

**BOROUGH OF POMPTON LAKES
SCHOOL DISTRICT
COUNTY OF PASSAIC, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

**SCHOOL DISTRICT
OF THE
BOROUGH OF POMPTON LAKES**

**Pompton Lakes Board of Education
Pompton Lakes, New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2020**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Borough of Pompton Lakes School District

Pompton Lakes, New Jersey

For The Fiscal Year Ended June 30, 2020

Prepared by

**Borough of Pompton Lakes School District
Finance Department**

OUTLINE OF CAFR

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7

FINANCIAL SECTION

Independent Auditor's Report	8
Required Supplementary Information - Part I Management's Discussion and Analysis	12

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:

A-1 Statement of Net Position	23
A-2 Statement of Activities	24

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	25
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	26
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27

Proprietary Funds:

B-4 Statement of Net Position	28
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	29
B-6 Statement of Cash Flows	30

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	31
B-8 Statement of Changes in Fiduciary Net Position	32

Notes to the Financial Statements	33
---	----

OUTLINE OF CAFR

Required Supplementary Information - Part II

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund	73
C-1a	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund	78

Notes to the Required Supplementary Information

C-3	Budgetary Comparison Schedule	79
-----	-------------------------------------	----

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	80
L-2	Schedule of District Contributions – PERS	81
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	82
L-4	Notes to Required Schedules of Supplementary Information - Part III	83

M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)

M-1	Schedule of the District's Proportionate Share of Net OPEB	84
-----	--	----

Other Supplementary Information

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	85
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	86
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	87
E-2	Not Applicable	
E-3	Not Applicable	
E-4	Not Applicable	
E-5	Not Applicable	
E-6	Not Applicable	

OUTLINE OF CAFR

F. Capital Projects Fund:

Not Applicable

G. Proprietary Funds:

Enterprise Fund:

G-1	Combining Statement of Net Position	88
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	89
G-3	Combining Statement of Cash Flows	90

Internal Service Fund:

Not Applicable

H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position	91
H-2	Combining Statement of Changes in Fiduciary Net Position	92
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements	93
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements	94

I. Long-Term Debt:

I-1	Statement of Serial Bonds	95
I-2	Statement of Obligations under Capital Leases	96
I-3	Debt Service Fund - Budgetary Comparison Schedule	97

J. Statistical Section (Unaudited)

Financial Trends

Introduction to the Statistical Section

J-1	Net Position by Component	98
J-2	Changes in Net Position	99
J-3	Fund Balances - Governmental Funds	101
J-4	Changes in Fund Balances - Governmental Funds	102
J-5	General Fund Other Local Revenue by Source	103

OUTLINE OF CAFR

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property	104
J-7	Direct and Overlapping Property Tax Rates	105
J-8	Schedule of Principal Taxpayers	106
J-9	School Tax Levies and Collections	107

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	108
J-11	Ratios of Net General Bonded Debt Outstanding	109
J-12	Direct and Overlapping Governmental Activities Debt	110
J-13	Legal Debt Margin Information	111

Demographic and Economic Information

J-14	Demographic and Economic Statistics	112
J-15	Schedule of Principal Employers	113

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	114
J-17	Operating Statistics	115
J-18	School Building Information	116
J-19	Schedule of Required Maintenance for School Facilities	117
J-20	Insurance Schedule	118

K. SINGLE AUDIT SECTION

K-1	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	119
K-2	Report on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance with the Uniform Guidance and N.J. OMB Circular Letter 15-08	121
K-3	Schedule of Expenditures of Federal Awards - Schedule A	124
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	125
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	126
K-6	Schedule of Findings and Questioned Costs	129
K-7	Schedule of Financial, Federal and State Findings	131
K-8	Summary Schedule of Prior Audit Findings	132

INTRODUCTORY SECTION

POMPTON LAKES BOARD OF EDUCATION

237 VAN AVENUE
POMPTON LAKES, NJ 07442
(973) 835-7100
FAX (973) 835-1748

December 22, 2020

To the Citizens and
the Honorable President and Members of
the Board of Education Pompton Lakes
Borough School District
County of Passaic, New Jersey

The comprehensive annual financial report of the Borough of Pompton Lakes School District (the "District") for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal, the District's organizational chart, a roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey 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 auditors' 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.

1) REPORTING ENTITY AND ITS SERVICES: The Borough of Pompton Lakes School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Borough of Pompton Lakes School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, as well as special education for handicapped youngsters, remedial support for non-classified students in need, an autistic program, and enrichment activities for our gifted students. Pompton Lakes High School was designated a choice school beginning September 1, 2013.

The District completed the 2019-2020 fiscal year with an average daily enrollment of 1,713 students, which is an increase of .04% students from the previous year’s enrollment. The District’s average daily enrolments for the past ten years are presented below:

	Average Daily Enrollment	
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	1,713	0.04%
2018-2019	1,647	-0.02%
2017-2018	1,650	-0.55%
2016-2017	1,659	-2.25%
2015-2016	1,682	-1.18%
2014-2015	1,702	3.14%
2013-2014	1,688	-0.83%
2012-2013	1,702	2.40%
2011-2012	1,661	-0.54%
2010-2011	1,652	-5.17%

2) ECONOMIC CONDITION AND OUTLOOK: Recessionary times dictated no significant increases to the District’s budget and no significant capital outlays. Continued fiscal problems at the State level could affect future state aid revenue.

3) MAJOR INITIATIVES: During 2019-2020, the District accomplished the following:

- The high school identified and implemented career exploration pathways for incoming high school freshmen.
- Board began the very initial stages of exploring facilities needs for a potential referendum project in 2024
- District received grant funding for Stigma Free programs and training
- Adoption of Foundations program for grade 2
- Implementation of student devices for grades 1 and 2
- Completed implementation of Eureka Math program for grades 7 and 8

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2020.

6) ACCOUNTING SYSTEM REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 2.

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

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

The Board is a member of the Pooled Insurance program of New Jersey (PIP). PIP is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. Additional information on the PIP is included in Note 12 to the Basic Financial Statements.

9) DEBT ADMINISTRATION: At June 30, 2020, the District had \$1,845,000.00 in outstanding 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 Ferraioli, Wielkotz, Cerullo & Cuva, P.A. was selected by the Board of Education at its last organization meeting. In addition to meeting the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey 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 single audit section of this report.

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

Respectfully submitted,

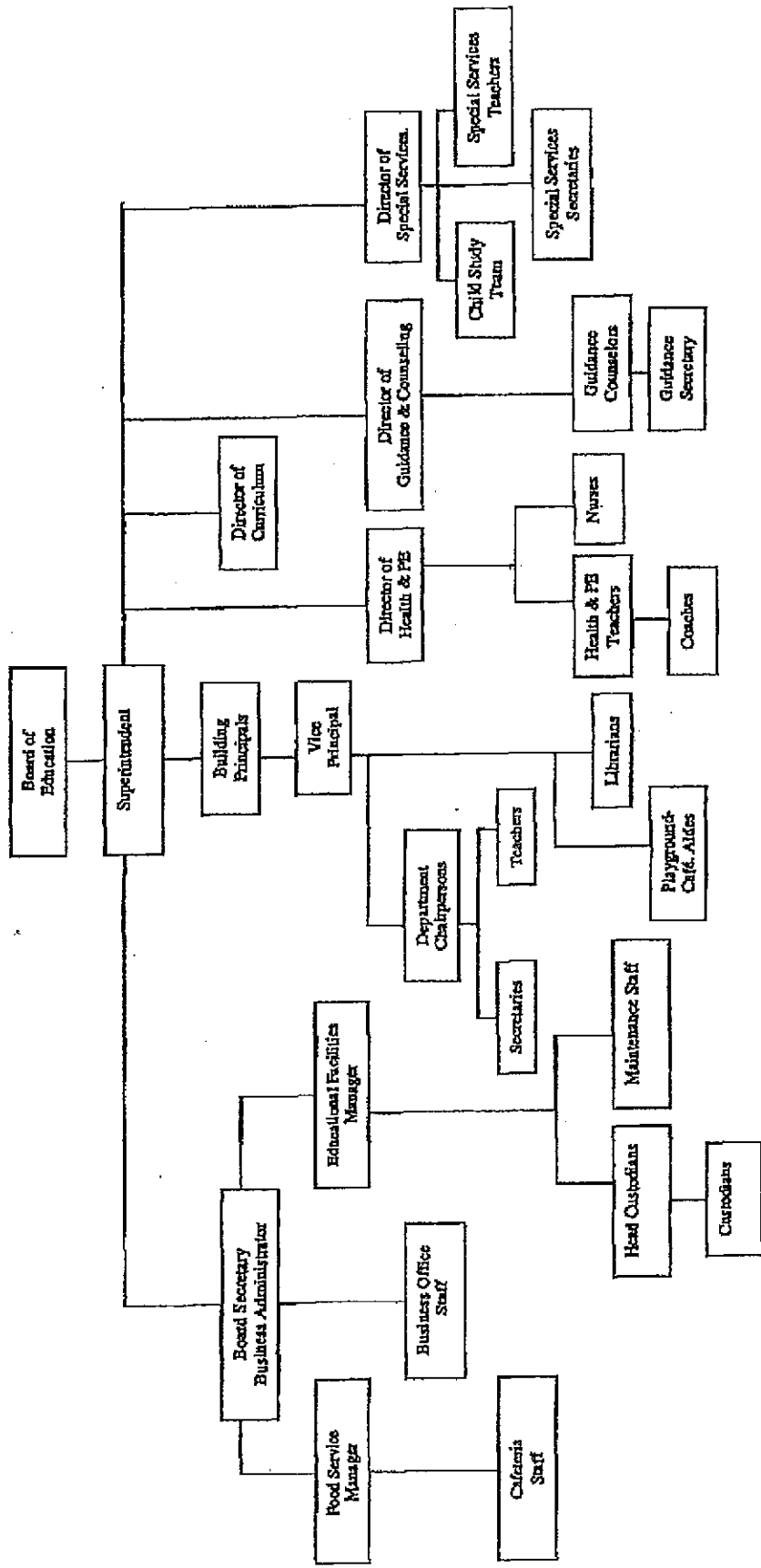
Paul Amoroso

Renee Taveniere

Paul Amoroso, Ed.D.
Superintendent of Schools

Renee Taveniere, CPA
School Business Administrator/Board Secretary

POMPTON LAKES SCHOOL DISTRICT ORGANIZATIONAL CHART



BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2020

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Nancy Schwartz, President	2020
Traci Cioppa, Vice President	2021
Karl Roman	2022
Robert Cruz	2021
Eileen Horn	2022
Scott SanTERS	2020
Colleen Dawson	2021
John Yao	2022
Jimmy Rose	2020
Kelly Norris (Riverdale Representative)	2021

Other Officials

Paul Amoroso, Ed.D., Superintendent of Schools

Renee Taveniere, CPA, Business Administrator/Board Secretary

Herb Diamond, CPA, Treasurer of School Monies

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

Wielkocz & Company, LLC
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

Adams, Gutierrez & Lattiboudere
1037 Raymond Boulevard
Suite 900
Newark, NJ 07102

Bond Attorney

McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, NJ 07068

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900
office@w-cpa.com

Rockaway Office
100 Enterprise Drive
Suite 301
Rockaway, New Jersey 07866
(973)-835-7900

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Pompton Lakes School District
County of Passaic, 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 Board of Education of the Borough of Pompton Lakes School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District'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 misstatements, 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and
Members of the Board of Education
Page 2.

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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Pompton Lakes Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 and Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents 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 the 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 Borough of Pompton Lakes Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and 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 the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the 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 the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 and individual nonmajor fund financial statements, the 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 the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject 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 it.

Honorable President and
Members of the Board of Education
Page 4.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020 on our consideration of the Borough of Pompton Lakes Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Borough of Pompton Lakes Board of Education's internal control over financial reporting and compliance.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 22, 2020

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

As management of the Borough of Pompton Lakes Board of Education (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of Borough of Pompton Lakes Board of Education for the fiscal year ended June 30, 2020.

The management’s discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District’s financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

In total, net position increased \$1,031,191.89, which represents an 633.05% increase from 2019. Net position of governmental activities increased \$1,082,441.75 while net position of business-type activity decreased by \$51,249.86. These variances are primarily the result of excess miscellaneous revenues and unexpended budget appropriations, decrease in net pension liability, and changes in compensated absences in 2019-20 and increased operating grants, service charges of the business-type activities.

1. General revenues accounted for \$41,081,612.76 in revenue or 96.38 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,544,901.80 or 3.62 percent of total revenues of \$42,626,514.56.
2. The School District had \$41,151,924.22 in expenses related to governmental activities; only \$1,154,763.83 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$41,079,602.14 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Borough of Pompton Lakes Board of Education’s basic financial statements. The Borough of Pompton Lakes Board of Education’s basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Borough of Pompton Lakes Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Borough of Pompton Lakes Board of Education's position and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough of Pompton Lakes Board of Education is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Borough of Pompton Lakes Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Pompton Lakes Board of Education include instruction, support services and special schools. The business-type activities of the Borough of Pompton Lakes Board of Education include the food service program.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Pompton Lakes Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Pompton Lakes Board of Education can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Borough of Pompton Lakes Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects and debt service fund which are all considered to be major funds.

