Revenue Fund														
Preschool Expansion Grant	23-495-034-5120-086	179,145	07/01/22	06/30/23	23,285	-	-	-	8	-	23,293	-	-	155,852
Preschool Expansion Grant	24-495-034-5120-086	163,482	07/01/23	06/30/24	-	-	147,134	133,767	-	-	29,715	-	16,348	133,767
Total Special Revenue Fund					23,285	-	147,134	133,767	8	-	53,008	-	16,348	289,619
Total State Financial Assistance					<u>\$ (26,195)</u>	<u>\$ -</u>	<u>\$ 676,033</u>	<u>731,244</u>	<u>\$ 8</u>	<u>\$ (98,915)</u>	<u>\$ 53,008</u>	<u>\$ -</u>	<u>\$ 35,491</u>	<u>\$ 936,576</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution -														
Teachers' Pension & Annuity Fund	24-495-034-5094-002	204,239	7/1/2023	6/30/2024				204,239						
On-Behalf TPAF Pension Contribution -														
Non-Contributory Insurance	24-495-034-5094-004	2,329	7/1/2023	6/30/2024				2,329						
On-Behalf TPAF Pension Contribution -														
Postretirement Medical	24-495-034-5094-001	56,220	7/1/2023	6/30/2024				56,220						
On-Behalf TPAF Pension Contribution -														
Long-Term Disability Insurance	24-495-034-5094-004	93	7/1/2023	6/30/2024				93						
Total for State Financial Assistance - Major Program Determination								<u>\$ 468,363</u>						

See independent auditors' report.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Milford Borough School District. The District is defined in Note 1 (A) to the District's Basic Financial Statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$11,381 for the general fund and (\$16,251) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

MILFORD BOROUGH SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 608,858	\$ 608,858
Special revenue fund	171,302	127,337	298,639
Total awards and financial assistance	<u>\$ 171,302</u>	<u>\$ 736,195</u>	<u>\$ 907,497</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2024. TPAF Social Security Contribution represents the amount reimbursed by the state for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2024.

Note 6 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

Note 7 - Adjustments on the Schedule of Federal Awards and State Financial Assistance

On Schedule A, the District determined that a reclassification of prior year expenditures charged to general fund was necessary and reclassified \$19,814 expenses to the Small, Rural School Achievement Program. The adjustment of \$6 for the Title II A for fiscal year 2023 represents a prior year encumbrance canceled in the current year.

On Schedule B, the adjustment of \$8 for the Preschool Expansion Grant for fiscal year 2023 represents a prior year encumbrance canceled in the current year.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified?

☐ Yes ☒ No

2. Were significant deficiencies identified?

☐ Yes ☒ None reported

Noncompliance material to Basic
Financial Statements noted?

☐ Yes ☒ No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified?

☐ Yes ☐ No

2. Were significant deficiencies identified?

☐ Yes ☐ None reported

What was the type of auditors' report issued on compliance for
major programs?

Were any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200 Section .516(a)?

☐ Yes ☐ No

Identification of Major Programs:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type
A and Type B programs?

Did the auditee qualify as a low-risk auditee?

☐ Yes ☐ No

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs?

Not Applicable

Did the auditee qualify as a low-risk auditee?

☐ Yes ☐ No

Internal Control Over Major Programs:

1. Were material weakness(es) identified?

☐ Yes ☐ No

2. Were there significant deficiencies identified that are not considered to be material weaknesses?

☐ Yes ☐ None reported

What was the type of auditors' report issued on compliance for major programs?

Not Applicable

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?

☐ Yes ☐ No

Identification of Major Programs:

State Grant/Project Numbers

Name of State Program

Not Applicable

Not Applicable

MILFORD BOROUGH SCHOOL DISTRICT
Schedule of Findings and Questioned Cost
For the Fiscal Year Ended June 30, 2024

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2024.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs for the fiscal year ended June 30, 2024.

MILFORD BOROUGH SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2024

Status of Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings.