

TOWN OF BOONTON SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Town of Boonton School District

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Town of Boonton School District

Boonton, New Jersey

For The Fiscal Year Ended June 30, 2019

Prepared by

Business Office

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INTRODUCTORY SECTION

BOONTON

Public Schools

A World Class Education for Tomorrow's Leaders
Office of the Business Administrator

December 17, 2019

Honorable President and
Members of the Board of Education
Boonton Town Board of Education
434 Lathrop Avenue
Boonton, New Jersey 07005

Dear Board Members:

The Comprehensive Annual Financial Report of the Town of Boonton Public Schools for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's organization chart and a list of principal officials. The Financial Section includes The Independent Auditors' Report; the management's discussion and analysis; basic financial statements and notes providing an overview of the District's financial position and operating results; and supplementary schedules providing detailed budgetary information. The Statistical Section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Uniform Guidance and New Jersey's OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this Single Audit, including the auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

434 Lathrop Avenue • Boonton, New Jersey 07005

www.boontonschools.org • 973-335-9700 ext. 8003 • Fax: 973-335-8281

1) **REPORTING ENTITY AND SERVICES:** The Boonton Public School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Boonton Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 12 for the students residing in Boonton and to grade levels 9 through 12 for the students residing in Lincoln Park. These include regular and vocational, as well as special education for disabled youngsters. The District completed the 2018-2019 fiscal year with an average daily enrollment of 1,389 students, an increase of 0 students over the previous year's enrollment.

The following details the changes in the student average daily enrollment of the district over the last ten years:

<u>Fiscal Year</u>	<u>Avg Daily Enrollment</u>	<u>Percent Change</u>
2018-2019	1,390	0.00%
2017-2018	1,389	0.23%
2016-2017	1,386	1.73%
2015-2016	1,362	4.16%
2014-2015	1,308	1.16%
2013-2014	1,293	0.31%
2012-2013	1,289	0.30%
2011-2012	1,251	0.08%
2010-2011	1,241	2.99%
2009-2010	1,205	-0.25%

2) **ECONOMIC CONDITIONS AND OUTLOOK:** The School District continues to monitor the ratable base for the Town. Short term trends continue to indicate that rateables will remain flat. An increase in housing projects is in the preliminary stages of development. If these projects come to fruition, the burden on the District to provide services could increase. The District's budget for the 2019-2020 fiscal year includes a 2.99% increase in the local tax levy. At the close of the 2019-2020 fiscal year, the Teacher's contract has one year remaining and the Administrator's contract has two years remaining.

3) **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 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 manager.

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.

4) **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 debt service 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 balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2019.

5) **ACCOUNTING SYSTEM AND R EPORTS**: 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. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

6) **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. A detailed Management Discussion and Analysis follows this section of the report that discussed the District's financial performance for the year ended June 30, 2019.

7) **DEBT ADMINISTRATION**: During the 2018-2019 fiscal year the District did not obtain additional debt through referendum. The District's continues to maintain and service its bond debt from previously financed obligations.

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

9) **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.

10) **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, Higgins, LLP, 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 U.S. Uniform Guidance and New Jersey's OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Boonton Town Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

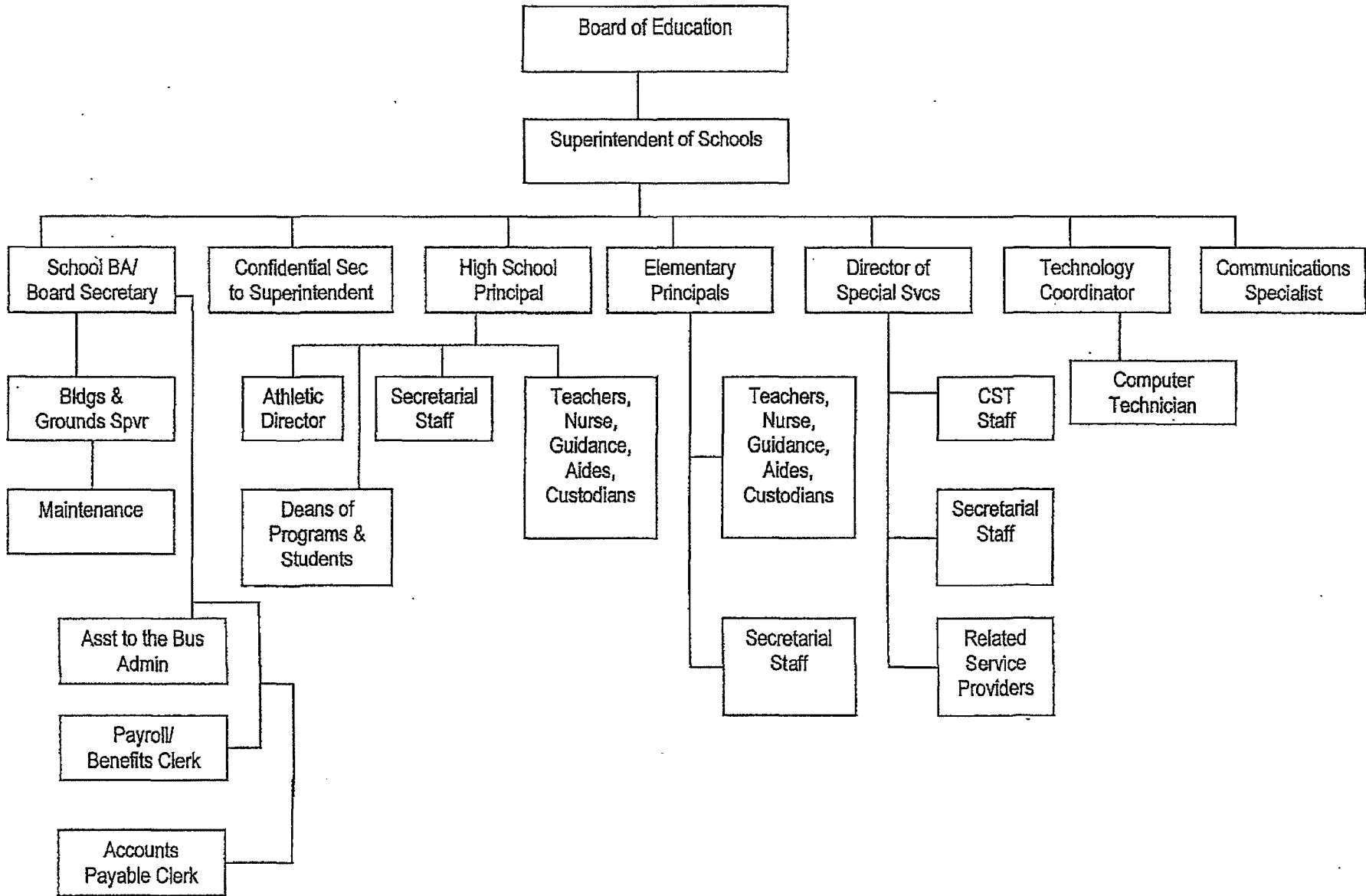
Respectfully submitted,



Mr. Robert Presuto
Superintendent of Schools



Mr. Steven Gardberg,
School Business Administrator
Board Secretary



**TOWN OF BOONTON SCHOOL DISTRICT
BOONTON, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires (December)</u>
Joseph Geslao, President	2021
Christopher J. Cartelli, Vice President	2019
Jennifer Darling	2020
Elaine Doherty	2019
Robert Ezzi	2019
Patrick Joyce	2020
Loren Katsakos	2021
Irene LeFebvre	2021
Jennifer Shollenberger	2020
Robert Stager (Lincoln Park Representative)	

Other Officers

Robert Presuto, Superintendent of Schools

Steven Gardberg, Board Secretary/Business Administrator

BOONTON SCHOOL DISTRICT

Consultants & Advisors

June 30, 2019

District Auditor

Lerch, Vinci & Higgins, LLP
17-17 Route 208N
Fair Lawn, New Jersey 07410

Attorney

James L. Plosia, Esq.
Plosia Cohen Law Firm
Chester Woods Complex
385 Route 24, Suite 3G
Chester, NJ 07930

Official Depositories

Lakeland Bank
Boonton, NJ 07005

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Town of Boonton School District
Boonton, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Boonton School District, as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Boonton School District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Boonton School District's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town of Boonton School District.

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

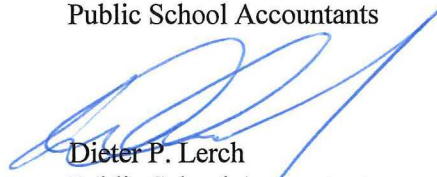
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2019 on our consideration of the Town of Boonton School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Boonton School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Boonton School District's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 16, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TOWN OF BOONTON SCHOOL DISTRICT
BOONTON, NEW JERSEY**

**Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2019**

This discussion and analysis of the Town of Boonton School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2019. The intent of this analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2017-2018) and the prior year (2017-2018) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal year 2019 are as follows:

- The District's total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources at year end by \$2,717,574 (deficit net position). The District's net position increased \$210,112 from the previous year.
- General revenues accounted for \$21,566,796 or 56 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$16,714,920 or 44 percent of total revenues of \$38,281,716.
- The School District had \$37,004,530 in expenses for governmental activities; \$15,695,084 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) were adequate to provide funding for the balance of these programs.
- Among governmental funds, the General Fund had \$31,169,926 in revenues and other financing sources and \$31,287,074 in expenditures and other financing uses. The General Fund's fund balance decreased \$117,148 from 2018.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the District 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 entire District, presenting both an aggregate view of the 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 show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at significant funds with all other non-major funds presented in one total column. The General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2019?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets, deferred inflows of resources and liabilities and deferred outflows of resources 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, as well as the activity of capital assets and long-term liabilities.

These two statements report the School District's net position and changes in those position. This change is important because it tells the reader that, for the school district as a whole, its financial position improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, and reserve balances, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – All programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – These services are provided on a charge-for- goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Bridges to Learning Program Enterprise Funds are reported as non-major business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's funds. The District's governmental funds include the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Reporting the District's Most Significant Funds (Continued)

Governmental Funds

The District's activities are reported in governmental funds. These funds are reported using an accounting method known as modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. 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.

Enterprise Fund

The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same as the District-wide statements.

The District as a Whole

The Statement of Net Position provides one perspective of the District as a whole.

A comparative summary of the District's net position as of June 30, 2018 and 2017 is as follows:

	<u>2019</u>	<u>2018</u>
Assets		
Current and Other Assets	\$ 987,756	\$ 732,612
Capital Assets, net of accumulated depreciation	<u>25,041,376</u>	<u>25,043,168</u>
Total Assets	<u>26,029,132</u>	<u>25,775,780</u>
Deferred Outflows of Resources	<u>3,325,960</u>	<u>4,272,438</u>
Total Assets and Deferred Outflows of Resources	<u>29,355,092</u>	<u>30,048,218</u>
Liabilities		
Long-Term Liabilities	27,846,541	30,086,597
Other Liabilities	<u>1,057,064</u>	<u>746,093</u>
Total Liabilities	<u>28,903,605</u>	<u>30,832,690</u>
Deferred Inflows of Resources	<u>3,169,061</u>	<u>2,143,214</u>
Total Liabilities and Deferred Inflows of Resources	<u>32,072,666</u>	<u>32,975,904</u>
Net Position		
Net Investment in Capital Assets	5,104,847	5,259,743
Restricted	246,203	79,175
Unrestricted	<u>(8,068,624)</u>	<u>(8,266,604)</u>
Total Net Position	<u>\$ (2,717,574)</u>	<u>\$ (2,927,686)</u>

A comparative schedule of the changes in net position for fiscal years ended June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 5,909,538	\$ 7,587,211
Grants and Contributions	10,805,382	11,359,974
General Revenues:		
Property Taxes	20,271,148	19,515,729
Grants and Entitlements	934,671	849,882
Other	<u>360,977</u>	<u>238,173</u>
Total Revenues	<u>38,281,716</u>	<u>39,550,969</u>
Program Expenses		
Instruction	21,838,308	24,258,948
Support Services:		
Pupils and Instructional Staff	7,294,308	6,840,779
General, School and Central Administration	3,405,206	3,275,118
Operations and Maintenance of Facilities	3,181,743	3,204,216
Pupil Transportation	576,919	500,522
Interest on Debt	708,046	704,792
Food Service	596,008	602,316
Bridges to Learning	<u>471,066</u>	<u>212,316</u>
Total Expenses	<u>38,071,604</u>	<u>39,599,007</u>
Increase/(Decrease) in Net Position	<u>\$ 210,112</u>	<u>\$ (48,038)</u>

Governmental Activities

The nature of funding public schools primarily through property taxes in New Jersey creates the legal requirement to annually seek voter approval for District operations. Property taxes made up 49 percent of revenues for governmental activities for the Town of Boonton School District in fiscal year 2019. The District's total revenues from governmental activities were \$37,261,816 for the year ended June 30, 2019. Federal, state, and local grants, contributions and entitlements accounted for 42 percent of this total revenue. The total cost of all governmental programs and services was \$37,004,530. Instruction comprises 59 percent of District governmental expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service and bridges to learning) were comprised of charges for services and government reimbursements.

- Enterprise Fund expenses exceeded revenues by \$47,174.
- Charges for services represent 75 percent of revenue. This represents amounts paid for food service and tuition for the bridges to learning program. State and federal subsidies account for the remaining 25 percent.
- Federal and state reimbursements amounted to \$255,855 of total Enterprise Fund revenues.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The total cost of services and the net cost of services for the years ended June 30, 2019 and 2018 are summarized below. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction	\$ 21,838,308	\$ 24,258,948	\$ 9,264,192	\$ 9,427,755
Support Services				
Pupils and Instructional Staff	7,294,308	6,840,779	5,426,793	4,751,785
General, School and Central Admin.	3,405,206	3,275,118	2,879,191	2,624,810
Operation and Maintenance of Facilities	3,181,743	3,204,216	2,687,710	2,960,197
Pupil Transportation	576,919	500,522	516,708	477,078
Interest on Long-Term Debt	708,046	704,792	534,852	525,575
Total	<u>\$ 37,004,530</u>	<u>\$ 38,784,375</u>	<u>\$ 21,309,446</u>	<u>\$ 20,767,200</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

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

General administration, school administration, and business 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.

Governmental Activities (Continued)

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the District.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$33,958,742 and expenditures were \$35,167,347. In addition, the District realized \$1,184,668 from lease purchase proceeds.

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 fiscal management. The following schedule presents a comparative summary of the governmental fund revenues for the fiscal years ended June 30, 2019 and 2018.

<u>Revenue</u>	<u>Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>June 30, 2019</u>	<u>June 30, 2018</u>		
Local Sources	\$ 25,810,776	\$ 26,695,982	\$ (885,206)	-3.3%
State Sources	7,315,763	5,590,402	1,725,361	30.9%
Federal Sources	832,203	718,437	113,766	15.8%
Total Revenues	<u>\$ 33,958,742</u>	<u>\$ 33,004,821</u>	<u>\$ 953,921</u>	2.9%

The following schedule represents a comparative summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal years ended June 30, 2019 and 2018.

<u>Expenditures</u>	<u>Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>June 30, 2019</u>	<u>June 30, 2018</u>		
Current				
Instruction	\$ 19,531,799	\$ 19,920,537	\$ (388,738)	-2.0%
Support Services	12,321,284	10,742,561	1,578,723	14.7%
Capital Outlay	1,240,208	1,084,769	155,439	14.3%
Debt Service				
Principal	1,343,434	1,383,040	(39,606)	-2.9%
Interest and Other	730,622	724,921	5,701	0.8%
Total Expenditures	<u>\$ 35,167,347</u>	<u>\$ 33,855,828</u>	<u>\$ 1,311,519</u>	3.9%

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over expenditures in specific line item accounts.

Capital Assets

At the end of fiscal year 2019, the District had \$25,041,376 invested in land, construction in progress, buildings, furniture, equipment and vehicles. Accumulated depreciation on these assets at June 30, 2019 was \$1,248,464. The Table below compares the fiscal year 2019 balances to the 2018 balances.

Capital Assets (Net of Depreciation) at June 30

	<u>2019</u>	<u>2018</u>
Land	\$ 471,800	\$ 471,800
Building and Building Improvements	23,341,392	22,881,948
Machinery and Equipment	1,126,450	1,208,013
Construction in Progress	<u>101,734</u>	<u>481,407</u>
Total Capital Assets, Net	<u>\$ 25,041,376</u>	<u>\$ 25,043,168</u>

Debt Administration

At June 30, 2019, the District had \$27,846,541 of long-term liabilities. Of this amount, \$298,301 is for compensated absences, \$2,087,505 is for capital leases, \$7,564,016 is for net pension liability and \$17,896,719 is for outstanding serial bonds issued to fund school construction projects (net of unamortized premium).