The Borough of Pompton Lakes Board of Education adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

The Borough of Pompton Lakes Board of Education maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Borough of Pompton Lakes Board of Education uses enterprise funds to account for its food service program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Borough of Pompton Lakes Board of Education's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net positions were \$162,892.01 at June 30, 2020 and \$(567,208.89) at June 30, 2019. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2020 compared to 2019 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$4,346,989.70	\$3,793,007.68	\$142,815.38	\$154,713.00	\$4,489,805.08	\$3,947,720.68
Capital Assets	<u>10,595,510.80</u>	<u>10,575,247.80</u>	<u>91,253.66</u>	<u>108,003.31</u>	<u>10,686,764.46</u>	<u>10,683,251.11</u>
Total Assets	<u>14,942,500.50</u>	<u>14,368,255.48</u>	<u>234,069.04</u>	<u>262,716.31</u>	<u>15,176,569.54</u>	<u>14,630,971.79</u>
Deferred Outflows	<u>1,465,331.00</u>	<u>2,209,723.00</u>			<u>1,465,331.00</u>	<u>2,209,723.00</u>
Other Liabilities	1,018,139.28	1,166,232.94	27,483.00	4,880.42	1,045,622.28	1,171,113.36
Long Term Liabilities	<u>11,215,394.35</u>	<u>12,198,765.42</u>			<u>11,215,394.35</u>	<u>12,198,765.42</u>
Total Liabilities	<u>12,233,533.63</u>	<u>13,364,998.36</u>	<u>27,483.00</u>	<u>4,880.42</u>	<u>12,261,016.63</u>	<u>13,369,878.78</u>
Deferred Inflows	<u>3,186,800.00</u>	<u>3,307,924.00</u>			<u>3,186,800.00</u>	<u>3,307,924.00</u>
Net Position						
Invested in Capital Assets	7,364,427.45	7,124,862.38	91,253.66	108,003.31	7,455,681.11	7,232,865.69
Restricted	3,033,856.97	2,232,206.24			3,033,856.97	2,232,206.24
Unrestricted	<u>(9,410,786.55)</u>	<u>(9,452,012.50)</u>	<u>115,332.38</u>	<u>149,832.58</u>	<u>(9,295,454.17)</u>	<u>(9,302,179.92)</u>
Total Net Position	<u>\$987,497.87</u>	<u>(\$94,943.88)</u>	<u>\$206,586.04</u>	<u>\$257,835.89</u>	<u>\$1,194,083.91</u>	<u>\$162,892.01</u>

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2020 compared to 2019.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales	\$	\$	\$201,739.81	\$274,310.19	\$201,739.81	\$274,310.19
Operating Grants and						
Contributions	1,154,763.83	1,110,450.38	188,398.16	178,580.27	1,343,161.99	1,289,030.65
General Revenues:						
Taxes:						
Property taxes	25,101,526.00	24,672,795.00			25,101,526.00	24,672,795.00
Federal and State Aid not						
Restricted	12,100,065.04	13,435,810.12			12,100,065.04	13,435,810.12
Other Income	<u>3,878,011.10</u>	<u>3,813,234.00</u>	<u>2,010.62</u>	<u>3,015.93</u>	<u>3,880,021.72</u>	<u>3,816,249.93</u>
Total Revenues and Transfers	<u>42,234,365.97</u>	<u>43,032,289.50</u>	<u>392,148.59</u>	<u>455,906.39</u>	<u>42,626,514.56</u>	<u>43,488,195.89</u>

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Functions/Program	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction:						
Regular	\$13,297,845.86	\$13,495,928.08			\$13,297,845.86	\$13,495,928.08
Special	5,744,181.64	5,333,482.28			5,744,181.64	5,333,482.28
Other Special Instruction	863,040.01	752,546.36			863,040.01	752,546.36
Other Instruction	774,922.56	758,611.08			774,922.56	758,611.08
Support Services:						
Tuition	1,701,847.96	1,566,531.86			1,701,847.96	1,566,531.86
Student & Instruction Related Services	3,606,328.62	3,818,114.83			3,606,328.62	3,818,114.83
School Administrative Services	1,964,999.38	2,088,389.95			1,964,999.38	2,088,389.95
General Administrative Services	518,481.55	496,136.97			518,481.55	496,136.97
Central Services and Info. Tech.	875,408.90	826,154.13			875,408.90	826,154.13
Plant Operations and Maintenance	2,836,676.35	3,013,828.55			2,836,676.35	3,013,828.55
Pupil Transportation	864,005.27	925,668.82			864,005.27	925,668.82
Unallocated Benefits	7,507,552.04	8,722,249.12			7,507,552.04	8,722,249.12
Unallocated depreciation	492,635.00	468,572.00			492,635.00	468,572.00
Interest on Long-Term Debt	36,195.00	43,675.92			36,195.00	43,675.92
Capital Outlay	67,804.08	444.84			67,804.08	444.84
Food Service	<u> </u>	<u> </u>	\$443,398.45	\$447,760.20	<u>443,398.45</u>	<u>447,760.20</u>
Total Expenses and Transfers	<u>41,151,924.22</u>	<u>42,310,334.79</u>	<u>443,398.45</u>	<u>447,760.20</u>	<u>41,595,322.67</u>	<u>42,758,094.99</u>
Increase or (Decrease) in Net Position	<u>\$1,082,441.75</u>	<u>\$721,954.71</u>	<u>(\$51,249.86)</u>	<u>\$8,146.19</u>	<u>\$1,031,191.89</u>	<u>\$730,100.90</u>

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$41,595,322.67. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$25,101,526.00 because some of the cost was paid by those who benefited from the programs \$201,739.81 , by other governments and organizations who subsidized certain programs with grants and contributions \$1,343,161.99, and by miscellaneous sources \$15,980,086.76.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$53,260.48.
- ✓ Charges for services provided totaled \$201,739.81. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$188,398.16.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

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

During the fiscal year ended June 30, 2020, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and/or to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$588,442.80 for increase in federal and local grant awards.

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund

The general fund actual revenue was \$38,896,002.34. That amount is \$5,602,286.34 above the final amended budget of \$33,293,716.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$5,551,719.04 for TPAF pension and social security reimbursements and \$50,567.30 for excesses in other anticipated revenues.

The actual expenditures of the general fund were \$38,494,450.66 including transfers which is \$4,450,463.80 above the final amended budget of \$34,043,986.86. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$5,551,719.04 for TPAF pension and social security reimbursements, \$1,466,255.24 of unexpended budgeted funds, and \$365,000.00 non-budgeted capital leases.

General fund had total revenues and other financing sources of \$39,261,002.34 and total expenditures of \$38,484,450.66 with an ending fund balance of \$4,221,543.88 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$1,035,196.43. That amount is \$459,616.37 less than the final amended budget \$1,494,812.80.

The actual expenditures of the special revenue fund were \$1,035,196.43, which is \$459,616.37 less than the final amended budget of \$1,494,812.80.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020 the School District had \$33,819,793.46 invested in sites, buildings and equipment. Of this amount, \$23,133,029.00 in depreciation has been taken over the years. We currently have a net book value of \$10,686,764.46. Total additions for the year were \$595,028.35, the majority of which was for facility improvements and various equipment. Table 3 shows fiscal year 2020 balances compared to 2019.

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$1,594,700.00	\$1,594,700.00			\$1,594,700.00	\$1,594,700.00
Buildings and Improvements	8,621,995.80	8,572,780.80			8,621,995.80	8,572,780.80
Furniture, Equipment and Vehicles	<u>378,815.00</u>	<u>407,767.00</u>	<u>\$91,253.66</u>	<u>\$108,003.31</u>	<u>470,068.66</u>	<u>515,770.31</u>
	<u>\$10,595,510.80</u>	<u>\$10,575,247.80</u>	<u>\$91,253.66</u>	<u>\$108,003.31</u>	<u>\$10,686,764.46</u>	<u>\$10,683,251.11</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

Outstanding Long-Term Liabilities

At June 30, 2020, the District had \$11,215,394.35 of long-term liabilities. Of this amount, \$389,860.00 is for compensated absences; \$1,845,000.00 is for serial bonds for school construction, \$1,386,083.35 is for capital leases and \$7,594,451.00 is for net pension liability.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2020</u>	<u>2019</u>
2009 School Bonds	<u>\$1,845,000.00</u>	<u>\$2,205,000.00</u>
Total	<u>\$1,845,000.00</u>	<u>\$2,205,000.00</u>

**BOROUGH OF POMPTON LAKES BOARD OF EDUCATION
POMPTON LAKES, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Factors Bearing on the District's Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was aware of two existing circumstances that could significantly affect its financial health in the future:

- Significant increases for most District insurance policies.
- Continued fiscal problems at the state level which could affect future state aid revenue.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Renee Taveniere, School Business Administrator/Board Secretary at Borough of Pompton Lakes Board of Education, 237 Van Avenue, Pompton Lakes, NJ, 07442.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	1,833,079.93	120,707.55	1,953,787.48
Receivables, net	683,991.62	7,002.44	690,994.06
Inventory		15,105.39	15,105.39
Restricted Assets:			
Cash and Cash Equivalents	1,829,918.15		1,829,918.15
Capital Assets:			
Land and Construction in Progress	1,594,700.00		1,594,700.00
Other Capital Assets, net	9,000,810.80	91,253.66	9,092,064.46
Total Assets	<u>14,942,500.50</u>	<u>234,069.04</u>	<u>15,176,569.54</u>
DEFERRED OUTFLOWS			
Deferred Outflows of Resources Related to PERS - Pension	<u>1,465,331.00</u>		<u>1,465,331.00</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	884,330.25	16,082.00	900,412.25
Payable to State Government	81,596.00		81,596.00
Unearned Revenue	52,213.03	11,401.00	63,614.03
Noncurrent Liabilities:			
Due within one year	602,280.89		602,280.89
Due beyond one year	10,613,113.46		10,613,113.46
Total Liabilities	<u>12,233,533.63</u>	<u>27,483.00</u>	<u>12,261,016.63</u>
DEFERRED INFLOWS			
Deferred Inflows of Resources Related to PERS - Pension	<u>3,186,800.00</u>		<u>3,186,800.00</u>
NET POSITION			
Invested in Capital Assets	7,364,427.45	91,253.66	7,455,681.11
Restricted for:			
Debt Service	2.54		2.54
Capital Projects	1,618,862.95		1,618,862.95
Other Purposes	1,414,991.48		1,414,991.48
Unrestricted (Deficit)	<u>(9,410,786.55)</u>	<u>115,332.38</u>	<u>(9,295,454.17)</u>
Total Net Position	<u><u>987,497.87</u></u>	<u><u>206,586.04</u></u>	<u><u>1,194,083.91</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	10,880,197.83	2,417,648.02		874,482.83	(12,423,363.02)	(12,423,363.02)
Special Education	4,597,218.10	1,146,963.54			(5,744,181.64)	(5,744,181.64)
Other Special Instruction	686,598.70	176,441.31			(863,040.01)	(863,040.01)
Other Instruction	652,764.43	122,158.13			(774,922.56)	(774,922.56)
Support services:						
Tuition	1,701,847.96	-			(1,701,847.96)	(1,701,847.96)
Student & Instruction Related Services	2,943,084.21	663,244.41		158,133.00	(3,448,195.62)	(3,448,195.62)
School Administrative Services	1,571,856.93	393,142.45			(1,964,999.38)	(1,964,999.38)
General Administrative Services	448,038.54	70,443.01			(518,481.55)	(518,481.55)
Central Services & Admin. Info. Technology	705,096.92	170,311.98			(875,408.90)	(875,408.90)
Plant Operations and Maintenance	2,470,827.55	365,848.80			(2,836,676.35)	(2,836,676.35)
Pupil Transportation	860,800.87	3,204.40			(864,005.27)	(864,005.27)
Unallocated Benefits	7,507,552.04	-			(7,507,552.04)	(7,507,552.04)
Capital Outlay - Non-depreciable	67,804.08	-			(67,804.08)	(67,804.08)
Interest on Long-term Debt	36,195.00	-		122,148.00	85,953.00	85,953.00
Unallocated Depreciation	492,635.00	-			(492,635.00)	(492,635.00)
Total Governmental Activities	35,622,518.17	5,529,406.05	-	1,154,763.83	(39,997,160.39)	(39,997,160.39)
Business-type Activities:						
Food Service	443,398.45		201,739.81	188,398.16	(53,260.48)	(53,260.48)
Total Business-type Activities	443,398.45		201,739.81	188,398.16	(53,260.48)	(53,260.48)
Total Primary Government	36,065,916.62		201,739.81	1,343,161.99	(39,997,160.39)	(40,050,420.87)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					24,836,266.00	24,836,266.00
Taxes Levied for Debt Service					265,260.00	265,260.00
Federal and State Aid not Restricted					12,100,065.04	12,100,065.04
Tuition					3,688,679.42	3,688,679.42
Rental Income					21,031.60	21,031.60
Investment Earnings					60,217.37	62,227.99
Miscellaneous Income					82,551.91	82,551.91
Federal and State Aid - Capital Outlay					25,530.80	25,530.80
Total General Revenues, Special Items, Extraordinary Items and Transfers					41,079,602.14	41,081,612.76
Change in Net Position					1,082,441.75	1,031,191.89
Net Position—Beginning					(94,943.88)	162,892.01
Net Position—Ending					987,497.87	1,194,083.90

See Accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	1,833,077.39		2.54	1,833,079.93
Interfund Receivables	30,059.36			30,059.36
Receivables from Other Governments	315,223.35	244,964.98		560,188.33
Tuitions/Transportation Fees Receivable	89,074.00			89,074.00
Other Receivables	17,799.98			17,799.98
Restricted Cash and Cash Equivalents	1,829,918.15			1,829,918.15
Total Assets	<u>4,115,152.23</u>	<u>244,964.98</u>	<u>2.54</u>	<u>4,360,119.75</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	335,055.35	98,025.90		433,081.25
Interfund Payables		13,130.05		13,130.05
Payable to State Government		81,596.00		81,596.00
Unearned Revenue		52,213.03		52,213.03
Total Liabilities	<u>335,055.35</u>	<u>244,964.98</u>		<u>580,020.33</u>
Fund Balances:				
Restricted for:				
Excess Surplus -- Current Year	350,271.73			350,271.73
Excess Surplus -- Designated for Subsequent Year's Expenditures	113,664.55			113,664.55
Capital Reserve Account	1,618,862.95			1,618,862.95
Maintenance Reserve Account	951,055.20			951,055.20
Debt Service			2.54	2.54
Assigned to:				
Other Purposes	153,019.37			153,019.37
Designated by the BOE for Subsequent Year's Expenditures	383,115.45			383,115.45
Unassigned:				
General Fund	210,107.63			210,107.63
Total Fund Balances	<u>3,780,096.88</u>		<u>2.54</u>	<u>3,780,099.42</u>
Total Liabilities and Fund Balances	<u>4,115,152.23</u>	<u>244,964.98</u>	<u>2.54</u>	

