

**TOWN OF BOONTON SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020**

**Prepared by  
Business Office**

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## **INTRODUCTORY SECTION**

# BOONTON

## Public Schools

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

January 8, 2021

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, 2020, 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

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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 2019-2020 fiscal year with an average daily enrollment of 1,438 students, an increase of 28 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>
2010-2011	1,241	3.0%
2011-2012	1,266	2.0%
2012-2013	1,274	0.6%
2013-2014	1,293	1.5%
2014-2015	1,308	1.2%
2015-2016	1,353	3.4%
2016-2017	1,404	3.8%
2017-2018	1,408	0.3%
2018-2019	1,410	0.1%
2019-2020	1,438	2.1%

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 2020-2021 fiscal year includes a 2% increase in the local tax levy. At the close of the 2020-2021 fiscal year, the Teacher's contract will be expired, and the Administrator's contract has one year 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, 2020.

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, 2020.

7) **DEBT ADMINISTRATION**: During the 2019-2020 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.

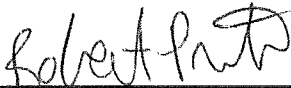
8) **CASH MANAGEMENT**: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss 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,



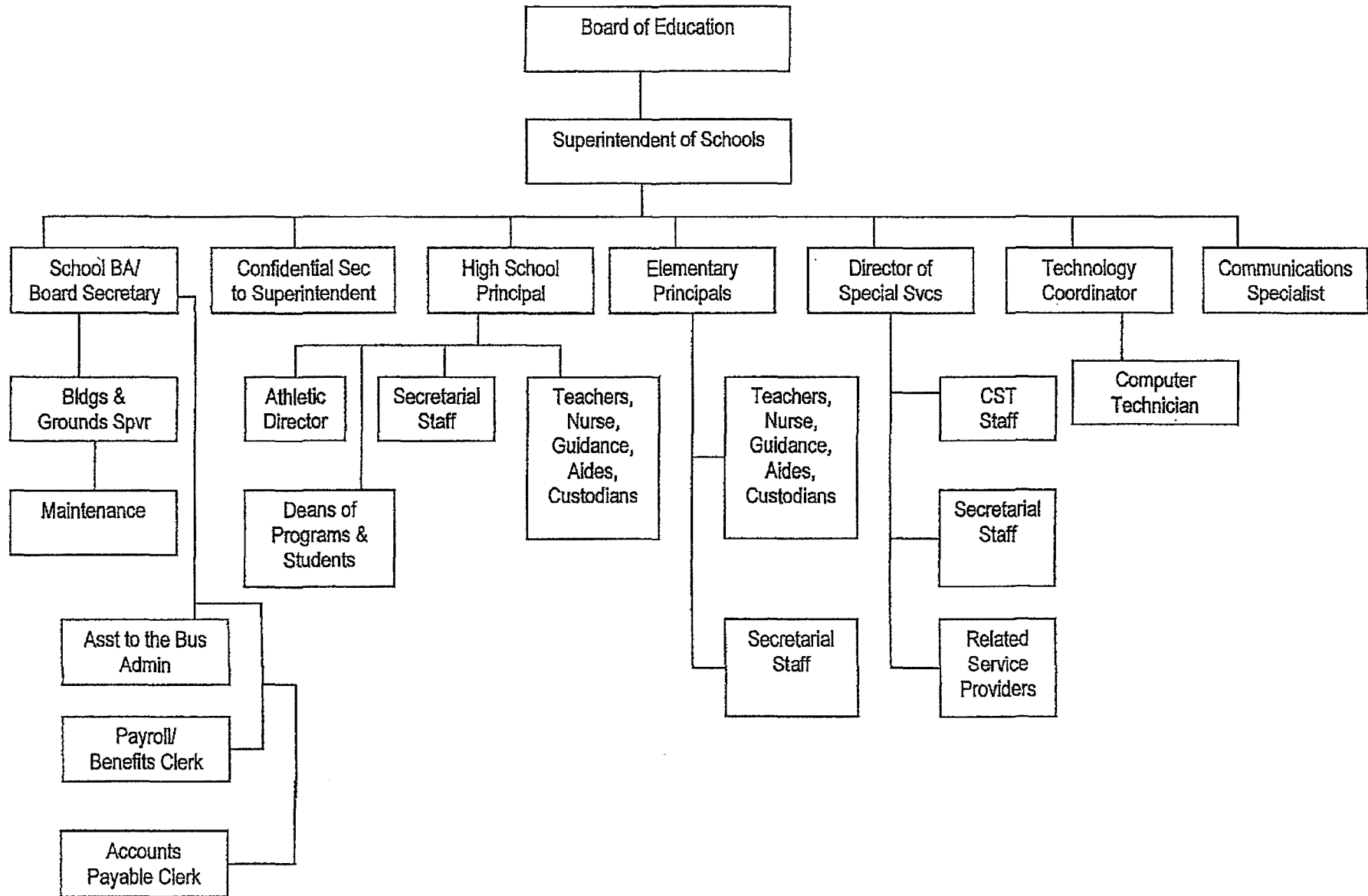
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Mr. Robert Presuto  
Superintendent of Schools



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Mr. Steven Gardberg,  
School Business Administrator  
Board Secretary



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

**ROSTER OF OFFICIALS**

**JUNE 30, 2020**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires (December)</u></b>
Christopher J. Cartelli, President	2022
Joseph Geslao, Vice-President	2021
Jennifer Darling	2020
Elaine Doherty	2022
Robert Ezzi	2022
Patrick Joyce	2020
Loren Katsakos	2021
Irene LeFebvre	2021
Jennifer Shollenberger	2020
Sandra Vucenovic (Lincoln Park Representative)	

**Other Officers**

Robert Presuto, Superintendent of Schools

Steven Gardberg, Board Secretary/Business Administrator

**BOONTON SCHOOL DISTRICT**

**Consultants & Advisors**

**June 30, 2020**

**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  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, 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, 2020 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, 2020, 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 January 8, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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  
January 8, 2021

**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, 2020**

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, 2020. 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 (2019-2020) and the prior year (2018-2019) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for fiscal year 2020 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 \$1,738,938 (deficit net position). The District's net position increased \$978,636 from the previous year.
- General revenues accounted for \$22,350,616 or 56 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$17,226,563 or 44 percent of total revenues of \$39,577,179.
- The School District had \$37,701,941 in expenses for governmental activities; \$16,300,487 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 \$32,906,624 in revenues and other financing sources and \$31,892,814 in expenditures and other financing uses. The General Fund's fund balance increased \$1,013,810 from 2019.

## **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 2020?" 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 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, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current and Other Assets	\$ 2,068,262	\$ 987,756
Capital Assets, net of accumulated depreciation	<u>23,975,038</u>	<u>25,041,376</u>
<b>Total Assets</b>	<u>26,043,300</u>	<u>26,029,132</u>
<b>Deferred Outflows of Resources</b>		
	<u>2,374,231</u>	<u>3,092,499</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>28,417,531</u>	<u>29,121,631</u>
<b>Liabilities</b>		
Long-Term Liabilities	26,271,637	27,846,541
Other Liabilities	<u>1,030,242</u>	<u>1,057,064</u>
<b>Total Liabilities</b>	<u>27,301,879</u>	<u>28,903,605</u>
<b>Deferred Inflows of Resources</b>		
	<u>2,854,590</u>	<u>2,935,600</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>30,156,469</u>	<u>31,839,205</u>
<b>Net Position</b>		
Net Investment in Capital Assets	6,437,393	5,104,847
Restricted	1,092,000	246,203
Unrestricted	<u>(9,268,331)</u>	<u>(8,068,624)</u>
<b>Total Net Position</b>	<u>\$ (1,738,938)</u>	<u>\$ (2,717,574)</u>

A comparative schedule of the changes in net position for fiscal years ended June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 6,400,008	\$ 5,909,538
Grants and Contributions	10,826,555	10,805,382
General Revenues:		
Property Taxes	20,843,332	20,271,148
Grants and Entitlements	1,242,677	934,671
Other	<u>264,607</u>	<u>360,977</u>
<b>Total Revenues</b>	<u>39,577,179</u>	<u>38,281,716</u>
<b>Program Expenses</b>		
Instruction	22,787,618	21,838,308
Support Services:		
Pupils and Instructional Staff	7,472,422	7,294,308
General, School and Central Administration	3,046,438	3,405,206
Operations and Maintenance of Facilities	2,976,314	3,181,743
Pupil Transportation	751,504	576,919
Interest on Debt	667,645	708,046
Food Service	508,531	596,008
Bridges to Learning	<u>388,071</u>	<u>471,066</u>
<b>Total Expenses</b>	<u>38,598,543</u>	<u>38,071,604</u>
Increase in Net Position	<u>\$ 978,636</u>	<u>\$ 210,112</u>

### **Governmental Activities**

Property taxes made up 54 percent of revenues for governmental activities for the Town of Boonton School District in fiscal year 2020. The District's total revenues from governmental activities were \$38,651,041 for the year ended June 30, 2020. Federal, state, and local grants, contributions and entitlements accounted for 31 percent of this total revenue. The total cost of all governmental programs and services was \$37,701,941. Instruction comprises 60 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 revenues exceeded expenses by \$29,536.
- Charges for services represent 73 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 27 percent.
- Federal and state reimbursements amounted to \$246,480 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, 2020 and 2019 are summarized below. The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions.

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction	\$ 22,787,618	\$ 21,838,308	\$ 9,259,730	\$ 9,264,192
Support Services				
Pupils and Instructional Staff	7,472,422	7,294,308	5,700,464	5,426,793
General, School and Central Admin.	3,046,438	3,405,206	2,584,264	2,879,191
Operation and Maintenance of Facilities	2,976,314	3,181,743	2,664,895	2,687,710
Pupil Transportation	751,504	576,919	689,363	516,708
Interest on Long-Term Debt	667,645	708,046	502,738	534,852
<b>Total</b>	<u>\$ 37,701,941</u>	<u>\$ 37,004,530</u>	<u>\$ 21,401,454</u>	<u>\$ 21,309,446</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 \$36,420,827 and expenditures were \$35,711,844. In addition, the District realized \$340,000 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, 2020 and 2019.

<u>Revenue</u>	<u>Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>June 30, 2020</u>	<u>June 30, 2019</u>		
Local Sources	\$ 26,841,219	\$ 25,810,776	\$ 1,030,443	4.0%
State Sources	8,796,427	7,315,763	1,480,664	20.2%
Federal Sources	783,181	832,203	(49,022)	-5.9%
Total Revenues	<u>\$ 36,420,827</u>	<u>\$ 33,958,742</u>	<u>\$ 2,462,085</u>	7.3%

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, 2020 and 2019.

<u>Expenditures</u>	<u>Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>June 30, 2020</u>	<u>June 30, 2019</u>		
Current				
Instruction	\$ 20,942,322	\$ 19,531,799	\$ 1,410,523	7.2%
Support Services	12,464,956	12,321,284	143,672	1.2%
Capital Outlay	197,684	1,240,208	(1,042,524)	-84.1%
Debt Service				
Principal	1,412,273	1,343,434	68,839	5.1%
Interest and Other	694,609	730,622	(36,013)	-4.9%
Total Expenditures	<u>\$ 35,711,844</u>	<u>\$ 35,167,347</u>	<u>\$ 544,497</u>	1.5%

## 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 2020, the District had \$37,544,055 invested in land, construction in progress, buildings, furniture, equipment and vehicles. Accumulated depreciation on these assets at June 30, 2020 was \$13,569,017. The Table below compares the fiscal year 2020 balances to the 2019 balances.

### Capital Assets (Net of Depreciation) at June 30

	<u>2020</u>	<u>2019</u>
Land	\$ 471,800	\$ 471,800
Building and Building Improvements	22,762,655	23,341,392
Machinery and Equipment	740,583	1,126,450
Construction in Progress	<u>-</u>	<u>101,734</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 23,975,038</u></b>	<b><u>\$ 25,041,376</u></b>

## Debt Administration

At June 30, 2020, the District had \$26,271,637 of long-term liabilities. Of this amount, \$343,430 is for compensated absences, \$1,855,232 is for capital leases, \$7,121,123 is for net pension liability and \$16,951,852 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, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,243,714	\$ 75,820	\$ 1,319,534
Receivables, Net:			
Receivables from Other Governments	349,666	11,887	361,553
Other	18,930	13,330	32,260
Internal Balances	60,015	(60,015)	
Inventory		8,189	8,189
Restricted Assets:			
Cash with Fiscal Agents	346,726		346,726
Capital Assets:			
Not Being Depreciated	471,800		471,800
Being Depreciated, Net	<u>23,406,074</u>	<u>97,164</u>	<u>23,503,238</u>
Total Assets	<u>25,896,925</u>	<u>146,375</u>	<u>26,043,300</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	890,358		890,358
Deferred Amount on Net Pension Liability	<u>1,483,873</u>	<u>-</u>	<u>1,483,873</u>
Total Deferred Outflows of Resources	<u>2,374,231</u>	<u>-</u>	<u>2,374,231</u>
Total Assets and Deferred Outflows of Resources	<u>28,271,156</u>	<u>146,375</u>	<u>28,417,531</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	632,474	11,662	644,136
Payable to Other Governments	21,753		21,753
Unearned Revenue	68,875	15,368	84,243
Accrued Interest	280,110		280,110
Noncurrent Liabilities			
Due Within One Year	1,536,548		1,536,548
Due Beyond One Year	<u>24,735,089</u>	<u>-</u>	<u>24,735,089</u>
Total Liabilities	<u>27,274,849</u>	<u>27,030</u>	<u>27,301,879</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount on Net Pension Liability	2,853,361		2,853,361
Deferred Government Commodities	<u>-</u>	<u>1,229</u>	<u>1,229</u>
Total Deferred Inflows of Resources	<u>2,853,361</u>	<u>1,229</u>	<u>2,854,590</u>
Total Liabilities and Deferred Inflows of Resources	<u>30,128,210</u>	<u>28,259</u>	<u>30,156,469</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,340,229	97,164	6,437,393
Restricted for:			
Capital Projects	892,000		892,000
Other Purposes	200,000		200,000
Unrestricted	<u>(9,289,283)</u>	<u>20,952</u>	<u>(9,268,331)</u>
Total Net Position	<u>\$ (1,857,054)</u>	<u>\$ 118,116</u>	<u>\$ (1,738,938)</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, 2020**

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	\$ 14,666,546	\$ 5,109,936	\$ 4,728,055		\$ (4,828,555)		\$ (4,828,555)
Special Education	5,997,015	610,476	2,724,873		(2,661,666)		(2,661,666)
Other Instruction	946,862		268,827		(678,035)		(678,035)
School Sponsored Activities and Athletics	1,177,195		85,721		(1,091,474)		(1,091,474)
Support Services							
Student and Instruction Related Services	7,472,422		1,771,958		(5,700,464)		(5,700,464)
General Administrative Services	760,984		10,250		(750,734)		(750,734)
School Administrative Services	1,577,390		286,648		(1,290,742)		(1,290,742)
Central and Other Support Services	708,064		165,276		(542,788)		(542,788)
Plant Operations and Maintenance	2,976,314		274,911	\$ 36,508	(2,664,895)		(2,664,895)
Pupil Transportation	751,504		62,141		(689,363)		(689,363)
Interest on Long-Term Debt	667,645	-	164,907	-	(502,738)	-	(502,738)
<b>Total Governmental Activities</b>	<b>37,701,941</b>	<b>5,720,412</b>	<b>10,543,567</b>	<b>36,508</b>	<b>(21,401,454)</b>	<b>-</b>	<b>(21,401,454)</b>
Business-Type Activities							
Food Service	508,531	242,576	246,480			\$ (19,475)	(19,475)
Bridges to Learning	388,071	437,020	-	-	-	48,949	48,949
<b>Total Business-Type Activities</b>	<b>896,602</b>	<b>679,596</b>	<b>246,480</b>	<b>-</b>	<b>-</b>	<b>29,474</b>	<b>29,474</b>
<b>Total Primary Government</b>	<b>\$ 38,598,543</b>	<b>\$ 6,400,008</b>	<b>\$ 10,790,047</b>	<b>\$ 36,508</b>	<b>(21,401,454)</b>	<b>29,474</b>	<b>(21,371,980)</b>
General Revenues:							
Property Taxes:							
Levied for General Purposes					19,738,335		19,738,335
Levied for Debt Service					1,104,997		1,104,997
Federal and State Aid, Unrestricted					1,027,831		1,027,831
State Aid Restricted for Debt Service					214,846		214,846
Investment Earnings					7,209	62	7,271
Miscellaneous Income					257,336	-	257,336
<b>Total General Revenues</b>					<b>22,350,554</b>	<b>62</b>	<b>22,350,616</b>
<b>Change in Net Position</b>					<b>949,100</b>	<b>29,536</b>	<b>978,636</b>
<b>Net Position, Beginning of Year</b>					<b>(2,806,154)</b>	<b>88,580</b>	<b>(2,717,574)</b>
<b>Net Position, End of Year</b>					<b>\$ (1,857,054)</b>	<b>\$ 118,116</b>	<b>\$ (1,738,938)</b>

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, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,211,359		\$ 32,355		\$ 1,243,714
Receivables, Net					
Federal Government		\$ 118,517			118,517
State Government	46,029	8,319			54,348
Other Local Governments	176,801				176,801
Due from Other Funds	221,471				221,471
Restricted Assets:					
Cash with Fiscal Agents	-	-	346,726	-	346,726
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,655,660</u>	<u>\$ 126,836</u>	<u>\$ 379,081</u>	<u>\$ -</u>	<u>\$ 2,161,577</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 38,774	\$ 721			\$ 39,495
Tuition Refund Payable	592,979				592,979
Due to Other Funds		142,526			142,526
Payable to State Government		21,753			21,753
Unearned Revenue	-	68,875	-	-	68,875
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>631,753</u>	<u>233,875</u>	<u>-</u>	<u>-</u>	<u>865,628</u>
<b>Fund Balances (Deficits)</b>					
<b>Restricted</b>					
Capital Reserve	892,000				892,000
Tuition Reserve	200,000				200,000
Capital Projects			\$ 379,081		379,081
<b>Assigned</b>					
Year-End Encumbrances	144,649				144,649
Designated for Subsequent Year's Expenditures	102,761				102,761
<b>Unassigned</b>					
General Fund (Deficit)	(315,503)				(315,503)
Special Revenue Fund (Deficit)	-	(107,039)	-	-	(107,039)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances (Deficits)	<u>1,023,907</u>	<u>(107,039)</u>	<u>379,081</u>	<u>-</u>	<u>1,295,949</u>
Total Liabilities and Fund Balances	<u>\$ 1,655,660</u>	<u>\$ 126,836</u>	<u>\$ 379,081</u>	<u>\$ -</u>	<u>\$ 2,161,577</u>

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

**TOWN OF BOONTON SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2020**

**Total Fund Balances - Governmental Funds (Exhibit B-1)** \$ 1,295,949

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 \$37,209,080 and the accumulated depreciation is \$13,331,206.

23,877,874

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.

890,358

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.

Deferred Outflow of Resources	\$	1,483,873
Deferred Inflow of Resources		<u>(2,853,361)</u>

(1,369,488)

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:

Serial Bonds		(16,951,852)
Capital Leases		(1,855,232)
Net Pension Liability		(7,121,123)
Compensated Absences		<u>(343,430)</u>

(26,271,637)

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

(280,110)

**Net Position of Governmental Activities (Exhibit A-1)**

**\$ (1,857,054)**

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

**TOWN OF BOONTON SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 19,738,335			\$ 1,104,997	\$ 20,843,332
Tuition	5,720,412				5,720,412
Interest	6,753		\$ 456		7,209
Miscellaneous	<u>257,336</u>	<u>\$ 12,930</u>	<u>-</u>	<u>-</u>	<u>270,266</u>
Total - Local Sources	25,722,836	12,930	456	1,104,997	26,841,219
State Sources	7,140,153	1,276,521		379,753	8,796,427
Federal Sources	<u>43,525</u>	<u>739,656</u>	<u>-</u>	<u>-</u>	<u>783,181</u>
Total Revenues	<u>32,906,514</u>	<u>2,029,107</u>	<u>456</u>	<u>1,484,750</u>	<u>36,420,827</u>
<b>EXPENDITURES</b>					
Instruction					
Regular	11,648,430	1,538,112	136,727		13,323,269
Special Education	5,303,227	334,821			5,638,048
Other Instruction	859,954	1,638			861,592
School Sponsored Co-Curricular Activities	1,119,413				1,119,413
Support Services					
Student and Instruction Related Services	6,598,409	376,361			6,974,770
General Administrative Services	736,858		5,194		742,052
School Administrative Services	1,333,725				1,333,725
Central and Other Support Services	655,318				655,318
Plant Operations and Maintenance	2,046,585				2,046,585
Pupil Transportation	712,506				712,506
Debt Service					
Principal	572,273			840,000	1,412,273
Interest	49,859			644,750	694,609
Capital Outlay	<u>57,396</u>	<u>36,508</u>	<u>103,780</u>	<u>-</u>	<u>197,684</u>
Total Expenditures	<u>31,693,953</u>	<u>2,287,440</u>	<u>245,701</u>	<u>1,484,750</u>	<u>35,711,844</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>1,212,561</u>	<u>(258,333)</u>	<u>(245,245)</u>	<u>-</u>	<u>708,983</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Purchase Proceeds			340,000		340,000
Insurance Recovery Proceeds			5,194		5,194
Casualty Loss			(5,194)		(5,194)
Operating Transfer In	110	198,861			198,971
Operating Transfer Out	<u>(198,861)</u>	<u>-</u>	<u>(110)</u>	<u>-</u>	<u>(198,971)</u>
Total Other Financing Sources and Uses	<u>(198,751)</u>	<u>198,861</u>	<u>339,890</u>	<u>-</u>	<u>340,000</u>
Net Change in Fund Balances	1,013,810	(59,472)	94,645	-	1,048,983
Fund Balance (Deficit), Beginning of Year	<u>10,097</u>	<u>(47,567)</u>	<u>284,436</u>	<u>-</u>	<u>246,966</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,023,907</u>	<u>\$ (107,039)</u>	<u>\$ 379,081</u>	<u>\$ -</u>	<u>\$ 1,295,949</u>

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

**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, 2020**

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ 1,048,983

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 depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 197,684	
Depreciation Expense	<u>(1,251,372)</u>	
		(1,053,688)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Compensated Absences	(45,129)	
Accrued Interest	15,400	
Pension Expense	<u>(100,303)</u>	
		(130,032)

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		(340,000)
Principal Repayments		
Serial Bonds	840,000	
Capital Leases	<u>572,273</u>	
		1,412,273
Amortization of Refunding Bond Items		
Original Issue Premium	104,867	
Deferred Amount on Refunding	<u>(93,303)</u>	
		<u>11,564</u>

**Change in net position of governmental activities (Exhibit A-2)** \$ 949,100

**TOWN OF BOONTON SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2020**

	<u>Enterprise Funds</u>		
	<u>Food Service</u>	<u>Bridges to Learning Program</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 17,976	\$ 57,844	\$ 75,820
Receivables			
Intergovernmental	11,887		11,887
Accounts	13,330		13,330
Inventories	8,189	-	8,189
	<u>51,382</u>	<u>57,844</u>	<u>109,226</u>
Total Current Assets			
Capital Assets			
Furniture, Machinery and Equipment	334,975		334,975
Less Accumulated Depreciation	<u>(237,811)</u>	<u>-</u>	<u>(237,811)</u>
Total Capital Assets, Net	<u>97,164</u>	<u>-</u>	<u>97,164</u>
Total Assets	<u>148,546</u>	<u>57,844</u>	<u>206,390</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	11,662		11,662
Due to Other Funds	60,015		60,015
Unearned Revenue	15,368	-	15,368
	<u>87,045</u>	<u>-</u>	<u>87,045</u>
Total Current Liabilities			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	<u>1,229</u>	<u>-</u>	<u>1,229</u>
Total Deferred Inflows of Resources	<u>1,229</u>	<u>-</u>	<u>1,229</u>
Total Liabilities and Deferred Inflows of Resources	<u>88,274</u>	<u>-</u>	<u>88,274</u>
<b>NET POSITION</b>			
Investment in Capital Assets	97,164		97,164
Unrestricted	<u>(36,892)</u>	<u>57,844</u>	<u>20,952</u>
Total Net Position	<u>\$ 60,272</u>	<u>\$ 57,844</u>	<u>\$ 118,116</u>

**TOWN OF BOONTON SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Food Service</u>	<u>Bridges to Learning Program</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Local Sources			
Daily Sales			
Reimbursable Programs	\$ 131,128		\$ 131,128
Non-Reimbursable Programs	100,414		100,414
Program Fees		\$ 437,020	437,020
Miscellaneous	11,034	-	11,034
	<u>242,576</u>	<u>437,020</u>	<u>679,596</u>
Total Operating Revenues			
<b>OPERATING EXPENSES</b>			
Salaries and Wages	186,546	337,621	524,167
Other Purchased Services	15,760	31,318	47,078
Repairs and Maintenance	10,112		10,112
Management Fee	29,062		29,062
Supplies and Materials	7,128	19,132	26,260
Insurance	30,189		30,189
Cost of Sales			
Reimbursable Programs	140,729		140,729
USDA Commodities	32,944		32,944
Non-Reimbursable Programs	40,881		40,881
Miscellaneous	119		119
Depreciation	15,061	-	15,061
	<u>508,531</u>	<u>388,071</u>	<u>896,602</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(265,955)</u>	<u>48,949</u>	<u>(217,006)</u>
<b>Nonoperating Revenues</b>			
State Sources			
School Lunch Program	4,694		4,694
Federal Sources			
School Breakfast Program	26,040		26,040
U.S.D.A. Commodities	32,944		32,944
School Lunch Program	182,802		182,802
Interest Income	62	-	62
	<u>246,542</u>	<u>-</u>	<u>246,542</u>
Total Nonoperating Revenues			
Change in Net Position	(19,413)	48,949	29,536
Net Position, Beginning of Year	<u>79,685</u>	<u>8,895</u>	<u>88,580</u>
Net Position, End of Year	<u>\$ 60,272</u>	<u>\$ 57,844</u>	<u>\$ 118,116</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, 2020**

	<u>Food Service</u>	<u>Bridges to Learning Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 249,300	\$ 437,020	\$ 686,320
Cash Payments for Employees			
Salaries & Benefits	(186,546)	(337,621)	(524,167)
Cash Payments to Suppliers for Goods and Services	<u>(272,144)</u>	<u>(50,481)</u>	<u>(322,625)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(209,390)</u>	<u>48,918</u>	<u>(160,472)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received from (Payments to) Other Funds	23,566		23,566
Cash Received from Other Governments	<u>215,211</u>	<u>-</u>	<u>215,211</u>
Net Cash Provided by Noncapital Financing Activities	<u>238,777</u>	<u>-</u>	<u>238,777</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	<u>(2,411)</u>	<u>-</u>	<u>(2,411)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(2,411)</u>	<u>-</u>	<u>(2,411)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Earnings	<u>62</u>	<u>-</u>	<u>62</u>
Net Cash Provided by Investing Activities	<u>62</u>	<u>-</u>	<u>62</u>
Net Increase in Cash and Cash Equivalents	27,038	48,918	75,956
Cash and Cash Equivalents, Beginning of Year	<u>(9,062)</u>	<u>8,926</u>	<u>(136)</u>
Cash and Cash Equivalents, End of Year	<u>\$ 17,976</u>	<u>\$ 57,844</u>	<u>\$ 75,820</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (265,955)	\$ 48,949	\$ (217,006)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	15,061		15,061
Non-Cash Federal Assistance - Food Distribution Program	32,944		32,944
Change in Assets, Deferred Inflows of Resources and Liabilities			
(Increase)/Decrease in Accounts Receivable	(2)		(2)
(Increase)/Decrease in Inventory	(4,560)		(4,560)
Increase/(Decrease) in Accounts Payable	5,637	(31)	5,606
Increase/(Decrease) in Deferred Inflows of Resources	759		759
Increase/(Decrease) in Unearned Revenue	<u>6,726</u>	<u>-</u>	<u>6,726</u>
Total Adjustments	<u>56,565</u>	<u>(31)</u>	<u>56,534</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (209,390)</u>	<u>\$ 48,918</u>	<u>\$ (160,472)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 33,703		\$ 33,703

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, 2020**

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Private Purpose Scholarship <u>Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 61,137	\$ 284,407	\$ 857,023
Due from Other Funds	<u>39,994</u>	<u>-</u>	<u>-</u>
Total Assets	<u>101,131</u>	<u>284,407</u>	<u>\$ 857,023</u>
<b>LIABILITIES</b>			
Accrued Salaries and Wages			\$ 614,254
Intergovernmental Accounts Payable	76,592		
Due to Student Groups			113,681
Payroll Deductions and Withholdings Payable	6,806		69,693
Reserve for Flexible Spending Account			13,286
Due to Other Funds	<u>9,571</u>	<u>9,359</u>	<u>39,994</u>
Total Liabilities	<u>92,969</u>	<u>9,359</u>	<u>\$ 857,023</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims	<u>\$ 8,162</u>		
Reserved for Scholarships		<u>\$ 275,048</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, 2020**

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Private Purpose Scholarship <u>Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Employees	\$ 34,640	
Donations		\$ 4,254
Interest Earnings	<u>115</u>	<u>145</u>
Total Additions	<u>34,755</u>	<u>4,399</u>
<b>DEDUCTIONS</b>		
Unemployment Claims and Contributions	108,181	
Scholarships Awarded	<u>-</u>	<u>1,400</u>
Total Deductions	<u>108,181</u>	<u>1,400</u>
Change in Net Position	(73,426)	2,999
Net Position, Beginning of Year	<u>81,588</u>	<u>272,049</u>
Net Position, End of Year	<u>\$ 8,162</u>	<u>\$ 275,048</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, 2020**

**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. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Pre-Kindergarten through grade twelve (12) school district.

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 Superintendent is the Chief Administrative Officer of the District and is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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**

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation has been postponed and will be effective beginning with the fiscal year ending June 30, 2021. 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.
- GASB No. 87, *Leases*, implementation has been postponed and will be effective beginning with the fiscal year ending June 30, 2022. 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.

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation has been postponed and will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**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.

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**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.

**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.

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

The District reports the following 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 administrators, 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 District 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".

**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.

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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.

**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.

**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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 and other expenditures.

**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

**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.



**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 (Continued)***

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, 2020**

**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).

*Tuition Reserve* – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2019/2020 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

*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, 2020**

**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)**

**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 2020/2021 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. The District has no committed fund balances at year end.

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, 2020**

**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 1<sup>st</sup> 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 2018-2019 and 2019-2020 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.

The District has established a tuition reserve in the amount of \$200,000 as of June 30, 2020 for potential future tuition adjustments related to the 2019/20 contract year.

**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, 2020**

**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 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$508,671. The increase was funded by 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.

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Tuition to Private Schools for the Disabled – Within State	\$666,714	\$735,339	\$68,625

The above variance was the result of an audit adjustment and was offset with other available resources.

**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Deficit Fund Equity**

The District has an unassigned fund deficit of \$315,503 in the General Fund and \$107,039 in the Special Revenue Fund as of June 30, 2020 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 2019/2020 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) 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 \$315,503 and \$107,039 in the General Fund and Special Revenue Fund are respectively, less than the delayed state aid payments at June 30, 2020.

**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, 2020 is as follows:

Balance, July 1, 2019	\$ 9,462
Increased by:	
Deposit by Board Resolution	<u>882,538</u>
Balance, June 30, 2020	<u>\$ 892,000</u>

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, the book value of the Board's deposits were \$2,868,827 and bank and brokerage firm balances of the Board's deposits amounted to \$3,376,237. 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>3,376,237</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, 2020, 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, 2020, the Board had no outstanding investments.