For the Future

Currently, the District is in stable financial condition, given the financial limits placed on school districts by the state law. Everyone associated with the Town of Boonton School District is grateful for the community support of the schools. A major concern is continued enrollment growth. This, in an environment of flat state funding, means an ever-increasing reliance on local property taxes

In conclusion, the Town of Boonton School District has committed itself to financial excellence for many years. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

Contacting the District's Financial Management

If you have questions about this report or need additional information, contact the School Business Administrator at the Town of Boonton School District, 434 Lathrop Avenue, Boonton, NJ.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWN OF BOONTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 278,911		\$ 278,911
Receivables, Net:			
Receivables from Other Governments	362,424	\$ 13,562	375,986
Other	79,161	13,328	92,489
Internal Balances	36,449	(36,449)	
Inventory		3,629	3,629
Restricted Assets:			
Cash with Fiscal Agents	236,741		236,741
Capital Assets:			
Not Being Depreciated	573,534		573,534
Being Depreciated, Net	<u>24,358,028</u>	<u>109,814</u>	<u>24,467,842</u>
Total Assets	<u>25,925,248</u>	<u>103,884</u>	<u>26,029,132</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	983,661		983,661
Deferred Amount on Net Pension Liability	<u>2,342,299</u>	<u>-</u>	<u>2,342,299</u>
Total Deferred Outflows of Resources	<u>3,325,960</u>	<u>-</u>	<u>3,325,960</u>
Total Assets and Deferred Outflows of Resources	<u>29,251,208</u>	<u>103,884</u>	<u>29,355,092</u>
LIABILITIES			
Cash Deficit		136	136
Accounts Payable and Other Liabilities	667,285	6,056	673,341
Payable to Other Governments	14,903		14,903
Unearned Revenue	64,532	8,642	73,174
Accrued Interest	295,510		295,510
Noncurrent Liabilities			
Due Within One Year	1,419,833		1,419,833
Due Beyond One Year	<u>26,426,708</u>	<u>-</u>	<u>26,426,708</u>
Total Liabilities	<u>28,888,771</u>	<u>14,834</u>	<u>28,903,605</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	3,168,591		3,168,591
Deferred Government Commodities	<u>-</u>	<u>470</u>	<u>470</u>
Total Deferred Inflows of Resources	<u>3,168,591</u>	<u>470</u>	<u>3,169,061</u>
Total Liabilities and Deferred Inflows of Resources	<u>32,057,362</u>	<u>15,304</u>	<u>32,072,666</u>
NET POSITION			
Net Investment in Capital Assets	4,995,033	109,814	5,104,847
Restricted for:			
Capital Projects	246,203		246,203
Unrestricted	<u>(8,047,390)</u>	<u>(21,234)</u>	<u>(8,068,624)</u>
Total Net Position	<u>\$ (2,806,154)</u>	<u>\$ 88,580</u>	<u>\$ (2,717,574)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**TOWN OF BOONTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 14,140,403	\$ 4,700,060	\$ 4,390,770		\$ (5,049,573)		\$ (5,049,573)
Special Education	5,476,555	445,497	2,622,349		(2,408,709)		(2,408,709)
Other Instruction	902,477		264,063		(638,414)		(638,414)
School Sponsored Activities and Athletics	1,318,873		151,377		(1,167,496)		(1,167,496)
Support Services							
Student and Instruction Related Services	7,294,308		1,867,515		(5,426,793)		(5,426,793)
General Administrative Services	830,173		23,400		(806,773)		(806,773)
School Administrative Services	1,582,687		321,647		(1,261,040)		(1,261,040)
Central and Other Support Services	992,346		180,968		(811,378)		(811,378)
Plant Operations and Maintenance	3,181,743		296,348	\$ 197,685	(2,687,710)		(2,687,710)
Pupil Transportation	576,919		60,211		(516,708)		(516,708)
Interest on Long-Term Debt	708,046	-	173,194	-	(534,852)	-	(534,852)
Total Governmental Activities	37,004,530	5,145,557	10,351,842	197,685	(21,309,446)	-	(21,309,446)
Business-Type Activities							
Food Service	596,008	318,589	255,855			\$ (21,564)	(21,564)
Bridges to Learning	471,066	445,392	-	-	-	(25,674)	(25,674)
Total Business-Type Activities	1,067,074	763,981	255,855	-	-	(47,238)	(47,238)
Total Primary Government	\$ 38,071,604	\$ 5,909,538	\$ 10,607,697	\$ 197,685	(21,309,446)	(47,238)	(21,356,684)
General Revenues:							
Property Taxes:							
Levied for General Purposes					19,164,365		19,164,365
Levied for Debt Service					1,106,783		1,106,783
Federal and State Aid, Unrestricted					727,498		727,498
State Aid Restricted for Debt Service					207,173		207,173
Investment Earnings					5,610	64	5,674
Miscellaneous Income					355,303	-	355,303
Total General Revenues					21,566,732	64	21,566,796
Change in Net Position					257,286	(47,174)	210,112
Net Position, Beginning of Year					(3,063,440)	135,754	(2,927,686)
Net Position, End of Year					\$ (2,806,154)	\$ 88,580	\$ (2,717,574)

The accompanying Notes to the Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**TOWN OF BOONTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 264,782		\$ 14,129		\$ 278,911
Receivables, Net					
Accounts Receivable	27,593	\$ 51	32,587		60,231
Federal Government		306,349			306,349
State Government	44,233				44,233
Other Local Governments	11,842				11,842
Due from Other Funds	325,910		979		326,889
Restricted Assets:					
Cash with Fiscal Agents	-	-	236,741	-	236,741
Total Assets	<u>\$ 674,360</u>	<u>\$ 306,400</u>	<u>\$ 284,436</u>	<u>-</u>	<u>\$ 1,265,196</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable and Other Liabilities	\$ 663,284	\$ 4,001			\$ 667,285
Due to Other Funds	979	270,531			271,510
Payable to State Government		14,903			14,903
Unearned Revenue	-	64,532	-	-	64,532
Total Liabilities	<u>664,263</u>	<u>353,967</u>	<u>-</u>	<u>-</u>	<u>1,018,230</u>
Fund Balances					
Restricted					
Capital Reserve	9,462				9,462
Capital Projects			\$ 284,436		284,436
Committed					
Year-End Encumbrances	23,599				23,599
Assigned					
Year-End Encumbrances	35,213				35,213
Designated for Subsequent Year's Expenditures					
Expenditures	577,701				577,701
Unassigned					
General Fund (Deficit)	(635,878)				(635,878)
Special Revenue Fund (Deficit)	-	(47,567)	-	-	(47,567)
Total Fund Balances	<u>10,097</u>	<u>(47,567)</u>	<u>284,436</u>	<u>-</u>	<u>246,966</u>
Total Liabilities and Fund Balances	<u>\$ 674,360</u>	<u>\$ 306,400</u>	<u>\$ 284,436</u>	<u>\$ -</u>	<u>\$ 1,265,196</u>

**TOWN OF BOONTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2019**

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 246,966

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$37,011,396 and the accumulated depreciation is \$12,079,834. 24,931,562

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 983,661

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.

	\$	2,108,838	
Deferred Outflow of Resources		2,108,838	
Deferred Inflow of Resources		<u>(2,935,130)</u>	
			(826,292)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of the following:

		(17,896,719)	
Serial Bonds		(17,896,719)	
Capital Leases		(2,087,505)	
Net Pension Liability		(7,564,016)	
Compensated Absences		<u>(298,301)</u>	
			(27,846,541)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (295,510)

Net Position of Governmental Activities (Exhibit A-1) \$ (2,806,154)

TOWN OF BOONTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 19,164,365			\$ 1,106,783	\$ 20,271,148
Tuition	5,145,557				5,145,557
Interest	4,469		\$ 1,141		5,610
Miscellaneous	355,303	\$ 33,158	-	-	388,461
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total - Local Sources	24,669,694	33,158	1,141	1,106,783	25,810,776
State Sources	6,443,004	492,392		380,367	7,315,763
Federal Sources	48,500	783,703	-	-	832,203
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	31,161,198	1,309,253	1,141	1,487,150	33,958,742
EXPENDITURES					
Instruction					
Regular	11,576,289	917,903			12,494,192
Special Education	4,686,897	330,468			5,017,365
Other Instruction	799,720				799,720
School Sponsored Co-Curricular Activities	1,220,522				1,220,522
Support Services					
Student and Instruction Related Services	6,421,324	154,636			6,575,960
General Administrative Services	723,561		69,273		792,834
School Administrative Services	1,281,096				1,281,096
Central and Other Support Services	620,831		296,353		917,184
Plant Operations and Maintenance	2,168,259	1,702	31,875		2,201,836
Pupil Transportation	552,374				552,374
Debt Service					
Principal	533,434			810,000	1,343,434
Interest	53,472			677,150	730,622
Capital Outlay	403,721	197,685	638,802	-	1,240,208
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	31,041,500	1,602,394	1,036,303	1,487,150	35,167,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	119,698	(293,141)	(1,035,162)	-	(1,208,605)
OTHER FINANCING SOURCES (USES)					
Lease Purchase Proceeds			1,184,668		1,184,668
Insurance Recovery Proceeds			452,510		452,510
Casualty Loss			(452,510)		(452,510)
Operating Transfer In	8,728	245,574			254,302
Operating Transfer Out	(245,574)	-	(8,728)	-	(254,302)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources and Uses	(236,846)	-	1,175,940	-	1,184,668
Net Change in Fund Balances	(117,148)	(293,141)	140,778	-	(23,937)
Fund Balance, Beginning of Year	127,245	-	143,658	-	270,903
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance (Deficit), End of Year	\$ 10,097	\$ (293,141)	\$ 284,436	\$ -	\$ 246,966

**TOWN OF BOONTON SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (23,937)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlay	\$ 1,240,208	
Depreciation Expense	<u>(1,240,548)</u>	
		(340)

Some expenses reported in the statement of activities do no require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Compensated Absences	243,963	
Accrued Interest	14,850	
Net Pension Liability	<u>(143,742)</u>	
		115,071

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Additionally, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities:

Debt Issued or Incurred		
Lease Purchases Issued		(1,184,668)
Principal Repayments		
Serial Bonds	810,000	
Capital Leases	<u>533,434</u>	
		1,343,434
Amortization of Refunding Bond Items		
Original Issue Premium	160,800	
Deferred Amount on Refunding	<u>(153,074)</u>	
		<u>7,726</u>

Change in net position of governmental activities (Exhibit A-2) **\$ 257,286**

**TOWN OF BOONTON SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Bridges to Learning Program</u>	
ASSETS			
Current Assets			
Cash		\$ 8,926	\$ 8,926
Receivables			
Intergovernmental	\$ 13,562		13,562
Accounts	13,328		13,328
Inventories	3,629	-	3,629
	<u>30,519</u>	<u>8,926</u>	<u>39,445</u>
Capital Assets			
Furniture, Machinery and Equipment	332,564		332,564
Less Accumulated Depreciation	(222,750)	-	(222,750)
	<u>109,814</u>	<u>-</u>	<u>109,814</u>
Total Capital Assets, Net			
	<u>109,814</u>	<u>-</u>	<u>109,814</u>
Total Assets	<u>140,333</u>	<u>8,926</u>	<u>149,259</u>
LIABILITIES			
Current Liabilities			
Cash Deficit	9,062		9,062
Accounts Payable	6,025	31	6,056
Due to Other Funds	36,449		36,449
Unearned Revenue	8,642	-	8,642
	<u>60,178</u>	<u>31</u>	<u>60,209</u>
Total Current Liabilities			
	<u>60,178</u>	<u>31</u>	<u>60,209</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	470	-	470
	<u>470</u>	<u>-</u>	<u>470</u>
Total Deferred Inflows of Resources			
	<u>470</u>	<u>-</u>	<u>470</u>
Total Liabilities and Deferred Inflows of Resources	<u>60,648</u>	<u>31</u>	<u>60,679</u>
NET POSITION			
Investment in Capital Assets	109,814		109,814
Unrestricted	(30,129)	8,895	(21,234)
	<u>79,685</u>	<u>8,895</u>	<u>88,580</u>
Total Net Position	<u>\$ 79,685</u>	<u>\$ 8,895</u>	<u>\$ 88,580</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**TOWN OF BOONTON SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Food Service</u>	<u>Bridges to Learning Program</u>	<u>Total</u>
OPERATING REVENUES			
Local Sources			
Daily Sales			
Reimbursable Programs	\$ 318,589		\$ 318,589
Non-Reimbursable Programs	-		-
Program Fees		\$ 445,392	445,392
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	318,589	445,392	763,981
OPERATING EXPENSES			
Salaries and Wages	222,101	367,176	589,277
Other Purchased Services	5,769	17,830	23,599
Repairs and Maintenance	14,628		14,628
Management Fee	26,190		26,190
Supplies and Materials	17,220	11,060	28,280
Insurance	32,140		32,140
Cost of Sales			
Reimbursable Programs	221,130		221,130
USDA Commodities	39,505		39,505
Non-Reimbursable Programs	-		-
Miscellaneous	9,409	75,000	84,409
Depreciation	7,916	-	7,916
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	596,008	471,066	1,067,074
Operating Income (Loss)	<u>(277,419)</u>	<u>(25,674)</u>	<u>(303,093)</u>
Nonoperating Revenues			
State Sources			
School Lunch Program	5,984		5,984
Federal Sources			
School Breakfast Program	12,647		12,647
U.S.D.A. Commodities	39,505		39,505
School Lunch Program	197,719		197,719
Interest Income	64	-	64
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues	255,919	-	255,919
Change in Net Position	(21,500)	(25,674)	(47,174)
Net Position, Beginning of Year	<u>101,185</u>	<u>34,569</u>	<u>135,754</u>
Net Position, End of Year	<u>\$ 79,685</u>	<u>\$ 8,895</u>	<u>\$ 88,580</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**TOWN OF BOONTON SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Food Service</u>	<u>Bridges to Learning Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 332,853	\$ 445,392	\$ 778,245
Cash Payments for Employees			
Salaries & Benefits	(222,101)	(367,176)	(589,277)
Cash Payments to Suppliers for Goods and Services	<u>(321,484)</u>	<u>(28,859)</u>	<u>(350,343)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(210,732)</u>	<u>49,357</u>	<u>(161,375)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from (Payments to) Other Funds	(23,566)	(75,000)	(98,566)
Cash Received from Other Governments	<u>249,231</u>	<u>-</u>	<u>249,231</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>225,665</u>	<u>(75,000)</u>	<u>150,665</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	<u>(6,464)</u>	<u>-</u>	<u>(6,464)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(6,464)</u>	<u>-</u>	<u>(6,464)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings	<u>64</u>	<u>-</u>	<u>64</u>
Net Cash Provided by Investing Activities	<u>64</u>	<u>-</u>	<u>64</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,533	(25,643)	(17,110)
Cash and Cash Equivalents, Beginning of Year	<u>(17,595)</u>	<u>34,569</u>	<u>16,974</u>
Cash and Cash Equivalents, End of Year	<u>\$ (9,062)</u>	<u>\$ 8,926</u>	<u>\$ (136)</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (277,419)	\$ (25,674)	\$ (303,093)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	7,916		7,916
Non-Cash Federal Assistance - Food Distribution Program	39,505		39,505
Change in Assets, Deferred Inflows of Resources and Liabilities			
(Increase)/Decrease in Accounts Receivable	11,348		11,348
(Increase)/Decrease in Inventory	(5)		(5)
Increase/(Decrease) in Accounts Payable	6,025		6,025
Increase/(Decrease) in Deferred Inflows of Resources	(1,018)		(1,018)
Increase/(Decrease) in Unearned Revenue	<u>2,916</u>	<u>-</u>	<u>2,916</u>
Total Adjustments	<u>66,687</u>	<u>-</u>	<u>66,687</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (210,732)</u>	<u>\$ (25,674)</u>	<u>\$ (236,406)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 38,487		\$ 38,487

The accompanying Notes to the Financial Statements are an integral part of this statement

**TOWN OF BOONTON SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019**

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 53,808	\$ 281,408	\$ 902,692
Due from Other Funds	<u>39,994</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u>93,802</u>	 <u>281,408</u>	 <u>\$ 902,692</u>
LIABILITIES			
Accrued Salaries and Wages			\$ 565,892
Intergovernmental Accounts Payable	2,643		
Due to Student Groups			128,188
Payroll Deductions and Withholdings Payable			155,882
Reserve for Flexible Spending Account			12,736
Due to Other Funds	<u>9,571</u>	<u>9,359</u>	<u>39,994</u>
 Total Liabilities	 <u>12,214</u>	 <u>9,359</u>	 <u>\$ 902,692</u>
NET POSITION			
Held in Trust for Unemployment Claims	<u>\$ 81,588</u>		
Reserved for Scholarships		<u>\$ 272,049</u>	

The accompanying Notes to the Financial Statements are an integral part of this statement

**TOWN OF BOONTON SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>
ADDITIONS		
Contributions		
Employees	\$ 28,343	
Donations		\$ 2,650
Interest Earnings	<u>139</u>	<u>152</u>
 Total Additions	 <u>28,482</u>	 <u>2,802</u>
 DEDUCTIONS		
Unemployment Claims and Contributions	34,916	
Scholarships Awarded	<u>-</u>	<u>16,025</u>
 Total Deductions	 <u>34,916</u>	 <u>16,025</u>
 Change in Net Position	 (6,434)	 (13,223)
Net Position, Beginning of Year	<u>88,022</u>	<u>285,272</u>
Net Position, End of Year	<u>\$ 81,588</u>	<u>\$ 272,049</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Boonton School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials along with one representative from Lincoln Park and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Town of Boonton School District this includes general operations, food service, after school child care and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *bridges to learning program fund* accounts for the activities of the District's bridges to learning program which provides after school and extended day services.