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 \$33,456,331.80 and the accumulated depreciation is \$22,860,821.00.	10,595,510.80
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(11,685.00)
Accounts Payable for subsequent Pension payment is not a payable in the funds	(439,564.00)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	1,465,331.00
Deferred Inflows of Resources Related to PERS Pension Liability	(3,186,800.00)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(11,215,394.35)</u>
Net Position of governmental activities	<u>987,497.87</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	24,836,266.00		265,260.00	25,101,526.00
Tuition Charges - Individuals	32,820.00			32,820.00
Tuition Charges - Other LEAs	3,655,859.42			3,655,859.42
Rental Income	21,031.60			21,031.60
Interest Earned on Capital Reserve Funds	7,750.00			7,750.00
Interest Earned on Maintenance Reserve Funds	3,875.00			3,875.00
Interest Earned on Investments	48,592.37			48,592.37
Miscellaneous	82,551.91	97,768.63		180,320.54
Total - Local Sources	<u>28,688,746.30</u>	<u>97,768.63</u>	<u>265,260.00</u>	<u>29,051,774.93</u>
State Sources	10,156,022.04	132,463.00	122,148.00	10,410,633.04
Federal Sources	25,130.00	827,915.00		853,045.00
Total Revenues	<u>38,869,898.34</u>	<u>1,058,146.63</u>	<u>387,408.00</u>	<u>40,315,452.97</u>
EXPENDITURES				
Current:				
Regular Instruction	10,019,360.59	874,482.83		10,893,843.42
Special Education Instruction	4,597,218.10			4,597,218.10
Other Special Instruction	686,598.70			686,598.70
Other Instruction	652,764.43			652,764.43
Support Services and Undistributed Costs:				
Tuition	1,701,847.96			1,701,847.96
Student & Instruction Related Services	2,789,499.74	158,133.00		2,947,632.74
School Administrative Services	1,590,051.05			1,590,051.05
General Administrative Services	448,038.54			448,038.54
Central Services & Admin. Info. Technology	714,193.98			714,193.98
Plant Operations and Maintenance	2,649,644.33			2,649,644.33
Pupil Transportation	860,800.87			860,800.87
Unallocated Benefits	11,152,299.09			11,152,299.09
Capital Outlay	632,133.28	25,530.80		657,664.08
Debt Service:				
Principal			360,000.00	360,000.00
Interest and Other Charges			38,475.00	38,475.00
Total Expenditures	<u>38,494,450.66</u>	<u>1,058,146.63</u>	<u>398,475.00</u>	<u>39,951,072.29</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>375,447.68</u>		<u>(11,067.00)</u>	<u>364,380.68</u>
OTHER FINANCING SOURCES (USES)				
Capital Leases	365,000.00			365,000.00
Total other financing sources and (uses)	<u>365,000.00</u>			<u>365,000.00</u>
Net Change in Fund Balances	740,447.68		(11,067.00)	729,380.68
Fund Balance—July 1	3,039,649.20		11,069.54	3,050,718.74
Fund Balance (Deficit)—June 30	<u>3,780,096.88</u>		<u>2.54</u>	<u>3,780,099.42</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020

Total net change in fund balances - governmental funds (from B-2) 729,380.68

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation Expense	(569,597.00)	
	Depreciable Capital Outlays	<u>589,860.00</u>	20,263.00

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities. In the current year, these amounts consist of:

Bond Principal			360,000.00
Capital Leases Principal			224,302.07

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of Net Position. Capital Lease Proceeds

(365,000.00)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest net adjustment in the reconciliation.

2,280.00

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(Increase)/Decrease in Compensated Absences Payable			(36,920.00)
---	--	--	-------------

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of: District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

	District Pension Contributions	409,977.00	
	Less: Pension Expense	<u>(261,841.00)</u>	
(Increase)/Decrease in Pension Expense			148,136.00

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

	Increase in On-behalf State Aid TPAF Pension	1,954,579.00	
	Increase in On-behalf TPAF Pension Expense	<u>(1,954,579.00)</u>	

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post retirement medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	(35,666.00)	
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>35,666.00</u>	

Change in Net Position of governmental activities			<u><u>1,082,441.75</u></u>
--	--	--	----------------------------

See Accompanying Notes to Financial Statements.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities - Enterprise Fund
	Food Service Program
 ASSETS	
Current Assets:	
Cash and Cash Equivalents	120,707.55
Accounts Receivable:	
State	67.16
Federal	6,935.28
Inventories	15,105.39
Total Current Assets	142,815.38
 Noncurrent Assets:	
Capital Assets:	
Equipment	363,461.66
Less Accumulated Depreciation	(272,208.00)
Total Capital Assets (Net of Accumulated Depreciation)	91,253.66
Total Assets	234,069.04
 LIABILITIES	
Current Liabilities:	
Deferred Revenue	11,401.00
Total Current Liabilities	27,483.00
Total Liabilities	27,483.00
 NET POSITION	
Invested in Capital Assets Net of Related Debt	91,253.66
Unrestricted	115,332.38
Total Net Position	206,586.04

See Accompanying Notes to Financial Statements.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	<u>Business-Type Activities - Enterprise Fund Food Service Program</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	118,027.90
Daily Sales - Non-Reimbursable Programs	82,034.88
Miscellaneous Program Fees	1,677.03
Total Operating Revenues	<u>201,739.81</u>
Operating Expenses:	
Cost of sales-reimbursable programs	144,081.31
Cost of sales-non-reimbursable programs	69,620.14
Salaries, Benefits and Payroll Taxes	155,374.03
Supplies and Materials	10,200.71
Purchased Professional Services	10,423.50
Cleaning Repair & Maintenance	9,367.80
Purchased Services	4,351.23
Utilities	18,061.73
Depreciation	21,918.00
Total Operating Expenses	<u>443,398.45</u>
Operating Income (Loss)	<u>(241,658.64)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	3,535.96
Federal Sources:	
National School Lunch Program	123,212.30
National School Breakfast Program	14,853.80
Food Distribution Program	46,796.10
Interest and Investment Revenue	2,010.62
Total Nonoperating Revenues (Expenses)	<u>190,408.78</u>
Income (Loss) Before Contributions & Transfers	(51,249.86)
Transfers In (Out)	
Change in Net Position	<u>(51,249.86)</u>
Total Net Position—Beginning	257,835.89
Total Net Position—Ending	<u><u>206,586.03</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Fund <hr/> Food Service Program <hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	208,249.22
Payments to Suppliers	(3,675.40)
Payments for Miscellaneous Expenses	(27,332.94)
Payments to Food Service Management Company	(336,979.32)
Net Cash Provided by (Used for) Operating Activities	<u>(159,738.44)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	3,754.37
Federal Sources	140,145.45
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>143,899.82</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	(5,168.35)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(5,168.35)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	2,010.62
Net Cash Provided by (Used for) Investing Activities	<u>2,010.62</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(18,996.35)
Balances—Beginning of Year	139,703.90
Balances—End of Year	<u><u>120,707.55</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	(241,658.64)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation and Net Amortization	21,918.00
Food Distribution Program Donated Commodities	46,796.10
(Increase) Decrease in Inventories	(9,396.49)
Increase (Decrease) in Accounts Payable	16,082.07
Increase (Decrease) in Other Current Liabilities	6,520.52
Total Adjustments	<u>81,920.20</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>(159,738.44)</u></u>

See Accompanying Notes to Financial Statements.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	383,616.79	846,868.67
Other Receivables	30,000.00	
Interfund Receivable		9,181.97
Total Assets	<u>413,616.79</u>	<u>856,050.64</u>
LIABILITIES		
Payable to Student Groups		201,099.79
Interfund Payable	9,181.97	16,929.31
Payroll Deductions and Withholdings	3,479.43	638,021.54
Total Liabilities	<u>12,661.40</u>	<u>856,050.64</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>400,955.39</u>	

See Accompanying Notes to Financial Statements.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Plan Member	45,411.15
Board - Budget	30,000.00
Total Contributions	<u>75,411.15</u>
Investment Earnings:	
Interest	3,510.21
Net Investment Earnings	<u>3,510.21</u>
Total Additions	<u>78,921.36</u>
DEDUCTIONS	
Quarterly Contribution Reports	13,350.25
Unemployment Claims	28,029.99
Total Deductions	<u>41,380.24</u>
Change in Net Position	37,541.12
Net Position—Beginning of the Year	<u>363,414.27</u>
Net Position—End of the Year	<u><u>400,955.39</u></u>

See Accompanying Notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Borough of Pompton Lakes School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Pompton Lakes School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms, plus one member from Riverdale, representing their sending relationship to Pompton Lakes High School. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school and a high school, located in the Borough of Pompton Lakes. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Basis of Presentation: (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, Student Activities Fund and Payroll Agency Fund.

C. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Budgets/Budgetary Control: (continued)

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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

F. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Tuition Revenues/Receivable

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

I. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

J. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

K. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

L. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

M. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

M. Capital Assets: (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

N. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

O. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

P. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. Accrued Liabilities and Long-term Obligations: (continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Q. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Q. Accounting and Financial Reporting for Pensions: (continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

R. 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

S. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

T. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

T. Net Position: (continued)

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted items of net position are available.

U. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

V. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence.

W. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

X. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Y. New Accounting Standards:

During fiscal year 2020, the District did not adopt any new GASB Statements.

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

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. This Statement was effective for reporting periods beginning after December 15, 2018. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires 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. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Y. New Accounting Standards: (continued)

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves 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 and includes specific provisions. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 93, *Replacement of Interbank Offering Rates*. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

s

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2020, \$-0- of the District's bank balance of \$5,357,974.46 was exposed to custodial credit risk.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2020, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$269,035.55	\$67.16	\$269,102.71
Federal Aid	257,450.24	6,935.28	264,385.52
Tuition/Transportation Fees	89,074.00		89,074.00
Interfunds	30,059.36		16,929.31
Other	<u>51,502.52</u>		<u>51,502.22</u>
Gross Receivables	697,121.67	7,002.44	690,993.76
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$697,121.67</u></u>	<u><u>\$7,002.44</u></u>	<u><u>\$690,993.76</u></u>

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 4. INTERFUND BALANCES AND ACTIVITY:

Balance due to/from other funds at June 30, 2020 consist of the following:

\$13,130.05	Due to General Fund from Special Revenue Fund for short term loan
<u>16,929.31</u>	Due to the General Fund from the Payroll Agency Fund for excess deposits.
<u>\$30,059.36</u>	

It is anticipated that all interfunds will be liquidated within the fiscal year.

NOTE 5. CAPITAL ASSETS:

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

	<u>Balance 6/30/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/20</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$1,594,700.00	\$	\$	\$1,594,700.00
Construction in Progress	<u>0.00</u>	<u> </u>	<u> </u>	<u>0.00</u>
Total Capital Assets, Not Being Depreciated	<u>1,594,700.00</u>	<u>0.00</u>	<u> </u>	<u>1,594,700.00</u>
Capital Assets Being Depreciated				
Buildings and Building Improvements	29,024,934.80	481,269.00		29,506,203.80
Machinery and Equipment	<u>2,280,837.00</u>	<u>108,591.00</u>	<u>(34,000.00)</u>	<u>2,355,428.00</u>
Totals at Historical Cost	<u>31,305,771.80</u>	<u>589,860.00</u>	<u>(34,000.00)</u>	<u>31,861,631.80</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(20,452,154.00)	(432,054.00)		(20,884,208.00)
Equipment	<u>(1,873,070.00)</u>	<u>(137,543.00)</u>	<u>34,000.00</u>	<u>(1,976,613.00)</u>
Total Accumulated Depreciation	<u>(22,325,224.00)</u>	<u>(569,597.00)</u>	<u>34,000.00</u>	<u>(22,860,821.00)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,980,547.80</u>	<u>20,263.00</u>	<u> </u>	<u>9,000,810.80</u>
Governmental Activities Capital Assets, Net	<u>\$10,575,247.80</u>	<u>\$20,263.00</u>	<u>\$</u>	<u>\$10,595,510.80</u>

Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020

NOTE 5. CAPITAL ASSETS: (continued)

	<u>Balance</u> <u>6/30/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/20</u>
Business-Type Activities				
Equipment	\$358,293.31	\$5,168.35	\$	\$363,461.66
Less Accumulated Depreciation:				
Equipment	<u>(250,290.00)</u>	<u>(21,918.00)</u>	<u> </u>	<u>(272,208.00)</u>
<u>Business-Type Activities Capital Assets, Net</u>	<u>\$108,003.31</u>	<u>(\$16,749.65)</u>	<u>\$ </u>	<u>\$91,253.66</u>

Depreciation expense was charged governmental functions as follows:

Instruction - Regular	\$12,232.00
Student & Instruction Related Services	24,577.00
General Administrative Services	300.00
School Administrative Services	1,383.00
Plant Operations and Maintenance	38,470.00
Unallocated Depreciation	<u>492,635.00</u>
Total Depreciation Expense	<u>\$569,597.00</u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2020 were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Long-term</u> <u>Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	<u>\$2,205,000.00</u>	<u>\$ </u>	<u>\$360,000.00</u>	<u>\$1,845,000.00</u>	<u>\$370,000.00</u>	<u>\$1,475,000.00</u>
Total Bonds Payable	<u>2,205,000.00</u>	<u> </u>	<u>360,000.00</u>	<u>1,845,000.00</u>	<u>370,000.00</u>	<u>1,475,000.00</u>
Other Liabilities:						
Compensated Absences Payable	352,940.00	99,420.00	62,500.00	389,860.00		389,860.00
Capital Lease Payable	1,245,385.42	365,000.00	224,302.07	1,386,083.35	232,280.89	1,153,802.46
Net Pension Liability	<u>8,395,440.00</u>	<u> </u>	<u>800,989.00</u>	<u>7,594,451.00</u>	<u> </u>	<u>7,594,451.00</u>
Total Other Liabilities	<u>9,993,765.42</u>	<u>464,420.00</u>	<u>1,087,791.07</u>	<u>9,370,394.35</u>	<u>232,280.89</u>	<u>9,138,113.46</u>
Total Governmental Activities	<u>\$12,198,765.42</u>	<u>\$464,420.00</u>	<u>\$1,447,791.07</u>	<u>\$11,215,394.35</u>	<u>\$602,280.89</u>	<u>\$10,613,113.46</u>

Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020

NOTE 6. LONG-TERM OBLIGATION ACTIVITY: (continued)

A. Bonds Payable

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Outstanding bonds payable at June 30, 2020 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2020</u>
\$2,235,000.00 Refunding School Bonds, Series 2017	10/20/2017	1.90%	9/1/2024	<u>\$1,845,000.00</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$370,000.00	\$31,540.00	\$401,540.00
2022	375,000.00	24,462.50	399,462.50
2023	375,000.00	17,337.50	392,337.50
2024	370,000.00	10,260.00	380,260.00
2025	<u>355,000.00</u>	<u>3,372.50</u>	<u>358,372.50</u>
	<u>\$1,845,000.00</u>	<u>\$86,972.50</u>	<u>\$1,931,972.50</u>

B. Bonds Authorized But Not Issued

As of June 30, 2020 the Board has no authorized but not issued bonds.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY: (continued)

C. Capital Leases

The District is leasing school energy improvements, copiers and a dump truck under capital leases. The following is a schedule of the future minimum lease payments under the capital lease and the net minimum lease payments at June 30, 2020:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$232,280.89	\$40,695.34	\$272,976.23
2022	191,839.02	33,173.21	225,012.23
2023	179,381.82	26,590.37	205,972.19
2024	185,241.19	20,731.00	205,972.19
2025	109,259.23	14,672.69	123,931.92
2026-2030	<u>488,081.20</u>	<u>28,301.80</u>	<u>516,383.00</u>
	<u>\$1,386,083.35</u>	<u>\$164,164.41</u>	<u>\$1,550,247.76</u>

All capital leases outstanding are presented on Schedule I-2 in this report.

NOTE 7. PENSION PLANS:

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are 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.

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, 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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

Defined Contribution Retirement Program, (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/20	\$409,979.00	\$51,253.54
6/30/19	424,122.00	32,050.00
6/30/18	389,491.00	22,888.88

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI	LTD
<u>Ending</u> 6/30/20	<u>Contributions</u> \$3,177,895.00	<u>Contributions</u> \$1,200,072.00	<u>Premium</u> \$56,960.00	<u>Liability</u> \$2,179.00
6/30/19	2,819,575.00	1,305,726.00	59,021.00	2,409.00
6/30/18	2,087,205.00	1,380,795.00	50,651.00	2,351.00

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,114,613.04 during the 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 included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2020, the District had a liability of \$7,594,451 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the District's proportion was 0.0421481144 percent, which was a decrease of .0004910556 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$261,841.00. At June 30, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$758,334.00	\$2,636,010.00
Difference in actual and expected experience	136,310.00	33,549.00
Net difference between projected and actual earnings on pension plan investments		119,881.00
Changes in proportion and differences between District contributions and proportionate share of contributions	131,123.00	397,360.00
District contributions subsequent to the measurement date	<u>439,564.00</u>	<u> </u>
Total	<u>\$1,465,331.00</u>	<u>\$3,186,800.00</u>

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

The \$418,177.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(219,293)
2021	(711,383)
2022	(635,223)
2023	(298,270)
2024	(30,627)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District's Proportion	0.0421481144%	0.042639170%

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

Actuarial Assumptions

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

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 Percent

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS'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%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2019</u>		
	<u>1%</u> Decrease <u>5.28%</u>	<u>At Current</u> Discount Rate <u>6.28%</u>	<u>1%</u> Increase <u>7.28%</u>
District's proportionate share of the pension liability	\$9,593,025	\$7,594,451	\$5,910,369

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2020 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>87,982,340</u>
	<u>\$87,982,340</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2019, the proportion of the TPAF net pension liability associated with the District was .1433615560%.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$5,189,434 for contributions provided by the State in the District-Wide Financial Statements.

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

Mortality Rates

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in 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%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 70% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

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 provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of 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. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have remained consistent with Fiscal Year 2018 amounts. The Fiscal Year 2020 Appropriations Act includes \$1.612 billion as the State's contribution to fund “pay-as-you-go” PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2020 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>47,277,206</u>
	<u>\$47,277,206</u>

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate 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 rate 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%.

(b) *Discount Rate*

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,164,406 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Pompton Lakes School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. DEFERRED COMPENSATION:

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Met Life
AXA Equitable
Lincoln Investments
Vanguard
Edward Jones
Financial Resources and Retirement Advisory

NOTE 10. RISK MANAGEMENT:

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

Property and Liability Insurance

The School District is a member of the Pooled Insurance Program of New Jersey (the “PIP”). The PIP is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the PIP are elected.

As a member of the PIP, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the PIP were to be exhausted, members would become responsible for their respective shares of the PIP’s liabilities.

The PIP can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 10. RISK MANAGEMENT: (continued)

Financial statements are available at the Administrators’ Office, as follows:

PIP

Burton Agency
44 Bergen Street
PO Box 270
Westwood, NJ 07675
201-664-0310

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$33,510.21	\$45,411.15	\$41,380.24	\$400,955.39
2018-2019	5,353.82	31,205.52	25,628.76	363,414.27
2017-2018	1,518.34	29,774.34	1,538.53	352,483.69

NOTE 11. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Borough of Pompton Lakes Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). 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. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020

NOTE 11. CAPITAL RESERVE ACCOUNT: (continued)

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$1,336,359.95
Interest	7,750.00
Deposit - Board Resolution June 2, 2020	<u>440,000.00</u>
	1,784,109.95
Budgeted Withdrawal	<u>165,247.00</u>
Ending balance, June 30, 2020	<u>\$1,618,862.95</u>

The balance in the capital reserve account at June 30, 2020 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

NOTE 12. MAINTENANCE RESERVE ACCOUNT:

A maintenance reserve account was established by Board of Education resolution adopted June 30, 2012. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$771,112.20
Interest	3,875.00
Deposit - Board Resolution June 2, 2020	<u>300,000.00</u>
	1,074,987.20
Budgeted Withdrawal	<u>123,932.00</u>
Ending balance, June 30, 2020	<u>\$951,055.20</u>

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 13. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$3,780,096.88 General Fund fund balance at June 30, 2020, \$153,019.37 is reserved for encumbrances; \$463,936.28 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7. Of this amount, \$113,664.55 has been appropriated and included as anticipated revenue for the year ended June 30, 2021; \$1,618,862.95 has been reserved in the Capital Reserve Account; \$951,055.20 has been reserved in the Maintenance Reserve Account; \$383,115.45 has been appropriated and included as anticipated revenue for the year ended June 30, 2021; and \$210,107.63 is unreserved and undesignated.

Debt Service Fund - Of the \$2.54 Debt Service Fund fund balance at June 30, 2020, \$2.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2021.

NOTE 14. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$463,936.28. Of this amount, \$350,271.73 is the result of the current year's operations and \$113,664.55 is the result of prior year operations.

NOTE 15. INVENTORY:

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$10,400.51
Supplies	<u>4,704.88</u>
	<u>\$15,105.39</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 16. CONTINGENT LIABILITIES:

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**Borough of Pompton Lakes School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 16. CONTINGENT LIABILITIES: (continued)

Litigation - 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. The District estimates that any potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 17. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through December 22, 2020, the date which the financial statements were available to be issued and the following item was noted for disclosure:

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Pompton Lakes of District taxes and cash flow shortages as the result of these delayed collections. In addition, possible increase in expenditures related to the COVID-19 pandemic that will not be reimbursed by the Federal or State governments. The Board will continue to monitor the situation closely.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	24,836,266.00		24,836,266.00	24,836,266.00	
Tuition Charges - Individuals	16,100.00		16,100.00	32,820.00	16,720.00
Tuition Charges - Other LEAs	3,508,857.00		3,508,857.00	3,655,859.42	147,002.42
Rental Income	26,094.00		26,094.00	21,031.60	(5,062.40)
Interest Earned on Capital Reserve Funds	7,750.00		7,750.00	7,750.00	
Interest Earned on Maintenance Reserve Funds	3,875.00		3,875.00	3,875.00	
Interest on Investments				48,592.37	48,592.37
Miscellaneous	46,000.00		46,000.00	82,551.91	36,551.91
Total - Local Sources	28,444,942.00		28,444,942.00	28,688,746.30	243,804.30
State Sources:					
Categorical Special Education Aid	953,729.00		953,729.00	953,729.00	
Equalization Aid	3,206,582.00		3,206,582.00	3,206,582.00	
Categorical Security Aid	43,115.00		43,115.00	43,115.00	
School Choice Aid	109,180.00		109,180.00	109,180.00	
Categorical Transportation Aid	176,038.00		176,038.00	176,038.00	
Extraordinary Aid	335,000.00		335,000.00	141,763.00	(193,237.00)
On-behalf TPAF Pension (non-budgeted)				3,177,895.00	3,177,895.00
On-behalf TPAF NCGI Premium (non-budgeted)				56,960.00	56,960.00
On-behalf TPAF Post Retirement Medical (non-budgeted)				1,200,072.00	1,200,072.00
On-behalf TPAF - LTDI				2,179.00	2,179.00
TPAF Social Security (Reimbursed - Non-Budgeted)				1,114,613.04	1,114,613.04
Total - State Sources	4,823,644.00		4,823,644.00	10,182,126.04	5,358,482.04
Federal Sources:					
Medicaid Reimbursement	25,130.00		25,130.00	25,130.00	
Total - Federal Sources	25,130.00		25,130.00	25,130.00	
TOTAL REVENUES	33,293,716.00		33,293,716.00	38,896,002.34	5,602,286.34
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	411,479.00	(29,028.00)	382,451.00	381,124.80	1,326.20
Grades 1-5 - Salaries of Teachers	2,986,556.00	1,082.18	2,987,638.18	2,984,975.07	2,663.11
Grades 6-8 - Salaries of Teachers	2,107,116.00	(235,414.00)	1,871,702.00	1,854,270.93	17,431.07
Grades 9-12 - Salaries of Teachers	4,055,110.00	34,356.00	4,089,466.00	4,072,180.25	17,285.75
Regular Programs - Home Instruction:					
Salaries of Teachers	9,000.00	(4,750.00)	4,250.00	4,150.00	100.00
Purchased Professional-Educational Services	21,438.00	34,335.00	55,773.00	53,703.50	2,069.50
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	23,200.00		23,200.00	23,200.00	
Purchased Technical Services	222,255.00	(34,300.00)	187,955.00	144,306.12	43,648.88
Other Purchased Services (400-500 series)	29,650.00	(7,559.18)	22,090.82	18,625.24	3,465.58
General Supplies	580,063.49	(78,474.20)	501,589.29	443,138.01	58,451.28
Textbooks	49,529.00	(9,522.40)	40,006.60	39,686.67	319.93
TOTAL REGULAR PROGRAMS - INSTRUCTION	10,495,396.49	(329,274.60)	10,166,121.89	10,019,360.59	146,761.30
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	197,807.00	(5,934.54)	191,872.46	191,872.46	
Other Salaries for Instruction	106,658.00	(33,250.31)	73,407.69	69,014.85	4,392.84
General Supplies	1,950.00		1,950.00	1,934.40	15.60
Textbooks	248.00		248.00	248.00	
Total Learning and/or Language Disabilities	306,663.00	(39,184.85)	267,478.15	262,821.71	4,656.44
Multiple Disabilities:					
Salaries of Teachers		82,659.00	82,659.00	81,312.67	1,346.33
Total Multiple Disabilities		82,659.00	82,659.00	81,312.67	1,346.33
Resource Room/Resource Center:					
Salaries of Teachers	1,581,096.00	64,491.32	1,645,587.32	1,641,033.02	4,554.30
Other Salaries for Instruction	655,038.00	99,531.05	754,569.05	701,936.47	52,632.58
General Supplies	3,577.00		3,577.00	3,577.00	
Textbooks	268.00		268.00		268.00