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2020 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 118,517	\$ 11,766	\$ 130,283
State	\$ 46,029	8,319	121	54,469
Local	176,801	-	-	176,801
	222,830	126,836	11,887	361,553
Gross Receivables				
Less: Allowance for				
Uncollectibles	-	-	-	-
Net Total Receivables	\$ 222,830	\$ 126,836	\$ 11,887	\$ 361,553

**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	\$ 14,268
Grant Draw Downs Reserved for Encumbrances	54,607
Total Unearned Revenue for Governmental Funds	\$ 68,875



**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2020</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 471,800			\$ 471,800
Construction in Progress	<u>101,734</u>	<u>-</u>	<u>\$ (101,734)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>573,534</u>	<u>-</u>	<u>(101,734)</u>	<u>471,800</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	32,818,387	\$ 161,538	101,734	33,081,659
Machinery and Equipment	<u>3,619,475</u>	<u>36,146</u>	<u>-</u>	<u>3,655,621</u>
Total Capital Assets Being Depreciated	<u>36,437,862</u>	<u>197,684</u>	<u>101,734</u>	<u>36,737,280</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(9,476,995)	(842,009)		(10,319,004)
Machinery and Equipment	<u>(2,602,839)</u>	<u>(409,363)</u>	<u>-</u>	<u>(3,012,202)</u>
Total Accumulated Depreciation	<u>(12,079,834)</u>	<u>(1,251,372)</u>	<u>-</u>	<u>(13,331,206)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,358,028</u>	<u>(1,053,688)</u>	<u>101,734</u>	<u>23,406,074</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,931,562</u>	<u>\$ (1,053,688)</u>	<u>\$ -</u>	<u>\$ 23,877,874</u>
	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2020</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 332,564	\$ 2,411	-	\$ 334,975
Total Capital Assets Being Depreciated	<u>332,564</u>	<u>2,411</u>	<u>-</u>	<u>334,975</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(222,750)</u>	<u>(15,061)</u>	<u>-</u>	<u>(237,811)</u>
Total Accumulated Depreciation	<u>(222,750)</u>	<u>(15,061)</u>	<u>-</u>	<u>(237,811)</u>
Total Capital Assets, Being Depreciated, Net	<u>109,814</u>	<u>(12,650)</u>	<u>-</u>	<u>97,164</u>
Business-Type Activities Capital Assets, Net	<u>\$ 109,814</u>	<u>\$ (12,650)</u>	<u>\$ -</u>	<u>\$ 97,164</u>

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction	
Regular	\$ 197,675
Total Instruction	<u>197,675</u>
Support Services	
Support Services-Students	19,054
School Administration	136,066
Operations and Maintenance	865,476
Transporation	<u>33,101</u>
Total Support Services	<u>1,053,697</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,251,372</u>

**Business-Type Activities:**

Food Service Fund	\$ 15,061
Total Depreciation Expense-Business-Type Activities	<u>\$ 15,061</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2020, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 142,526
General Fund	Food Service Enterprise Fund	60,015
General Fund	Scholarship Fund	9,359
General Fund	Unemployment Trust Fund	9,571
Unemployment Trust Fund	Payroll Agency Fund	<u>39,994</u>
		<u>\$ 261,465</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, 2020**

**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		\$ 198,861	\$ 198,861
Capital Projects Fund	\$ 110	.	110
Total Transfers Out	<u>\$ 110</u>	<u>\$ 198,861</u>	<u>\$ 198,971</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 buses, textbooks, supplies, equipment and various other acquisitions totaling \$3,250,150 under capital leases. The leases are for terms of 5 years.

The unexpended proceeds from capital leases in the amount of \$346,726 at June 30, 2020 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, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2021	\$ 693,883
2022	682,139
2023	386,545
2024	116,014
2025	<u>71,751</u>
Total minimum lease payments	1,950,332
Less: amount representing interest	<u>(95,100)</u>
Present value of minimum lease payments	<u>\$ 1,855,232</u>

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020 are comprised of the following issues:

\$9,305,000, 2014 Refunding Bonds, due in annual installments of \$875,000 to \$1,080,000 through January 15, 2027, interest at 3.00% to 5.00%	\$ 6,750,000
\$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>\$16,080,000</u>

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	995,000	483,200	1,478,200
2026-2030	5,850,000	1,761,300	7,611,300
2030-2034	<u>5,600,000</u>	<u>570,200</u>	<u>6,170,200</u>
	<u>\$ 16,080,000</u>	<u>\$ 5,099,250</u>	<u>\$ 21,179,250</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 46,803,221
Less: Net Debt (Including Unfunded Authorizations)	<u>16,080,325</u>
Remaining Borrowing Power	<u>\$ 30,722,896</u>

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, was as follows:

	Balance, July 1, 2019	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2020	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 16,920,000		\$ (840,000)	\$ 16,080,000	\$ 875,000
Add: Premium	<u>976,719</u>	-	<u>(104,867)</u>	<u>871,852</u>	-
Total Bonds Payable	17,896,719	-	(944,867)	16,951,852	875,000
Capital Leases Payable	2,087,505	\$ 340,000	(572,273)	1,855,232	648,522
Net Pension Liability	7,564,016		(442,893)	7,121,123	
Compensated Absences	<u>298,301</u>	<u>67,472</u>	<u>(22,343)</u>	<u>343,430</u>	<u>13,026</u>
Governmental Activity Long-Term Liabilities	<u>\$ 27,846,541</u>	<u>\$ 407,472</u>	<u>\$ (1,982,376)</u>	<u>\$ 26,271,637</u>	<u>\$ 1,536,548</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, 2020**

**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>
2020	None	\$ 34,640	\$ 108,181	\$ 8,162
2019	None	28,343	34,916	81,588
2018	None	27,651	15,424	88,022

**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.

**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, 2020, 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, 2020, 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, 2020**

**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](http://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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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](http://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, 2020**

**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:

<b>Tier</b>	<b>Definition</b>
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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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](http://www.state.nj.us/treasury/pensions).



**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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](http://www.state.nj.us/treasury/doinvest).

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the July 1, 2018 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 2020.

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, 2020 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 the 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 2020, 2019 and 2018 were equal to the required contributions.

**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

During the fiscal years ended June 30, 2020, 2019 and 2018 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 <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 384,427	\$ 2,547,767	\$ 6,953
2019	382,120	2,284,134	4,660
2018	367,739	1,688,729	4,568

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$2,681, \$2,549 and \$7,838, respectively for PERS and the State contributed \$2,187, \$2,257 and \$2,523, 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 \$946,402 during the fiscal year ended June 30, 2020 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 both 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, 2018 through June 30, 2019. 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, 2020**

**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, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$7,121,123 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .03952 percent, which was an increase of .00111 percent from its proportionate share measured as of June 30, 2018 of .03841 percent.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$484,730 for PERS. The pension contribution made by the District during the current 2019/2020 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, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 127,815	\$ 31,458
Changes of Assumptions	711,070	2,471,719
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		112,410
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>644,988</u>	<u>237,774</u>
Total	<u>\$ 1,483,873</u>	<u>\$ 2,853,361</u>

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2021	\$ (353,606)
2022	(353,606)
2023	(353,605)
2024	(275,505)
2025	(33,166)
Thereafter	<u>-</u>
	<u>\$ (1,369,488)</u>

***Actuarial Assumptions***

The District's total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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 rates 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 PERS' target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

***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>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 6.28%, 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 (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	<b>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,995,135</u>	<u>\$ 7,121,123</u>	<u>\$ 5,542,002</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District’s net pension liability at June 30, 2019 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](http://www.state.nj.us/treasury/pensions).

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. 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, 2019, 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,117,758 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$69,813,017. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the state's share of the net pension liability attributable to the District was .11375 percent, which was an increase of .0018 percent from its proportionate share measured as of June 30, 2018 of .11195 percent.



**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u><b>TPAF</b></u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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 TPAF's target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 5.60%, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 82,324,999</u>	<u>\$ 69,813,017</u>	<u>\$ 59,432,023</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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](http://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, 2019. 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](http://www.state.nj.us/treasury/pensions).

**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<hr/>
Total	<u>364,943</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, 2019 is \$41.7 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, 2018 which were rolled forward to June 30, 2019.

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

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, 2020, 2019 and 2018 were \$945,175, \$1,036,079 and \$1,090,714, 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, 2020**

**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, 2018 through June 30, 2019. 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,605,398. 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, 2020, the State’s proportionate share of the OPEB liability attributable to the District is \$42,679,610. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state’s share of the OPEB liability attributable to the District was 0.10 percent, which was unchanged from its proportionate share measured as of June 30, 2018.

**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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**

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	2.75% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019
Long-Term Rate of Return	2.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.



**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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)**

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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

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

**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 2.00% as of June 30, 2019.

**Discount Rate**

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

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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, 2020**

**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, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>45,798,597</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,823,408
Interest on the Total OPEB Liability	1,818,605
Differences Between Expected and Actual Experience	(6,126,055)
Changes of Assumptions	636,356
Gross Benefit Payments	(1,310,137)
Contributions from the Member	<u>38,836</u>
<b>Net Changes</b>	<u>\$ (3,118,987)</u>
Balance, June 30, 2019 Measurement Date	\$ <u><u>42,679,610</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 percent in 2018 to 3.50 percent in 2019.

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, 2019.

**TOWN OF BOONTON SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 3.50%, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 50,455,987</u>	<u>\$ 42,679,610</u>	<u>\$ 36,498,193</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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	<u>\$ 35,277,183</u>	<u>\$ 42,679,610</u>	<u>\$ 52,469,603</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**TOWN OF BOONTON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, if any, has not been determined.

**NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State's economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

**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, 2020**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 19,738,335		\$ 19,738,335	\$ 19,738,335	
Tuition from Other LEA's within the State	5,467,809		5,467,809	5,543,611	\$ 75,802
Tuition - Other				176,801	176,801
Interest Earned on Capital Reserve	1		1		(1)
Rents and Royalties	195,000		195,000	161,064	(33,936)
Unrestricted Miscellaneous Revenues	100,000	-	100,000	103,025	3,025
<b>Total Local Sources</b>	<b>25,501,145</b>	<b>-</b>	<b>25,501,145</b>	<b>25,722,836</b>	<b>221,691</b>
<b>State Sources</b>					
School Choice Aid	43,929		43,929	43,929	
Transportation Aid	58,651		58,651	58,651	
Extraordinary Aid	265,000		265,000	547,328	282,328
Special Education Aid	959,170		959,170	959,170	
Equalization Aid	895,954		895,954	895,954	
Security Aid	238,909		238,909	238,909	
Emergency Aid				102,761	102,761
TPAF Pension System Contribution (On-Behalf - Non-Budgeted)				2,502,905	2,502,905
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				44,862	44,862
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				945,175	945,175
TPAF Long-Term Disability Contributions ( Non-Budgeted)				2,187	2,187
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	946,402	946,402
<b>Total State Sources</b>	<b>2,461,613</b>	<b>-</b>	<b>2,461,613</b>	<b>7,288,233</b>	<b>4,826,620</b>
<b>Federal Sources</b>					
Special Education Medicaid Initiative	57,956	-	57,956	43,525	(14,431)
<b>Total Federal Sources</b>	<b>57,956</b>	<b>-</b>	<b>57,956</b>	<b>43,525</b>	<b>(14,431)</b>
<b>Total Revenues</b>	<b>28,020,714</b>	<b>-</b>	<b>28,020,714</b>	<b>33,054,594</b>	<b>5,033,880</b>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
<b>Instruction - Regular Programs</b>					
<b>Salaries of Teachers</b>					
Kindergarten	354,504	\$ (426)	354,078	354,078	
Grades 1-5	1,873,815	53,976	1,927,791	1,927,335	456
Grades 6-8	1,173,313	18,121	1,191,434	1,189,739	1,695
Grades 9-12	3,555,833	(44,883)	3,510,950	3,505,117	5,833
<b>Regular Programs - Home Instruction</b>					-
Salaries of Teachers	10,000	(7,479)	2,521	2,251	270
Purchased Professional-Educational Services	25,500	(14,886)	10,614	6,784	3,830
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	37,000	(37,000)			
Purchased Technical Services	19,515	(5,390)	14,125	14,125	
Other Purchased Services	475,166	(412,463)	62,703	50,302	12,401
General Supplies	292,504	(34,287)	258,217	246,090	12,127
Textbooks	55,024	(19,327)	35,697	35,697	
Other Objects	2,629	(1,319)	1,310	1,310	-
<b>Total Regular Programs</b>	<b>7,874,803</b>	<b>(505,363)</b>	<b>7,369,440</b>	<b>7,332,828</b>	<b>36,612</b>
<b>Special Education</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	257,457	(56,087)	201,370	201,370	
Other Salaries for Instruction	106,294	(53,377)	52,917	52,917	
General Supplies	2,383	(765)	1,618	1,618	-
<b>Total Learning and/or Language Disabilities</b>	<b>366,134</b>	<b>(110,229)</b>	<b>255,905</b>	<b>255,905</b>	<b>-</b>

**TOWN OF BOONTON SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
<b>Multiple Disabilities</b>					
Salaries of Teachers	\$ 221,737	\$ 40,940	\$ 262,677	\$ 262,466	\$ 211
Other Salaries for Instruction	171,627	(17,416)	154,211	154,211	
Other Purchased Services (400-500 series)	250	(250)			
General Supplies	4,583	63	4,646	4,282	364
<b>Total Multiple Disabilities</b>	<b>398,197</b>	<b>23,337</b>	<b>421,534</b>	<b>420,959</b>	<b>575</b>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	1,386,620	(11,918)	1,374,702	1,374,702	
Other Salaries for Instruction	469,670	77,112	546,782	546,782	
Other Purchased Services		1,126	1,126	874	252
General Supplies	6,892	(2,381)	4,511	2,946	1,565
<b>Total Resource Room/Resource Center</b>	<b>1,863,182</b>	<b>63,939</b>	<b>1,927,121</b>	<b>1,925,304</b>	<b>1,817</b>
<b>Preschool Disabilities - Full Time</b>					
Salaries of Teachers	61,954	7,928	69,882	69,873	9
Other Salaries for Instruction	143,816	(89,677)	54,139	54,139	
General Supplies	371	(3)	368	368	-
<b>Total Preschool Disabilities - Full-Time</b>	<b>206,141</b>	<b>(81,752)</b>	<b>124,389</b>	<b>124,380</b>	<b>9</b>
<b>Home Instruction</b>					
Salaries of Teachers	5,500	-	5,500	973	4,527
Purchased Professional Educational Services	51,500	-	51,500	28,300	23,200
<b>Total Home Instruction</b>	<b>57,000</b>	<b>-</b>	<b>57,000</b>	<b>29,273</b>	<b>27,727</b>
<b>Total Special Education</b>	<b>2,890,654</b>	<b>(104,705)</b>	<b>2,785,949</b>	<b>2,755,821</b>	<b>30,128</b>
<b>Basic Skills/Remedial</b>					
Salaries of Teachers	187,642	30,181	217,823	217,603	220
Other Purchased Services		577	577	289	288
General Supplies	1,684	280	1,964	1,931	33
<b>Total Basic Skills/Remedial</b>	<b>189,326</b>	<b>31,038</b>	<b>220,364</b>	<b>219,823</b>	<b>541</b>
<b>Bilingual Education</b>					
Salaries of Teachers	321,148	1,978	323,126	323,126	
Other Purchased Services		1,795	1,795	861	934
General Supplies	4,947	525	5,472	4,957	515
<b>Total Bilingual Education</b>	<b>326,095</b>	<b>4,298</b>	<b>330,393</b>	<b>328,944</b>	<b>1,449</b>
<b>School Sponsored Co-Curricular Activities</b>					
Salaries	151,717	(18,537)	133,180	133,180	
Purchased Services	1,600	(1,600)			
Supplies and Materials	5,868	(3,400)	2,468	1,680	788
<b>Total School Sponsored Co-Curricular Activities</b>	<b>159,185</b>	<b>(23,537)</b>	<b>135,648</b>	<b>134,860</b>	<b>788</b>
<b>School Sponsored Athletics</b>					
Salaries	524,751	(4,865)	519,886	513,596	6,290
Purchased Services	153,244	(11,016)	142,228	65,724	76,504
Supplies and Materials	81,170	(1,964)	79,206	63,109	16,097
Other Objects	9,510	(50)	9,460	8,407	1,053
<b>Total School Sponsored Athletics</b>	<b>768,675</b>	<b>(17,895)</b>	<b>750,780</b>	<b>650,836</b>	<b>99,944</b>
<b>Before/After School Programs</b>					
Other Purchased Services (400-500 series)	1,950	(1,950)	-	-	-
<b>Total Before/After School Programs</b>	<b>1,950</b>	<b>(1,950)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Instructional Programs</b>					
Salaries	26,953	(26,953)			
Supplies and Materials	1,000	(1,000)	-	-	-
<b>Total Other Instructional Programs</b>	<b>27,953</b>	<b>(27,953)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Instruction</b>	<b>12,238,641</b>	<b>(646,067)</b>	<b>11,592,574</b>	<b>11,423,112</b>	<b>169,462</b>