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-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 with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are 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 when susceptible to accrual (i.e. when 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 Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, unrestricted state aid, 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. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

4. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by Lease-Purchase Agreements for capital projects.

5. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Building Improvements	20
Machinery and Equipment	5-10

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial 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 Board has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

7. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

8. Pensions

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C).

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee’s for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year’s Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District’s policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods 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, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. The principal operating revenues of the food service and bridges to learning enterprise funds, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 13, 2013, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$1,719,420. The increase was funded by additional state aid appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$635,878 in the General Fund and \$47,567 in the Special Revenue Fund as of June 30, 2019 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2018/2019 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General deficits does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficits in the GAAP (fund) financial statements of \$635,878 in the General Fund and \$47,567 in the Special Revenue Fund are more than and equal to the delayed state aid payments at June 30, 2019, respectively.

C. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2018		\$	732
Increased by:			
Interest Earnings	\$	2	
Unexpended Capital Projects Returned		<u>8,728</u>	
			<u>8,730</u>
Balance, June 30, 2019		\$	<u>9,462</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2019, the book value of the Board's deposits were \$1,753,424 and bank and brokerage firm balances of the Board's deposits amounted to \$2,377,849. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" or "cash with fiscal agents" are categorized as:

Depository Account

Insured	\$ <u>2,377,849</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2019, none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2019, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2019 for the district’s individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts	\$ 27,593	\$ 51	\$ 32,587	\$ 13,328	\$ 73,559
Intergovernmental					-
Federal		306,349		13,200	319,549
State	44,233	-		362	44,595
Local	11,842	-	-	-	11,842
Gross Receivables	<u>83,668</u>	<u>306,400</u>	<u>32,587</u>	<u>26,890</u>	<u>449,545</u>
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 83,668</u>	<u>\$ 306,400</u>	<u>\$ 32,587</u>	<u>\$ 26,890</u>	<u>\$ 449,545</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Total</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 15,798
Grant Draw Downs Reserved for Encumbrances	<u>48,734</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 64,532</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 471,800			\$ 471,800
Construction in Progress	<u>481,407</u>	<u>-</u>	<u>\$ (379,673)</u>	<u>101,734</u>
Total Capital Assets, Not Being Depreciated	<u>953,207</u>	<u>-</u>	<u>(379,673)</u>	<u>573,534</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	31,523,123	\$ 915,591	379,673	32,818,387
Machinery and Equipment	<u>3,294,858</u>	<u>324,617</u>	<u>-</u>	<u>3,619,475</u>
Total Capital Assets Being Depreciated	<u>34,817,981</u>	<u>1,240,208</u>	<u>379,673</u>	<u>36,437,862</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(8,641,175)	(835,820)		(9,476,995)
Machinery and Equipment	<u>(2,198,111)</u>	<u>(404,728)</u>	<u>-</u>	<u>(2,602,839)</u>
Total Accumulated Depreciation	<u>(10,839,286)</u>	<u>(1,240,548)</u>	<u>-</u>	<u>(12,079,834)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,978,695</u>	<u>(340)</u>	<u>379,673</u>	<u>24,358,028</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,931,902</u>	<u>\$ (340)</u>	<u>\$ -</u>	<u>\$ 24,931,562</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 326,100	\$ 6,464	-	\$ 332,564
Total Capital Assets Being Depreciated	<u>326,100</u>	<u>6,464</u>	<u>-</u>	<u>332,564</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(214,834)	(7,916)	-	(222,750)
Total Accumulated Depreciation	<u>(214,834)</u>	<u>(7,916)</u>	<u>-</u>	<u>(222,750)</u>
Total Capital Assets, Being Depreciated, Net	<u>111,266</u>	<u>(1,452)</u>	<u>-</u>	<u>109,814</u>
Business-Type Activities Capital Assets, Net	<u>\$ 111,266</u>	<u>\$ (1,452)</u>	<u>\$ -</u>	<u>\$ 109,814</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
Instruction	
Regular	\$ 198,944
Total Instruction	<u>198,944</u>
Support Services	
Support Services-Students	19,055
General Administration	2,200
School Administration	144,431
Operations and Maintenance	861,229
Transporation	<u>14,689</u>
Total Support Services	<u>1,041,604</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,240,548</u>
Business-Type Activities:	
Food Service Fund	\$ 7,916
Total Depreciation Expense-Business-Type Activities	<u>\$ 7,916</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Remaining Commitment</u>
Emergency Remediation Services	\$ 250,000
Safe Routes to School Project	<u>27,294</u>
	<u>\$ 277,294</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 270,531
General Fund	Food Service Enterprise Fund	36,449
General Fund	Scholarship Fund	9,359
General Fund	Unemployment Trust Fund	9,571
Capital Projects Fund	General Fund	<u>979</u>
		<u>\$ 326,889</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund, and expenditures paid by one fund on behalf of another fund and to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
<u>Transfer Out:</u>			
General Fund		\$ 245,574	\$ 245,574
Capital Projects Fund	\$ 8,728	-	8,728
Total Transfers Out	<u>\$ 8,728</u>	<u>\$ 245,574</u>	<u>\$ 254,302</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

F. Leases

Capital Leases

The District is leasing a bus, textbooks, supplies, equipment and acquisitions totaling \$2,910,150 under capital leases. The leases are for terms of 5 years.

The unexpended proceeds from capital leases in the amount of \$236,741 at June 30, 2019 are held with the Fiscal Agent.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Governmental</u> <u>Activities</u>
2020	\$ 622,132
2021	622,132
2022	610,388
2023	314,794
2014	<u>44,263</u>
Total minimum lease payments	2,213,709
Less: amount representing interest	<u>(126,204)</u>
Present value of minimum lease payments	<u>\$ 2,087,505</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2019 are comprised of the following issues:

\$9,305,000, 2014 Refunding Bonds, due in annual installments of \$840,000 to \$1,080,000 through January 15, 2027, interest at 3.00% to 5.00%	\$7,590,000
\$9,475,000, 2015 Refunding Bonds, due in annual installments of \$1,210,000 to \$1,480,000 through January 15, 2034, interest at 3.00% to 4.00%	<u>9,330,000</u>
	<u>\$16,920,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 840,000	\$ 644,750	\$ 1,484,750
2021	875,000	611,150	1,486,150
2022	895,000	584,900	1,479,900
2023	920,000	558,050	1,478,050
2024	945,000	530,450	1,475,450
2025-2029	5,570,000	1,969,500	7,539,500
2030-2034	<u>6,875,000</u>	<u>845,200</u>	<u>7,720,200</u>
	<u>\$ 16,920,000</u>	<u>\$ 5,744,000</u>	<u>\$ 22,664,000</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 46,295,918
Less: Net Debt (Including Unfunded Authorizations)	<u>16,920,325</u>
Remaining Borrowing Power	<u>\$ 29,375,593</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	Balance, July 1, 2018	Additions	Reductions	Balance, June 30, 2019	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 17,730,000		\$ (810,000)	\$ 16,920,000	\$ 840,000
Add: Premium	1,137,519	-	(160,800)	976,719	-
Total Bonds Payable	18,867,519	-	(970,800)	17,896,719	840,000
Capital Leases Payable	1,436,271	\$ 1,184,668	(533,434)	2,087,505	572,273
Net Pension Liability	9,240,543		(1,676,527)	7,564,016	
Compensated Absences	542,264	-	(243,963)	298,301	7,560
Governmental Activity Long-Term Liabilities	<u>\$ 30,086,597</u>	<u>\$ 1,184,668</u>	<u>\$ (3,424,724)</u>	<u>\$ 27,846,541</u>	<u>\$ 1,419,833</u>

For the governmental activities, the liabilities for compensated absences, capital leases and net pension liability are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

NJSBAIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance fund are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

Fiscal Year Ended <u>June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019		\$ 28,343	\$ 34,916	\$ 81,588
2018		27,651	15,424	88,022
2017	\$ 21,943	24,347	40,557	75,713

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board’s Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

On March 7, 2018, the District incurred property damage resulting from a fire at the High School. The District had insurance policies in effect at the time of the fire. As of June 30, 2019, the District has disbursed \$1,506,390 for emergency repairs related to the damage incurred, and has encumbered an additional \$250,000 of funds for emergency contracts awarded. As of June 30, 2019, the insurers remitted \$1,473,803 to the District. As of the date of this report, the amount of ultimate liability, if any, to the District, is indeterminable.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The following represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 382,120	\$ 2,284,134	\$ 4,660
2018	367,739	1,688,729	4,568
2017	332,987	1,219,506	3,129

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$2,549, \$7,838 and \$2,639, respectively for PERS and the State contributed \$2,257, \$2,523 and \$2,924, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$898,134 during the fiscal year ended June 30, 2019 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) 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 allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“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 are determined separately for each individual employer of the State and local groups of the plan.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (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 are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$7,564,016 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was .03841 percent, which was a decrease of .00128 percent from its proportionate share measured as of June 30, 2017 of .03969 percent.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$525,862 for PERS. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 144,247	\$ 39,003
Changes of Assumptions	1,246,425	2,418,570
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		70,951
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>718,166</u>	<u>406,606</u>
Total	<u>\$ 2,108,838</u>	<u>\$ 2,935,130</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2019, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2020	\$ 121,257
2021	69,660
2022	(391,631)
2023	(448,007)
2024	(177,571)
Thereafter	<u>-</u>
	<u>\$ (826,292)</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.66%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 9,510,879</u>	<u>\$ 7,564,016</u>	<u>\$ 5,930,723</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF 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 non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. 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 ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,152,115 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$71,224,092. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the state's share of the net pension liability attributable to the District was .11195 percent, which was an increase of .00354 percent from its proportionate share measured as of June 30, 2017 of .10841 percent.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Fiscal</u> <u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease <u>(3.86%)</u>	Current Discount Rate <u>(4.86%)</u>	1% Increase <u>(5.86%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 84,185,524</u>	<u>\$ 71,224,092</u>	<u>\$ 60,479,381</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 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 of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> </u>
Total	<u>362,181</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$1,036,079, \$1,090,714 and \$1,016,125, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,471,172. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019, the State’s proportionate share of the OPEB liability attributable to the District is \$45,798,597. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .010 percent, which was an increase of .01 percent from its proportionate share measured as of June 30, 2017 of 0.09 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate 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.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018 is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2017 Measurement Date	\$ <u>50,683,149</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,003,820
Interest on the Total OPEB Liability	1,865,216
Differences Between Expected and Actual Experience	(2,315,657)
Changes of Assumptions	(5,255,618)
Gross Benefit Payments	(1,224,638)
Contributions from the Member	<u>42,325</u>
Net Changes	\$ (4,884,552)
Balance, June 30, 2018 Measurement Date	\$ <u><u>45,798,597</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>54,143,265</u>	\$ <u>45,798,597</u>	\$ <u>39,165,448</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ <u>37,855,208</u>	\$ <u>45,798,597</u>	\$ <u>56,304,033</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Town of Boonton School District, the District's share of abated taxes resulting from the municipality/county having entered into a tax abatement agreement is indeterminate.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 19,164,365		\$ 19,164,365	\$ 19,164,365	
Tuition from Other LEA's within the State	5,796,799		5,796,799	5,132,351	\$ (664,448)
Tuition from Individuals	155,000		155,000	13,206	(141,794)
Interest Earned on Capital Reserve	1		1		(1)
Rents and Royalties	340,000		340,000	231,100	(108,900)
Unrestricted Miscellaneous Revenues	45,000	-	45,000	128,672	83,672
Total Local Sources	25,501,165	-	25,501,165	24,669,694	(831,471)
State Sources					
School Choice Aid	47,868		47,868	47,868	
Transportation Aid	58,651		58,651	58,651	
Extraordinary Aid	190,000		190,000	407,668	217,668
Special Education Aid	599,367	359,803	959,170	959,170	
Equalization Aid	550,750	149,503	700,253	700,253	
Security Aid	124,003	114,906	238,909	238,909	
TPAF Pension System Contribution (On-Behalf - Non-Budgeted)				2,237,301	2,237,301
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				46,833	46,833
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,036,079	1,036,079
TPAF Long-Term Disability Contributions (Non-Budgeted)				2,257	2,257
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	898,134	898,134
Total State Sources	1,570,639	624,212	2,194,851	6,633,123	4,438,272
Federal Sources					
Special Education Medicaid Initiative	46,676	-	46,676	48,500	1,824
Total Federal Sources	46,676	-	46,676	48,500	1,824
Total Revenues	27,118,480	624,212	27,742,692	31,351,317	3,608,625
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	\$ 314,726	\$ (314,726)			
Kindergarten	408,167	(28,120)	380,047	350,194	29,853
Grades 1-5	2,036,836	(74,305)	1,962,531	1,919,721	42,810
Grades 6-8	920,367	236,628	1,156,995	1,156,947	48
Grades 9-12	3,559,320	(121,443)	3,437,877	3,432,000	5,877
Regular Programs - Home Instruction					
Salaries of Teachers	28,000	(14,017)	13,983	981	13,002
Purchased Professional-Educational Services	49,500	(8,941)	40,559	22,533	18,026
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	35,450	2,600	38,050	36,245	1,805
Purchased Technical Services	20,073	(2,100)	17,973	15,630	2,343
Other Purchased Services	363,870	(58,159)	305,711	148,369	157,342
General Supplies	312,226	(5,106)	307,120	233,026	74,094
Textbooks	63,071	16,935	80,006	31,017	48,989
Other Objects	6,630	(5,400)	1,230	1,229	1
Total Regular Programs	8,118,236	(376,154)	7,742,082	7,347,892	394,190
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	178,234	56,277	234,511	228,107	6,404
Other Salaries for Instruction	56,872	35,033	91,905	91,281	624
General Supplies	2,000	(394)	1,606	1,606	-
Total Learning and/or Language Disabilities	237,106	90,916	328,022	320,994	7,028

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 190,901	\$ 24,611	\$ 215,512	\$ 215,335	\$ 177
Other Salaries for Instruction	82,133	39,807	121,940	121,940	
Travel - All Other		223	223	223	
General Supplies	5,500	(2,012)	3,488	3,488	-
Total Multiple Disabilities	278,534	62,629	341,163	340,986	177
Resource Room/Resource Center					
Salaries of Teachers	1,361,712	(62,973)	1,298,739	1,298,072	\$ 667
Other Salaries for Instruction	552,145	(113,750)	438,395	438,131	264
Other Purchased Services		11	11		11
General Supplies	7,100	(2,949)	4,151	4,151	-
Total Resource Room/Resource Center	1,920,957	(179,661)	1,741,296	1,740,354	942
Preschool Disabilities - Full Time					
Salaries of Teachers	64,080	3,156	67,236	67,106	130
Other Salaries for Instruction	109,936	(2,756)	107,180	105,647	1,533
Travel - All Other		22	22		22
General Supplies	1,300	(116)	1,184	1,184	-
Total Preschool Disabilities - Full-Time	175,316	306	175,622	173,937	1,685
Home Instruction					
Salaries of Teachers	10,000	(473)	9,527	6,876	2,651
Purchased Professional Educational Services	18,500	51,948	70,448	49,369	21,079
Total Home Instruction	28,500	51,475	79,975	56,245	23,730
Total Special Education	2,640,413	25,665	2,666,078	2,632,516	33,562
Basic Skills/Remedial					
Salaries of Teachers	195,980	17,966	213,946	206,270	7,676
General Supplies	802	(211)	591	591	-
Total Basic Skills/Remedial	196,782	17,755	214,537	206,861	7,676
Bilingual Education					
Salaries of Teachers	300,682	9,819	310,501	310,401	100
Other Purchased Services		1,168	1,168	1,167	1
General Supplies	7,310	(2,348)	4,962	4,962	-
Total Bilingual Education	307,992	8,639	316,631	316,530	101
School Sponsored Co-Curricular Activities					
Salaries	187,979	(34,204)	153,775	153,517	258
Purchased Services	1,780	(1,630)	150	150	
Supplies and Materials	5,868	(1,255)	4,613	4,613	
Other Objects	7,500	(7,500)	-	-	-
Total School Sponsored Co-Curricular Activities	203,127	(44,589)	158,538	158,280	258
School Sponsored Athletics					
Salaries	458,194	48,193	506,387	505,760	627
Purchased Services	95,144	22,137	117,281	113,746	3,535
Supplies and Materials	91,500	(9,299)	82,201	80,152	2,049
Other Objects	8,860	2,020	10,880	10,655	225
Total School Sponsored Athletics	653,698	63,051	716,749	710,313	6,436
Total Instruction	12,120,248	(305,633)	11,814,615	11,372,392	442,223