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Resource Room/Resource Center	2,239,979.00	164,022.37	2,404,001.37	2,346,546.49	57,454.88
Autism:					
Salaries of Teachers	639,346.00	(96,345.71)	543,000.29	508,602.10	34,398.19
Other Salaries for Instruction	1,272,235.00	(83,306.25)	1,188,928.75	1,154,568.21	34,360.54
Unused Vacation Payments to Terminated/Retired Staff		9,921.24	9,921.24	9,921.24	
Purchased Professional-Educational Services	112,402.25	21,272.00	133,674.25	93,430.25	40,244.00
Other Purchased Services (400-500 series)	1,500.00		1,500.00		1,500.00
General Supplies	17,212.00	(5,529.25)	11,682.75	9,272.99	2,409.76
Total Autism	<u>2,042,695.25</u>	<u>(153,987.97)</u>	<u>1,888,707.28</u>	<u>1,775,794.79</u>	<u>112,912.49</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	84,985.00	8,010.65	92,995.65	92,995.65	
Other Salaries for Instruction	2,520.00	14,655.69	17,175.69	17,175.29	0.40
General Supplies	750.00		750.00	742.50	7.50
Total Preschool Disabilities - Part-Time	<u>88,255.00</u>	<u>22,666.34</u>	<u>110,921.34</u>	<u>110,913.44</u>	<u>7.90</u>
Home Instruction:					
Purchased Professional-Educational Services	40,000.00	(14,275.00)	25,725.00	19,829.00	5,896.00
Total Home Instruction	<u>40,000.00</u>	<u>(14,275.00)</u>	<u>25,725.00</u>	<u>19,829.00</u>	<u>5,896.00</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>4,717,592.25</u>	<u>61,899.89</u>	<u>4,779,492.14</u>	<u>4,597,218.10</u>	<u>182,274.04</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	365,769.00	104,543.00	470,312.00	462,025.30	8,286.70
Total Basic Skills/Remedial - Instruction	<u>365,769.00</u>	<u>104,543.00</u>	<u>470,312.00</u>	<u>462,025.30</u>	<u>8,286.70</u>
Bilingual Education - Instruction					
Salaries of Teachers	218,884.00	4,959.00	223,843.00	223,842.60	0.40
General Supplies	1,600.00		1,600.00	730.80	869.20
Total Bilingual Education - Instruction	<u>220,484.00</u>	<u>4,959.00</u>	<u>225,443.00</u>	<u>224,573.40</u>	<u>869.60</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	151,259.00	(4,374.11)	146,884.89	146,504.78	380.11
Supplies and Materials	54,744.00	(2,330.00)	52,414.00	51,990.16	423.84
Total School-Sponsored Cocurricular Activities - Instruction	<u>206,003.00</u>	<u>(6,704.11)</u>	<u>199,298.89</u>	<u>198,494.94</u>	<u>803.95</u>
School-Sponsored Athletics - Instruction					
Salaries	340,628.00	(12,276.06)	328,351.94	328,351.94	
Purchased Services (300-500 series)	74,000.00		74,000.00	71,885.00	2,115.00
Supplies and Materials	56,500.00	(6,961.00)	49,539.00	39,467.55	10,071.45
Other Objects	15,000.00	(435.00)	14,565.00	14,565.00	
Total School-Sponsored Athletics - Instruction	<u>486,128.00</u>	<u>(19,672.06)</u>	<u>466,455.94</u>	<u>454,269.49</u>	<u>12,186.45</u>
TOTAL INSTRUCTION	<u>16,491,372.74</u>	<u>(184,248.88)</u>	<u>16,307,123.86</u>	<u>15,955,941.82</u>	<u>351,182.04</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	57,151.00	(5,338.87)	51,812.13	51,811.78	0.35
Tuition to County Vocational School District - Regular	156,633.00		156,633.00	155,902.00	731.00
Tuition to County Vocational School District - Special	167,422.00	(32,453.00)	134,969.00	134,969.00	
Tuition to CSSD & Regional Day Schools	167,694.00	891.72	168,585.72	168,532.42	53.30
Tuition to Private Schools for the Disabled - Within State	1,088,622.00	216,345.17	1,304,967.17	1,190,632.76	114,334.41
Total Undistributed Expenditures - Instruction:	<u>1,637,522.00</u>	<u>179,445.02</u>	<u>1,816,967.02</u>	<u>1,701,847.96</u>	<u>115,119.06</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	50,000.00	(38,155.04)	11,844.96	11,841.69	3.27
Total Undistributed Expend. - Attend. & Social Work	<u>50,000.00</u>	<u>(38,155.04)</u>	<u>11,844.96</u>	<u>11,841.69</u>	<u>3.27</u>
Undist. Expend. - Health Services					
Salaries	462,134.00	(30,225.64)	431,908.36	431,757.66	150.70
Purchased Professional and Technical Services	34,425.00		34,425.00	28,566.75	5,858.25
Supplies and Materials	6,848.00	(0.96)	6,847.04	6,397.03	450.01
Total Undistributed Expenditures - Health Services	<u>503,407.00</u>	<u>(30,226.60)</u>	<u>473,180.40</u>	<u>466,721.44</u>	<u>6,458.96</u>
Undist. Expend. - Speech, OT, PT, & Related Services					
Salaries	396,115.00	(72,073.73)	324,041.27	324,041.27	
Purchased Professional - Educational Services	83,020.00	14,347.30	97,367.30	70,681.40	26,685.90
Supplies and Materials	1,093.00	46.70	1,139.70	1,075.24	64.46
Total Undist. Expend. - Speech, OT, PT, & Related Services	<u>480,228.00</u>	<u>(57,679.73)</u>	<u>422,548.27</u>	<u>395,797.91</u>	<u>26,750.36</u>
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.					
Purchased Professional - Educational Services	90,500.00	265.00	90,765.00	47,583.75	43,181.25
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	<u>90,500.00</u>	<u>265.00</u>	<u>90,765.00</u>	<u>47,583.75</u>	<u>43,181.25</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	494,623.00	(5,755.00)	488,868.00	488,655.78	212.22

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Salaries of Secretarial and Clerical Assistants	43,508.00	113.44	43,621.44	43,621.44	
Purchased Professional - Educational Services	27,000.00		27,000.00	26,998.11	1.89
Other Purchased Services (400-500 series)	3,500.00		3,500.00		3,500.00
Supplies and Materials	2,441.00		2,441.00	1,582.08	858.92
Total Undist. Expend. - Guidance	571,072.00	(5,641.56)	565,430.44	560,857.41	4,573.03
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	498,899.00	(20,445.02)	478,453.98	478,453.38	0.60
Salaries of Secretarial and Clerical Assistants	94,975.00	2,183.00	97,158.00	97,156.96	1.04
Purchased Professional and Technical Services	16,700.00	300.00	17,000.00	16,967.67	32.33
Other Purchased Services (400-500 series)	8,420.00		8,420.00	5,014.59	3,405.41
Supplies and Materials	14,005.00		14,005.00	13,700.31	304.69
Total Undist. Expend. - Child Study Teams	632,999.00	(17,962.02)	615,036.98	611,292.91	3,744.07
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	376,218.00	7,013.70	383,231.70	383,231.70	
Salaries of Secretarial and Clerical Assistants	50,392.00	974.24	51,366.24	51,366.24	
Purchased Professional - Educational Service	945.00	(15.50)	929.50		929.50
Other Purch Services (400-500)	580.00		580.00		580.00
Supplies and Materials	750.00		750.00		750.00
Other Objects	24,000.00	365.50	24,365.50	24,365.50	
Total Undist. Expend. - Improvement of Inst. Services	452,885.00	8,337.94	461,222.94	458,963.44	2,259.50
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	240,914.00	(57,281.36)	183,632.64	172,520.78	11,111.86
Other Purchased Services (400-500 series)	67,500.00	(22,610.04)	44,889.96	39,355.33	5,534.63
Supplies and Materials	29,809.00	(3,983.00)	25,826.00	24,565.08	1,260.92
Total Undist. Expend. - Educational Media Serv./Sch. Library	338,223.00	(83,874.40)	254,348.60	236,441.19	17,907.41
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Service	1,000.00		1,000.00		1,000.00
Total Undist. Expend. - Instructional Staff Training Serv.	1,000.00		1,000.00		1,000.00
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	276,545.00	(8,092.87)	268,452.13	268,452.13	
Legal Services	15,000.00	10,706.00	25,706.00	25,705.16	0.84
Audit Fees	31,100.00	(1,745.00)	29,355.00	29,355.00	
Architectural/Engineering Services	7,500.00	9,300.00	16,800.00	16,798.34	1.66
Other Purchased Professional Services	20,901.00	(4,706.00)	16,195.00	16,088.86	106.14
Communications/Telephone	29,585.00	17,189.00	46,774.00	39,731.65	7,042.35
BOE Other Purchased Services	5,200.00	(184.00)	5,016.00	4,281.25	734.75
Miscellaneous Purchased Services (400-500 series)	2,600.00		2,600.00	2,073.88	526.12
General Supplies	17,125.00	(250.00)	16,875.00	13,304.82	3,570.18
Miscellaneous Expenditures	23,250.00	(3,400.00)	19,850.00	17,971.65	1,878.35
BOE Membership Dues and Fees	15,319.00	(1,000.00)	14,319.00	14,275.80	43.20
Total Undist. Expend. - Supp. Serv. - General Administration	444,125.00	17,817.13	461,942.13	448,038.54	13,903.59
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals/Program Directors	1,281,837.00	(64,983.40)	1,216,853.60	1,199,126.75	17,726.85
Salaries of Secretarial and Clerical Assistants	307,217.00	21,704.06	328,921.06	327,942.07	978.99
Unused Vacation Payments to Terminated/Retired Staff	28,946.00	25,795.78	54,741.78	39,261.79	15,479.99
Other Purchased Services (400-500 series)	22,500.00		22,500.00	19,185.60	3,314.40
Supplies and Materials	11,130.00	(1,301.40)	9,828.60	4,534.84	5,293.76
Total Undist. Expend. - Support Serv. - School Administration	1,651,630.00	(18,784.96)	1,632,845.04	1,590,051.05	42,793.99
Undist. Expend. - Central Services					
Salaries	373,859.00	12,466.62	386,325.62	386,325.62	
Unused Vacation Payments to Terminated/Retired Staff		5,906.00	5,906.00	5,905.30	0.70
Purchased Technical Services	16,753.00	(18.84)	16,734.16	13,207.24	3,526.92
Miscellaneous Purchased Services (400-500 series)	22,500.00	(2,350.00)	20,150.00	13,499.19	6,650.81
Supplies and Materials	4,550.00		4,550.00	4,541.04	8.96
Interest on Lease Purchase Agreement	17,835.00		17,835.00	14,681.40	3,153.60
Miscellaneous Expenditures	300.00	18.84	318.84	318.04	0.80
Total Undist. Expend. - Central Services	435,797.00	16,022.62	451,819.62	438,477.83	13,341.79
Undist. Expend. - Admin. Information Technology					
Salaries	275,860.00	(143.00)	275,717.00	275,716.15	0.85
Purchased Technical Services	6,000.00	(6,000.00)			
Total Undist. Expend. - Admin. Information Technology	281,860.00	(6,143.00)	275,717.00	275,716.15	0.85
Undist. Expend. - Required Maint. for School Facilities					
Salaries	381,067.00	(15,037.00)	366,030.00	317,820.94	48,209.06
Unused Vacation Payments to Terminated/Retired Staff		4,147.22	4,147.22		4,147.22
Cleaning, Repair and Maintenance Services	423,292.26	(11,036.96)	412,255.30	376,309.35	35,945.95

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
General Supplies	107,490.00	39,333.95	146,823.95	127,649.21	19,174.74
Total Undist. Expend. - Required Maint. for School Facilities	911,849.26	17,407.21	929,256.47	821,779.50	107,476.97
Undist. Expend. - Custodial Services					
Salaries	906,619.00	(1,706.00)	904,913.00	886,454.13	18,458.87
Salaries of Non-Instructional Aides	110,124.00	(41,793.48)	68,330.52	68,321.52	9.00
Unused Vacation Payments to Terminated/Retired Staff		9,919.00	9,919.00	9,918.34	0.66
Lease Purchase Pymts. Energy Savings Program	123,932.00		123,932.00	123,931.92	0.08
Other Purchased Property Services	109,359.96	(49,819.92)	59,540.04	38,924.55	20,615.49
Insurance	350,150.00	(7,500.00)	342,650.00	332,042.00	10,608.00
General Supplies	105,000.00	4,000.00	109,000.00	98,715.52	10,284.48
Energy (Electricity)	355,000.00	(32,887.21)	322,112.79	268,611.85	53,500.94
Other Objects	3,000.00		3,000.00	945.00	2,055.00
Total Undist. Expend. - Custodial Services	2,063,184.96	(119,787.61)	1,943,397.35	1,827,864.83	115,532.52
Total Undist. Expend. - Oper. & Maint. Of Plant	2,975,034.22	(102,380.40)	2,872,653.82	2,649,644.33	223,009.49
Undist. Expend. - Student Transportation Services					
Salaries for Pupil Trans (Between Home and School)-Regular	24,000.00		24,000.00	12,456.25	11,543.75
Management Fee - ESC & CTSA Trans. Program	39,965.19		39,965.19	30,927.26	9,037.93
Contracted Services (Other than Bet. Home and School)-Vendors	171,506.32	(951.00)	170,555.32	84,773.12	85,782.20
Contracted Services (Between Home and School)-Joint Agreements	54,000.00		54,000.00	44,598.20	9,401.80
Contracted Services (Special Ed. Students)-Joint Agreements	788,425.00	53,028.92	841,453.92	688,046.04	153,407.88
Total Undist. Expend. - Student Transportation Services	1,077,896.51	52,077.92	1,129,974.43	860,800.87	269,173.56
UNALLOCATED BENEFITS					
Social Security Contributions	462,000.00		462,000.00	431,689.71	30,310.29
Other Retirement Contributions - PERS	448,000.00	(36,009.64)	411,990.36	411,011.00	979.36
Other Retirement Contributions - DCRP	36,740.00	16,789.99	53,529.99	51,253.54	2,276.45
Unemployment Compensation	1,000.00	30,000.00	31,000.00	30,675.00	325.00
Workmen's Compensation	170,100.00	(9,108.40)	160,991.60	157,996.00	2,995.60
Health Benefits	4,387,603.00	(2,145.99)	4,385,457.01	4,226,109.63	159,347.38
Tuition Reimbursement	71,084.22	(400.00)	70,684.22	50,928.19	19,756.03
Other Employee Benefits	124,000.00	13,868.04	137,868.04	98,216.98	39,651.06
Unused Vacation Payments to Terminated/Retired Staff	35,695.00	142,005.00	177,700.00	142,700.00	35,000.00
TOTAL UNALLOCATED BENEFITS	5,736,222.22	154,999.00	5,891,221.22	5,600,580.05	290,641.17
On-behalf TPAF Pension (non-budgeted)				3,177,895.00	(3,177,895.00)
On-behalf TPAF NCGI Premium (non-budgeted)				56,960.00	(56,960.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)				1,200,072.00	(1,200,072.00)
On-behalf TPAF - LTDI				2,179.00	(2,179.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,114,613.04	(1,114,613.04)
TOTAL ON-BEHALF CONTRIBUTIONS				5,551,719.04	(5,551,719.04)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	5,736,222.22	154,999.00	5,891,221.22	11,152,299.09	(5,261,077.87)
TOTAL UNDISTRIBUTED EXPENDITURES	17,360,400.95	68,116.92	17,428,517.87	21,906,375.56	(4,477,857.69)
TOTAL GENERAL CURRENT EXPENSE	33,851,773.69	(116,131.96)	33,735,641.73	37,862,317.38	(4,126,675.65)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 9-12	6,209.00	1,579.00	7,788.00	7,788.00	
Instructional Equipment		53,581.00	53,581.00	53,581.00	
Support Services:					
School-Sponsored and Other Instructional Program		8,015.00	8,015.00	8,015.00	
Undistributed Expenditures - Operation and Maintenance of Plant		4,484.00	4,484.00	4,484.00	
Undistributed Expenditures - Custodial Services	11,612.00	48,472.96	60,084.96	18,873.24	41,211.72
Total Equipment	17,821.00	116,131.96	133,952.96	92,741.24	41,211.72
Facilities Acquisition and Construction Services					
Construction Services	100,000.00	(2,111.00)	97,889.00	97,889.00	
Architectural/Engineering Services	8,699.17		8,699.17	8,699.17	
Lease Purchase Agreements - Principal	67,359.00		67,359.00	67,358.87	0.13
Assessment for Debt Service on SDA Funding	445.00		445.00	445.00	
Total Facilities Acquisition and Construction Services	176,503.17	(2,111.00)	174,392.17	174,392.04	0.13