**TOWN OF BOONTON SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/ State -Regular		\$ 15,976	\$ 15,976	\$ 8,965	\$ 7,011
Tuition to Other LEAs w/ State - Special	\$ 318,683	(12,062)	306,621	297,970	8,651
Tuition to County Voc. School Dist.-Regular	229,350	(100)	229,250	226,515	2,735
Tuition to County Voc. School Dist. - Special	21,600	(10,800)	10,800	10,800	
Tuition to Priv. Sch. Disabled Within State	588,365	78,349	666,714	735,339	(68,625)
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,157,998</b>	<b>71,363</b>	<b>1,229,361</b>	<b>1,279,589</b>	<b>(50,228)</b>
Attendance and Social Work					
Salaries	20,000	(3,584)	16,416	16,309	107
Purchased Professional and Technical Services	7,800		7,800	7,800	
Supplies and Materials	-	661	661	661	-
<b>Total Attendance and Social Work</b>	<b>27,800</b>	<b>(2,923)</b>	<b>24,877</b>	<b>24,770</b>	<b>107</b>
Health Services					
Salaries	271,565	14,393	285,958	285,931	27
Purchased Professional and Technical Services	22,900	1,196	24,096	21,802	2,294
Other Purchased Services	1,865	1,732	3,597	3,597	
Supplies and Materials	8,372	1,900	10,272	9,431	841
<b>Total Health Services</b>	<b>304,702</b>	<b>19,221</b>	<b>323,923</b>	<b>320,761</b>	<b>3,162</b>
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	366,495	2,340	368,835	368,835	
Purchased Professional/Educational Services	665,795	(18,140)	647,655	622,363	25,292
Supplies and Materials	5,157	(1,402)	3,755	3,660	95
<b>Total Other Supp.Serv. Student- Speech, OT, PT, &amp; Related Serv.</b>	<b>1,037,447</b>	<b>(17,202)</b>	<b>1,020,245</b>	<b>994,858</b>	<b>25,387</b>
Other Support Services - Students - Extra Serv.					
Salaries	265,564	171,878	437,442	409,380	28,062
Purchased Professional/Educational Services	263,915	(9,896)	254,019	190,162	63,857
<b>Total Other Supp.Serv. Student - Extra Serv.</b>	<b>529,479</b>	<b>161,982</b>	<b>691,461</b>	<b>599,542</b>	<b>91,919</b>
Guidance					
Salaries of Other Professional Staff	631,673	12,841	644,514	644,514	
Salaries of Secretarial & Clerical Assistants	57,076	(400)	56,676	56,676	
Other Salaries		4,000	4,000	4,000	
Purchased Professional/Educational Services	8,000		8,000	7,858	142
Other Purchased Professional and Technical Svcs.	23,800	(8,861)	14,939	6,930	8,009
Other Purchased Services	7,909	(3,394)	4,515	4,515	
Supplies and Materials	24,092	1,346	25,438	14,841	10,597
Other Objects	708	89	797	797	-
<b>Total Guidance</b>	<b>753,258</b>	<b>5,621</b>	<b>758,879</b>	<b>740,131</b>	<b>18,748</b>
Child Study Team					
Salaries of Other Professional Staff	788,605	(3,058)	785,547	785,547	
Salaries of Secretarial & Clerical Assistants	57,356	2,514	59,870	59,870	
Other Salaries	8,700	6,512	15,212	13,215	1,997
Purchased Professional-Educational Services	20,800	237	21,037	11,458	9,579
Other Purchased Professional and Technical Services	18,025	(3,149)	14,876	14,876	
Other Purchased Services	15,974	(7,761)	8,213	8,142	71
Supplies and Materials	26,157	(12,115)	14,042	13,962	80
Other Objects	1,285	(95)	1,190	1,190	-
<b>Total Child Study Teams</b>	<b>936,902</b>	<b>(16,915)</b>	<b>919,987</b>	<b>908,260</b>	<b>11,727</b>
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	672,179	230	672,409	667,348	5,061
Salaries Other Prof Staff	41,580	(14,369)	27,211	2,516	24,695
Salaries of Secretarial & Clerical Assistants	63,860		63,860	63,860	
Other Salaries	5,250	370	5,620	28	5,592
Salaries of Facilitators, Math and Literacy Coaches	5,000		5,000	2,500	2,500
Purchased Professional/Educational Services	1,664	4	1,668	1,668	
Other Purchased Professional and Technical Services	8,374	3,060	11,434	11,434	
Other Purchased Services (400-500)		1,065	1,065	329	736
Supplies and Materials	2,000	266	2,266	1,908	358
<b>Total Improvement of Instruction Services</b>	<b>799,907</b>	<b>(9,374)</b>	<b>790,533</b>	<b>751,591</b>	<b>38,942</b>

**TOWN OF BOONTON SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Educational Media/School Library					
Salaries - Regular	\$ 215,637	\$ (479)	\$ 215,158	\$ 215,018	\$ 140
Salaries of Technology Coordinators	113,261	(3)	113,258	113,258	
Purchased Professional and Technical Services	2,660	1,300	3,960	3,960	
Other Purchased Services	500	(500)			
Supplies and Materials	21,358	(1,350)	20,008	17,736	2,272
Other Objects	80	(15)	65	65	-
<b>Total Educational Media/School Library</b>	<b>353,496</b>	<b>(1,047)</b>	<b>352,449</b>	<b>350,037</b>	<b>2,412</b>
Instructional Staff Training Services					
Purchased Professional Educational Services	32,600	4,150	36,750	26,768	9,982
Other Purchased Services	17,675	(9,195)	8,480	5,986	2,494
Supplies and Materials		282	282	282	
Other Objects	2,414	(282)	2,132	1,684	448
<b>Total Instructional Staff Training Services</b>	<b>52,689</b>	<b>(5,045)</b>	<b>47,644</b>	<b>34,720</b>	<b>12,924</b>
Support Services General Administration					
Salaries	278,692	(2,699)	275,993	264,367	11,626
Legal Services	45,000	75,000	120,000	116,556	3,444
Audit Fees	32,500	100	32,600	32,345	255
Architectural/Engineering Services	15,000	(3,981)	11,019	11,019	
Other Purchased Professional Services	4,351	(1,926)	2,425	2,425	
Purchased Technical Services	15,611	3,807	19,418	19,418	
Communications/Telephone	114,044	(1,492)	112,552	107,969	4,583
BOE Other Purchased Services	3,000	400	3,400	3,400	
Miscellaneous Purchased Services	10,737	7,429	18,166	17,035	1,131
General Supplies	6,420	913	7,333	6,271	1,062
Judgements Against the School District	5,000	1,311	6,311	5,000	1,311
Miscellaneous Expenditures	2,831	(53)	2,778	2,573	205
BOE Membership Dues and Fees	11,183	(761)	10,422	10,422	-
<b>Total Support Services General Administration</b>	<b>544,369</b>	<b>78,048</b>	<b>622,417</b>	<b>598,800</b>	<b>23,617</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	450,295	513	450,808	450,617	191
Salaries of Other Professional Staff	107,814	327	108,141	108,141	
Salaries of Secretarial and Clerical Assistants	273,299	(164)	273,135	272,089	1,046
Unused Vac Payment to Term / Ret Staff		6,346	6,346	6,346	
Other Purchased Services	24,234	(17,877)	6,357	1,580	4,777
Supplies and Materials	38,167	3,205	41,372	28,964	12,408
Other Objects	12,400	-	12,400	8,236	4,164
<b>Total Support Services School Administration</b>	<b>906,209</b>	<b>(7,650)</b>	<b>898,559</b>	<b>875,973</b>	<b>22,586</b>
Undistributed Expenditures - Central Services					
Salaries	342,137	(6,994)	335,143	334,480	663
Purchased Professional Services	21,300		21,300	21,291	9
Purchased Technical Services	12,990	6,000	18,990	18,406	584
Misc. Purchased Services	5,825	1	5,826	4,471	1,355
Supplies and Materials	4,400	995	5,395	5,394	1
Interest on Lease Purchase Agreements	7,190	47,968	55,158	47,968	7,190
Miscellaneous Expenditures	2,695	-	2,695	2,195	500
<b>Total Undistributed Expenditures - Central Services</b>	<b>396,537</b>	<b>47,970</b>	<b>444,507</b>	<b>434,205</b>	<b>10,302</b>
Undistributed Expenditures - Admin. Info. Tech.					
Purchased Technical Services	35,859	670	36,529	26,407	10,122
Other Purchased Services	2,487	(2,107)	380	380	
Supplies and Materials	10,300		10,300	1,834	8,466
Other Objects	125	-	125	-	125
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<b>48,771</b>	<b>(1,437)</b>	<b>47,334</b>	<b>28,621</b>	<b>18,713</b>
Required Maintenance for School Facilities					
Salaries	242,883	(8,619)	234,264	233,946	318
Unused Vac Payment to Term / Ret Staff	1,640	(1,640)			
Cleaning, Repair and Maintenance Services	144,838	(21,891)	122,947	56,169	66,778
General Supplies	20,400	(8,088)	12,312	7,147	5,165
Other Objects	500	(175)	325	325	-
<b>Total Required Maintenance for School Facilities</b>	<b>410,261</b>	<b>(40,413)</b>	<b>369,848</b>	<b>297,587</b>	<b>72,261</b>

**TOWN OF BOONTON SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES (Continued)</b>					
<b>Custodial Services</b>					
Salaries	\$ 578,209	\$ (19,556)	\$ 558,653	\$ 546,983	\$ 11,670
Salaries of Non-Instructional Aides	107,960	8,326	116,286	116,286	
Unused Vac Payment to Term / Ret Staff	3,827	1,640	5,467	5,467	
Purchased Professional and Technical Services	1,089	(1)	1,088	1,088	
Cleaning, Repair and Maintenance Services	83,900	(21,171)	62,729	34,689	28,040
Other Purchased Property Services	26,991	(16)	26,975	20,266	6,709
Insurance	204,032	16,788	220,820	220,820	
General Supplies	61,000	(833)	60,167	55,408	4,759
Energy (Natural Gas)	131,084	6,438	137,522	103,106	34,416
Energy (Electricity)	206,950	8,491	215,441	183,372	32,069
Energy (Oil)	2,000	(95)	1,905	1,129	776
<b>Total Custodial Services</b>	<b>1,407,042</b>	<b>11</b>	<b>1,407,053</b>	<b>1,288,614</b>	<b>118,439</b>
<b>Care and Upkeep of Grounds</b>					
Purchased Professional and Technical Services		1,400	1,400		1,400
Cleaning, Repair and Maintenance Services	2,000	20,790	22,790	22,790	
General Supplies	2,000	663	2,663	2,247	416
<b>Total Care and Upkeep of Grounds</b>	<b>4,000</b>	<b>22,853</b>	<b>26,853</b>	<b>25,037</b>	<b>1,816</b>
<b>Security</b>					
Purchased Professional and Technical Services	1,500	5,010	6,510	6,510	
Cleaning, Repair and Maintenance Services	1,450		1,450		1,450
General Supplies	385	84	469	469	-
<b>Total Security</b>	<b>3,335</b>	<b>5,094</b>	<b>8,429</b>	<b>6,979</b>	<b>1,450</b>
<b>Student Transportation Services</b>					
Salaries of Non- Instructional Aide	7,689	667	8,356	8,256	100
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	32,770	13,428	46,198	46,198	
Salaries for Pupil Transportation (Other Than Between Home and School)	33,000	(5,112)	27,888	27,888	
Cleaning, Repair and Maintenance Services	6,000	1,340	7,340	7,340	
Rental Payments - School Buses		13,800	13,800	13,300	500
Lease Purchase Payments - School Buses	20,133		20,133	20,133	
Contracted Services - Aid in Lieu Payments - Choice School	3,000	(218)	2,782	1,334	1,448
Contracted Services (Between Home and School) - Vendors	78,000	22,000	100,000	97,052	2,948
Contracted Services (Other Than Between Home and School) - Vendors	120,250	(34,035)	86,215	39,410	46,805
Contracted Services (Special Ed Students) - Vendors	284,500	143,551	428,051	403,771	24,280
Misc Purchased Service- Transportation	1,250	(1,250)			
Transportation Supplies	10,000	6,578	16,578	5,230	11,348
Other Objects	500	881	1,381	1,381	-
<b>Total Student Transportation Services</b>	<b>597,092</b>	<b>161,630</b>	<b>758,722</b>	<b>671,293</b>	<b>87,429</b>
<b>Unallocated Benefits</b>					
Group Insurance	2,200	2,162	4,362	4,362	
Social Security Contributions	385,000	40,612	425,612	407,090	18,522
Other Retirement Contributions - PERS	457,204	(65,728)	391,476	391,476	
Other Retirement Contributions - Regular	6,000	953	6,953	6,953	
Unemployment Compensation	25,000	(25,000)			
Workmen's Compensation	128,210	5,269	133,479	133,479	
Health Benefits	4,302,968	(295,749)	4,007,219	3,617,342	389,877
Tuition Reimbursement	55,000	12,037	67,037	64,699	2,338
Other Employee Benefits	189,660	47,799	237,459	233,449	4,010
Unused Sick Payment to Terminated/Retired Staff	7,560	2,970	10,530	10,530	-
<b>Total Unallocated Benefits</b>	<b>5,558,802</b>	<b>(274,675)</b>	<b>5,284,127</b>	<b>4,869,380</b>	<b>414,747</b>
<b>On-Behalf (Non-Budget)</b>					
TPAF Pension System Contribution (On-Behalf - Non-Budgeted)				2,502,905	(2,502,905)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				44,862	(44,862)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				945,175	(945,175)
TPAF Long-Term Disability Contributions ( Non-Budgeted)				2,187	(2,187)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	946,402	(946,402)
<b>Total On-Behalf</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,441,531</b>	<b>(4,441,531)</b>
<b>Total Undistributed Expenditures</b>	<b>15,830,096</b>	<b>197,112</b>	<b>16,027,208</b>	<b>19,542,279</b>	<b>(3,515,071)</b>
<b>Total Current Expenditures</b>	<b>28,068,737</b>	<b>(448,955)</b>	<b>27,619,782</b>	<b>30,965,391</b>	<b>(3,345,609)</b>