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	\$ 284,616	\$ 6,231	\$ 290,847	\$ 290,847	
Tuition to County Voc. School Dist.-Regular	131,400	57,150	188,550	179,420	\$ 9,130
Tuition to County Voc. School Dist.- Special	35,000	(12,842)	22,158	22,000	158
Tuition to CSSD and Regional Day Schools	107,151	(107,151)			
Tuition to Priv. Sch. Disabled Within State	245,191	124,409	369,600	369,599	1
Tuition- State Facilities	-	43,553	43,553	43,553	-
Total Undistributed Expenditures - Instruction	803,358	111,350	914,708	905,419	9,289
Attendance and Social Work					
Salaries	20,000	412	20,412	20,412	
Purchased Professional and Technical Services	-	7,650	7,650	7,650	-
Total Attendance and Social Work	20,000	8,062	28,062	28,062	-
Health Services					
Salaries	262,219	9,116	271,335	271,154	181
Purchased Professional and Technical Services	22,300	414	22,714	22,437	277
Other Purchased Services	2,313	483	2,796	2,392	404
Supplies and Materials	7,641	1,725	9,366	9,168	198
Total Health Services	294,473	11,738	306,211	305,151	1,060
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	351,985	1,337	353,322	352,279	1,043
Purchased Professional/Educational Services	618,575	335	618,910	605,772	13,138
Supplies and Materials	9,700	(335)	9,365	6,979	2,386
Other Objects	1,000	(300)	700	-	700
Total Other Supp.Serv. Student- Speech, OT, PT, & Related Serv.	981,260	1,037	982,297	965,030	17,267
Other Support Services - Students - Extra Serv.					
Salaries	289,495	15,729	305,224	301,368	3,856
Purchased Professional/Educational Services	169,955	(4,540)	165,415	122,467	42,948
Total Other Supp.Serv. Student - Extra Serv.	459,450	11,189	470,639	423,835	46,804
Guidance					
Salaries of Other Professional Staff	585,251	29,102	614,353	614,353	
Salaries of Secretarial & Clerical Assistants	54,452	884	55,336	55,336	
Other Salaries		4,000	4,000	4,000	
Purchased Professional/Educational Services		7,650	7,650	7,650	
Other Purchased Professional and Technical Svs.	15,500	(5,551)	9,949	6,145	3,804
Other Purchased Services	4,742	1,763	6,505	3,991	2,514
Supplies and Materials	46,889	(4,612)	42,277	25,633	16,644
Other Objects	708	(200)	508	508	-
Total Guidance	707,542	33,036	740,578	717,616	22,962
Child Study Team					
Salaries of Other Professional Staff	777,203	(11,657)	765,546	765,054	492
Salaries of Secretarial & Clerical Assistants	55,757	2,458	58,215	58,215	
Other Salaries	8,000	1,073	9,073	8,310	763
Purchased Professional-Educational Services	44,900	(10,895)	34,005	9,665	24,340
Other Purchased Professional and Technical Services	13,250		13,250	13,089	161
Other Purchased Services	4,500	3,974	8,474	2,114	6,360
Miscellaneous Purchased Services	5,300		5,300	4,969	331
Supplies and Materials	18,795	1,900	20,695	8,294	12,401
Other Objects	1,640	-	1,640	1,195	445
Total Child Study Teams	929,345	(13,147)	916,198	870,905	45,293
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	655,056	8,663	663,719	663,719	
Salaries Other Prof Staff	30,000	(1,744)	28,256	28,256	
Salaries of Secretarial & Clerical Assistants	68,073	(5,528)	62,545	62,545	
Other Salaries		175	175		175
Salaries of Facilitators, Math and Literacy Coaches		3,750	3,750	3,750	
Unused Vac Payment to Term / Ret Staff		5,103	5,103	5,103	
Purchased Professional/Educational Services		1,251	1,251	1,251	
Other Purchased Professional and Technical Services	4,912	3,462	8,374	8,374	
Supplies and Materials	4,000	(1,558)	2,442	2,330	112
Total Improvement of Instruction Services	762,041	13,574	775,615	775,328	287

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Educational Media/School Library					
Salaries - Regular	\$ 203,242	\$ 4,968	\$ 208,210	\$ 206,823	\$ 1,387
Salaries - Other		1,180	1,180	1,180	
Salaries of Technology Coordinators	108,891	1,072	109,963	109,963	
Purchased Professional and Technical Services	3,303	323	3,626	3,469	157
Other Purchased Services	1,050		1,050		1,050
Travel		185	185		185
Supplies and Materials	45,026	(722)	44,304	28,003	16,301
Other Objects	80	-	80	65	15
Total Educational Media/School Library	361,592	7,006	368,598	349,503	19,095
Instructional Staff Training Services					
Other Salaries		980	980	980	
Purchased Professional Educational Services	37,600	(4,065)	33,535	28,371	5,164
Other Purchased Services	26,500	(26,500)			
Travel		21,451	21,451	10,810	10,641
Other Objects	2,400	-	2,400	1,109	1,291
Total Instructional Staff Training Services	66,500	(8,134)	58,366	41,270	17,096
Support Services General Administration					
Salaries	284,207	(2,647)	281,560	275,318	6,242
Legal Services	45,000	37,454	82,454	82,454	
Audit Fees	27,250	9,350	36,600	36,200	400
Architectural/Engineering Services	15,000	(4,404)	10,596	10,596	
Other Purchased Professional Services	7,500	(5,030)	2,470	2,470	
Purchased Technical Services	16,542		16,542	16,451	91
Communications/Telephone	108,062	13,353	121,415	117,277	4,138
Travel		820	820	808	12
BOE Other Purchased Services	1,000	827	1,827	1,736	91
Miscellaneous Purchased Services	21,000	(7,775)	13,225	12,706	519
General Supplies	6,400	1,300	7,700	6,169	1,531
Judgements Against the School District		1,590	1,590	1,590	
Miscellaneous Expenditures	3,000	100	3,100	2,799	301
BOE Membership Dues and Fees	14,000	(450)	13,550	10,642	2,908
Total Support Services General Administration	548,961	44,488	593,449	577,216	16,233
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	440,668	2,671	443,339	443,339	
Salaries of Other Professional Staff	103,915	759	104,674	104,674	
Salaries of Secretarial and Clerical Assistants	258,180	12,207	270,387	270,387	
Other Purchased Services	14,600	4,917	19,517	6,715	12,802
Travel		926	926	552	374
Supplies and Materials	48,693	(6,313)	42,380	20,460	21,920
Other Objects	12,900	(54)	12,846	9,912	2,934
Total Support Services School Administration	878,956	15,113	894,069	856,039	38,030
Undistributed Expenditures - Central Services					
Salaries	328,787	4,591	333,378	333,378	
Purchased Professional Services	33,500	6,789	40,289	40,289	
Purchased Technical Services	13,800	(928)	12,872	12,872	
Travel		3,055	3,055	3,020	35
Misc. Purchased Services	2,500	(432)	2,068	2,068	
Supplies and Materials	10,000	(3,922)	6,078	6,077	1
Interest on Lease Purchase Agreements	13,004	47,782	60,786	52,229	8,557
Miscellaneous Expenditures	1,600	313	1,913	1,913	-
Total Undistributed Expenditures - Central Services	403,191	57,248	460,439	451,846	8,593
Undistributed Expenditures - Admin. Info. Tech.					
Purchased Technical Services	41,259	(3,628)	37,631	26,312	11,319
Other Purchased Services		2,487	2,487		2,487
Supplies and Materials	10,300	6,424	16,724	9,294	7,430
Total Undistributed Expenditures - Admin. Info. Tech.	51,559	5,283	56,842	35,606	21,236
Required Maintenance for School Facilities					
Salaries	241,220	20,057	261,277	235,886	25,391
Cleaning, Repair and Maintenance Services	125,000	30,315	155,315	135,950	19,365
Rental of Land and Buildings		5,931	5,931		5,931
General Supplies	18,500	225	18,725	13,367	5,358
Other Objects	500	-	500	125	375
Total Required Maintenance for School Facilities	385,220	56,528	441,748	385,328	56,420

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 596,346	\$ 3,844	\$ 600,190	\$ 552,012	\$ 48,178
Salaries of Non-Instructional Aides	103,064	3,522	106,586	103,611	2,975
Purchased Professional and Technical Services	1,037		1,037	1,037	
Cleaning, Repair and Maintenance Services	93,900	(6,510)	87,390	47,667	39,723
Other Purchased Property Services	31,100	1	31,101	25,279	5,822
Insurance	236,250	(18,388)	217,862	212,562	5,300
General Supplies	65,000	2,500	67,500	56,208	11,292
Energy (Natural Gas)	126,000	4,192	130,192	116,077	14,115
Energy (Electricity)	181,500	29,472	210,972	210,220	752
Energy (Oil)	2,000	106	2,106	2,106	-
Total Custodial Services	1,436,197	18,739	1,454,936	1,326,779	128,157
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services		8,310	8,310	8,310	
General Supplies	-	4,578	4,578	4,569	9
Total Care and Upkeep of Grounds	-	12,888	12,888	12,879	9
Security					
Cleaning, Repair and Maintenance Services	1,450		1,450	1,450	-
General Supplies	385	7,390	7,775	1,130	6,645
Total Security	1,835	7,390	9,225	2,580	6,645
Student Transportation Services					
Salaries of Non-Instructional Aide	3,284	7,755	11,039	10,697	342
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	48,083	(15,038)	33,045	33,045	
Salaries for Pupil Transportation (Other Than Between Home and School)	17,000	14,528	31,528	31,520	8
Cleaning, Repair and Maintenance Services	6,000	1,664	7,664	7,601	63
Lease Purchase Payments	20,134		20,134	20,133	1
Contracted Services - Aid in Lieu Payments - Charter School	3,000		3,000	-	3,000
Contracted Services - Aid in Lieu Payments - Choice School	2,000		2,000	2,000	
Contracted Services (Between Home and School) - Vendors	47,000	31,306	78,306	78,306	
Contracted Services (Other Than Between Home and School) - Vendors	28,000	44,047	72,047	70,446	1,601
Contracted Services (Special Ed Students) - Vendors	393,000	(75,399)	317,601	275,098	42,503
Misc Purchased Service- Transportation	1,000	(1,000)			
Transportation Supplies	8,000	2,000	10,000	6,903	3,097
Other Objects	500	(76)	424	424	-
Total Student Transportation Services	577,001	9,787	586,788	536,173	50,615
Unallocated Benefits					
Group Insurance	2,000	11,117	13,117	13,117	
Social Security Contributions	413,000	(11,117)	401,883	376,542	25,341
Other Retirement Contributions - PERS	396,000	(10,257)	385,743	384,669	1,074
Other Retirement Contributions - Regular	8,000	-	8,000	4,660	3,340
Unemployment Compensation	25,000	(15,429)	9,571	9,571	
Workmen's Compensation	100,500	9,806	110,306	110,305	1
Health Benefits	4,079,740	(48,667)	4,031,073	3,643,339	387,734
Tuition Reimbursement	35,000	23,928	58,928	55,868	3,060
Other Employee Benefits	199,710	842	200,552	199,695	857
Unused Sick Payment to Terminated/Retired Staff	-	19,860	19,860	19,170	690
Total Unallocated Benefits	5,258,950	(19,917)	5,239,033	4,807,365	431,668
On-Behalf (Non-Budget)					
TPAF Pension System Contribution (On-Behalf - Non-Budgeted)				2,237,301	(2,237,301)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				46,833	(46,833)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,036,079	(1,036,079)
TPAF Long-Term Disability Contributions (Non-Budgeted)				2,257	(2,257)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	898,134	(898,134)
Total On-Behalf	-	-	-	4,220,604	(4,220,604)
Total Undistributed Expenditures	14,927,431	383,258	15,310,689	18,594,534	(3,283,845)
Total Current Expenditures	27,047,679	77,625	27,125,304	29,966,926	(2,841,622)

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Non-Instructional Services	-	\$ 12,215	\$ 12,215	\$ 8,792	\$ 3,423
Total Equipment	-	12,215	12,215	8,792	3,423
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 40,000	26,310	66,310	63,199	3,111
Construction Services	435,000	(119,157)	315,843	292,245	23,598
Land and Improvements	-	39,485	39,485	39,485	
Lease Purchase Agreements- Principal	196,383	309,093	505,476	505,476	
Assessment for Debt Service on SDA Funding	5,733	-	5,733	5,733	-
Total Facilities Acquisition and Construction Services	677,116	255,731	932,847	906,138	26,709
Interest Deposit to Capital Reserve	1	(1)	-	-	-
Total Capital Outlay	677,117	267,945	945,062	914,930	30,132
Transfer of Funds to Charter School	154,570	10,000	164,570	159,644	4,926
Total General Fund	27,879,366	355,570	28,234,936	31,041,500	(2,806,564)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(760,886)	268,642	(492,244)	309,817	802,061
Other Financing Sources (Uses)					
Capital Lease Proceeds (non-budget)					
Local Contribution - Preschool - Transfer to Special Revenue Fund		(327,690)	(327,690)	(245,574)	82,116
Operating Transfer In	-	-	-	8,728	8,728
Total Other Financing Sources	-	(327,690)	(327,690)	(236,846)	90,844
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(760,886)	(59,048)	(819,934)	72,971	892,905
Fund Balance, Beginning of Year	549,663	-	549,663	549,663	-
Fund Balance, End of Year	\$ (211,223)	\$ (59,048)	(270,271)	622,634	\$ 892,905
Reconciliation of Governmental Funds Statements (GAAP)					
Restricted					
Capital Reserve				\$ 9,462	
Committed					
Year End Encumbrances				23,599	
Assigned					
Designated for Subsequent Year's Expenditures				577,701	
Year End Encumbrances				35,213	
Unassigned				(23,341)	
Fund Balance- Budgetary Basis				622,634	
Less: State Aid Revenue not recognized on GAAP basis				(612,537)	
Fund Balance per Governmental Funds Statements (GAAP)				\$ 10,097	

**TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Local		\$ 41,186	\$ 41,186	\$ 25,388	\$ (15,798)
State	\$ 55,694	507,961	563,655	548,803	(14,852)
Federal	532,719	159,323	692,042	600,610	(91,432)
Total Revenues	<u>588,413</u>	<u>708,470</u>	<u>1,296,883</u>	<u>1,174,801</u>	<u>(122,082)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	235,719	159,576	395,295	395,293	2
Other Salaries for Instruction		214,033	214,033	203,888	10,145
Purchased Professional/Technical Services	-	59,977	59,977	57,529	2,448
Tuition	297,000	27,687	324,687	319,687	5,000
General Supplies	-	120,832	120,832	91,692	29,140
Textbooks	7,000	(752)	6,248	6,248	-
Total Instruction	<u>539,719</u>	<u>581,353</u>	<u>1,121,072</u>	<u>1,074,337</u>	<u>46,735</u>
Support Services					
Salary of Other Professional Staff		13,197	13,197	5,303	7,894
Salaries of Family Liaison		2,400	2,400	2,400	
Salaries of Master Teachers		56,548	56,548	45,546	11,002
Personal Services - Employee Benefits		289,046	289,046	205,875	83,171
Purchased Professional and Technical Services	48,694	10,068	58,762	38,759	20,003
Cleaning, Repair and Maintenance Services		17,500	17,500	9,752	7,748
Other Purchased Services		13,798	13,798	6,401	7,397
Travel		319	319	210	109
Supplies and Materials		48,324	48,324	28,784	19,540
Other Objects	-	500	500	-	500
Total Support Services	<u>48,694</u>	<u>451,700</u>	<u>500,394</u>	<u>343,030</u>	<u>157,364</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	-	3,107	3,107	3,008	99
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>3,107</u>	<u>3,107</u>	<u>3,008</u>	<u>99</u>
Total Expenditures	<u>588,413</u>	<u>1,036,160</u>	<u>1,624,573</u>	<u>1,420,375</u>	<u>204,198</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>-</u>	<u>(327,690)</u>	<u>(327,690)</u>	<u>(245,574)</u>	<u>82,116</u>
Other Financing Sources					
Operating Transfers In	<u>-</u>	<u>327,690</u>	<u>327,690</u>	<u>245,574</u>	<u>(82,116)</u>
Total Other Financing Sources	<u>-</u>	<u>327,690</u>	<u>327,690</u>	<u>245,574</u>	<u>(82,116)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of 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.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 31,351,317	\$ 1,174,801
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Encumbrances, June 30, 2019		(48,734)
Encumbrances, June 30, 2018		230,753
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	422,418	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(612,537)</u>	<u>(47,567)</u>
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 <u>\$ 31,161,198</u>	 <u>\$ 1,309,253</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 31,041,500	\$ 1,420,375
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.		
Encumbrances, June 30, 2019		(48,734)
Encumbrances, June 30, 2018	<u>-</u>	<u>230,753</u>
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 31,041,500</u>	 <u>\$ 1,602,394</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03841%	0.03969%	0.03748%	0.03452%	0.03209%	0.03605%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,564,016	\$ 9,240,543	\$ 11,101,169	\$ 7,751,074	\$ 6,008,550	\$ 6,890,699
District's Covered Payroll	\$ 2,667,647	\$ 2,692,375	\$ 2,635,509	\$ 2,413,304	\$ 2,272,309	\$ 2,093,434
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	343%	421%	321%	264%	329%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.59%	48.10%	40.14%	47.92%	52.08%	48.72%