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Facilities Acquisition and Construction Services					
Construction Services				365,000.00	(365,000.00)
Total Assets Acquired Under Capital Leases (non-budgeted)				365,000.00	(365,000.00)
TOTAL CAPITAL OUTLAY	194,324.17	114,020.96	308,345.13	632,133.28	(323,788.15)
TOTAL EXPENDITURES	34,046,097.86	(2,111.00)	34,043,986.86	38,494,450.66	(4,450,463.80)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(752,381.86)	2,111.00	(750,270.86)	401,551.68	1,151,822.54
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				365,000.00	365,000.00
Total Other Financing Sources/(Uses):				365,000.00	365,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(752,381.86)	2,111.00	(750,270.86)	766,551.68	1,516,822.54
Fund Balance, July 1	3,454,992.20		3,454,992.20	3,454,992.20	
Fund Balance, June 30	<u>2,702,610.34</u>	<u>2,111.00</u>	<u>2,704,721.34</u>	<u>4,221,543.88</u>	<u>1,516,822.54</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for Prior Year Encumbrances	(156,535.86)		(156,535.86)	(156,535.86)	
Increase in Capital Reserve:					
Principal				440,000.00	440,000.00
Interest	7,750.00		7,750.00	7,750.00	
Increase in Maintenance Reserve					
Principal				300,000.00	300,000.00
Interest	3,875.00		3,875.00	3,875.00	
Withdrawal from Capital Reserve	(167,358.00)	2,111.00	(165,247.00)	(165,247.00)	
Withdrawal from Maintenance Reserve	(123,932.00)		(123,932.00)	(123,932.00)	
Budgeted Fund Balance	(316,181.00)		(316,181.00)	460,641.54	776,822.54
	<u>(752,381.86)</u>	<u>2,111.00</u>	<u>(750,270.86)</u>	<u>766,551.68</u>	<u>1,516,822.54</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				1,618,862.95	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				113,664.55	
Reserve for Excess Surplus - Current Year				350,271.73	
Maintenance Reserve				951,055.20	
Assigned Fund Balance:					
Year-End Encumbrances				153,019.37	
Designated for Subsequent Year's Expenditures				383,115.45	
Unassigned Fund Balance				<u>651,554.63</u>	
				4,221,543.88	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(441,447.00)	
Fund Balance per Governmental Funds (GAAP)				<u>3,780,096.88</u>	

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		154,230.80	154,230.80	90,618.43	(63,612.37)
State Sources	111,481.00	106,470.00	217,951.00	116,663.00	(101,288.00)
Federal Sources	794,889.00	327,742.00	1,122,631.00	827,915.00	(294,716.00)
Total Revenues	<u>906,370.00</u>	<u>588,442.80</u>	<u>1,494,812.80</u>	<u>1,035,196.43</u>	<u>(459,616.37)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	291,050.00	(28,816.00)	262,234.00	250,718.00	11,516.00
Purchased Professional - Educational Services	63,764.00	55,753.00	119,517.00	75,670.00	43,847.00
Purchased Professional and Technical Services	3,800.00	15,700.00	19,500.00	3,000.00	16,500.00
Other Purchased Services (400-500 series)	385,725.00	27,349.00	413,074.00	404,621.00	8,453.00
General Supplies	16,963.00	272,594.96	289,557.96	106,190.63	183,367.33
Textbooks		11,333.00	11,333.00	11,333.00	
Total Instruction	<u>761,302.00</u>	<u>353,913.96</u>	<u>1,115,215.96</u>	<u>851,532.63</u>	<u>263,683.33</u>
Support Services:					
Other Salaries		27,210.00	27,210.00	16,735.00	10,475.00
Personal Services - Employee Benefits	53,501.00	6,265.00	59,766.00	57,377.00	2,389.00
Purchased Professional & Technical Services	25,107.00	(3,805.00)	21,302.00	8,599.00	12,703.00
Purchased Professional - Educational Services		33,248.00	33,248.00	25,104.00	8,144.00
Other Purchased Services (400-500 series)	66,460.00	4,188.00	70,648.00	49,242.00	21,406.00
Supplies & Materials		131,892.04	131,892.04	1,076.00	130,816.04
Total Support Services	<u>145,068.00</u>	<u>198,998.04</u>	<u>344,066.04</u>	<u>158,133.00</u>	<u>185,933.04</u>
Facilities Acquisition and Const. Serv.:					
Construction Services		19,680.80	19,680.80	9,680.80	10,000.00
Noninstructional Equipment		11,850.00	11,850.00	11,850.00	
Instructional Equipment		4,000.00	4,000.00	4,000.00	
Total Facilities Acquisition and Const. Serv.	<u>906,370.00</u>	<u>35,530.80</u>	<u>35,530.80</u>	<u>25,530.80</u>	<u>10,000.00</u>
Total Expenditures		<u>588,442.80</u>	<u>1,494,812.80</u>	<u>1,035,196.43</u>	<u>459,616.37</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Year Ended June 30, 2020

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	[C-1]&[C-2] 38,896,002.34	1,035,196.43
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Add Prior Year Encumbrances		22,950.20
Less Current Year Encumbrances		
 The last State aid payment is recognized as revenue for budgetary purposes in the General Fund, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	 (441,447.00)	
 State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	 415,343.00	
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2] <u><u>38,869,898.34</u></u>	 <u><u>1,058,146.63</u></u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2] 38,494,450.66	1,035,196.43
Differences - budget to GAAP		
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	N/A	
Add Prior Year Encumbrances		22,950.20
Less Current Year Encumbrances		
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2] <u><u>38,494,450.66</u></u>	 <u><u>1,058,146.63</u></u>

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Covered Payroll -PERS Employee's</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a perecntage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2015	0.0474013630%	\$ 8,874,832	\$ 3,083,126	287.85%	52.08%
2016	0.0453195983%	10,173,342	2,914,666	349.04%	47.93%
2017	0.0437692764%	12,963,204	2,967,296	436.87%	59.86%
2018	0.0420438103%	9,787,127	2,997,115	326.55%	48.10%
2019	0.0426391700%	8,395,440	2,934,314	286.11%	53.60%
2020	0.0421481144%	7,594,451	2,940,928	258.23%	56.27%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's PERS Covered- Employee Payroll</u>	<u>Contributions as a Percentage of PERS Covered- Employee Payroll</u>
2015	\$ 390,770	\$ 390,770	\$ -	\$3,083,126	12.67%
2016	389,627	389,627	-	2,914,666	13.37%
2017	388,840	388,840	-	2,967,296	13.10%
2018	389,491	389,491	-	2,997,115	13.00%
2019	424,122	424,122	-	2,934,314	14.45%
2020	409,977	409,977	-	2,940,928	13.94%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
Last 10 Fiscal Years*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll -TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.1358058855%	\$ -	\$ 72,583,826	\$ 14,731,063	0.00%	33.64%
2016	0.1360512771%	\$ -	85,990,217	14,639,950	0.00%	28.71%
2017	0.1430677467%	\$ -	112,546,199	14,966,072	0.00%	22.33%
2018	0.1432543176%	\$ -	96,587,226	15,629,042	0.00%	25.41%
2019	0.1417314924%	\$ -	90,166,531	15,187,941	0.00%	26.49%
2020	0.1433615560%	\$ -	87,982,340	15,592,579	0.00%	26.95%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2020

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 5.66% to 6.28%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 4.86% to 5.60%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Costs	\$ 1,923,185	\$ 2,119,396	\$ 2,557,290
Interest on Total OPEB Liability	2,074,252	2,214,551	1,905,824
Difference between Actual & Expected Experiences	(8,389,389)	(5,009,067)	
Changes in Assumptions	704,907	(6,010,006)	(7,688,630)
Gross Benefit Payments	(1,451,269.00)	(1,400,422.00)	(1,399,216)
Contribution from the Member	43,020	48,401	51,523
Net Changes in total Share of OPEB Liability	<u>(5,095,294)</u>	<u>(8,037,147)</u>	<u>(4,573,209)</u>
Total OPEB Liability - Beginning	<u>52,372,500</u>	<u>60,409,647</u>	<u>64,982,856</u>
Total OPEB Liability - Ending	<u>\$ 47,277,206</u>	<u>\$ 52,372,500</u>	<u>\$ 60,409,647</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	47,277,206	52,372,500	60,409,647
Total OPEB Liability - Ending	<u>\$ 47,277,206</u>	<u>\$ 52,372,500</u>	<u>\$ 60,409,647</u>
District's Covered Employee Payroll	\$ 18,533,507	\$ 18,122,255	\$ 18,626,157
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

Notes to Schedule:

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

Change in benefit terms None

Change in assumptions Assumptions used in calculating the OPEB liability are presented
in Note 8.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Supplementary Schedules

SPECIAL REVENUE FUND

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020

	Total Brought Forward (Ex. E-1a)	Title I		Title II		Title III		Title IV		LD.E.A. Part B		Totals 2020
		Part - A Improving Basic Programs	Part - A Teacher/Principal Training & Recruiting	English Language Acquisition and Enhancement	Inmigrant	Student Support and Academic Enrichment	Basic	Preschool				
REVENUES												
Local Sources	90,618.43											90,618.43
State Sources	116,663.00			5,141.00								116,663.00
Federal Sources	10,420.00	320,768.00	27,705.00	5,141.00	7,750.00	19,450.00				423,402.00	13,279.00	827,915.00
Total Revenues	217,701.43	320,768.00	27,705.00	5,141.00	7,750.00	19,450.00				423,402.00	13,279.00	1,035,196.43
EXPENDITURES:												
Instruction:												
Salaries of Teachers	22,175.00	220,509.00		2,570.00	2,860.00	2,604.00						250,718.00
Purchased Professional - Educational Services	75,670.00					3,000.00						75,670.00
Other Purchased Services (400-500 series)	5,917.00	28,772.00		2,374.00	4,671.00	4,248.00				398,704.00		404,621.00
General Supplies	66,125.63											106,190.63
Textbooks	11,333.00											11,333.00
Total Instruction	181,220.63	249,281.00		4,944.00	7,531.00	9,852.00				398,704.00		851,532.63
Support Services:												
Other Salaries	1,900.00	14,835.00		197.00	219.00	199.00						16,735.00
Personal Services - Employee Benefits	956.00	55,806.00				8,599.00						57,377.00
Purchased Professional & Technical Services			406.00									406.00
Other Purchased Services - Educational Services	7,864.00		27,299.00			800.00				24,698.00	13,279.00	25,104.00
Supplies & Materials	230.00	846.00										1,076.00
Total Support Services	10,950.00	71,487.00	27,705.00	197.00	219.00	9,598.00				24,698.00	13,279.00	158,133.00
Facilities Acquisition and Const. Serv.:												
Construction Services	9,680.80											9,680.80
Noninstructional Equipment	11,850.00											11,850.00
Instructional Equipment	4,000.00											4,000.00
Total Facilities Acquisition and Const. Serv.	25,530.80											25,530.80
Total Expenditures	217,701.43	320,768.00	27,705.00	5,141.00	7,750.00	19,450.00				423,402.00	13,279.00	1,035,196.43
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)												