**TOWN OF BOONTON SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY</b>					
Equipment					
Grades 9-12	-	\$ 17,468	\$ 17,468	\$ 7,478	\$ 9,990
Total Equipment	-	17,468	17,468	7,478	9,990
Facilities Acquisition and Construction Services					
Construction Services		29,199	29,199	29,199	
Lease Purchase Agreements- Principal	\$ 97,807	456,224	554,031	554,000	31
Assessment for Debt Service on SDA Funding	5,733	-	5,733	5,733	-
Total Facilities Acquisition and Construction Services	103,540	485,423	588,963	588,932	31
Interest Deposit to Capital Reserve	1	-	1	-	1
Assets Acquired Under Capital Lease (non-budget)	-	-	-	-	-
Total Capital Outlay	103,541	502,891	606,432	596,410	10,022
Transfer of Funds to Charter School	127,276	4,876	132,152	132,152	-
Total General Fund	28,299,554	58,812	28,358,366	31,693,953	(3,335,587)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(278,840)	(58,812)	(337,652)	1,360,641	1,698,293
Other Financing Sources (Uses)					
Capital Lease Proceeds (non-budget)					
Local Contribution - Preschool - Transfer to Special Revenue Fund	(298,861)	-	(298,861)	(198,861)	100,000
Operating Transfer In	-	-	-	110	110
Total Other Financing Sources	(298,861)	-	(298,861)	(198,751)	100,110
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(577,701)	(58,812)	(636,513)	1,161,890	1,798,403
Fund Balance, Beginning of Year	622,634	-	622,634	622,634	-
Fund Balance, End of Year	\$ 44,933	\$ (58,812)	(13,879)	1,784,524	\$ 1,798,403
<b>Reconciliation of Governmental Funds Statements (GAAP)</b>					
Restricted					
Capital Reserve				\$ 892,000	
Tuition Reserve				200,000	
Assigned					
Designated for Subsequent Year's Expenditures				102,761	
Year End Encumbrances				144,649	
Unassigned				445,114	
Fund Balance- Budgetary Basis				1,784,524	
Less: State Aid Revenue not recognized on GAAP basis				(760,617)	
Fund Balance per Governmental Funds Statements (GAAP)				\$ 1,023,907	

**TOWN OF BOONTON SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Local		\$ 28,435	\$ 28,435	\$ 12,930	\$ (15,505)
State	\$ 1,390,215	41,210	1,431,425	1,378,046	(53,379)
Federal	533,923	380,214	914,137	703,476	(210,661)
Total Revenues	<u>1,924,138</u>	<u>449,859</u>	<u>2,373,997</u>	<u>2,094,452</u>	<u>(279,545)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	708,398	(85,451)	622,947	621,097	1,850
Other Salaries for Instruction	279,428	79,852	359,280	331,052	28,228
Purchased Professional/Technical Services	57,247	67,813	125,060	112,645	12,415
Tuition	183,882	139,871	323,753	317,942	5,811
General Supplies	174,998	98,997	273,995	142,281	131,714
Textbooks	5,000	3,118	8,118	8,118	-
Total Instruction	<u>1,408,953</u>	<u>304,200</u>	<u>1,713,153</u>	<u>1,533,135</u>	<u>180,018</u>
Support Services					
Salary of Other Professional Staff	123,057	(58,686)	64,371	64,371	
Salaries of Family Liaison	4,000		4,000	4,000	
Salaries of Master Teachers	92,822		92,822	92,822	
Personal Services - Employee Benefits	416,889	74,143	491,032	389,404	101,628
Purchased Professional and Technical Services	58	90,928	90,986	67,128	23,858
Cleaning, Repair and Maintenance Services	90,000	(1,642)	88,358	78,913	9,445
Other Purchased Services	32,619	13,855	46,474	28,634	17,840
Contract Services-Transportation (Field Trips)	2,160	(1,615)	545	100	445
Travel	3,800	(3,616)	184	181	3
Supplies and Materials	38,641	28,819	67,460	19,182	48,278
Total Support Services	<u>804,046</u>	<u>142,186</u>	<u>946,232</u>	<u>744,735</u>	<u>201,497</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	10,000	3,473	13,473	15,443	(1,970)
Total Facilities Acquisition and Construction Services	<u>10,000</u>	<u>3,473</u>	<u>13,473</u>	<u>15,443</u>	<u>(1,970)</u>
Total Expenditures	<u>2,222,999</u>	<u>449,859</u>	<u>2,672,858</u>	<u>2,293,313</u>	<u>379,545</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(298,861)</u>	<u>-</u>	<u>(298,861)</u>	<u>(198,861)</u>	<u>100,000</u>
Other Financing Sources					
Operating Transfers In	298,861	-	298,861	198,861	(100,000)
Total Other Financing Sources	<u>298,861</u>	<u>-</u>	<u>298,861</u>	<u>198,861</u>	<u>(100,000)</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>
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid Revenue not Recognized on a GAAP Basis				(107,039)	
Fund Balance (Deficit) Per Governmental Fund Statement (GAAP)				<u>\$ (107,039)</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, 2020**

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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 33,054,594	\$ 2,094,452
 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, 2020		(54,607)
Encumbrances, June 30, 2019		48,734
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	612,537	47,567
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(760,617)</u>	<u>(107,039)</u>
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 <u>\$ 32,906,514</u>	 <u>\$ 2,029,107</u>
 <b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 31,693,953	\$ 2,293,313
 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, 2020		(54,607)
Encumbrances, June 30, 2019	<u>-</u>	<u>48,734</u>
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 31,693,953</u>	 <u>\$ 2,287,440</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 Seven Fiscal Years\***

	<u>2020</u>	<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)	0.03952%	0.03841%	0.03969%	0.03748%	0.03452%	0.03209%	0.03605%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,121,123	\$ 7,564,016	\$ 9,240,543	\$ 11,101,169	\$ 7,751,074	\$ 6,008,550	\$ 6,890,699
District's Covered Payroll	\$ 2,841,045	\$ 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	251%	284%	343%	421%	321%	264%	329%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	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 Seven Fiscal Years  
 (Dollar amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 384,425	\$ 382,120	\$ 367,739	\$ 332,987	\$ 296,857	\$ 271,476	\$ 234,285
Contributions in Relation to the Contractually Required Contribution	<u>384,425</u>	<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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 3,142,626	\$ 2,841,045	\$ 2,667,647	\$ 2,692,375	\$2,635,509	\$ 2,413,304	\$ 2,272,309
Contributions as a Percentage of Covered Payroll	12.23%	13.45%	13.79%	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 Seven Fiscal Years\***

	<u>2020</u>	<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%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>69,813,017</u>	<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>\$ 69,813,017</u>	<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	\$ 12,456,853	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	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, 2020**

**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 Three Fiscal Years\***

	2020	2019	2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 1,823,408	\$ 2,003,820	\$ 2,433,262
Interest on Total OPEB Liability	1,818,605	1,865,216	1,599,938
Differences Between Expected and Actual Experience	(6,126,055.0)	(2,315,657)	
Changes of Assumptions	636,356	(5,255,618)	(6,695,977)
Gross Benefit Payments	(1,310,137)	(1,224,638)	(1,141,786)
Contribution from the Member	38,836	42,325	42,043
<b>Net Change in Total OPEB Liability</b>	(3,118,987)	(4,884,552)	(3,762,520)
<b>Total OPEB Liability - Beginning</b>	45,798,597	50,683,149	54,445,669
<b>Total OPEB Liability - Ending</b>	\$ 42,679,610	\$ 45,798,597	\$ 50,683,149
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	42,679,610	45,798,597	50,683,149
<b>Total OPEB Liability - Ending</b>	\$ 42,679,610	\$ 45,798,597	\$ 50,683,149
District's Covered Payroll	\$ 15,297,898	\$ 14,605,102	\$ 14,406,846
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2020**

**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, 2020

	Every Student Succeeds Act (ESSA)							IDEA		Local Grant	Sub-Total Page 2	Total
	Title I	Title I SIA	Title I Reallocated	Title II-A	Title III	Title III Immigrant	Title IV	Part B, Basic	Preschool			
<b>REVENUES</b>												
Intergovernmental												
State											\$ 1,378,046	\$ 1,378,046
Federal	\$ 209,406	\$ 46,351	\$ 13,382	\$ 46,090	\$ 11,651	\$ 2,593	\$ 11,609	\$ 341,299	\$ 5,520		15,575	703,476
Local Sources	-	-	-	-	-	-	-	-	-	\$ 12,930	-	12,930
<b>Total Revenues</b>	<b>\$ 209,406</b>	<b>\$ 46,351</b>	<b>\$ 13,382</b>	<b>\$ 46,090</b>	<b>\$ 11,651</b>	<b>\$ 2,593</b>	<b>\$ 11,609</b>	<b>\$ 341,299</b>	<b>\$ 5,520</b>	<b>\$ 12,930</b>	<b>\$ 1,393,621</b>	<b>\$ 2,094,452</b>
<b>EXPENDITURES</b>												
Instruction												
Salaries of Teachers	\$ 97,280				\$ 1,999						\$ 521,818	\$ 621,097
Other Salaries for Instruction	53,743				7,047						270,262	331,052
Purchased Professional & Technical Services		\$ 26,016									86,629	112,645
Tuition								\$ 317,942			-	317,942
General Supplies	19,195	20,335	\$ 13,382		1,909	\$ 2,593			\$ 5,520		79,347	142,281
Textbooks	-	-	-	-	-	-	-	-	-	-	8,118	8,118
<b>Total Instruction</b>	<b>170,218</b>	<b>46,351</b>	<b>13,382</b>	<b>-</b>	<b>10,955</b>	<b>2,593</b>	<b>-</b>	<b>317,942</b>	<b>5,520</b>	<b>-</b>	<b>966,174</b>	<b>1,533,135</b>
Support Services												
Salary of Other Professional Staff				\$ 3,609							60,762	64,371
Salaries of Family Liaison											4,000	4,000
Salaries of Master Teachers											92,822	92,822
Personal Services Employee-Benefits	37,989			278	696						350,441	389,404
Purchased Professional and Technical Services				24,176			\$ 11,609	21,302			10,041	67,128
Cleaning, Repair and Maintenance Services											78,913	78,913
Other Purchased Services				13,059							15,575	28,634
Contract Services-Transportation (Field Trips)											100	100
Travel											181	181
Supplies and Materials	1,199	-	-	4,968	-	-	-	2,055	-	\$ 10,960	-	19,182
<b>Total Support Services</b>	<b>39,188</b>	<b>-</b>	<b>-</b>	<b>46,090</b>	<b>696</b>	<b>-</b>	<b>11,609</b>	<b>23,357</b>	<b>-</b>	<b>10,960</b>	<b>612,835</b>	<b>744,735</b>
Facilities Acquisition and Construction Services												
Instructional Equipment	-	-	-	-	-	-	-	-	-	1,970	13,473	15,443
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,970</b>	<b>13,473</b>	<b>15,443</b>
<b>Total Expenditures</b>	<b>\$ 209,406</b>	<b>\$ 46,351</b>	<b>\$ 13,382</b>	<b>\$ 46,090</b>	<b>\$ 11,651</b>	<b>\$ 2,593</b>	<b>\$ 11,609</b>	<b>\$ 341,299</b>	<b>\$ 5,520</b>	<b>\$ 12,930</b>	<b>\$ 1,592,482</b>	<b>\$ 2,293,313</b>
Other Financing Sources												
Transfer from General Fund - Preschool	-	-	-	-	-	-	-	-	-	-	198,861	198,861
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>198,861</b>	<b>198,861</b>
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, 2020

REVENUES	CARES	Nonpublic	Nonpublic Handicapped Services			New Jersey Nonpublic Aid				Preschool	Total
		Auxiliary Services Compensatory Education	Examination & Classification	Corrective Speech	Supplemental Instruction	Technology	Nursing	Security	Textbooks	Education Aid	
Intergovernmental											
State		\$ 7,301	\$ 29,543	\$ 9,661	\$ 10,038	\$ 5,544	\$ 11,446	\$ 15,608	\$ 8,118	\$ 1,280,787	\$ 1,378,046
Federal	\$ 15,575										15,575
Local Sources	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 15,575</b>	<b>\$ 7,301</b>	<b>\$ 29,543</b>	<b>\$ 9,661</b>	<b>\$ 10,038</b>	<b>\$ 5,544</b>	<b>\$ 11,446</b>	<b>\$ 15,608</b>	<b>\$ 8,118</b>	<b>\$ 1,280,787</b>	<b>\$ 1,393,621</b>
<b>EXPENDITURES</b>											
Instruction											
Salaries of Teachers										\$ 521,818	\$ 521,818
Other Salaries for Instruction										270,262	270,262
Purchased Professional/Educational Services		\$ 7,301	\$ 29,543	\$ 9,661	\$ 10,038		\$ 11,446			18,640	86,629
General Supplies						\$ 5,544		\$ 15,608		58,195	79,347
Textbooks									\$ 8,118	-	8,118
<b>Total Instruction</b>	<b>-</b>	<b>7,301</b>	<b>29,543</b>	<b>9,661</b>	<b>10,038</b>	<b>5,544</b>	<b>11,446</b>	<b>15,608</b>	<b>8,118</b>	<b>868,915</b>	<b>966,174</b>
Support Services											
Salary of Other Professional Staff										60,762	60,762
Salaries of Family Liaison										4,000	4,000
Salaries of Master Teachers										92,822	92,822
Personal Services Employee-Benefits										350,441	350,441
Other Purchased Professional Services										10,041	10,041
Cleaning, Repair and Maintenance Services										78,913	78,913
Other Purchased Services	\$ 15,575										15,575
Contract Services-Transportation (Field Trips)										100	100
Travel										181	181
<b>Total Support Services</b>	<b>15,575</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>597,260</b>	<b>612,835</b>
Facilities Acquisition and Construction Services											
Instructional Equipment										13,473	13,473
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,473</b>	<b>13,473</b>
<b>Total Expenditures</b>	<b>\$ 15,575</b>	<b>\$ 7,301</b>	<b>\$ 29,543</b>	<b>\$ 9,661</b>	<b>\$ 10,038</b>	<b>\$ 5,544</b>	<b>\$ 11,446</b>	<b>\$ 15,608</b>	<b>\$ 8,118</b>	<b>\$ 1,479,648</b>	<b>\$ 1,592,482</b>
Other Financing Sources											
Transfer from General Fund - Preschool										198,861	198,861
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>198,861</b>	<b>198,861</b>
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, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	\$ 509,380	\$ 14,289	\$ 523,669	\$ 521,818	\$ 1,851
Other Salaries for Instruction	279,428	397	279,825	270,262	9,563
Purchased Professional-Educational Services	10,000	8,640	18,640	18,640	-
General Supplies	58,775	-	58,775	58,195	580
<b>Total Instruction</b>	<u>857,583</u>	<u>23,326</u>	<u>880,909</u>	<u>868,915</u>	<u>11,994</u>
Support Services					
Salaries of Community Parent Involvement Spec.	97,022	(36,260)	60,762	60,762	
Salaries of Family Liaison	4,000		4,000	4,000	
Salaries of Master Teachers	92,822		92,822	92,822	
Personal Services - Employee Benefits	416,889	(65,000)	351,889	350,441	1,448
Other Purchased Professional Services	30,000	(18,266)	11,734	10,041	1,693
Cleaning, Repair and Maintenance Services	90,000	(1,642)	88,358	78,913	9,445
Contract Services-Transportation (Field Trips)	2,160	(1,615)	545	100	445
Travel	3,800	(3,616)	184	181	3
<b>Total Support Services</b>	<u>736,693</u>	<u>(126,399)</u>	<u>610,294</u>	<u>597,260</u>	<u>13,034</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	10,000	3,473	13,473	13,473	-
<b>Total Facilities Acquisition and Construction Service</b>	<u>10,000</u>	<u>3,473</u>	<u>13,473</u>	<u>13,473</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 1,604,276</u>	<u>\$ (99,600)</u>	<u>\$ 1,504,676</u>	<u>\$ 1,479,648</u>	<u>\$ 25,028</u>

**Calculation of Budget Carryover**

Total 2019-2020 Preschool Education Aid Allocation	\$ 1,304,165
Add:	
Budgeted Transfer from the General Fund 2019-2020	<u>198,861</u>
Total Preschool Education Aid Funds Available for 2019-2020 Budget	1,503,026
Less: 2019-2020 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>1,504,676</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2020	(1,650)
Add: June 30, 2020 Unexpended Preschool Education Aid	<u>25,028</u>
2019-2020 Carryover - Preschool Education Aid Programs	<u>\$ 23,378</u>
2019-2020 Preschool Education Aid Carryover Budgeted in 2020-2021	<u>\$ -</u>