- * The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

TOWN OF BOONTON SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Six Fiscal Years
 (Dollar amounts in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 382,120	\$ 367,739	\$ 332,987	\$ 296,857	\$ 271,476	\$ 234,285
Contributions in Relation to the Contractually Required Contribution	<u>382,120</u>	<u>367,739</u>	<u>332,987</u>	<u>296,857</u>	<u>271,476</u>	<u>234,285</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,667,647	\$ 2,692,375	\$ 2,635,509	\$ 2,413,304	\$ 2,272,309	\$ 2,093,434
Contributions as a Percentage of Covered Payroll	14.32%	13.66%	12.63%	9.04%	11.95%	11.1%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>71,224,092</u>	<u>73,100,319</u>	<u>82,265,151</u>	<u>63,946,677</u>	<u>57,675,711</u>	<u>55,602,809</u>
Total	<u>\$ 71,224,092</u>	<u>\$ 73,100,319</u>	<u>\$ 82,265,151</u>	<u>\$ 63,946,677</u>	<u>\$ 57,675,711</u>	<u>\$ 55,602,809</u>
District's Covered Payroll	\$ 11,937,455	\$ 11,714,471	\$ 11,137,027	\$ 10,483,171	\$ 10,382,424	\$ 10,159,432
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.48%	25.41%	22.33%	28.74%	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 2,003,820	\$ 2,433,262
Interest on Total OPEB Liability	1,865,216	1,599,938
Differences Between Expected and Actual Experience	(2,315,657.0)	
Changes of Assumptions	(5,255,618)	(6,695,977)
Gross Benefit Payments	(1,224,638)	(1,141,786)
Contribution from the Member	<u>42,325</u>	<u>42,043</u>
Net Change in Total OPEB Liability	(4,884,552)	(3,762,520)
Total OPEB Liability - Beginning	<u>50,683,149</u>	<u>54,445,669</u>
Total OPEB Liability - Ending	<u>\$ 45,798,597</u>	<u>\$ 50,683,149</u>
District's Proportionate Share of OPEB Liability	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>45,798,597</u>	<u>50,683,149</u>
Total OPEB Liability - Ending	<u>\$ 45,798,597</u>	<u>\$ 50,683,149</u>
District's Covered Payroll	<u>\$ 14,605,102</u>	<u>\$ 14,406,846</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

**TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

REVENUES	Every Student Succeeds Act (ESSA)					IDEA		Local Grant	Sub-Total Page 2	Total
	Title I	Title II-A	Title III	Title III Immigrant	Title IV	Part B, Basic	Preschool			
Intergovernmental										
State									\$ 548,803	\$ 548,803
Federal	\$ 198,212	\$ 18,037	\$ 13,545	\$ -	\$ 11,961	\$ 348,078	\$ 10,777	-	-	600,610
Local Sources	-	-	-	-	-	-	-	\$ 25,388	-	25,388
Total Revenues	\$ 198,212	\$ 18,037	\$ 13,545	\$ -	\$ 11,961	\$ 348,078	\$ 10,777	\$ 25,388	\$ 548,803	\$ 1,174,801
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 104,621		\$ 3,657						\$ 287,015	\$ 395,293
Other Salaries for Instruction	56,726		5,654						141,508	203,888
Purchased Professional & Technical Services									57,529	57,529
Tuition						\$ 319,687			-	319,687
Other Purchased Services									-	-
General Supplies	18,827		1,226	\$ -		11,563	\$ 10,577	\$ -	49,499	91,692
Textbooks	-	-	-	-	-	-	-	-	6,248	6,248
Total Instruction	180,174	-	10,537	-	-	331,250	10,577	-	541,799	1,074,337
Support Services										
Salary of Other Professional Staff		\$ 5,303							-	5,303
Salaries of Family Liaison									2,400	2,400
Salaries of Master Teachers									45,546	45,546
Personal Services Employee-Benefits	17,538								188,337	205,875
Purchased Professional and Technical Services		3,750		\$ 11,648		16,828			6,533	38,759
Cleaning, Repair and Maintenance Services									9,752	9,752
Other Purchased Services		6,401							-	6,401
Travel							200		10	210
Supplies and Materials	500	2,583	-	-	313	-	-	25,388	-	28,784
Total Support Services	18,038	18,037	-	-	11,961	16,828	200	25,388	252,578	343,030
Facilities Acquisition and Construction Services										
Instructional Equipment			3,008						-	3,008
Construction Services	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	3,008	-	-	-	-	-	-	3,008
Total Expenditures	\$ 198,212	\$ 18,037	\$ 13,545	\$ -	\$ 11,961	\$ 348,078	\$ 10,777	\$ 25,388	\$ 794,377	\$ 1,420,375
Other Financing Sources										
Transfer from General Fund - Preschool	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,574	\$ 245,574
Total Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,574	\$ 245,574
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

REVENUES	Nonpublic Auxiliary Services	Nonpublic Handicapped Services			New Jersey Nonpublic Aid				Preschool	Total Page 2
	Compensatory Education	Examination & Classification	Corrective Speech	Supplemental Instruction	Technology	Nursing	Security	Textbooks	Aid	
Intergovernmental										
State	\$ 13,198	\$ 14,814	\$ 7,538	\$ 5,630	\$ 4,212	\$ 11,349	\$ 10,146	\$ 6,248	\$ 475,668	\$ 548,803
Federal	-	-	-	-	-	-	-	-	-	-
Local Sources	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 13,198	\$ 14,814	\$ 7,538	\$ 5,630	\$ 4,212	\$ 11,349	\$ 10,146	\$ 6,248	\$ 475,668	\$ 548,803
EXPENDITURES										
Instruction										
Salaries of Teachers									287,015	\$ 287,015
Other Salaries for Instruction									141,508	141,508
Purchased Professional/Educational Services	\$ 13,198	\$ 14,814	\$ 7,538	\$ 5,630		\$ 11,349			5,000	57,529
Tuition										-
Other Purchased Services										-
General Supplies					\$ 4,212		\$ 10,146		35,141	49,499
Textbooks	-	-	-	-	-	-	-	\$ 6,248	\$ -	6,248
Total Instruction	13,198	14,814	7,538	5,630	4,212	11,349	10,146	6,248	468,664	541,799
Support Services										
Salary of Other Professional Staff										-
Salaries of Family Liaison									2,400	2,400
Salaries of Master Teachers									45,546	45,546
Personal Services Employee-Benefits									188,337	188,337
Other Purchased Professional Services									6,533	6,533
Cleaning, Repair and Maintenance Services									9,752	9,752
Other Purchased Services										-
Travel									10	10
Supplies and Materials	-	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	-	-	-	-	-	-	252,578	252,578
Facilities Acquisition and Construction Services										
Instructional Equipment										-
Construction Services	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 13,198	\$ 14,814	\$ 7,538	\$ 5,630	\$ 4,212	\$ 11,349	\$ 10,146	\$ 6,248	\$ 721,242	\$ 794,377
Other Financing Sources										
Transfer from General Fund - Preschool	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,574	\$ 245,574
Total Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,574	\$ 245,574
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
Instruction					
Salaries of Teachers		\$ 287,015	\$ 287,015	\$ 287,015	
Other Salaries for Instruction		141,508	141,508	141,508	
Purchased Professional-Educational Services		5,000	5,000	5,000	
General Supplies	-	35,141	35,141	35,141	-
	<u>-</u>	<u>35,141</u>	<u>35,141</u>	<u>35,141</u>	<u>-</u>
Total Instruction	<u>-</u>	<u>468,664</u>	<u>468,664</u>	<u>468,664</u>	<u>-</u>
Support Services					
Salaries of Community Parent Involvement Spec.		2,400	2,400	2,400	
Salaries of Master Teachers		45,546	45,546	45,546	
Personal Services - Employee Benefits		188,337	188,337	188,337	
Other Purchased Professional Services		6,533	6,533	6,533	
Cleaning, Repair and Maintenance Services		9,752	9,752	9,752	
Travel	-	10	10	10	-
	<u>-</u>	<u>252,578</u>	<u>252,578</u>	<u>252,578</u>	<u>-</u>
Total Support Services	<u>-</u>	<u>252,578</u>	<u>252,578</u>	<u>252,578</u>	<u>-</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 721,242</u>	<u>\$ 721,242</u>	<u>\$ 721,242</u>	<u>\$ -</u>

Calculation of Budget Carryover

Total Revised 2018-2019 Preschool Education Aid Allocation	
Total Revised 2018-2019 Preschool Education Expansion Aid Allocation	\$ 475,668
Add:	
Preschool Education Aid Carryover (June 30, 2018)	
Prior Year Accrued Salaries Cancelled	
Budgeted Transfer from the General Fund 2018-2019	<u>245,574</u>
Total Preschool Education Aid Funds Available for 2018-2019 Budget	721,242
Less: 2018-2019 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>721,242</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2019	-
Add: June 30, 2019 Unexpended Preschool Education Aid	<u>-</u>
2018-2019 Carryover - Preschool Education Aid Programs	<u>\$ -</u>
2018-2019 Preschool Education Aid Carryover Budgeted in 2019-2020	<u>\$ -</u>

CAPITAL PROJECTS FUND

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Revenues and Other Financing Sources

Lease Purchase Proceeds	\$ 1,184,668
Interest on Lease Purchase	<u>1,141</u>
 Total Revenues and Other Financing Sources	 <u>1,185,809</u>

Expenditures and Other Financing Uses

Expenditures	
General Administration	69,273
Administrative Information Technology	296,353
Operations and Maintenance of Plant Services	31,875
Capital Outlay	638,802
Other Financing Uses	
Transfer to General Fund	<u>8,728</u>
 Total Expenditures and Other Financing Uses	 <u>1,045,031</u>

Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	140,778
 Fund Balance - Beginning of Year	 <u>143,658</u>
 Fund Balance - End of Year	 <u>\$ 284,436</u>

Recapitulation of Fund Balance

Year End Encumbrances	\$ 13,152
Casualty Loss Encumbrances	250,000
Restricted for Capital Projects	<u>21,284</u>
	 <u>\$ 284,436</u>

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
VARIOUS IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 23,581,000	-	\$ 23,581,000	\$ 23,581,325
Total Revenues and Other Financing Sources	<u>23,581,000</u>	<u>-</u>	<u>23,581,000</u>	<u>23,581,325</u>
Expenditures and Other Financing Uses				
Legal Services	28,206		28,206	28,206
Purchased Professional and Technical Services	3,171,969		3,171,969	3,171,969
Other Purchased Services	1,294,768		1,294,768	1,294,768
Construction Services	<u>19,020,842</u>	<u>17,520</u>	<u>19,038,362</u>	<u>19,086,382</u>
Total Expenditures and Other Financing Uses	<u>23,515,785</u>	<u>17,520</u>	<u>23,533,305</u>	<u>23,581,325</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 65,215</u>	<u>\$ (17,520)</u>	<u>\$ 47,695</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers:				
High School			#0450-020-07-1000	
John Hill Elementary			#0450-030-07-1000	
Grant Date			3/29/2007	
Bond Authorization Date			2007	
Bonds Authorized	\$ 23,581,000			
Bonds Issued	23,581,000			
Original Authorization Cost	23,581,325			
Additional Authorization Cost	<u>-</u>			
Revised Authorized Cost	<u>23,581,325</u>			
Percentage Increase Over Original				
Authorized Cost		0.00%		
Percentage Completion		100%		
Original Target Completion Date		9/1/2009		
Revised Target Completion Date		9/1/2013		

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HIGH SCHOOL BATHROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 195,000		\$ 195,000	\$ 195,000
Transfer from Capital Outlay	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total Revenues and Other Financing Sources	<u>245,000</u>	<u>-</u>	<u>245,000</u>	<u>245,000</u>
Expenditures and Other Financing Uses				
Construction Services	236,272		236,272	236,272
Transfer to General Fund	<u>-</u>	<u>\$ 8,728</u>	<u>8,728</u>	<u>8,728</u>
Total Expenditures and Other Financing Uses	<u>236,272</u>	<u>8,728</u>	<u>245,000</u>	<u>245,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 8,728</u>	<u>\$ (8,728)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	245,000			
Additional Authorization Cost	<u>-</u>			
Revised Authorized Cost	<u>245,000</u>			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	100%			
Original Target Completion Date	2015/16			
Revised Target Completion Date	2015/16			

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
LIGHTING AND SECURITY EQUIPMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Purchase Proceeds	\$ 550,000		\$ 550,000	\$ 550,000
Interest on Lease Purchase	-	\$ 82	82	82
	<u>550,000</u>	<u>82</u>	<u>550,082</u>	<u>550,082</u>
Expenditures and Other Financing Uses				
General Administration		69,273	69,273	69,273
Administrative Information Technology	87,232	-	87,232	87,232
Capital Outlay	393,053	-	393,053	393,577
	<u>480,285</u>	<u>69,273</u>	<u>549,558</u>	<u>550,082</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 69,715</u>	<u>\$ (69,191)</u>	<u>\$ 524</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers:	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	550,000			
Additional Authorization Cost	<u>82</u>			
Revised Authorized Cost	<u>550,082</u>			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	100%			
Original Target Completion Date	6/2019			
Revised Target Completion Date	6/2019			

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
COPIERS, CHROMEBOOKS AND TEXTBOOKS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Purchase Proceeds		\$ 559,668	\$ 559,668	\$ 559,668
Interest on Lease Purchase	-	207	207	207
	-	559,875	559,875	559,875
Expenditures and Other Financing Uses				
Administrative Information Technology		296,353	296,353	296,353
Capital Outlay	-	260,475	260,475	263,522
	-	556,828	556,828	559,875
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses				
	\$ -	\$ 3,047	\$ 3,047	\$ -
Additional Project Information:				
Project Numbers:	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	559,668			
Additional Authorization Cost	207			
Revised Authorized Cost	559,875			
Percentage Increase Over Original				
Authorized Cost	0.04%			
Percentage Completion	99%			
Original Target Completion Date	6/2019			
Revised Target Completion Date	6/2019			

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HVAC AND AQUOS BOARDS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Purchase Proceeds		\$ 425,000	\$ 425,000	\$ 425,000
Interest on Lease Purchase	-	852	852	852
	<u>-</u>	<u>425,852</u>	<u>425,852</u>	<u>425,852</u>
Expenditures and Other Financing Uses				
Operations and Maintenance		31,875	31,875	31,875
Capital Outlay	-	360,807	360,807	393,977
	<u>-</u>	<u>392,682</u>	<u>392,682</u>	<u>425,852</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 33,170</u>	<u>\$ 33,170</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers:	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	550,000			
Additional Authorization Cost	<u>852</u>			
Revised Authorized Cost	<u>550,852</u>			
Percentage Increase Over Original Authorized Cost	0.15%			
Percentage Completion	92%			
Original Target Completion Date	6/2019			
Revised Target Completion Date	6/2019			

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
TEXTBOOKS AND TECHNOLOGY
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Purchase Proceeds		\$ 200,000	\$ 200,000	\$ 200,000
Interest on Lease Purchase	-	-	-	-
	-----	-----	-----	-----
Total Revenues and Other Financing Sources	-	200,000	200,000	200,000
	-----	-----	-----	-----
Expenditures and Other Financing Uses				
Regular Instruction			-	100,000
Administrative Information Technology			-	100,000
Capital Outlay	-	-	-	-
	-----	-----	-----	-----
Total Expenditures and Other Financing Uses	-	-	-	200,000
	-----	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 200,000	\$ 200,000	\$ -
	-----	-----	-----	-----
Additional Project Information:				
Project Numbers:	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	200,000			
Additional Authorization Cost	-			

Revised Authorized Cost	200,000			

Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	0%			
Original Target Completion Date	6/2019			
Revised Target Completion Date	6/2019			

PROPRIETARY FUNDS

EXHIBIT G-1

**TOWN OF BOONTON SCHOOL DISTRICT
ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

THIS STATEMENT IS NOT APPLICABLE

FIDUCIARY FUNDS

**TOWN OF BOONTON SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 128,188	\$ 774,504	\$ 902,692
Total Assets	<u>\$ 128,188</u>	<u>\$ 774,504</u>	<u>\$ 902,692</u>
LIABILITIES			
Summer Savings		\$ 565,892	\$ 565,892
Payroll Deductions and Withholdings Payable		155,882	155,882
Flexible Spending		12,736	12,736
Due to Student Groups	\$ 128,188		128,188
Due to Other Funds			
Unemployment Compensation Trust	<u>-</u>	<u>39,994</u>	<u>39,994</u>
Total Liabilities	<u>\$ 128,188</u>	<u>\$ 774,504</u>	<u>\$ 902,692</u>

**TOWN OF BOONTON SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**TOWN OF BOONTON SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, July 1, <u>2018</u>	Cash <u>Receipts</u>	Cash <u>Disbursed</u>	Balance, June 30, <u>2019</u>
Activity Accounts				
School Street School	\$ 872	\$ 6,534	\$ 6,296	\$ 1,110
John Hill School	42,345	62,093	64,670	39,768
High School	<u>91,952</u>	<u>98,552</u>	<u>108,568</u>	<u>81,936</u>
Total Activity Accounts	<u>135,169</u>	<u>167,179</u>	<u>179,534</u>	<u>122,814</u>
Athletic Department				
Athletic Department - Middle School	62	3,535	150	3,447
Athletic Department - High School	<u>190</u>	<u>45,858</u>	<u>44,121</u>	<u>1,927</u>
Total Athletic Departments	<u>252</u>	<u>49,393</u>	<u>44,271</u>	<u>5,374</u>
Total	<u>\$ 135,421</u>	<u>\$ 216,572</u>	<u>\$ 223,805</u>	<u>\$ 128,188</u>