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020

	Total Brought Forward (Ex. E-1b)	CARES Emergency Relief Grant	Nonpublic Textbook Aid	Nonpublic Nursing Aid	Nonpublic Security Aid	Nonpublic Technology Aid	Advanced Computer Science	Total Carried Forward
REVENUES								
Local Sources	90,618.43							90,618.43
State Sources	54,815.00	10,420.00	11,333.00	20,855.00	230.00	2,011.00	27,419.00	116,663.00
Federal Sources								10,420.00
Total Revenues	145,433.43	10,420.00	11,333.00	20,855.00	230.00	2,011.00	27,419.00	217,701.43
EXPENDITURES:								
Instruction:								
Salaries of Teachers	3,950.00	10,400.00					7,825.00	22,175.00
Purchased Professional - Educational Services	54,815.00			20,855.00				75,670.00
Purchased Professional and Technical Services								
Other Purchased Services (400-500 series)	917.00	20.00				2,011.00	5,000.00	5,917.00
General Supplies	60,220.63		11,333.00				3,874.00	66,125.63
Textbooks								11,333.00
Total Instruction	119,902.63	10,420.00	11,333.00	20,855.00		2,011.00	16,699.00	181,220.63
Support services:								
Other Salaries							1,900.00	1,900.00
Personal Services - Employee Benefits							956.00	956.00
Purchased Professional & Technical Services								
Purchased Professional - Educational Services								
Other Purchased Services (400-500 series)							7,864.00	7,864.00
Supplies & Materials					230.00			230.00
Total Support Services					230.00		10,720.00	10,950.00
Facilities Acquisition and Const. Serv.:								
Construction Services	9,680.80							9,680.80
Noninstructional Equipment	11,850.00							11,850.00
Instructional Equipment	4,000.00							4,000.00
Total Facilities Acquisition and Const. Serv.	25,530.80							25,530.80
Total Expenditures	145,433.43	10,420.00	11,333.00	20,855.00	230.00	2,011.00	27,419.00	217,701.43
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)								

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020

	Ch. 192		Ch. 193 - Handicapped Services			Local Grants	Total Carried Forward
	Auxiliary Services - Nonpublic Compensatory Education	Nonpublic Exam & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Nonpublic		
REVENUES							
Local Sources	23,525.00	9,667.00	10,267.00	11,356.00	90,618.43	90,618.43	54,815.00
State Sources							
Federal Sources							
Total Revenues	23,525.00	9,667.00	10,267.00	11,356.00	90,618.43	145,433.43	
EXPENDITURES:							
Instruction:							
Salaries of Teachers						3,950.00	3,950.00
Purchased Professional - Educational Services							54,815.00
Purchased Professional and Technical Services							
Other Purchased Services (400-500 series)	23,525.00	9,667.00	10,267.00	11,356.00		917.00	917.00
General Supplies						60,220.63	60,220.63
Textbooks							
Total Instruction	23,525.00	9,667.00	10,267.00	11,356.00	65,087.63	119,902.63	
Support Services:							
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional & Technical Services							
Purchased Professional - Educational Services							
Other Purchased Services (400-500 series)							
Supplies & Materials							
Total Support Services							
Facilities Acquisition and Const. Serv.:							
Construction Services						9,680.80	9,680.80
Noninstructional Equipment						11,850.00	11,850.00
Instructional Equipment						4,000.00	4,000.00
Total Facilities Acquisition and Const. Serv.						25,530.80	25,530.80
Total Expenditures	23,525.00	9,667.00	10,267.00	11,356.00	90,618.43	145,433.43	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

PROPRIETARY FUNDS

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2020

	<u>Food Service Program</u>
 ASSETS	
Current Assets:	
Cash and Cash Equivalents	120,707.55
Accounts Receivable:	
State	67.16
Federal	6,935.28
Inventories	15,105.39
Total Current Assets	<u>142,815.38</u>
Noncurrent Assets:	
Capital Assets:	
Equipment	363,461.66
Less Accumulated Depreciation	<u>(272,208.00)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>91,253.66</u>
Total Assets	<u><u>234,069.04</u></u>
 LIABILITIES	
Current Liabilities:	
Accounts Payable	16,082.00
Deferred Revenue	11,401.00
Total Current Liabilities	<u>27,483.00</u>
Total Liabilities	<u>27,483.00</u>
 NET POSITION	
Invested in Capital Assets Net of Related Debt	91,253.66
Unrestricted	115,332.38
Total Net Position	<u><u>206,586.04</u></u>

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2020

	<u>Food Service Program</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	118,027.90
Daily Sales - Non-Reimbursable Programs	82,034.88
Other Income	1,677.03
Total Operating Revenues	<u>201,739.81</u>
 Operating Expenses:	
Cost of sales-reimbursable programs	144,081.31
Cost of sales-non-reimbursable programs	69,620.14
Salaries, Benefits and Payroll Taxes	155,374.03
Supplies and Materials	10,200.71
Purchased Professional Services	10,423.50
Cleaning Repair & Maintenance	9,367.80
Purchased Services	4,351.23
Utilities	18,061.73
Depreciation	21,918.00
Total Operating Expenses	<u>443,398.45</u>
Operating Income (Loss)	<u>(241,658.64)</u>
 Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	3,535.96
Federal Sources:	
National School Lunch Program	123,212.30
National School Breakfast Program	14,853.80
Food Distribution Program	46,796.10
Interest and Investment Revenue	2,010.62
Total Nonoperating Revenues (Expenses)	<u>190,408.78</u>
Income (Loss) Before Contributions & Transfers	<u>(51,249.86)</u>
 Transfers In (Out)	
Change in Net Position	<u>(51,249.86)</u>
Total Net Position—Beginning	<u>257,835.89</u>
Total Net Position—Ending	<u><u>206,586.03</u></u>

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2020

	<u>Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	208,249.22
Payments to Suppliers	(3,675.40)
Payments for Miscellaneous Expenses	(27,332.94)
Payments to Food Service Management Company	(336,979.32)
Net Cash Provided by (Used for) Operating Activities	<u>(159,738.44)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	3,754.37
Federal Sources	140,145.45
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>143,899.82</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	(5,168.35)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(5,168.35)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	2,010.62
Net Cash Provided by (Used for) Investing Activities	<u>2,010.62</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(18,996.35)
Balances—Beginning of Year	139,703.90
Balances—End of Year	<u><u>120,707.55</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	(241,658.64)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation and Net Amortization	21,918.00
Food Distribution Program Donated Commodities	46,796.10
(Increase) Decrease in Inventories	(9,396.49)
Increase (Decrease) in Accounts Payable	16,082.07
Increase (Decrease) in Other Current Liabilities	6,520.52
Total Adjustments	<u>81,920.20</u>
Net Cash Provided by (Used for) Operating Activities	<u>(159,738.44)</u>

FIDUCIARY FUND

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Unemployment Compensation Trust Fund	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	383,616.79	846,868.67
Other Receivables	30,000.00	
Interfund Receivable		9,181.97
	<u>413,616.79</u>	<u>856,050.64</u>
Total Assets	<u>413,616.79</u>	<u>856,050.64</u>
LIABILITIES		
Payable to Student Groups		201,099.79
Interfund Payable	9,181.97	16,929.31
Payroll Deductions and Withholdings	3,479.43	638,021.54
	<u>12,661.40</u>	<u>856,050.64</u>
Total Liabilities	<u>12,661.40</u>	<u>856,050.64</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>400,955.39</u>	

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Plan Member	45,411.15
Board - Budget	30,000.00
Total Contributions	<u>75,411.15</u>
Investment Earnings:	
Interest	<u>3,510.21</u>
Net Investment Earnings	<u>3,510.21</u>
Total Additions	<u>78,921.36</u>
DEDUCTIONS	
Quarterly Contribution Reports	13,350.25
Unemployment Claims	<u>28,029.99</u>
Total Deductions	<u>41,380.24</u>
Change in Net Position	37,541.12
Net Position—Beginning of the Year	<u>363,414.27</u>
Net Position—End of the Year	<u><u>400,955.39</u></u>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Year Ended June 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2020</u>
ELEMENTARY SCHOOLS:				
Lincoln	20,249.40	7,077.86	8,883.27	18,443.99
Lenox	22,115.48	11,872.07	9,874.55	24,113.00
MIDDLE SCHOOL:				
Lakeside	23,637.74	67,706.70	50,234.54	41,109.90
HIGH SCHOOL:				
Pompton Lakes High School	92,653.03	333,538.03	308,758.16	117,432.90
	<u>158,655.65</u>	<u>420,194.66</u>	<u>377,750.52</u>	<u>201,099.79</u>

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2020</u>
Net Payroll		12,877,275.09	12,877,275.09	
Interfund Receivable			9,181.97	(9,181.97)
Payroll Deductions and Withholdings	616,138.10	11,184,056.19	11,162,172.75	638,021.54
Interfund Payable	<u>173,111.70</u>	<u>28,064.33</u>	<u>184,246.72</u>	<u>16,929.31</u>
	<u><u>789,249.80</u></u>	<u><u>24,089,395.61</u></u>	<u><u>24,232,876.53</u></u>	<u><u>645,768.88</u></u>

LONG-TERM DEBT

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
 General Long Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2020

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2019	Issued	Refunded/Retired	Balance June 30, 2020
Improvements to Pompton Lakes High School Refunding Bonds	10/20/2017	2,235,000.00	09/01/2020	370,000.00	1.900%				
			09/01/2021	375,000.00	1.900%				
			09/01/2022	375,000.00	1.900%				
			09/01/2023	370,000.00	1.900%				
			09/01/2024	355,000.00	1.900%	2,205,000.00		360,000.00	1,845,000.00
						<u>2,205,000.00</u>		<u>360,000.00</u>	<u>1,845,000.00</u>

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
 General Long Term Debt Account Group
 Statement of Obligations under Capital Leases
 June 30, 2020

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
			Principal	Interest					
Lighting	8/13/2018	5 Years	365,000.00	45,201.35	3.95%		365,000.00	67,358.87	297,641.13
Copier	8/1/2018	3 Years	136,509.84	7,382.16	3.45%	92,564.87		45,485.29	47,079.58
Dump Truck	12/5/2018	4 Years	68,058.00	8,102.16	6.70%	50,978.98		15,886.15	35,092.83
ESIP	8/22/2014	15 Years	1,529,363.00	329,615.80	2.68%	1,101,841.57		95,571.76	1,006,269.81
						<u>1,245,385.42</u>	<u>365,000.00</u>	<u>224,302.07</u>	<u>1,386,083.35</u>

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	265,260.00		265,260.00	265,260.00	
Total Local Sources	265,260.00		265,260.00	265,260.00	
State Sources:					
Debt Service Aid Type II	122,148.00		122,148.00	122,148.00	
Total - State Sources	122,148.00		122,148.00	122,148.00	
Total Revenues	387,408.00		387,408.00	387,408.00	
EXPENDITURES:					
Regular Debt Service:					
Interest	38,475.00		38,475.00	38,475.00	
Redemption of Principal	360,000.00		360,000.00	360,000.00	
Total Regular Debt Service	398,475.00		398,475.00	398,475.00	
Total expenditures	398,475.00		398,475.00	398,475.00	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,067.00)		(11,067.00)	(11,067.00)	
Fund Balance, July 1	11,069.54		11,069.54	11,069.54	
Fund Balance, June 30	2.54		2.54	2.54	

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Invested in Capital Assets	2,883,502.00	3,593,486.96	4,188,511.81	4,768,512.04	5,228,409.92	5,670,311.51	5,509,356.34	5,801,216.91	7,124,862.38	7,364,427.45
Restricted	2,139,384.00	1,561,782.37	2,366,700.77	2,938,656.35	3,118,787.43	3,233,362.68	3,317,140.44	3,127,702.69	2,232,206.24	3,033,856.97
Unrestricted	(1,993,463.00)	33,608.86	(223,741.51)	(214,185.07)	(8,861,980.50)	(9,268,124.12)	(10,018,360.56)	(9,745,818.19)	(9,452,012.50)	(9,410,786.55)
Total Governmental Activities Net Position	3,029,423.00	5,188,878.19	6,331,471.07	7,492,983.32	(514,783.15)	(664,449.93)	(1,191,863.78)	(616,898.59)	(94,943.88)	987,497.87
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	137,115.00	138,211.37	135,122.94	145,705.43	126,478.43	101,695.43	116,094.63	111,622.63	108,003.31	91,253.66
Unrestricted	112,243.00	116,845.50	132,677.00	122,155.12	153,346.37	157,479.55	143,218.90	138,067.07	149,832.58	115,332.38
Total Business-type Activities Net Position	249,358.00	255,056.87	267,799.94	267,860.55	279,824.80	259,174.98	259,313.53	249,689.70	257,835.89	206,586.04
District-wide										
Invested in Capital Assets, Net of Related Debt	3,020,617.00	3,731,698.33	4,323,634.75	4,914,217.47	5,354,888.35	5,772,006.94	5,625,450.97	5,912,839.54	7,232,865.69	7,455,681.11
Restricted	2,139,384.00	1,561,782.37	2,366,700.77	2,938,656.35	3,118,787.43	3,233,362.68	3,317,140.44	3,127,702.69	2,232,206.24	3,033,856.97
Unrestricted	(1,881,220.00)	150,454.36	(91,064.51)	(92,029.95)	(8,708,634.13)	(9,110,644.57)	(9,875,141.66)	(9,607,751.12)	(9,302,179.92)	(9,295,454.17)
Total District Net Position	3,278,781.00	5,443,935.06	6,599,271.01	7,760,843.87	(234,958.35)	(105,274.95)	(932,550.25)	(567,208.89)	162,892.01	1,194,083.91