**CAPITAL PROJECTS FUND**

**TOWN OF BOONTON SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Interest on Lease</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Balance, June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Various Improvements	\$ 23,581,325		\$ 23,533,305	\$ 15,340		\$ 32,680
Lighting and Security Equipment	550,000	\$ 83	549,558	525		
Lease Purchase	559,668	321	556,828	3,051	\$ 110	
Lease - HVAC and Aquos Boards	425,000	1,171	392,682	26,785		6,704
Lease - Textbooks and Technology	200,000			200,000		
Lease	<u>340,000</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,022</u>
	<u>\$ 25,655,993</u>	<u>\$ 1,597</u>	<u>\$ 25,032,373</u>	<u>\$ 245,701</u>	<u>\$ 110</u>	<u>\$ 379,406</u>
Recapitulation:						
Unexpended Balance, June 30, 2019						\$ 379,406
Less:						
Debt Authorized but not Issued						<u>(325)</u>
Fund Balance, June 30, 2020 (GAAP Basis)						<u>\$ 379,081</u>

**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, 2020**

<b>Revenues and Other Financing Sources</b>	
Lease Purchase Proceeds	\$ 340,000
Interest on Lease Purchase	<u>456</u>
 Total Revenues and Other Financing Sources	 <u>340,456</u>
 <b>Expenditures and Other Financing Uses</b>	
<b>Expenditures</b>	
Regular Instruction	136,727
General Administration	5,194
Capital Outlay	103,780
<b>Other Financing Uses</b>	
Transfer to General Fund	<u>110</u>
 Total Expenditures and Other Financing Uses	 <u>245,811</u>
 Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	  94,645
 Fund Balance - Beginning of Year	  <u>284,436</u>
 Fund Balance - End of Year	  <u>\$ 379,081</u>

**Recapitulation of Fund Balance**

Year End Encumbrances	\$ 190,929
Restricted for Capital Projects	<u>188,152</u>
	 <u>\$ 379,081</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, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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>
<b>Expenditures and Other Financing Uses</b>				
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	19,038,362	\$ 15,340	19,053,702	19,086,382
Total Expenditures and Other Financing Uses	<u>23,533,305</u>	<u>15,340</u>	<u>23,548,645</u>	<u>23,581,325</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 47,695</u>	<u>\$ (15,340)</u>	<u>\$ 32,355</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
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  
LIGHTING AND SECURITY EQUIPMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Purchase Proceeds	\$ 550,000		\$ 550,000	\$ 550,000
Interest on Lease Purchase	<u>82</u>	<u>\$ 1</u>	<u>83</u>	<u>83</u>
Total Revenues and Other Financing Sources	<u>550,082</u>	<u>1</u>	<u>550,083</u>	<u>550,083</u>
<b>Expenditures and Other Financing Uses</b>				
General Administration	69,273		69,273	69,273
Administrative Information Technology	87,232		87,232	87,232
Capital Outlay	<u>393,053</u>	<u>525</u>	<u>393,578</u>	<u>393,578</u>
Total Expenditures and Other Financing Uses	<u>549,558</u>	<u>525</u>	<u>550,083</u>	<u>550,083</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 524</u>	<u>\$ (524)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
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>			
<b>Percentage Increase Over Original</b>				
Authorized Cost	0.00%			
Percentage Completion	100%			
Original Target Completion Date	6/2019			
Revised Target Completion Date	6/2020			



**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, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Purchase Proceeds	\$ 559,668		\$ 559,668	\$ 559,668
Interest on Lease Purchase	<u>207</u>	\$ 114	<u>321</u>	<u>321</u>
Total Revenues and Other Financing Sources	<u>559,875</u>	<u>114</u>	<u>559,989</u>	<u>559,989</u>
<b>Expenditures and Other Financing Uses</b>				
Administrative Information Technology	296,353		296,353	296,353
Capital Outlay	260,475	3,051	263,526	263,526
Transfer to General Fund	<u>-</u>	<u>110</u>	<u>110</u>	<u>110</u>
Total Expenditures and Other Financing Uses	<u>556,828</u>	<u>3,161</u>	<u>559,989</u>	<u>559,989</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 3,047</u>	<u>\$ (3,047)</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	559,668			
Additional Authorization Cost	<u>207</u>			
Revised Authorized Cost	<u>559,875</u>			
Percentage Increase Over Original				
Authorized Cost	0.04%			
Percentage Completion	100%			
Original Target Completion Date	6/2019			
Revised Target Completion Date	6/2020			

**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, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Purchase Proceeds	\$ 425,000		\$ 425,000	\$ 425,000
Interest on Lease Purchase	<u>852</u>	<u>\$ 319</u>	<u>1,171</u>	<u>1,171</u>
Total Revenues and Other Financing Sources	<u>425,852</u>	<u>319</u>	<u>426,171</u>	<u>426,171</u>
<b>Expenditures and Other Financing Uses</b>				
Operations and Maintenance	31,875		31,875	31,875
Capital Outlay	<u>360,807</u>	<u>26,785</u>	<u>387,592</u>	<u>394,296</u>
Total Expenditures and Other Financing Uses	<u>392,682</u>	<u>26,785</u>	<u>419,467</u>	<u>426,171</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 33,170</u>	<u>\$ (26,466)</u>	<u>\$ 6,704</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
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	98%			
Original Target Completion Date	6/2019			
Revised Target Completion Date	6/20			

**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, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Purchase Proceeds	\$ 200,000		\$ 200,000	\$ 200,000
Interest on Lease Purchase	-	-	-	-
	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
<b>Expenditures and Other Financing Uses</b>				
Regular Instruction		\$ 136,727	136,727	136,727
General Administration		5,194	5,194	5,194
Capital Outlay	-	58,079	58,079	58,079
	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>				
	<u>\$ 200,000</u>	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
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	<u>-</u>			
Revised Authorized Cost	<u>200,000</u>			
<b>Percentage Increase Over Original</b>				
Authorized Cost	0.00%			
Percentage Completion	100%			
Original Target Completion Date	6/2019			
Revised Target Completion Date	6/2020			

**TOWN OF BOONTON SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUSES AND TECHNOLOGY  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Purchase Proceeds		\$ 340,000	\$ 340,000	\$ 340,000
Interest on Lease Purchase	-	22	22	22
Total Revenues and Other Financing Sources	-	340,022	340,022	340,022
<b>Expenditures and Other Financing Uses</b>				
Capital Outlay	-	-	-	340,022
Total Expenditures and Other Financing Uses	-	-	-	340,022
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 340,022	\$ 340,022	\$ -
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	<u>200,000</u>			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	0%			
Original Target Completion Date	12/2020			
Revised Target Completion Date	12/2020			

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

**TOWN OF BOONTON SCHOOL DISTRICT  
ENTERPRISE FUNDS - NONMAJOR  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020**

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, 2020**

THIS STATEMENT IS NOT APPLICABLE

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

THIS STATEMENT IS NOT APPLICABLE

**FIDUCIARY FUNDS**

**TOWN OF BOONTON SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 113,681	\$ 743,342	\$ 857,023
Total Assets	<u>\$ 113,681</u>	<u>\$ 743,342</u>	<u>\$ 857,023</u>
<b>LIABILITIES</b>			
Summer Savings		\$ 614,254	\$ 614,254
Payroll Deductions and Withholdings Payable		69,693	69,693
Accrued Salaries and Wages		6,115	6,115
Flexible Spending		13,286	13,286
Due to Student Groups	\$ 113,681		113,681
Due to Other Funds			
Unemployment Compensation Trust	<u>-</u>	<u>39,994</u>	<u>39,994</u>
Total Liabilities	<u>\$ 113,681</u>	<u>\$ 743,342</u>	<u>\$ 857,023</u>



**TOWN OF BOONTON SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursed</u></b>	<b>Balance, June 30, <u>2020</u></b>
Activity Accounts				
School Street School	\$ 1,110	\$ 2,673	\$ 1,464	\$ 2,319
John Hill School	39,768	37,931	33,826	43,873
High School	<u>81,936</u>	<u>45,726</u>	<u>60,175</u>	<u>67,487</u>
Total Activity Accounts	<u>122,814</u>	<u>86,330</u>	<u>95,465</u>	<u>113,679</u>
Athletic Department				
Athletic Department - Middle School	3,447	7	3,453	1
Athletic Department - High School	<u>1,927</u>	<u>78,042</u>	<u>79,968</u>	<u>1</u>
Total Athletic Departments	<u>5,374</u>	<u>78,049</u>	<u>83,421</u>	<u>2</u>
Total	<u>\$ 128,188</u>	<u>\$ 164,379</u>	<u>\$ 178,886</u>	<u>\$ 113,681</u>

**TOWN OF BOONTON SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2020</u></b>
Payroll Deductions and Withholdings	\$ 155,882	\$ 9,947,626	\$ 10,033,815	\$ 69,693
Accrued Salaries and Wages		11,215,890	11,209,775	6,115
Summer Savings	565,892	660,711	612,349	614,254
Flexible Spending	12,736	95,543	94,993	13,286
Due to (from) Other Funds	<u>39,994</u>	<u>-</u>	<u>-</u>	<u>39,994</u>
 Total All Schools	 <u>\$ 774,504</u>	 <u>\$ 21,919,770</u>	 <u>\$ 21,950,932</u>	 <u>\$ 743,342</u>

**LONG-TERM DEBT**

**TOWN OF BOONTON SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Redeemed</u>	<u>Balance, June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>				
2014 Refunding Bonds	9/25/14	\$ 9,305,000	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%	\$ 7,590,000	\$ 840,000	\$ 6,750,000
2015 Refunding Bonds	4/14/15	9,475,000	1/15/2028	1,210,000	3.00%			
			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%	9,330,000	-	9,330,000
					\$ 16,920,000	\$ 840,000	\$ 16,080,000	

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

	<b>Original Amount Issued</b>	<b>Date</b>	<b>Balance, July 1, 2019</b>	<b>Issued</b>	<b>Paid</b>	<b>Balance, June 30, 2020</b>
Bus	\$ 95,482	11/2016	\$ 47,401		\$ 19,323	\$ 28,078
Textbooks, Computers and Technology Equipment	555,000	9/2017	337,862		110,423	227,439
Various Acquisitions and Improvements	525,000	11/2017	319,969		103,185	216,784
Lighting and Security Equipment	550,000	12/2017	388,765		108,333	280,432
Copiers, Chromebooks and Textbooks	559,668	7/2018	453,631		108,085	345,546
Aquos Boards and HVAC Improvements	425,000	11/2018	339,877		81,053	258,824
Mobile Devices and Textbooks	200,000	6/2019	200,000		41,871	158,129
Buses and Technology	340,000	6/2020	-	\$ 340,000	-	340,000
			<u>\$ 2,087,505</u>	<u>\$ 340,000</u>	<u>\$ 572,273</u>	<u>\$ 1,855,232</u>

**TOWN OF BOONTON SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 1,104,997		\$ 1,104,997	\$ 1,104,997	
State Sources					
Debt Service State Aid	<u>379,753</u>	<u>-</u>	<u>379,753</u>	<u>379,753</u>	<u>-</u>
 Total Revenues	 <u>1,484,750</u>	 <u>-</u>	 <u>1,484,750</u>	 <u>1,484,750</u>	 <u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Redemption of Principal	840,000		840,000	840,000	
Interest and Other Charges	<u>644,750</u>	<u>-</u>	<u>644,750</u>	<u>644,750</u>	<u>-</u>
 Total Expenditures	 <u>1,484,750</u>	 <u>-</u>	 <u>1,484,750</u>	 <u>1,484,750</u>	 <u>-</u>
 Excess of Revenues Over 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)*

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015 (Restated)	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 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	\$ 6,340,229
Restricted	118,628	141,313	89,834	195,425	195,572	729	27,946	79,175	246,203	1,092,000
Unrestricted	90,764	(419,296)	(534,686)	(88,341)	(5,354,528)	(5,796,140)	(7,812,844)	(8,291,092)	(8,047,390)	(9,289,283)
<b>Total Governmental Activities Net Position</b>	<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>	<u>\$ (1,857,054)</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 16,982	\$ 21,446	\$ 59,258	\$ 50,931	\$ 42,604	\$ 34,277	\$ 21,873	\$ 111,266	\$ 109,814	\$ 97,164
Unrestricted	30,586	20,561	77,693	114,360	254,853	39,890	(1,742)	24,488	(21,234)	20,952
<b>Total Business-Type Activities Net Position</b>	<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>	<u>\$ 118,116</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 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	\$ 6,437,393
Restricted	118,628	141,313	89,834	195,425	195,572	729	27,946	79,175	246,203	1,092,000
Unrestricted	121,350	(398,735)	(456,993)	26,019	(5,099,675)	(5,756,250)	(7,814,586)	(8,266,604)	(8,068,624)	(9,268,331)
<b>Total District Net Position</b>	<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>	<u>\$ (1,738,938)</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 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	\$ 14,666,546
Special Education	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	5,997,015
Other Instruction	610,474	819,048	505,841	415,714	198,476	251,937	512,679	928,254	902,477	946,862
School Sponsored Co-Curricular Activities	685,144	787,917	866,832	932,877	1,260,484	1,138,102	1,161,382	1,488,731	1,318,873	1,177,195
Support Services:										
Tuition										
Student & Instruction Related Services	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	7,472,422
General Administration Services	579,779	559,059	649,618	670,071	719,094	778,712	721,474	677,356	830,173	760,984
School Administrative Services	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	1,577,390
Central Services	428,354	479,799	503,342	503,207	565,098	733,676	788,336	977,181	992,346	708,064
Plant Operations and Maintenance	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	2,976,314
Pupil Transportation	352,462	323,435	437,726	459,694	636,330	480,238	563,831	500,522	576,919	751,504
Unallocated Benefits										
Special Schools										
Charter Schools										
Interest On Long-Term Debt	1,040,028	1,011,931	984,866	974,470	992,232	756,194	722,693	704,792	708,046	667,645
Unallocated Depreciation	119,138	119,138								
Unallocated Expenditures										
Capital Outlay - Nondepreciable										
<b>Total Governmental Activities Expenses</b>	<b>25,375,936</b>	<b>25,931,827</b>	<b>28,569,266</b>	<b>28,271,946</b>	<b>32,165,119</b>	<b>33,054,130</b>	<b>37,079,760</b>	<b>38,784,375</b>	<b>37,004,530</b>	<b>37,701,941</b>
<b>Business-Type Activities:</b>										
Food Service	455,104	482,533	488,813	534,170	516,997	565,946	604,478	602,316	596,008	508,531
Bridges to Learning		223,765	216,314	289,659	188,429	608,396	492,315	212,316	471,066	388,071
Academy School										
<b>Total Business-Type Activities Expense</b>	<b>455,104</b>	<b>706,298</b>	<b>705,127</b>	<b>823,829</b>	<b>705,426</b>	<b>1,174,342</b>	<b>1,096,793</b>	<b>814,632</b>	<b>1,067,074</b>	<b>896,602</b>
<b>Total District Expenses</b>	<b>\$ 25,831,040</b>	<b>\$ 26,638,125</b>	<b>\$ 29,274,393</b>	<b>\$ 29,095,775</b>	<b>\$ 32,870,545</b>	<b>\$ 34,228,472</b>	<b>\$ 38,176,553</b>	<b>\$ 39,599,007</b>	<b>\$ 38,071,604</b>	<b>\$ 38,598,543</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Tuition	\$ 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	\$ 5,720,412
Operating Grants And Contributions	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	10,543,567
Capital Grants and Contributions						25,644	14,572	61,750	197,685	36,508
<b>Total Governmental Activities Program Revenues</b>	<b>7,674,804</b>	<b>8,124,735</b>	<b>10,413,551</b>	<b>10,097,613</b>	<b>12,873,395</b>	<b>13,693,586</b>	<b>15,906,760</b>	<b>18,017,175</b>	<b>15,695,084</b>	<b>16,300,487</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 258,034	\$ 249,198	\$ 263,130	\$ 271,287	\$ 275,111	\$ 295,172	\$ 328,939	\$ 337,605	\$ 318,589	\$ 242,576
Bridges to Learning		252,677	246,100	300,170	321,343	392,877	434,997	316,576	445,392	437,020
Academy School										
Operating Grants And Contributions	186,456	198,668	244,455	280,500	240,813	262,526	278,597	275,829	255,855	246,480
<b>Total Business-Type Activities Program Revenues</b>	<b>444,490</b>	<b>700,543</b>	<b>753,685</b>	<b>851,957</b>	<b>837,267</b>	<b>950,575</b>	<b>1,042,533</b>	<b>930,010</b>	<b>1,019,836</b>	<b>926,076</b>
<b>Total District Program Revenues</b>	<b>\$ 8,119,294</b>	<b>\$ 8,825,278</b>	<b>\$ 11,167,236</b>	<b>\$ 10,949,570</b>	<b>\$ 13,710,662</b>	<b>\$ 14,644,161</b>	<b>\$ 16,949,293</b>	<b>\$ 18,947,185</b>	<b>\$ 16,714,920</b>	<b>\$ 17,226,563</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (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)	\$ (21,401,454)
Business-Type Activities	(10,614)	(5,755)	48,558	28,128	131,841	(223,767)	(54,260)	115,378	(47,238)	29,474
<b>Total District-Wide Net Expense</b>	<b>\$ (17,711,746)</b>	<b>\$ (17,812,847)</b>	<b>\$ (18,107,157)</b>	<b>\$ (18,146,205)</b>	<b>\$ (19,159,883)</b>	<b>\$ (19,584,311)</b>	<b>\$ (21,227,260)</b>	<b>\$ (20,651,822)</b>	<b>\$ (21,356,684)</b>	<b>\$ (21,371,980)</b>
<b>General Revenues And Other Changes In Net Assets</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes	\$ 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	\$ 19,738,335
Taxes Levied For Debt Service	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	1,104,997
Federal and State Aid - Unrestricted	72,788	323,288	417,889	513,548	504,439	522,765	514,522	649,103	727,498	1,027,831
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	214,846
Tuition										
Investment Earnings	18,791	2,640	251	3,191	63	3,168	2,201	3,910	5,610	7,209
Miscellaneous Income	991,740	374,957	145,442	246,285	343,322	541,652	192,235	234,018	355,303	257,336
State Aid - State Facilities Grant										
Transfers										
SDA Grant-Cancelled										
<b>Total Governmental Activities</b>	<b>18,156,396</b>	<b>17,774,746</b>	<b>17,893,367</b>	<b>18,835,265</b>	<b>19,239,162</b>	<b>19,753,071</b>	<b>19,788,558</b>	<b>20,603,539</b>	<b>21,566,732</b>	<b>22,350,554</b>
<b>Business-Type Activities:</b>										
Investment Earnings	230	194	247	212	325	477	224	245	64	62
Transfers										
<b>Total Business-Type Activities</b>	<b>230</b>	<b>194</b>	<b>247</b>	<b>212</b>	<b>325</b>	<b>477</b>	<b>224</b>	<b>245</b>	<b>64</b>	<b>62</b>
<b>Total District-Wide</b>	<b>\$ 18,156,626</b>	<b>\$ 17,774,940</b>	<b>\$ 17,893,614</b>	<b>\$ 18,835,477</b>	<b>\$ 19,239,487</b>	<b>\$ 19,753,548</b>	<b>\$ 19,788,782</b>	<b>\$ 20,603,784</b>	<b>\$ 21,566,796</b>	<b>\$ 22,350,616</b>
<b>Change In Net Position</b>										
Governmental Activities	\$ 455,264	\$ (32,346)	\$ (262,348)	\$ 660,932	\$ (52,562)	\$ 392,527	\$ (1,384,442)	\$ (163,661)	\$ 257,286	\$ 949,100
Business-Type Activities	(10,384)	(5,561)	48,805	28,340	132,166	(223,290)	(54,036)	115,623	(47,174)	29,536
<b>Total District</b>	<b>\$ 444,880</b>	<b>\$ (37,907)</b>	<b>\$ (213,543)</b>	<b>\$ 689,272</b>	<b>\$ 79,604</b>	<b>\$ 169,237</b>	<b>\$ (1,438,478)</b>	<b>\$ (48,038)</b>	<b>\$ 210,112</b>	<b>\$ 978,636</b>