**TOWN OF BOONTON SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, July 1, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2019</u>
Payroll Deductions and Withholdings	\$ (3,399)	\$ 9,407,235	\$ 9,247,954	\$ 155,882
Accrued Salaries and Wages		10,490,088	10,490,088	
Summer Savings	548,547	930,138	912,793	565,892
Flexible Spending	11,269	44,959	43,492	12,736
Due to (from) Other Funds	<u>13,161</u>	<u>26,833</u>	<u>-</u>	<u>39,994</u>
 Total All Schools	 <u>\$ 569,578</u>	 <u>\$ 20,899,253</u>	 <u>\$ 20,694,327</u>	 <u>\$ 774,504</u>

LONG-TERM DEBT

**TOWN OF BOONTON SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Redeemed</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>				
2014 Refunding Bonds	9/25/14	9,305,000	1/15/2020	\$ 840,000	4.00%	\$ 8,400,000	\$ 810,000	\$ 7,590,000
			1/15/2021	875,000	3.00%			
			1/15/2022	895,000	3.00%			
			1/15/2023	920,000	3.00%			
			1/15/2024	945,000	5.00%			
			1/15/2025	995,000	5.00%			
			1/15/2026	1,040,000	4.00%			
			1/15/2027	1,080,000	4.00%			
2015 Refunding Bonds	4/14/15	9,475,000	1/15/2028	1,210,000	3.00%	9,330,000	-	9,330,000
			1/15/2029	1,245,000	3.00%			
			1/15/2030	1,275,000	4.00%			
			1/15/2031	1,325,000	4.00%			
			1/15/2032	1,375,000	4.00%			
			1/15/2033	1,420,000	4.00%			
			1/15/2034	1,480,000	4.00%			
						<u>9,330,000</u>	<u>-</u>	<u>9,330,000</u>
						<u>\$ 17,730,000</u>	<u>\$ 810,000</u>	<u>\$ 16,920,000</u>

**TOWN OF BOONTON SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES**

	<u>Original Amount Issued</u>	<u>Date</u>	<u>Balance, July 1, 2018</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2019</u>
Copiers	\$ 486,753	7/2013	\$ 9,006		\$ 9,006	\$ -
Bus	95,482	11/2016	66,323		18,922	47,401
Textbooks, Computers and Technology Equipment	555,000	9/2017	446,144		108,282	337,862
Various Acquisitions and Improvements	525,000	11/2017	419,831		99,862	319,969
Lighting and Security Equipment	550,000	12/2017	494,967		106,202	388,765
Copiers, Chromebooks and Textbooks	559,668	7/2018		559,668	106,037	453,631
Aquos Boards and HVAC Improvements	425,000	11/2018		425,000	85,123	339,877
Mobile Devices and Textbooks	200,000	6/2019	-	200,000	-	200,000
			<u>\$ 1,436,271</u>	<u>\$ 1,184,668</u>	<u>\$ 533,434</u>	<u>\$ 2,087,505</u>

**TOWN OF BOONTON SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 1,106,783		\$ 1,106,783	\$ 1,106,783	
State Sources					
Debt Service State Aid	<u>380,367</u>	<u>-</u>	<u>380,367</u>	<u>380,367</u>	<u>-</u>
Total Revenues	<u>1,487,150</u>	<u>-</u>	<u>1,487,150</u>	<u>1,487,150</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	810,000		810,000	810,000	
Interest and Other Charges	<u>677,150</u>	<u>-</u>	<u>677,150</u>	<u>677,150</u>	<u>-</u>
Total Expenditures	<u>1,487,150</u>	<u>-</u>	<u>1,487,150</u>	<u>1,487,150</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government'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 government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF BOONTON SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2010	2011	2012	2013	Fiscal Year Ended June 30,		2016	2017	2018	2019
					2014	2015				
						(Restated)				
Governmental Activities										
Net Investment in Capital Assets	\$ (12,043,491)	\$ 4,027,021	\$ 4,481,950	\$ 4,712,737	\$ 4,821,733	\$ 3,251,092	\$ 4,280,074	\$ 4,885,119	\$ 5,148,477	\$ 4,995,033
Restricted	16,167,036	118,628	141,313	89,834	195,425	195,572	729	27,946	79,175	246,203
Unrestricted	(342,396)	90,764	(419,296)	(534,686)	(88,341)	(5,354,528)	(5,796,140)	(7,812,844)	(8,291,092)	(8,047,390)
Total Governmental Activities Net Position	<u>\$ 3,781,149</u>	<u>\$ 4,236,413</u>	<u>\$ 4,203,967</u>	<u>\$ 4,267,885</u>	<u>\$ 4,928,817</u>	<u>\$ (1,907,864)</u>	<u>\$ (1,515,337)</u>	<u>\$ (2,899,779)</u>	<u>\$ (3,063,440)</u>	<u>\$ (2,806,154)</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 18,376	\$ 16,982	\$ 21,446	\$ 59,258	\$ 50,931	\$ 42,604	\$ 34,277	\$ 21,873	\$ 111,266	\$ 109,814
Unrestricted	39,576	30,586	20,561	77,693	114,360	254,853	39,890	(1,742)	24,488	(21,234)
Total Business-Type Activities Net Position	<u>\$ 57,952</u>	<u>\$ 47,568</u>	<u>\$ 42,007</u>	<u>\$ 136,951</u>	<u>\$ 165,291</u>	<u>\$ 297,457</u>	<u>\$ 74,167</u>	<u>\$ 20,131</u>	<u>\$ 135,754</u>	<u>\$ 88,580</u>
District-Wide										
Net Investment in Capital Assets	\$ (12,025,115)	\$ 4,044,003	\$ 4,503,396	\$ 4,771,995	\$ 4,872,664	\$ 3,293,696	\$ 4,314,351	\$ 4,906,992	\$ 5,259,743	\$ 5,104,847
Restricted	16,167,036	118,628	141,313	89,834	195,425	195,572	729	27,946	79,175	246,203
Unrestricted	(302,820)	121,350	(398,735)	(456,993)	26,019	(5,099,675)	(5,756,250)	(7,814,586)	(8,266,604)	(8,068,624)
Total District Net Position	<u>\$ 3,839,101</u>	<u>\$ 4,283,981</u>	<u>\$ 4,245,974</u>	<u>\$ 4,404,836</u>	<u>\$ 5,094,108</u>	<u>\$ (1,610,407)</u>	<u>\$ (1,441,170)</u>	<u>\$ (2,879,648)</u>	<u>\$ (2,927,686)</u>	<u>\$ (2,717,574)</u>

Source: District Financial Statements

TOWN OF BOONTON SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 9,650,239	\$ 9,426,655	\$ 9,486,157	\$ 10,990,800	\$ 10,443,026	\$ 12,932,692	\$ 13,919,626	\$ 15,323,333	\$ 15,328,351	\$ 14,140,403
Special Education	3,549,500	4,594,746	4,846,099	5,723,331	5,719,166	6,387,540	6,022,009	6,620,997	6,513,612	5,476,555
Other Instruction	500,647	610,474	819,048	505,841	415,714	198,476	251,937	512,679	928,254	902,477
School Sponsored Co-Curricular Activities	829,232	685,144	787,917	866,832	932,877	1,260,484	1,138,102	1,161,382	1,488,731	1,318,873
Support Services:										
Tuition	1,363,419									
Student & Instruction Related Services	3,882,064	4,237,954	4,469,183	4,544,871	4,549,375	4,854,977	5,091,560	5,836,059	6,840,779	7,294,308
General Administration Services	567,315	579,779	559,059	649,618	670,071	719,094	778,712	721,474	677,356	830,173
School Administrative Services	1,090,635	1,262,258	1,086,705	1,131,944	996,230	1,139,252	1,273,827	1,639,793	1,620,581	1,582,687
Central Services	349,424	428,354	479,799	503,342	503,207	565,098	733,676	788,336	977,181	992,346
Plant Operations and Maintenance	2,236,055	2,038,944	1,943,356	2,230,095	2,608,116	2,478,944	2,608,249	3,189,183	3,204,216	3,181,743
Pupil Transportation	395,462	352,462	323,435	437,726	459,694	636,330	480,238	563,831	500,522	576,919
Unallocated Benefits										
Special Schools										
Charter Schools	33,442									
Interest On Long-Term Debt	1,062,834	1,040,028	1,011,931	984,866	974,470	992,232	756,194	722,693	704,792	708,046
Unallocated Depreciation	119,138	119,138	119,138							
Unallocated Expenditures										
Capital Outlay - Nondepreciable	508	-	-							
Total Governmental Activities Expenses	25,629,914	25,375,936	25,931,827	28,569,266	28,271,946	32,165,119	33,054,130	37,079,760	38,784,375	37,004,530
Business-Type Activities:										
Food Service	420,046	455,104	482,533	488,813	534,170	516,997	565,946	604,478	602,316	596,008
Bridges to Learning			223,765	216,314	289,659	188,429	608,396	492,315	212,316	471,066
Academy School										
Total Business-Type Activities Expense	420,046	455,104	706,298	705,127	823,829	705,426	1,174,342	1,096,793	814,632	1,067,074
Total District Expenses	\$ 26,049,960	\$ 25,831,040	\$ 26,638,125	\$ 29,274,393	\$ 29,095,775	\$ 32,870,545	\$ 34,228,472	\$ 38,176,553	\$ 39,599,007	\$ 38,071,604
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition	\$ 4,765,154	\$ 4,694,605	\$ 4,632,374	\$ 6,544,697	\$ 6,686,058	\$ 6,454,946	\$ 6,136,381	\$ 6,118,081	\$ 6,933,030	\$ 5,145,557
Operating Grants And Contributions	2,917,992	2,980,199	3,492,361	3,868,854	3,411,555	6,418,449	7,531,561	9,774,107	11,022,395	10,351,842
Capital Grants and Contributions							25,644	14,572	61,750	197,685
Total Governmental Activities Program Revenues	7,683,146	7,674,804	8,124,735	10,413,551	10,097,613	12,873,395	13,693,586	15,906,760	18,017,175	15,695,084
Business-Type Activities:										
Charges For Services:										
Food Service	\$ 256,408	\$ 258,034	\$ 249,198	\$ 263,130	\$ 271,287	\$ 275,111	\$ 295,172	\$ 328,939	\$ 337,605	\$ 318,589
Bridges to Learning			252,677	246,100	300,170	321,343	392,877	434,997	316,576	445,392
Academy School										
Operating Grants And Contributions	180,373	186,456	198,668	244,455	280,500	240,813	262,526	278,597	275,829	255,855
Total Business-Type Activities Program Revenues	436,781	444,490	700,543	753,685	851,957	837,267	950,575	1,042,533	930,010	1,019,836
Total District Program Revenues	\$ 8,119,927	\$ 8,119,294	\$ 8,825,278	\$ 11,167,236	\$ 10,949,570	\$ 13,710,662	\$ 14,644,161	\$ 16,949,293	\$ 18,947,185	\$ 16,714,920
Net (Expense)/Revenue										
Governmental Activities	\$ (17,946,768)	\$ (17,701,132)	\$ (17,807,092)	\$ (18,155,715)	\$ (18,174,333)	\$ (19,291,724)	\$ (19,360,544)	\$ (21,173,000)	\$ (20,767,200)	\$ (21,309,446)
Business-Type Activities	16,735	(10,614)	(5,755)	48,558	28,128	131,841	(223,767)	(54,260)	115,378	(47,238)
Total District-Wide Net Expense	\$ (17,930,033)	\$ (17,711,746)	\$ (17,812,847)	\$ (18,107,157)	\$ (18,146,205)	\$ (19,159,883)	\$ (19,584,311)	\$ (21,227,260)	\$ (20,651,822)	\$ (21,356,684)
General Revenues And Other Changes In Net Assets										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 15,132,756	\$ 15,721,418	\$ 15,721,594	\$ 15,977,947	\$ 16,705,430	\$ 16,999,501	\$ 17,288,395	\$ 17,807,046	\$ 18,428,513	\$ 19,164,365
Taxes Levied For Debt Service	1,132,600	1,207,149	1,201,363	1,194,540	1,201,840	1,198,844	1,176,377	1,081,846	1,087,216	1,106,783
Federal and State Aid - Unrestricted	1,663,446	72,788	323,288	417,889	513,548	504,439	522,765	514,522	649,103	727,498
State Aid - Restricted for Debt Service Principal		144,510	150,904	157,298	164,971	192,993	220,714	190,708	200,779	207,173
Tuition										
Investment Earnings	46,464	18,791	2,640	251	3,191	63	3,168	2,201	3,910	5,610
Miscellaneous Income	432,548	991,740	374,957	145,442	246,285	343,322	541,652	192,235	234,018	355,303
State Aid - State Facilities Grant										
Transfers										
SDA Grant-Cancelled										
Total Governmental Activities	18,407,814	18,156,396	17,774,746	17,893,367	18,835,265	19,239,162	19,753,071	19,788,558	20,603,539	21,566,732
Business-Type Activities:										
Investment Earnings	803	230	194	247	212	325	477	224	245	64
Transfers										
Total Business-Type Activities	803	230	194	247	212	325	477	224	245	64
Total District-Wide	\$ 18,408,617	\$ 18,156,626	\$ 17,774,940	\$ 17,893,614	\$ 18,835,477	\$ 19,239,487	\$ 19,753,548	\$ 19,788,782	\$ 20,603,784	\$ 21,566,796
Change In Net Position										
Governmental Activities	\$ 461,046	\$ 455,264	\$ (32,346)	\$ (262,348)	\$ 660,932	\$ (52,562)	\$ 392,527	\$ (1,384,442)	\$ (163,661)	\$ 257,286
Business-Type Activities	17,538	(10,384)	(5,561)	48,805	28,340	132,166	(223,290)	(54,036)	115,623	(47,174)
Total District	\$ 478,584	\$ 444,880	\$ (37,907)	\$ (213,543)	\$ 689,272	\$ 79,604	\$ 169,237	\$ (1,438,478)	\$ (48,038)	\$ 210,112

Source: District Financial Statements

TOWN OF BOONTON SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	2010	2011	2012	2013	Fiscal Year Ended June 30,		2016	2017	2018	2019
					2014	2015				
General Fund										
Reserved	\$ 590,771									
Unreserved	401,496									
Nonspendable		\$ 264,581	\$ 6,750							
Restricted		113,058	135,743	\$ 89,834	\$ 373,124	\$ 373,271	\$ 729	\$ 730	\$ 732	\$ 9,462
Committed										\$ 23,599
Assigned		576,840	354,506	184,989	109,559	157,260	238,887	116,911	418,662	612,914
Unassigned	-	(49,372)	(106,632)	(57,574)	314,144	238,161	276,503	(197,946)	(292,149)	(635,878)
Total General Fund	\$ 992,267	\$ 905,107	\$ 390,367	\$ 217,249	\$ 796,827	\$ 768,692	\$ 516,119	\$ (80,305)	\$ 127,245	\$ 10,097
All Other Governmental Funds										
Reserved	\$ 1,469,245									
Unreserved	14,107,020									
Restricted		13,532,000	\$ 3,880,341	\$ 125,389	\$ 125,389	\$ 96,295	\$ 123,511	\$ (427,785)	\$ 143,658	\$ 284,436
Unassigned	-	-	-	-	-	-	-	-	-	(47,567)
Total All Other Governmental Funds	\$ 15,576,265	\$ 13,532,000	\$ 3,880,341	\$ 125,389	\$ 125,389	\$ 96,295	\$ 123,511	\$ (427,785)	\$ 143,658	\$ 236,869
Total Governmental Funds										
Reserved	\$ 2,060,016									
Unreserved	14,508,516									
Nonspendable		\$ 264,581	\$ 6,750							
Restricted		13,645,058	4,016,084	\$ 215,223	\$ 498,513	\$ 469,566	\$ 124,240	\$ (427,055)	\$ 144,390	\$ 293,898
Assigned		576,840	354,506	184,989	109,559	157,260	238,887	116,911	418,662	612,914
Committed										23,599
Unassigned	-	(49,372)	(106,632)	(57,574)	314,144	238,161	276,503	(197,946)	(292,149)	(683,445)
Total Governmental Funds	\$ 16,568,532	\$ 14,437,107	\$ 4,270,708	\$ 342,638	\$ 922,216	\$ 864,987	\$ 639,630	\$ (508,090)	\$ 270,903	\$ 246,966

Source: District Financial Statements

TOWN OF BOONTON SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	2010		2011		2012		2013		Fiscal Year Ended June 30,		2016		2017		2018		2019	
									2014	2015								
Revenues																		
Property Tax Levy	\$ 16,265,356	\$ 16,928,567	\$ 16,922,857	\$ 17,172,487	\$ 17,907,270	\$ 18,198,345	\$ 18,464,772	\$ 18,888,892	\$ 19,515,729	\$ 20,271,148								
Tuition Charges	4,765,154	4,694,605	4,632,374	6,544,697	6,686,058	6,454,946	6,136,381	6,118,081	6,933,030	5,145,557								
Interest Earnings	46,464	18,791	2,640	251	3,191	63	3,168	2,201	3,910	5,610								
Miscellaneous	447,995	995,545	376,806	147,442	250,579	343,322	541,652	193,593	243,313	388,461								
State Sources	3,642,973	2,547,047	3,332,361	3,875,697	3,614,930	3,896,230	4,502,206	4,855,080	5,590,402	7,315,763								
Federal Sources	923,018	646,645	632,343	566,344	470,850	636,143	731,224	675,896	718,437	832,203								
Total Revenue	26,090,960	25,831,200	25,899,381	28,306,918	28,932,878	29,529,049	30,379,403	30,733,743	33,004,821	33,958,742								
Expenditures																		
Instruction																		
Regular Instruction	6,565,413	9,445,022	9,488,666	10,769,675	10,217,283	11,055,583	11,726,395	11,945,778	12,372,690	12,494,192								
Special Education Instruction	2,799,897	4,594,746	4,846,099	5,723,331	5,719,166	5,890,594	5,481,312	5,811,445	5,562,691	5,017,365								
Other Instruction	503,965	610,474	819,048	505,841	415,714	175,010	212,762	396,983	732,982	799,720								
School Sponsored Co-Curricular Activ.	740,734	685,144	787,917	866,832	932,877	1,214,747	1,091,241	1,033,061	1,252,174	1,220,522								
Support Services																		
Tuition	1,363,419																	
Student & Instruction Related Services	3,301,057	4,236,357	4,467,586	4,513,515	4,518,019	4,522,916	4,673,111	4,960,014	5,519,763	6,575,960								
General Administration Services	532,845	579,779	559,059	636,429	656,882	647,455	690,160	614,649	601,318	792,834								
School Administrative Services	919,032	1,260,609	1,085,056	1,077,998	942,284	969,786	1,070,429	1,194,220	1,188,012	1,281,096								
Central Services	326,920	428,354	479,799	503,342	503,207	560,947	722,784	729,019	841,794	917,184								
Plant Operations And Maintenance	1,875,060	2,038,944	1,943,356	1,836,200	2,214,221	2,074,370	2,180,225	2,303,878	2,127,589	2,201,836								
Pupil Transportation	382,887	352,462	323,435	387,590	409,558	585,328	427,348	537,720	464,085	552,374								
Allocated Benefits	3,761,189																	
Unallocated Benefits	1,515,577																	
TPAF Pension/Social Security																		
Unallocated Expenditures																		
Special Schools																		
Charter Schools	33,442																	
Capital Outlay	302,783	2,049,835	9,651,659	3,801,685	1,053,408	254,048	546,254	639,079	1,084,769	1,240,208								
Debt Service:																		
Principal	546,000	629,218	590,000	615,000	839,278	949,132	1,176,289	1,065,929	1,383,040	1,343,434								
Interest And Other Charges	1,074,095	1,051,681	1,024,100	997,550	987,773	1,155,340	702,940	747,379	724,921	730,622								
Total Expenditures	26,544,315	27,962,625	36,065,780	32,234,988	29,409,670	30,055,256	30,701,250	31,979,154	33,855,828	35,167,347								
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(453,355)	(2,131,425)	(10,166,399)	(3,928,070)	(476,792)	(526,207)	(321,847)	(1,245,411)	(851,007)	(1,208,605)								
Other Financing Sources (Uses)																		
Bond Proceeds																		
Refunding Bond Proceeds						18,780,000												
Premium on Refunding Bonds Issued						1,696,069												
Payment to Refunded Bond Escrow Agent						(20,181,479)												
Capital Lease Proceeds					1,056,370	174,388	96,490	97,691	1,630,000	1,184,668								
Transfers In	36,624	12,604	2,455	160	2	-	245,002	5	177	254,302								
Transfers Out	(36,624)	(12,604)	(2,455)	(160)	(2)	-	(245,002)	(5)	(177)	(254,302)								
Total Other Financing Sources (Uses)	-	-	-	-	1,056,370	468,978	96,490	97,691	1,630,000	1,184,668								
Net Change In Fund Balances	\$ (453,355)	\$ (2,131,425)	\$ (10,166,399)	\$ (3,928,070)	\$ 579,578	\$ (57,229)	\$ (225,357)	\$ (1,147,720)	\$ 778,993	\$ (23,937)								
Debt Service As A Percentage Of Noncapital Expenditures	6.17%	6.49%	6.11%	5.67%	6.44%	7.06%	6.23%	5.79%	6.43%	6.11%								

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Statements

TOWN OF BOONTON SCHOOL DISTRICT
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
 LAST TEN YEARS
 (Unaudited)

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Rentals</u>	<u>Refunds</u>	<u>Cancelled Prior Year Accounts Payable</u>	<u>E-Rate</u>	<u>Reimbursement of Dental Premiums</u>	<u>Private Contribution</u>	<u>Prior Year Taxes</u>	<u>Other</u>	<u>Total</u>
2010	\$ 9,840	\$ 4,765,154	\$ 305,193	27,825			\$ 16,020			\$ 83,510	\$ 5,207,542
2011	6,187	4,694,605	112,664						\$ 550,168	328,908	5,692,532
2012	4,022	4,632,374	76,033	125,490						169,607	5,007,526
2013	91	6,544,697	44,829							100,613	6,690,230
2014	3,189	6,686,058	141,724	64,113						40,448	6,935,532
2015	63	6,454,946	175,837	45,685						121,800	6,798,331
2016	3,166	6,136,381	225,382	24,259	\$ 142,648					149,363	6,681,199
2017	2,196	6,118,081	182,456							9,779	6,312,512
2018	3,733	6,933,030	155,468					\$ 54,827		23,723	7,170,781
2018	4,469	5,145,557	230,000			94,179				31,124	5,505,329

Source: District Financial Records

**TOWN OF BOONTON SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE TAX PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
2010	\$ 12,086,500	\$ 1,000,696,400	\$ 412,700	\$ 2,000	\$ 177,822,100	\$ 69,929,400	\$ 20,878,800	\$ 1,281,827,900	\$ 7,517,899	\$ 1,289,345,799	\$ 1,283,550,247	\$ 1.283
2011	8,545,800	853,780,800	365,900	3,200	162,094,800	65,321,200	19,675,400	1,109,787,100	7,481,282	1,117,268,382	1,244,208,934	1.506
2012	8,374,000	854,409,500	365,900	2,200	160,413,600	65,092,900	19,504,600	1,108,162,700	100	1,108,162,800	1,165,517,730	1.532
2013	7,620,000	853,368,400	365,900	2,200	159,612,300	63,558,500	19,213,200	1,103,740,500	100	1,103,740,600	1,110,673,783	1.585
2014	7,185,500	852,895,600	252,500	2,200	160,407,600	63,558,500	19,213,200	1,103,515,100	100	1,103,515,200	1,097,543,322	1.625
2015	6,448,600	855,815,600	252,500	2,200	159,387,000	63,665,300	19,213,200	1,104,784,400	100	1,104,784,500	1,152,309,286	1.652
2016	6,347,700	856,010,200	252,500	2,200	159,532,600	63,665,300	20,512,200	1,106,322,700	100	1,106,322,800	1,129,427,791	1.685
2017	6,535,800	856,830,700	252,500	2,200	150,673,900	63,665,300	28,032,200	1,105,992,600	100	1,105,992,700	1,156,775,024	1.730
2018	6,535,800	857,360,700	252,500	2,000	151,249,100	63,594,600	19,532,200	1,098,526,900		1,098,526,900	1,160,624,884	1.840
2019	6,897,500	858,197,500	252,500	2,000	151,126,100	62,710,100	19,532,200	1,098,717,900		1,098,717,900	1,158,862,884	1.877

Source: County Abstract of Ratables

^a Tax rates are per \$100

**TOWN OF BOONTON SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (Unaudited)
 (rate per \$100 of assessed value)**

Year Ended <u>December 31,</u>	Total Direct <u>School Rate</u>	<u>Overlapping Rates</u>		Total Direct and Overlapping <u>Tax Rate</u>
		<u>Town of Boonton</u>	<u>Morris County</u>	
2010	\$ 1.280	\$ 0.600	\$ 0.230	\$ 2.100
2011	1.510	0.710	0.260	2.480
2012	1.532	0.725	0.259	2.516
2013	1.580	0.720	0.240	2.540
2014	1.625	0.766	0.256	2.647
2015	1.652	0.792	0.262	2.706
2016	1.685	0.807	0.260	2.752
2017	1.730	0.830	0.266	2.826
2018	1.840	0.833	0.276	2.949
2019	1.877	0.846	0.280	3.003

Source: Municipal Tax Assessor

**TOWN OF BOONTON SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)**

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Boonton Investors, LLC	\$ 25,091,800	2.28%		
UB Boonton 1, LLC	13,795,600	1.26%		
Deer Hill Village, Inc	10,093,300	0.92%		
Dels Holding, LLC	8,367,200	0.76%		
Apts. At Cherry Hill	5,400,000	0.49%		
Fulton Street Assoc.	5,015,000	0.46%		
Daco	5,013,200	0.46%		
Kapalua, Inc	4,747,400	0.43%		Information Not Available
Erasteel, Inc	4,481,600	0.41%		
Subro Realty, LLC	3,500,000	0.32%		
	<u>\$ 85,505,100</u>	<u>7.78%</u>		

Source: Municipal Tax Assessor

**TOWN OF BOONTON SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 16,265,356	\$ 15,983,615	98.27%	\$ 281,741
2011	16,928,567	16,928,567	100.00%	N/A
2012	16,922,857	16,922,857	100.00%	N/A
2013	17,172,487	17,172,487	100.00%	N/A
2014	17,907,270	17,907,270	100.00%	N/A
2015	18,198,345	18,198,345	100.00%	N/A
2016	18,464,772	18,464,772	100.00%	N/A
2017	18,888,892	18,888,892	100.00%	N/A
2018	19,515,729	19,515,729	100.00%	N/A
2019	20,271,148	20,271,148	100.00%	N/A

Source: School District's Financial Statements

**TOWN OF BOONTON SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
2010	\$ 23,035,000	\$ 64,218	\$23,099,218	8,348	\$ 2,767
2011	22,470,000		22,470,000	8,377	2,682
2012	21,880,000		21,880,000	8,393	2,607
2013	21,265,000		21,265,000	8,380	2,538
2014	20,620,000	862,092	21,482,092	8,352	2,572
2015	20,140,000	827,348	20,967,348	8,344	2,513
2016	19,270,000	617,549	19,887,549	8,308	2,394
2017	18,515,000	404,311	18,919,311	8,261	2,290
2018	17,730,000	1,436,271	19,166,271	8,212	2,334
2019	16,920,000	2,087,505	19,007,505	8,212 *	2,315

Source: District Records

* - Estimate

**TOWN OF BOONTON SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2010	\$ 23,035,000		\$ 23,035,000	1.78%	\$ 2,759
2011	22,470,000		22,470,000	2.01%	2,682
2012	21,880,000		21,880,000	1.97%	2,607
2013	21,265,000		21,265,000	1.93%	2,538
2014	20,620,000		20,620,000	1.87%	2,469
2015	20,140,000		20,140,000	1.82%	2,414
2016	19,270,000		19,270,000	1.74%	2,319
2017	18,515,000		18,515,000	1.67%	2,241
2018	17,730,000		17,730,000	1.61%	2,159
2019	16,920,000		16,920,000	1.54%	2,060

Source: District Records

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

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data

**TOWN OF BOONTON SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
(UNAUDITED)**

	<u>Gross Debt</u>	<u>Deduction</u>	<u>Net Debt</u>
Municipal Debt (1)			
Town of Boonton	\$ 13,949,573	\$ 5,747,467	\$ 8,202,106
Town of Boonton School District	<u>17,730,325</u>	<u>17,730,325</u>	<u>-</u>
	<u>\$ 31,679,898</u>	<u>\$ 23,477,792</u>	8,202,106
Overlapping Debt Apportioned to the Municipality			
County of Morris (2)			<u>\$ 4,449,203</u>
Total Direct and Overlapping Debt			<u>\$ 12,651,309</u>

Source:

- (1) Town of Boonton's 2018 Annual Debt Statement
- (2) The debt for this entity was apportioned to the Town of Boonton School District by dividing the municipality's 2018 equalized value by the total 2018 equalized value for Morris County.

TOWN OF BOONTON SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis

2018	\$1,158,661,428
2017	1,156,412,171
2016	<u>1,157,120,280</u>
	<u>\$3,472,193,879</u>

Average equalized valuation of taxable property

\$1,157,397,960

Debt limit (4 % of average equalization value)

\$ 46,295,918

Total Net Debt Applicable to Limit

16,920,325

Legal debt margin

\$ 29,375,593

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 51,829,041	\$ 50,521,691	\$48,469,969	\$46,313,265	\$44,529,846	\$ 44,345,193	\$ 44,529,596	\$ 45,487,326	\$ 45,720,341	\$ 46,295,918
Total net debt applicable to limit	<u>23,035,000</u>	<u>22,470,325</u>	<u>21,880,325</u>	<u>21,265,325</u>	<u>20,620,325</u>	<u>20,140,325</u>	<u>19,270,325</u>	<u>18,515,325</u>	<u>17,730,325</u>	<u>16,920,325</u>
Legal debt margin	<u>\$ 28,794,041</u>	<u>\$ 28,051,366</u>	<u>\$26,589,644</u>	<u>\$25,047,940</u>	<u>\$23,909,521</u>	<u>\$ 24,204,868</u>	<u>\$ 25,259,271</u>	<u>\$ 26,972,001</u>	<u>\$ 27,990,016</u>	<u>\$ 29,375,593</u>
Total net debt applicable to the limit as a percentage of debt limit	44.44%	44.48%	45.14%	45.92%	46.31%	45.42%	43.28%	40.70%	38.78%	36.55%

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

**TOWN OF BOONTON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Year Ended December 31,	Population	County Per Capita Personal Income	Unemployment Rate
2010	8,348	\$ 73,918	12.7%
2011	8,377	76,573	12.3%
2012	8,393	79,481	12.8%
2013	8,380	80,358	8.4%
2014	8,352	83,626	5.2%
2015	8,344	87,505	4.9%
2016	8,308	89,653	4.2%
2017	8,261	94,259	4.1%
2018	8,212	N/A	3.6%
2019	8,212 (E)	N/A	N/A

Source:

United States Bureau of Census, Population Division estimates

Revisions to historical data, per capita income: US Bureau of Economic Analysis

E - Estimate

N/A - Not Available

TOWN OF BOONTON SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)

Employer	2019		2010	
	Employees	% of Total Municipal Employment	Employees	% of Total Municipal Employment

INFORMATION NOT AVAILABLE

**TOWN OF BOONTON SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	100.00	97.00	97.00	94.00	92.00	92.30	91.00	94.00	111.00	108.00
Special education	37.00	35.00	32.00	45.00	43.00	45.00	55.00	58.00	58.00	75.00
Support Services:										
Student & instruction related service:	28.00	28.00	29.00	38.20	33.00	38.75	44.60	41.00	36.00	47.00
General administrative services	1.00	2.00	2.00	1.80	3.00	3.00	3.00	3.00	3.00	2.00
School administrative services	11.00	8.00	8.00	8.00	7.00	8.15	8.00	8.00	8.00	9.00
Business administrative services	4.00	4.00	4.00	4.00	6.20	4.50	4.10	4.00	4.00	4.00
Plant operations and maintenance	15.00	15.00	15.00	16.00	16.00	16.00	18.00	16.00	18.00	21.00
Lunchroom/Playground Aides	2.00	2.00	8.00	4.00	3.00	1.20	4.00	4.00	6.00	2.00
Pupil Transportation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00
Total	<u>199.00</u>	<u>192.00</u>	<u>196.00</u>	<u>212.00</u>	<u>204.20</u>	<u>209.90</u>	<u>228.70</u>	<u>229.00</u>	<u>246.00</u>	<u>269.00</u>

N/A - Not Available

Source: District Records

**TOWN OF BOONTON SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Pupil/Teacher Ratio

Fiscal Year	Enrollment a	Operating Expenditures b	Cost Per Pupil c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
2010	1,205	24,621,437	20,433	5.60%	131	1:10	1:11	1:9	1,205	1,162	-0.25%	96.43%
2011	1,241	24,231,891	19,526	-1.58%	152	1:12	1:19	1:11	1,241	1,179	2.99%	95.00%
2012	1,254	24,800,021	19,777	2.34%	153	1:12	1:19	1:11	1,266	1,208	2.01%	95.42%
2013	1,289	26,820,753	20,807	8.15%	153	1:11	1:19	1:11	1,274	1,215	0.63%	95.37%
2014	1,293	26,529,211	20,518	-1.09%	153	1:12	1:09	1:12	1,293	1,236	1.49%	95.59%
2015	1,303	27,696,736	21,256	4.40%	133	1:12	1:09	1:10	1,308	1,251	1.16%	95.64%
2016	1,303	28,275,767	21,701	2.09%	116	1:12	1:09	1:10	1,353	1,251	3.44%	92.46%
2017	1,405	29,526,767	21,015	4.42%	116	1:12	1:09	1:10	1,404	1,251	3.77%	89.10%
2018	1,443	30,663,098	21,250	3.85%	169	1:12	1:09	1:10	1,408	1,346	0.28%	95.60%
2019	1,572	31,853,083	20,263	3.88%	183	1:10	1:08	1:09	1,410	1,344	0.14%	95.32%

Source: District records

Note:

- a Enrollment based on annual October district count
- b Operating expenditures equal total expenditures less debt service and capital outlay
- c Cost per pupil represents operating expenditures divided by enrollment