Source: District Financial Statements

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	\$ 264,581	\$ 6,750								
Restricted	113,058	135,743	\$ 89,834	\$ 373,124	\$ 373,271	\$ 729	\$ 730	\$ 732	\$ 9,462	\$ 1,092,000
Committed									23,599	-
Assigned	576,840	354,506	184,989	109,559	157,260	238,887	116,911	418,662	612,914	247,410
Unassigned	(49,372)	(106,632)	(57,574)	314,144	238,161	276,503	(197,946)	(292,149)	(635,878)	(315,503)
<b>Total General Fund</b>	<b>\$ 905,107</b>	<b>\$ 390,367</b>	<b>\$ 217,249</b>	<b>\$ 796,827</b>	<b>\$ 768,692</b>	<b>\$ 516,119</b>	<b>\$ (80,305)</b>	<b>\$ 127,245</b>	<b>\$ 10,097</b>	<b>\$ 1,023,907</b>
<b>All Other Governmental Funds</b>										
Unreserved										
Restricted	13,532,000	\$ 3,880,341	\$ 125,389	\$ 125,389	\$ 96,295	\$ 123,511	\$ (427,785)	\$ 143,658	\$ 284,436	\$ 379,081
Unassigned	-	-	-	-	-	-	-	-	(47,567)	(107,039)
<b>Total All Other Governmental Funds</b>	<b>\$ 13,532,000</b>	<b>\$ 3,880,341</b>	<b>\$ 125,389</b>	<b>\$ 125,389</b>	<b>\$ 96,295</b>	<b>\$ 123,511</b>	<b>\$ (427,785)</b>	<b>\$ 143,658</b>	<b>\$ 236,869</b>	<b>\$ 272,042</b>
<b>Total Governmental Funds</b>										
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	\$ 1,471,081
Assigned	576,840	354,506	184,989	109,559	157,260	238,887	116,911	418,662	612,914	247,410
Committed									23,599	-
Unassigned	(49,372)	(106,632)	(57,574)	314,144	238,161	276,503	(197,946)	(292,149)	(683,445)	(422,542)
<b>Total Governmental Funds</b>	<b>\$ 14,437,107</b>	<b>\$ 4,270,708</b>	<b>\$ 342,638</b>	<b>\$ 922,216</b>	<b>\$ 864,987</b>	<b>\$ 639,630</b>	<b>\$ (508,090)</b>	<b>\$ 270,903</b>	<b>\$ 246,966</b>	<b>\$ 1,295,949</b>

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)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Property Tax Levy	\$ 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	\$ 20,843,332
Tuition Charges	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	5,720,412
Interest Earnings	18,791	2,640	251	3,191	63	3,168	2,201	3,910	5,610	7,209
Miscellaneous	995,545	376,806	147,442	250,579	343,322	541,652	193,593	243,313	388,461	270,266
State Sources	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	8,796,427
Federal Sources	646,645	632,343	566,344	470,850	636,143	731,224	675,896	718,437	832,203	783,181
<b>Total Revenue</b>	<b>25,831,200</b>	<b>25,899,381</b>	<b>28,306,918</b>	<b>28,932,878</b>	<b>29,529,049</b>	<b>30,379,403</b>	<b>30,733,743</b>	<b>33,004,821</b>	<b>33,958,742</b>	<b>36,420,827</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	13,323,269
Special Education Instruction	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	5,638,048
Other Instruction	610,474	819,048	505,841	415,714	175,010	212,762	396,983	732,982	799,720	861,592
School Sponsored Co-Curricular Activ.	685,144	787,917	866,832	932,877	1,214,747	1,091,241	1,033,061	1,252,174	1,220,522	1,119,413
<b>Support Services</b>										
<b>Tuition</b>										
Student & Instruction Related Services	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	6,974,770
General Administration Services	579,779	559,059	636,429	656,882	647,455	690,160	614,649	601,318	792,834	742,052
School Administrative Services	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	1,333,725
Central Services	428,354	479,799	503,342	503,207	560,947	722,784	729,019	841,794	917,184	655,318
Plant Operations And Maintenance	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	2,046,585
Pupil Transportation	352,462	323,435	387,590	409,558	585,328	427,348	537,720	464,085	552,374	712,506
<b>Allocated Benefits</b>										
<b>Unallocated Benefits</b>										
<b>TPAF Pension/Social Security</b>										
<b>Unallocated Expenditures</b>										
<b>Special Schools</b>										
<b>Charter Schools</b>										
Capital Outlay	2,049,835	9,651,659	3,801,685	1,053,408	254,048	546,254	639,079	1,084,769	1,240,208	197,684
<b>Debt Service:</b>										
Principal	629,218	590,000	615,000	839,278	949,132	1,176,289	1,065,929	1,383,040	1,343,434	1,412,273
Interest And Other Charges	1,051,681	1,024,100	997,550	987,773	1,155,340	702,940	747,379	724,921	730,622	694,609
<b>Total Expenditures</b>	<b>27,962,625</b>	<b>36,065,780</b>	<b>32,234,988</b>	<b>29,409,670</b>	<b>30,055,256</b>	<b>30,701,250</b>	<b>31,979,154</b>	<b>33,855,828</b>	<b>35,167,347</b>	<b>35,711,844</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	(2,131,425)	(10,166,399)	(3,928,070)	(476,792)	(526,207)	(321,847)	(1,245,411)	(851,007)	(1,208,605)	708,983
<b>Other Financing Sources (Uses)</b>										
<b>Bond Proceeds</b>										
<b>Refunding Bond Proceeds</b>										
Premium on Refunding Bonds Issued					18,780,000					
Payment to Refunded Bond Escrow Agent					1,696,069					
Capital Lease Proceeds				1,056,370	(20,181,479)					
Transfers In	12,604	2,455	160	2	-	96,490	97,691	1,630,000	1,184,668	340,000
Transfers Out	(12,604)	(2,455)	(160)	(2)	-	(245,002)	(5)	(177)	(254,302)	(198,971)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,056,370</b>	<b>468,978</b>	<b>96,490</b>	<b>97,691</b>	<b>1,630,000</b>	<b>1,184,668</b>	<b>340,000</b>
<b>Net Change In Fund Balances</b>	<b>\$ (2,131,425)</b>	<b>\$ (10,166,399)</b>	<b>\$ (3,928,070)</b>	<b>\$ 579,578</b>	<b>\$ (57,229)</b>	<b>\$ (225,357)</b>	<b>\$ (1,147,720)</b>	<b>\$ 778,993</b>	<b>\$ (23,937)</b>	<b>\$ 1,048,983</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	6.49%	6.11%	5.67%	6.44%	7.06%	6.23%	5.79%	6.43%	6.11%	5.93%

\* 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>
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
2019	4,469	5,145,557	230,000			\$ 94,179				31,124	5,505,329
2020	6,753	5,720,412	160,000	74,065						23,271	5,984,501

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 <sup>a</sup>
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
2020	6,920,800	859,969,900	252,500	2,000	151,491,100	61,593,200	22,112,200	1,102,341,700		1,102,341,700	1,210,417,758	1.832

Source: County Abstract of Ratables

<sup>a</sup> 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 School Rate	<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
		<u>Town of Boonton</u>	<u>Morris County</u>	
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
2020	1.832	0.871	0.287	2.990

Source: Municipal Tax Assessor

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

Taxpayer	2020		Taxpayer	2011	
	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%	Boonton Investors, Inc.	\$ 25,091,800	2.25%
UB Boonton I, LLC	13,795,600	1.25%	BTS Boonton, LLC	12,426,600	1.11%
Deer Hill Village, Inc.	10,093,300	0.92%	Deer Hill Village, Inc.	10,371,900	0.93%
Dels Holding LLC	8,367,200	0.76%	JCT Associates Et Al	9,994,000	0.89%
Apartments at Cherry Hill As	5,400,000	0.49%	Princeton Meadows Holdings, LLC	7,742,200	0.69%
Daco	5,013,200	0.45%	Individual Taxpayer #1	5,595,600	0.50%
Kapalua, LLC	4,747,400	0.43%	Dietrich Industries, Inc.	5,241,500	0.47%
Fulton Street Associates	4,481,600	0.41%	Apts. At Cherry Hill	4,781,000	0.43%
Erasteel, Inc.	4,481,600	0.41%	Kapalua, Inc.	4,747,400	0.42%
Subro Realty, LLC	<u>3,500,000</u>	<u>0.32%</u>	Erasteel, Inc.	<u>4,481,600</u>	<u>0.40%</u>
	<u>\$ 84,971,700</u>	<u>7.71%</u>		<u>\$ 90,473,600</u>	<u>8.10%</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	
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
2020	20,843,332	20,843,332	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			
2011	\$ 22,470,000		\$ 22,470,000	8,377	\$ 2,682
2012	21,880,000		21,880,000	8,392	2,607
2013	21,265,000		21,265,000	8,379	2,538
2014	20,620,000	\$ 862,092	21,482,092	8,351	2,572
2015	20,140,000	827,348	20,967,348	8,342	2,513
2016	19,270,000	617,549	19,887,549	8,304	2,395
2017	18,515,000	404,311	18,919,311	8,256	2,292
2018	17,730,000	1,436,271	19,166,271	8,193	2,339
2019	16,920,000	2,087,505	19,007,505	8,919	2,131
2020	16,080,000	1,855,232	17,935,232	8,919 *	2,011

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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
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%	2,321
2017	18,515,000		18,515,000	1.67%	2,243
2018	17,730,000		17,730,000	1.61%	2,164
2019	16,920,000		16,920,000	1.54%	1,897
2020	16,080,000		16,080,000	1.46%	1,803

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, 2019  
 (UNAUDITED)**

	<u>Gross Debt</u>
Municipal Debt (1)	
Town of Boonton	\$ 13,438,445
Town of Boonton School District	<u>16,920,325</u>
	30,358,770
Overlapping Debt Apportioned to the Municipality	
County of Morris (2)	<u>4,431,014</u>
Total Direct and Overlapping Debt	<u><u>\$ 34,789,784</u></u>

Source:

- (1) Town of Boonton's 2019 Annual Debt Statement
  
- (2) The debt for this entity was apportioned to the Town of Boonton School District by dividing the municipality's 2019 equalized value by the total 2019 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 2020

	Equalized valuation basis	
	2019	\$ 1,195,167,954
	2018	1,158,661,428
	2017	1,156,412,171
		<u>\$ 3,510,241,553</u>
Average equalized valuation of taxable property		<u>\$ 1,170,080,518</u>
Debt limit (4 % of average equalization value)		\$ 46,803,221
Total Net Debt Applicable to Limit		16,080,325
Legal debt margin		<u>\$ 30,722,896</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>	<u>2020</u>
Debt limit	\$ 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	\$ 46,803,221
Total net debt applicable to limit	<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>	<u>16,080,325</u>
Legal debt margin	<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>	<u>\$ 30,722,896</u>
Total net debt applicable to the limit as a percentage of debt limit	44.48%	45.14%	45.92%	46.31%	45.42%	43.28%	40.70%	38.78%	36.55%	34.36%

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)**

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	8,377	\$ 76,727	12.3%
2012	8,392	79,765	12.8%
2013	8,379	80,805	8.4%
2014	8,351	84,260	5.2%
2015	8,342	88,219	4.9%
2016	8,304	90,853	4.2%
2017	8,256	93,555	4.1%
2018	8,193	98,842	3.6%
2019	8,919	N/A	3.1%
2020	8,919 (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	2020		2011	
	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>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>	<u>2020</u>
Instruction										
Regular	97.00	97.00	94.00	92.00	92.30	91.00	94.00	111.00	108.00	116.30
Special education	35.00	32.00	45.00	43.00	45.00	55.00	58.00	58.00	75.00	60.80
Support Services:										
Student & instruction related service:	28.00	29.00	38.20	33.00	38.75	44.60	41.00	36.00	47.00	53.90
General administrative services	2.00	2.00	1.80	3.00	3.00	3.00	3.00	3.00	2.00	2.00
School administrative services	8.00	8.00	8.00	7.00	8.15	8.00	8.00	8.00	9.00	9.80
Business administrative services	4.00	4.00	4.00	6.20	4.50	4.10	4.00	4.00	4.00	4.00
Plant operations and maintenance	15.00	15.00	16.00	16.00	16.00	18.00	16.00	18.00	21.00	19.00
Lunchroom/Playground Aides	2.00	8.00	4.00	3.00	1.20	4.00	4.00	6.00	2.00	5.70
Pupil Transportation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00
Total	<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>	<u>272.50</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	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
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	1,373	31,853,083	20,263	3.88%	183	1:10	1:08	1:09	1,410	1,344	0.14%	95.32%
2020	1,430	33,407,278	23,362	8.95%	177	1:08	1:08	1:09	1,438	1,389	2.13%	96.59%