**TOWN OF BOONTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

<u>District Building</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
School Street School (Grades K-3)										
Square Feet	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Capacity (Students)	299	299	299	299	299	299	299	299	299	299
Enrollment	274	316	342	342	122	122	122	141	141	283
John Hill School, Including Annex Building (Grades 4-8)										
Square Feet	42,296	42,296	42,296	90,076	90,076	90,076	90,076	90,076	90,076	90,076
Capacity (Students)	224	224	224	800	800	800	800	800	800	800
Enrollment	206	199	201	410	595	595	595	645	645	480
Boonton High School (Grades 9-12)										
Square Feet	111,741	111,741	111,741	111,741	111,741	111,741	111,741	111,741	111,741	111,741
Capacity (Students)	501	501	501	501	501	501	501	501	501	501
Enrollment	734	726	727	537	607	607	607	618	618	643
Administration Building										
Square Feet	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120
Administration Annex Building										
Square Feet	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
Child Study Team										
Square Feet	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299
Maintenance/Transportation Building										
Square Feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995
Number of Schools at June 30, 2019										
Elementary = 1										
Middle School = 1										
High School = 1										

Source: District records

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>School Facilities</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Boonton High School	\$ 74,423	\$ 76,762	\$ 120,087	\$ 196,753	\$ 203,735	\$ 101,934	\$ 74,464	\$ 192,268	\$ 191,662	\$ 31,753
John Hill School	36,657	20,816	54,137	40,593	228,957	119,956	91,256	94,976	95,164	37,916
School Street School	23,189	19,536	30,693	16,771	29,706	94,946	13,867	52,281	65,455	53,901
Other Facilities	<u>144,515</u>	<u>90,816</u>	<u>133,204</u>	<u>25,684</u>	<u>179,640</u>	<u>48,299</u>	<u>263,638</u>	<u>-</u>	<u>-</u>	<u>261,758</u>
Total School Facilities	<u>\$ 278,784</u>	<u>\$ 207,930</u>	<u>\$ 338,121</u>	<u>\$ 279,801</u>	<u>\$ 642,038</u>	<u>\$ 365,135</u>	<u>\$ 443,225</u>	<u>\$ 339,525</u>	<u>\$ 352,281</u>	<u>\$ 385,328</u>

**TOWN OF BOONTON SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2019
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Boards Insurance Group	Property Blanket Building & Contents- Replacement Cost Blanket Limit	\$ 500,000	\$ 5,000
	Earthquake	50,000,000	
	Electronic Data Processing Coverage	1,000,000	1,000
	Boiler & Machinery - Umbrella Policy	100,000,000	5,000
	Crime-Blanket Faithful Performance	250,000	1,000
	Money & Securities - In/Out (crime)	25,000	500
	Depositors Forgery (in crime)	250,000	1,000
	General Liability	31,000,000	
	Commercial Automobile	31,000,000	
American Safety	Environmental Impairment - Aggregate	11,000,000	
	Environmental Impairment - Event	1,000,000	250,000
Bob McCloskey Ins.	Student Accident with Full Excess	5,000,000	25,000
	Catastrophic	1,000,000	
New Jersey School Boards Insurance Group	Public Employees' Faithful Performance Blanket:		
	Board Secretary/Business Administrator	250,000	1,000
	Treasurer	250,000	1,000
New Jersey School Boards Insurance Group	School Board Legal Liability - Directors and Officers Policy	31,000,000	5,000
New Jersey School Boards Insurance Group	Workers Compensation Statutory Limits	2,000,000	

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Town of Boonton School District
Boonton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements 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, each major fund, and the aggregate remaining fund information of the Town of Boonton School District as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Town of Boonton School District's basic financial statements and have issued our report thereon dated December 16, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Boonton 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 Town of Boonton School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Boonton School 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, as described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Boonton School 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 an instance of noncompliance or other matter that is 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 and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

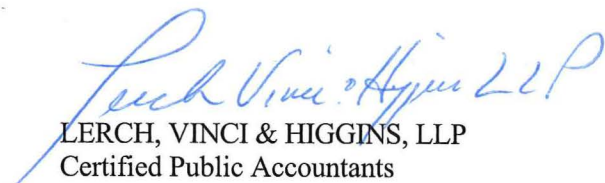
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Town of Boonton School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 16, 2019.

Town of Boonton School District's Responses to Findings

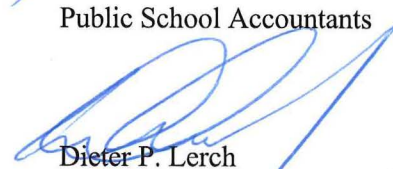
The Town of Boonton School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Boonton School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Town of Boonton School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Boonton School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 16, 2019



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
 OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE U.S. UNIFORM GUIDANCE-AND
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB
 CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
 of the Board of Education
 Town of Boonton School District
 Boonton, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Town of Boonton School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Town of Boonton School District's major federal and state programs for the fiscal year ended June 30, 2019. The Town of Boonton School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Boonton School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Town of Boonton School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Town of Boonton School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Town of Boonton School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Boonton School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Boonton School District's internal control over compliance.

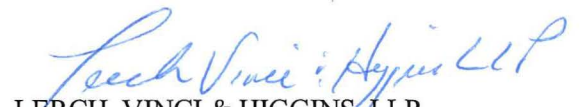
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

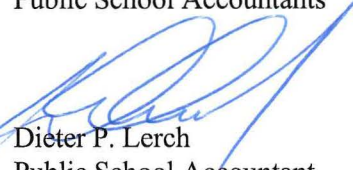
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

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

Report on Schedules of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the Town of Boonton School District, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 16, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 16, 2019

TOWN OF BOONTON SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018	Carryover Amount		Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2019		Memo GAAP Receivable
							Uncearned Revenue	Accounts Receivable					Uncearned Revenue/	Due to Grantor	
U.S. Department of Agriculture															
Passed-Through State Department of Education:															
Enterprise Fund:															
National School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18-6/30/19	\$ 12,647				\$ 11,820	\$ 12,647			\$ (827)		\$ 827
National School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/17-6/30/18	24,052	(5,004)			5,004						
National School Lunch Program	10.555		N/A												
Cash Assistance		191NJ304N1099		7/1/18-6/30/19	197,719				185,346	197,719			(12,373)		12,373
Cash Assistance		181NJ304N1099		7/1/17-6/30/18	207,213	(40,164)			40,164						
Non-Cash Assistance				7/1/18-6/30/19	38,487				38,487	38,017			\$ 470		
Non-Cash Assistance				7/1/17-6/30/18	38,411	1,488				1,488					
Child Nutrition Cluster Total						(43,680)			280,821	249,871			(13,200)	470	13,200
Total Enterprise Fund						(43,680)			280,821	249,871			(13,200)	470	13,200
U.S. Department of Health and Human Services															
General Fund															
Medical Assistance Program	93.778	190SNJSMAP	N/A	7/1/18-6/30/19	48,500				48,500	48,500					
Total General Fund									48,500	48,500					
U.S. Department of Education															
Passed Through State Department of Education															
Special Revenue Fund															
IDEA															
Part B, Basic	84.027	H027A180100	FT-0450-19	7/1/18-6/30/19	339,453		\$ 13,700	\$ (13,700)	296,149	348,078			(57,004)	5,075	51,929
Part B, Basic	84.027	H027A170100	FT-0450-18	7/1/17-6/30/18	338,045	(48,389)	(13,700)	13,700	48,389						
Preschool	84.173	H173A180114	PS-0450-19	7/1/18-6/30/19	11,678		1,935	(1,935)	4,173	10,777			(9,440)	2,836	6,604
Preschool	84.173	H173A170114	PS-0450-18	7/1/17-6/30/18	11,367	(11,643)	(1,935)	1,935	11,643						
Special Education Cluster Total						(60,032)			360,354	358,855			(66,444)	7,911	58,533
ESEA/NCLB															
Title I	84.010	S010A180030	ESEA-0450-18	7/1/18-6/30/19	211,496		16,894	(16,894)	97,888	198,212			(130,502)	30,178	100,324
Title I	84.010	S010A170030	ESEA-0450-18	7/1/17-6/30/18	210,049	(34,685)	(16,894)	16,894	34,685						
Title I SIA	84.010	S010A180030	ESEA-0450-18	7/1/18-6/30/19	26,551								(26,551)	26,551	
Title II-A	84.367A	S367A180029	ESEA-0450-18	7/1/18-6/30/19	32,497		9,345	(9,345)	8,962	18,037			(32,880)	23,805	9,075
Title II-A	84.367A	S367A170029	ESEA-0450-18	7/1/17-6/30/18	31,475	(14,560)	(9,345)	9,345	14,560						
Title III	84.365A	S365A180030	ESEA-0450-18	7/1/18-6/30/19	11,845		3,107	(3,107)	6,333	13,545			(8,619)	1,407	7,212
Title III	84.365A	S365A170030	ESEA-0450-18	7/1/17-6/30/18	13,126	(5,639)	(3,107)	3,107	5,639						
Title III - Immigrant	84.365A	S365A180030	ESEA-0450-18	7/1/18-6/30/19	-		810	(810)	-						
Title III - Immigrant	84.365A	S365A170030	ESEA-0450-18	7/1/17-6/30/18	2,885	(1,512)	(810)	810	1,512						
Title IV	84.424A	S424A180031	ESEA-0450-18	7/1/18-6/30/19	12,708		24	(24)	-	11,961			(12,732)	771	11,961
Title IV	84.424A	S424A170031	ESEA-0450-18	7/1/17-6/30/18	10,000	(9,976)	(24)	24	9,976						
U.S. Department of Transportation															
Passed Through State Department of Transportation															
Safe Routes to Schools															
	20.205	STP-8013	2017-DT-BLA1-0	12/29/16-12/29/15	283720	(283,720)			164,476				(119,244)		119,244
Total Special Revenue Fund						(410,124)			704,385	600,610			(396,972)	90,623	306,349
Total Federal Awards						\$ (453,804)	\$ -	\$ -	\$ 1,033,706	\$ 898,981	\$ -	\$ -	\$ (410,172)	\$ 91,093	\$ 319,549

The Notes to the Schedules of Federal Awards and State Financial Assistance are an integral part of this schedule.

TOWN OF BOONTON SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grants/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018			Cash Received	Budgetary Expenditures	General Fund Contribution	Adjustment/Repayment of Prior Years' Balances	June 30, 2019		MEMO	
				Unearned Revenue/(Accts Rec.)	Due to Grantor	Carryover Amount					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable
State Department of Education														
General Fund														
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 959,170				\$ 861,156	\$ 959,170			\$ (98,014)			\$ 959,170
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	599,367	(50,829)			50,829							
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	700,253				628,696	700,253			(71,557)			700,253
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	550,750	(46,707)			467,077							
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	238,909				214,495	238,909			(24,414)			238,909
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	51,522	(4,378)			4,378							
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	47,868				42,977	47,868			(4,891)			47,868
School Choice Aid	18-495-034-5120-068	7/1/17-6/30/18	58,944	(4,999)			4,999							
Additional Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	14,736	(1,250)			1,250							
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	10,290	(872)			872							
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	10,290	(872)			872							
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	10,750	(912)			912							
Host District Aid	18-495-034-5120-102	7/1/17-6/30/18	2,308	(213)			213							
State Aid - Public Cluster Total				(111,032)			2,278,726	1,946,200			(198,876)			1,946,200
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	58,651				52,658	58,651			(5,993)			58,651
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	13,032	(1,156)			1,156							
Extraordinary Aid	19-100-034-5120-473	7/1/18-6/30/19	407,668				407,668				(407,668)			407,668
Extraordinary Aid	18-100-034-5120-473	7/1/17-6/30/18	310,230	(310,230)			310,230							
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18-6/30/19	2,237,301				2,237,301	2,237,301						2,237,301
On Behalf TPAF Non Contributory Insurance Contributions	19-495-034-5094-004	7/1/18-6/30/19	46,833				46,833	46,833						46,833
On Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18-6/30/19	1,036,079				1,036,079	1,036,079						1,036,079
On Behalf TPAF Long Term Disability Insurance Contributions	19-495-034-5094-004	7/1/18-6/30/19	2,257				2,257	2,257						2,257
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	898,134				853,901	898,134			(44,233)		\$ 44,233	898,134
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	856,346	(42,000)			42,000							
Total General Fund				(464,418)			6,861,141	6,633,123			(656,770)			6,633,123
Special Revenue Fund														
Nonpublic Aid														
Auxiliary Services														
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	13,198				13,198	13,198					\$ -	13,198
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	6,201		\$ 89					\$ 89				
ESL	19-100-034-5120-067	7/1/18-6/30/19	1,639				1,639						1,639	
Nonpublic Auxiliary Services (Chapter 192) Cluster Total					89		14,837	13,198		89			1,639	13,198
Handicapped Services														
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	20,393				20,393	15,299					5,094	15,299
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	27,115		9,241					9,241				
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	7,768				7,768	7,053					715	7,053
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	5,357		1,399					1,399				
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	5,630				5,630	5,630						5,630
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	6,344		3,172					3,172				
Nonpublic Handicapped Services (Chapter 193) Cluster Total					13,752		33,791	27,982		13,752			5,809	27,982
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	6,248				6,248	6,248		\$ 51			\$ 51	6,248
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	6,847											
Nursing Aid	19-100-034-5120-070	7/1/18-6/30/19	11,349				11,349	11,349						11,349
Nursing Aid	18-100-034-5120-070	7/1/17-6/30/18	12,125											
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	4,212				4,212	4,212						4,212
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	4,625											
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	17,550				17,550	10,146					7,404	10,146
Security Aid	18-100-034-5120-509	7/1/17-6/30/18	9,375		685					685				
Preschool Education Expansion Aid		7/1/18-6/30/19	475,668				428,101	721,242	245,574		(47,567)			721,242
Total Special Revenue Fund					14,526		516,088	794,377	245,574	14,577	(47,567)		14,903	794,377
Debt Service Fund														
Debt Service Aid - Type II	19-495-034-5120-017	7/1/18-6/30/19	380,367				380,367	380,367						380,367
Total Debt Service Fund							380,367	380,367						380,367
Enterprise Fund														
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	5,984				5,622	5,984			(362)		\$ 362	5,984
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	6,476	(1,275)			1,275							
Total Enterprise Fund				(1,275)			6,897	5,984			(362)		362	5,984
Total State Awards			\$ (465,693)	\$ 14,526	\$ -		7,764,493	7,813,851	245,574	\$ 14,577	\$ (704,699)	\$ -	\$ 14,903	\$ 7,813,851
Less:														
On-Behalf Assistance Not Included in Single Audit and Major Program Determination														
TPAF Pension Contributions							(2,237,301)	(2,237,301)						
TPAF Non Contributory Insurance Contributions							(46,833)	(46,833)						
TPAF Post Retirement Medical Contributions							(1,036,079)	(1,036,079)						
TPAF Long Term Disability Insurance Contributions							(2,257)	(2,257)						
Total State Financial Assistance Subject to Single Audit and Major Program Determination Calculation							\$ 4,442,023	\$ 4,491,381						

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Town of Boonton School District. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$190,119 for the general fund and an increase of \$134,452 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 48,500	\$ 6,443,004	\$ 6,491,504
Special Revenue Fund	783,703	492,392	1,276,095
Debt Service Fund		380,367	380,367
Food Service Fund	<u>249,871</u>	<u>5,984</u>	<u>255,855</u>
 Total Financial Assistance	 <u>\$ 1,082,074</u>	 <u>\$ 7,321,747</u>	 <u>\$ 8,403,821</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$898,134 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$2,284,134, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,036,079 and TPAF Long-Term Disability Insurance in the amount of \$2,257 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Were material weakness(es) identified? X yes no

2) Significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to the basic financial statements noted? X yes no

Federal Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .516(a) of Uniform Guidance? yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>84.010</u>	<u>Title I</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes X no

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

Internal control over major programs:

1) Material weakness(es) identified?

 yes X no

2) Significant deficiencies identified that are not considered to be material weakness(es)?

 yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

 yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
19-495-034-5120-089	Special Education Aid
19-495-034-5120-078	Equalization Aid
19-495-034-5120-084	Security Aid
19-495-034-5120-068	School Choice Aid
19-495-034-5094-003	Reimbursed TPAF Social Security Contr.

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2019-001:

Our audit indicated that the District' General Fund unassigned fund balance was in a deficit position of \$23,341 as of June 30, 2019.

Criteria or specific requirement:

Generally Accepted Accounting Principles

Condition:

The District ended the year with a general fund deficit in unassigned fund balance.

Questioned Costs

None.

Context:

The unassigned fund balance was in a deficit position of \$23,341 as of June 30, 2019. The deficit was primarily the result of an accrued liability of \$592,979 for prior year tuition refunds payable by the District.

Effect:

The District has negative unassigned fund balance.

Cause:

See context.

Recommendation:

A course of action be developed and implemented to eliminate the general fund balance deficit.

View of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and has indicated that corrective action will be taken.

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.

**TOWN OF BOONTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2018-001

Our audit indicated that cash balances on the monthly reports of the Treasurer and Board Secretary were not in agreement with the reconciled bank account balance.

Current Status

Corrective action has been taken.

Finding 2018-002

Our audit indicated that cash balances on the monthly reports of the Treasurer and Board Secretary were not in agreement with the reconciled bank account balance.

Current Status

Corrective action has been taken.