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>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>	<u>2020</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	316	342	342	122	122	122	141	141	273	277
John Hill School, Including Annex Building (Grades 4-8)										
Square Feet	42,296	42,296	90,076	90,076	90,076	90,076	90,076	90,076	90,076	90,076
Capacity (Students)	224	224	800	800	800	800	800	800	800	800
Enrollment	199	201	410	595	595	595	645	645	476	538
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	726	727	537	607	607	607	618	618	624	631
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, 2020										
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>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>	<u>2020</u>
Boonton High School	\$ 76,762	\$ 120,087	\$ 196,753	\$ 203,735	\$ 101,934	\$ 74,464	\$ 192,268	\$ 191,662	\$ 31,753	\$ 20,069
John Hill School	20,816	54,137	40,593	228,957	119,956	91,256	94,976	95,164	37,916	21,523
School Street School	19,536	30,693	16,771	29,706	94,946	13,867	52,281	65,455	53,901	6,421
Other Facilities	<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>	<u>249,574</u>
Total School Facilities	<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>	<u>\$ 297,587</u>

**TOWN OF BOONTON SCHOOL DISTRICT  
INSURANCE SCHEDULE  
AS OF JUNE 30, 2020  
(Unaudited)**

Company	Type of Coverage	Coverage	Deductible
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	1,160,000	1,000
	Equipment Breakdown	100,000,000	5,000
	Loss of Rents	150,000	5,000
	Loss of Business Income/Tuition	100,000	5,000
	Crime-Employee Dishonesty	250,000	1,000
	Money & Securities - In/Out (crime)	25,000	500
	Fogery or Alteration	250,000	1,000
	General Liability	31,000,000	
	Commercial Automobile	31,000,000	
Zurich	Environmental Impairment - Aggregate	11,000,000	
	Environmental Impairment - Event	1,000,000	50,000
US Fire Insurance	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
	School Board Legal Liability - Directors and Officers Policy	31,000,000	5,000
New Jersey School Boards Insurance Group	Workers Compensation Statutory Limits Employers Liability	Statutory Limits 2,000,000/2,000,000/2,000,000	

**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  
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DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, 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, 2020 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 January 8, 2021.

#### **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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

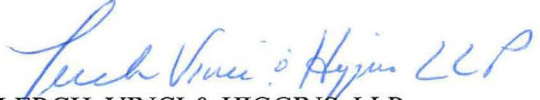
### **Compliance and Other Matters**

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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

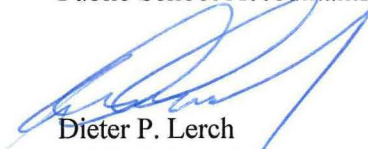
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Town of Boonton School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 8, 2021.

### **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  
January 8, 2021



# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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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, 2020. 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, 2020.

### **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.

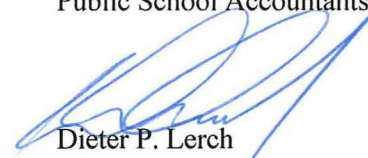
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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 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, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 8, 2021, 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  
January 8, 2021

TOWN OF BOONTON SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Carrvoer Amount		Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2020		Due to Grantor	Memo GAAP Receivable
						Balance July 1, 2019	Unearned Revenue					Accounts Receivable	Unearned Revenue/		
U.S. Department of Agriculture															
Passed-Through State Department of Education:															
Enterprise Fund:															
National School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/19-6/30/20	\$ 26,041			\$ 21,982	\$ 26,041			\$ (4,059)			\$ 4,059
National School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18-6/30/19	12,647	\$ (827)		827							
National School Lunch Program	10.555		N/A												
Cash Assistance		201NJ304N1099		7/1/19-6/30/20	182,802			175,095	182,802			(7,707)			7,707
Cash Assistance		191NJ304N1099		7/1/18-6/30/19	197,719	(12,373)		12,373							
Non-Cash Assistance				7/1/19-6/30/20	33,703			33,703	32,474				\$ 1,229		
Non-Cash Assistance				7/1/18-6/30/19	38,487	470	-	-	470	-	-	-	-	-	-
Child Nutrition Cluster Total						(12,730)	-	243,980	241,787	-	-	(11,766)	1,229	-	11,766
Total Enterprise Fund						(12,730)	-	243,980	241,787	-	-	(11,766)	1,229	-	11,766
U.S. Department of Health and Human Services															
General Fund															
Medical Assistance Program	93.778	2005NJ5MAP	N/A	7/1/19-9/30/20	43,525	-	-	43,525	43,525	-	-	-	-	-	-
Total General Fund						-	-	43,525	43,525	-	-	-	-	-	-
U.S. Department of Education															
Passed Through State Department of Education															
Special Revenue Fund															
IDEA															
Part B, Basic	84.027	H027A190100	FT-0450-20	7/1/19-9/30/20	349,129		\$ 5,075	\$ (5,075)	308,891	341,299		(45,313)	12,905		32,408
Part B, Basic	84.027	H027A180100	FT-0450-19	7/1/18-6/30/19	339,453	(51,929)	(5,075)	5,075	51,929						
Preschool	84.173	H173A190114	PS-0450-20	7/1/19-9/30/20	11,973		2,836	(2,836)	4,543	5,520		(10,266)	9,289		977
Preschool	84.173	H173A180114	PS-0450-19	7/1/18-6/30/19	11,678	(6,604)	(2,836)	2,836	6,604	-	-	-	-	-	-
Special Education Cluster Total						(58,533)	-	371,967	346,819	-	-	(55,579)	22,194	-	33,385
ESEA/NCLB															
Title I	84.010	S010A190030	ESEA-0450-19	7/1/19-9/30/20	198,250		30,178	(30,178)	168,375	209,406	\$ 2,003	(58,050)	19,022		39,028
Title I Reallocated	84.010	S010A190030	ESEA-0450-19	7/1/19-9/30/20	13,382				13,382	13,382					
Title I	84.010	S010A180030	ESEA-0450-18	7/1/18-6/30/19	211,496	(100,324)	(30,178)	30,178	102,327		(2,003)				
Title I SIA	84.010	S010A190030	ESEA-0450-19	7/1/19-9/30/20	19,800		26,551	(26,551)	36,003	46,351		(10,348)	-		10,348
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	S367A190029	ESEA-0450-19	7/1/19-9/30/20	28,385		23,805	(23,805)	42,541	46,090		(9,649)	6,100		3,549
Title II-A	84.367A	S367A180029	ESEA-0450-18	7/1/18-6/30/19	32,497	(9,075)	(23,805)	23,805	9,075						
Title III	84.365A	S365A190030	ESEA-0450-19	7/1/19-9/30/20	14,514		1,407	(1,407)	9,128	11,651		(6,793)	4,270		2,523
Title III	84.365A	S365A180030	ESEA-0450-18	7/1/18-6/30/19	11,845	(7,212)	(1,407)	1,407	7,212						
Title III - Immigrant	84.365A	S365A190030	ESEA-0450-19	7/1/19-9/30/20	4,264				93	2,593		(4,171)	1,671		2,500
Title III - Immigrant	84.365A	S365A180030	ESEA-0450-18	7/1/18-6/30/19	-										
Title IV	84.424A	S424A190031	ESEA-0450-19	7/1/19-9/30/20	12,345		771	(771)	-	11,609		(13,116)	1,507		11,609
Title IV	84.424A	S424A180031	ESEA-0450-18	7/1/18-6/30/19	12,708	(11,961)	(771)	771	11,961						
CARES Emergency Relief Ac	84.425D	S425D200027	N/A	3/13/20-9/30/22	159,382					15,575		(159,382)	143,807		15,575
U.S. Department of Transportation															
Passed Through State Department of Transportation															
Safe Routes to Schools															
	20.205	STP-8013	2017-DT-BLA1-0	12/29/16-12/29/19	283720	(119,244)	-	-	116,464	-	2,780	-	-	-	-
Total Special Revenue Fund						(306,349)	-	-	888,528	703,476	2,780	(317,088)	198,571	-	118,517
Total Federal Awards					\$ (319,079)	\$ -	\$ -	\$ 1,176,033	\$ 988,788	\$ 2,780	\$ -	\$ (328,854)	\$ 199,800	\$ -	\$ 130,283

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, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019		Cash Received	Budgetary Expenditures	General Fund Contribution	Repayment of Prior Years' Balances	June 30, 2020		MEMO		
				Unearned Revenue/ (Accts Rec.)	Due to Grantor					(Accounts Receivable)	Unearned Revenue	GAAP Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>														
<b>General Fund</b>														
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 959,170			\$ 866,036	\$ 959,170			\$ (93,134)			\$ 959,170	
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	959,170	(98,014)		98,014								
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	895,954			808,958	895,954			(86,996)			895,954	
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	700,253	(71,557)		71,557								
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	238,909			215,710	238,909			(23,199)			238,909	
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	238,909	(24,414)		24,414								
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	43,929			39,664	43,929			(4,265)			43,929	
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	47,868	(4,891)		4,891								
Emergency Aid	N/A	7/1/19-6/30/20	102,761			102,761	102,761						102,761	
<b>State Aid - Public Cluster Total</b>				<b>(198,876)</b>	<b>-</b>	<b>-</b>	<b>2,232,005</b>	<b>2,240,723</b>	<b>-</b>	<b>-</b>	<b>(207,594)</b>	<b>-</b>	<b>-</b>	<b>2,240,723</b>
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	58,651			52,956	58,651			(5,695)			58,651	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	58,651	(5,993)		5,993								
Extraordinary Aid	20-100-034-5120-473	7/1/19-6/30/20	547,328			547,328	547,328			(547,328)			547,328	
Extraordinary Aid	19-100-034-5120-473	7/1/18-6/30/19	407,668	(407,668)		407,668								
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	2,502,905			2,502,905	2,502,905						2,502,905	
On-Behalf TPAF Non Contributory Insurance Contributions	20-495-034-5094-004	7/1/19-6/30/20	44,862			44,862	44,862						44,862	
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	945,175			945,175	945,175						945,175	
On-Behalf TPAF Long Term Disability Insurance Contributions	20-495-034-5094-004	7/1/19-6/30/20	2,187			2,187	2,187						2,187	
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	946,402			900,373	946,402			(46,029)		\$ 46,029	946,402	
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	898,134	(44,233)		44,233								
<b>Total General Fund</b>				<b>(656,770)</b>	<b>-</b>	<b>-</b>	<b>7,138,357</b>	<b>7,288,233</b>	<b>-</b>	<b>-</b>	<b>(806,646)</b>	<b>-</b>	<b>-</b>	<b>7,288,233</b>
<b>Special Revenue Fund</b>														
<b>NJ Nonpublic Aid</b>														
<b>Auxiliary Services</b>														
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	16,224			14,557	7,301			(1,667)		\$ 8,923	1,667	
ESL	19-100-034-5120-067	7/1/18-6/30/19	1,639	-	\$ 1,639	-	-		\$ 1,639	-	-	-	-	
<b>Nonpublic Auxiliary Services (Chapter 192) Cluster Total</b>				<b>-</b>	<b>1,639</b>	<b>-</b>	<b>14,557</b>	<b>7,301</b>	<b>-</b>	<b>1,639</b>	<b>(1,667)</b>	<b>-</b>	<b>8,923</b>	<b>1,667</b>
<b>Handicapped Services</b>														
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	30,842			24,190	29,543			(6,652)		1,299	6,652	
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	20,393		5,094				5,094				29,543	
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	10,208			10,208	9,661					547	9,661	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	7,768		715				715					
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	10,038			10,038	10,038						10,038	
<b>Nonpublic Handicapped Services (Chapter 193) Cluster Total</b>				<b>-</b>	<b>5,809</b>	<b>-</b>	<b>44,436</b>	<b>49,242</b>	<b>-</b>	<b>5,809</b>	<b>(6,652)</b>	<b>-</b>	<b>1,846</b>	<b>49,242</b>
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	8,118			8,118	8,118						8,118	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	6,248		51				51					
Nursing Aid	20-100-034-5120-070	7/1/19-6/30/20	14,938			14,938	11,446					3,492	11,446	
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	5,544			5,544	5,544						5,544	
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	31,544			23,100	15,608					7,492	15,608	
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	17,550		7,404				7,404					
Preschool Education Expansion Aid	20-495-034-5120-086	7/1/19-6/30/20	1,304,165			1,173,748	1,479,648	\$ 198,861		(130,417)	\$ 23,378		1,479,648	
Preschool Education Expansion Aid	19-495-034-5120-086	7/1/18-6/30/19	475,668	(47,567)		47,567								
<b>Total Special Revenue Fund</b>				<b>(47,567)</b>	<b>14,903</b>	<b>-</b>	<b>1,332,008</b>	<b>1,576,907</b>	<b>198,861</b>	<b>14,903</b>	<b>(138,736)</b>	<b>23,378</b>	<b>21,753</b>	<b>8,319</b>
<b>Debt Service Fund</b>														
<b>Debt Service Aid - Type II</b>														
Debt Service Aid - Type II	20-495-034-5120-017	7/1/19-6/30/20	379,753			379,753	379,753						379,753	
<b>Total Debt Service Fund</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>379,753</b>	<b>379,753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>379,753</b>
<b>Enterprise Fund</b>														
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	4,694			4,573	4,694			(121)			4,694	
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	5,984	(362)		362								
<b>Total Enterprise Fund</b>				<b>(362)</b>	<b>-</b>	<b>-</b>	<b>4,935</b>	<b>4,694</b>	<b>-</b>	<b>-</b>	<b>(121)</b>	<b>-</b>	<b>-</b>	<b>4,694</b>
<b>Total State Awards</b>				<b>\$ (704,699)</b>	<b>\$ 14,903</b>	<b>\$ -</b>	<b>8,855,053</b>	<b>9,249,587</b>	<b>\$ 198,861</b>	<b>\$ 14,903</b>	<b>\$ (945,503)</b>	<b>\$ 23,378</b>	<b>\$ 21,753</b>	<b>\$ 54,469</b>
<b>Less:</b>														
<b>On-Behalf Assistance Not Included in Single Audit and Major Program Determination</b>														
TPAF Pension Contributions						(2,502,905)	(2,502,905)							
TPAF Non Contributory Insurance Contributions						(44,862)	(44,862)							
TPAF Post Retirement Medical Contributions						(945,175)	(945,175)							
TPAF Long Term Disability Insurance Contributions						(2,187)	(2,187)							
<b>Total State Financial Assistance Subject to Single Audit and Major Program Determination Calculation</b>						<b>\$ 5,359,924</b>	<b>\$ 5,754,458</b>							

**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, 2020**

**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 \$148,080 for the general fund and a decrease of \$65,345 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	\$ 43,525	\$ 7,140,153	\$ 7,183,678
Special Revenue Fund	739,656	1,276,521	2,016,177
Debt Service Fund		379,753	379,753
Food Service Fund	<u>241,786</u>	<u>4,694</u>	<u>246,480</u>
Total Financial Assistance	<u>\$ 1,024,967</u>	<u>\$ 8,801,121</u>	<u>\$ 9,826,088</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, 2020**

**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 \$946,402 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$2,547,767, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$945,175 and TPAF Long-Term Disability Insurance in the amount of \$2,187 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

**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, 2020**

*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?      yes   X   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?      yes   X   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>
84.027	IDEA Part B, Basic
84.173	IDEA Preschool
84.010	ESEA Title I

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, 2020**

*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.

There are none.

**TOWN OF BOONTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*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, 2020**

*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, 2020**

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 2019-001**

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

**Current Status**

Corrective action has been taken.