Source: CAFR Schedule A-1

GASB No. 63 became effective for the Fiscal Year Ended June 30, 2013 which required a change in language from net assets to net position. This required presentation did not impact any of the balances from the prior years.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
Instruction:										
Regular	13,307,300.00	11,557,454.88	11,278,660.32	11,541,320.31	11,963,259.26	12,325,393.34	12,958,296.59	13,254,053.01	13,495,928.08	13,297,845.86
Special Education	3,567,861.00	3,709,943.42	3,846,203.69	4,138,463.70	4,246,790.39	4,529,837.51	4,830,087.21	5,034,304.41	5,333,482.28	5,744,181.64
Other Special Instruction	623,803.00	783,197.92	745,739.89	758,137.69	795,337.70	763,986.65	720,609.79	729,739.22	752,546.36	863,040.01
Other Instruction	507,229.00	690,653.50	715,273.52	677,561.46	703,484.46	733,361.60	769,639.77	777,576.25	758,611.08	774,922.56
Support Services:										
Tuition	1,225,655.00	1,365,619.27	1,134,947.19	992,049.03	1,353,908.22	1,103,464.80	1,449,344.20	1,467,884.22	1,566,531.86	1,701,847.96
Student & Instruction Related Services	3,655,904.00	3,745,979.30	3,710,669.19	3,458,747.60	3,603,121.91	3,702,995.94	3,656,586.15	3,813,011.70	3,818,114.83	3,606,328.62
General Administrative Services	711,555.00	582,842.27	545,003.76	567,093.14	536,497.68	524,759.47	553,758.62	568,762.26	496,136.97	518,481.55
School Administrative Services	1,569,303.00	1,884,741.96	1,847,013.88	2,072,353.61	2,151,119.22	2,201,373.24	2,323,962.72	2,146,499.30	2,088,389.95	1,964,999.38
Central Services & Admin. Info. Technology	579,974.00	614,637.54	603,367.23	600,636.79	675,938.19	730,231.24	870,309.82	846,562.28	826,154.13	875,408.90
Plant Operations and Maintenance	3,316,860.00	3,318,026.69	3,205,243.39	3,445,392.43	3,282,746.98	3,458,355.93	3,202,032.38	2,916,406.16	3,013,828.55	2,836,676.35
Pupil Transportation	585,210.00	608,869.97	539,478.82	508,689.54	534,634.78	638,002.25	823,550.99	859,715.62	925,668.82	864,006.27
Unallocated Benefits	176,646.00	506,910.17	2,842,640.94	2,610,917.51	6,194,494.20	7,685,505.92	9,464,827.49	11,329,216.34	8,722,249.12	7,507,552.04
Interest on Long-term Debt	205,290.00	153,222.89	181,638.64	138,200.06	125,055.60	112,039.83	103,446.00	70,056.92	43,675.92	36,195.00
Capital Outlay - Non-depreciable	30,032,590.00	226,096.00	253,919.83	353,083.97	415,594.26	427,488.77	494,293.00	467,645.00	468,572.00	492,635.00
Unallocated Depreciation		207.28	288.11	445.16	12,164.21	445.49	444.51	445.87	444.84	67,804.08
Total Governmental Activities Expenses	30,032,590.00	29,748,403.06	31,450,088.40	31,861,092.00	36,594,147.06	38,937,241.98	42,221,189.24	44,279,878.56	42,310,334.79	41,151,924.22
Business-type Activities:										
Food Service	391,534.00	394,865.92	401,341.94	410,317.83	405,812.60	433,625.51	431,887.27	453,627.37	447,760.20	443,398.45
Total Business-type Activities Expenses	391,534.00	394,865.92	401,341.94	410,317.83	405,812.60	433,625.51	431,887.27	453,627.37	447,760.20	443,398.45
Total District Expenses	30,424,124.00	30,143,268.98	31,851,430.34	32,271,409.83	36,999,959.66	39,370,867.49	42,653,076.51	44,733,505.93	42,758,094.99	41,595,322.67
Program Revenues										
Governmental Activities:										
Charges for Services:										
Tuition	1,705,558.00									
Operating Grants and Contributions	3,734,391.00	833,866.40	885,165.58	854,250.58	871,848.20	986,434.31	941,461.47	1,108,375.23	1,110,450.38	1,154,763.83
Total Governmental Activities Program Revenues	5,439,949.00	833,866.40	885,165.58	854,250.58	871,848.20	986,434.31	941,461.47	1,108,375.23	1,110,450.38	1,154,763.83
Business-type Activities:										
Charges for Services:										
Food Service	274,895.00	255,543.39	258,917.13	247,120.87	252,551.11	247,703.78	255,396.19	253,883.37	274,310.19	201,739.81
Operating Grants and Contributions	115,580.00	144,992.29	155,138.19	163,231.98	165,196.85	165,215.13	176,287.37	189,063.66	178,580.27	186,398.16
Total Business-type Activities Program Revenues	390,475.00	400,535.68	414,055.32	410,352.85	417,747.96	412,918.91	431,683.56	442,947.03	452,890.46	390,137.97
Total District Program Revenues	5,830,424.00	1,234,402.08	1,299,220.90	1,264,603.43	1,289,596.16	1,399,353.22	1,373,145.03	1,551,322.26	1,563,340.84	1,544,901.80
Net (Expense)/Revenue										
Governmental Activities	(24,592,641.00)	(28,914,536.66)	(30,564,922.82)	(31,006,841.42)	(35,722,298.86)	(37,950,807.67)	(41,279,727.77)	(43,171,503.33)	(41,199,884.41)	(39,997,160.39)
Business-type Activities	(1,059.00)	5,669.76	12,713.38	35.02	11,935.36	(20,706.60)	(203.71)	(10,680.34)	5,130.26	(53,260.48)
Total District-wide Net Expense	(24,593,700.00)	(28,908,866.90)	(30,552,209.44)	(31,006,806.40)	(35,710,363.50)	(37,971,514.27)	(41,279,931.48)	(43,182,183.67)	(41,194,754.15)	(40,050,420.87)

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	22,063,451.00	22,415,898.92	22,341,918.00	22,688,756.00	22,768,756.00	23,224,131.00	23,478,614.00	23,948,186.00	24,403,202.00	24,836,266.00
Taxes Levied for Debt Service	331,427.00	317,389.00	358,296.00	352,480.00	332,413.00	331,928.00	264,345.00	265,331.13	269,593.00	265,260.00
Unrestricted Federal and State Aid	2,855,772.00	6,299,329.17	6,979,007.59	6,813,371.19	10,399,255.57	11,898,527.19	13,861,673.49	15,927,245.34	13,435,810.12	12,100,065.04
Federal and State Aid - Capital Outlay		27,518.90		84,937.17	69,615.21	315,291.86	4,035.84		17,095.00	25,530.80
Tuition Received		1,772,703.67	1,921,017.96	2,099,366.43	2,450,894.60	2,790,838.42	2,676,767.31	3,366,625.70	3,624,753.97	3,688,679.42
Extraordinary Flood Reimbursement Proceeds		141,406.00	22,632.05							
Investment Earnings	7,345.00	3,413.58	3,763.62	3,916.64	3,930.78	5,224.40	8,337.16	29,693.97	102,110.92	60,217.37
Rental Income		18,070.00	17,725.00	23,342.50	22,270.00	26,237.50	26,515.00	20,235.00	31,066.25	21,031.60
Miscellaneous Income	135,923.00	78,262.31	63,155.48	102,183.74	74,769.23	124,505.07	132,026.12	73,151.38	38,207.86	82,551.91
Extraordinary Item Loss on Refunding of Debt								(84,000.00)		
Total Governmental Activities	25,393,918.00	31,073,991.55	31,707,515.70	32,168,353.67	36,121,904.39	38,716,683.44	40,452,313.92	43,546,468.52	41,921,839.12	41,079,602.14
Business-type Activities:										
Investment Earnings	42.00	28.82	29.69	25.59	28.89	56.78	342.26	1,056.51	3,015.93	2,010.62
Total Business-type Activities	42.00	28.82	29.69	25.59	28.89	56.78	342.26	1,056.51	3,015.93	2,010.62
Total District-wide	25,393,960.00	31,074,020.37	31,707,545.39	32,168,379.26	36,121,933.28	38,716,740.22	40,452,656.18	43,547,525.03	41,924,855.05	41,081,612.76
Change in Net Position										
Governmental Activities	801,277.00	2,159,454.89	1,142,592.88	1,161,512.25	399,605.53	765,875.77	(827,413.85)	374,965.19	721,954.71	1,082,441.75
Business-type Activities	(1,017.00)	5,698.58	12,743.07	60.61	11,964.25	(20,649.82)	138.55	(9,623.83)	8,146.19	(51,249.86)
Total District	800,260.00	2,165,153.47	1,155,335.95	1,161,572.86	411,569.78	745,225.95	(827,275.30)	365,341.36	730,100.90	1,031,191.89

Source: CAFR Schedule A-2

GASB No. 63 became effective for the Fiscal Year Ended June 30, 2013 which required a change in language from net assets to net position. This required presentation did not impact any of the balances from the prior years.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Fund Balances Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	1,407,943.00	1,326,666.75	1,960,922.07	1,856,620.42	2,565,072.87	2,826,861.19	3,253,262.57	2,925,416.03	2,221,136.70	3,033,854.43
Assigned	270,652.00	482,161.37	400,312.50	429,517.56	105,619.27	325,959.71	63,877.87	517,624.20	472,716.86	536,134.82
Unassigned	279,701.00	231,861.67	247,759.49	307,259.51	288,716.42	219,303.63	225,138.19	249,588.81	345,795.64	210,107.63
Total General Fund	1,958,296.00	2,040,689.79	2,608,994.06	2,593,397.49	2,959,408.56	3,372,124.53	3,542,278.63	3,692,629.04	3,039,649.20	3,780,096.88
All Other Governmental Funds										
Restricted for:										
Capital Projects Fund	348,259.00	5,466.68	5,466.68	647,051.24	542,628.42	80,541.78				
Debt Service	46,530.00	(0.43)	(0.23)	5,467.13	5,466.87			11,067.46	11,069.54	2.54
Committed for:										
Capital Projects Fund	66,000.00	30,000.00								
Total All Other Governmental Funds	460,789.00	35,466.25	5,466.45	652,518.37	548,095.29	80,541.78	0.00	11,067.46	11,069.54	2.54

Source: CAFR Schedule B-1

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	22,394,878.00	22,733,287.92	22,700,214.00	23,041,236.00	23,101,189.00	23,556,059.00	23,742,959.00	24,213,517.13	24,672,795.00	25,101,526.00
Tuition Charges	1,705,558.00	1,772,703.67	1,921,017.96	2,099,366.43	2,450,894.60	2,790,838.42	2,676,767.31	3,366,625.70	3,624,753.97	3,688,679.42
Rental Income		18,070.00	17,725.00	23,342.50	22,270.00	26,237.50	26,515.00	20,235.00	31,066.25	21,031.60
Interest Earned on Capital Reserve Funds	7,345.00	3,413.58	3,763.62	3,916.64	3,930.78	5,224.40	8,337.16	29,693.97	200.00	3,875.00
Interest Earned on Maintenance Reserve Funds	154,636.00	90,508.17	128,210.53	144,371.72	94,275.25	184,251.07	145,099.59	130,006.61	92,361.84	180,320.54
Miscellaneous	5,754,884.00	6,363,021.41	7,187,142.94	7,101,363.64	7,532,318.09	8,321,318.09	8,596,805.33	9,313,226.34	10,229,472.52	10,410,633.04
State Sources	816,566.00	785,447.20	634,607.23	609,007.32	619,061.37	714,168.27	671,730.00	844,807.00	849,404.00	853,045.00
Federal Sources										
Total Revenues	30,833,867.00	31,766,451.95	32,592,681.28	33,022,604.25	33,823,604.59	35,598,096.75	35,868,213.39	37,918,111.75	39,601,964.50	40,315,452.97
Expenditures										
Instruction:										
Regular	8,456,681.00	9,185,364.93	9,246,670.13	9,608,767.82	9,953,132.56	10,117,694.74	10,489,078.02	10,898,762.16	11,147,294.23	10,893,843.42
Special	3,564,101.00	2,875,512.93	3,078,509.67	3,356,361.08	3,451,056.48	3,624,079.71	3,620,807.18	4,043,468.67	4,300,775.36	4,597,216.10
Other Special Instruction	623,803.00	604,325.45	594,408.01	612,184.45	642,363.21	607,866.02	566,204.44	582,602.32	601,372.90	686,598.70
Other Instruction	507,229.00	564,483.71	600,747.92	575,899.93	601,801.11	619,070.50	644,788.80	657,825.15	639,779.73	652,764.43
Support Services:										
Instruction - Tuition	1,225,655.00	1,365,619.27	1,134,947.19	992,049.03	1,353,908.22	1,103,464.80	1,449,344.20	1,467,884.22	1,566,531.86	1,701,847.96
Student & Instruction Related Services	3,015,478.00	2,869,890.96	3,031,354.08	2,861,420.40	3,000,239.74	3,035,262.43	2,960,715.72	3,114,130.44	3,125,443.93	2,947,632.74
School Administration	1,299,858.00	1,434,538.78	1,457,693.21	1,675,138.44	1,734,150.39	1,741,250.05	1,805,938.04	1,727,703.32	1,888,234.39	1,590,051.05
General Administration	491,731.00	490,088.74	464,780.86	502,980.61	467,031.61	454,320.98	477,624.08	492,830.41	427,387.34	448,038.54
Central Services & Admin. Info. Technology	447,291.00	481,286.36	497,477.97	503,071.15	565,749.35	597,152.94	694,947.66	688,385.49	675,177.98	714,193.98
Operations and Maintenance	2,728,584.00	2,924,185.66	2,836,689.08	3,087,471.67	2,967,523.53	3,119,624.42	2,759,407.41	2,631,629.28	2,742,664.97	2,649,644.33
Student Transportation	585,210.00	608,869.97	539,478.82	506,689.54	534,634.78	638,002.25	623,550.99	859,715.62	921,894.83	860,800.87
Employee Benefits	6,808,868.00	7,562,665.13	7,515,933.96	7,052,466.37	7,435,367.12	8,351,759.93	8,775,577.43	9,671,232.26	10,642,292.82	11,152,299.09
Transfer to Charter Schools										
Capital Outlay	850,031.00	553,926.43	893,845.49	581,768.09	1,592,759.47	1,553,626.86	165,143.60	548,973.87	1,603,418.84	642,664.08
Debt Service:										
Principal	314,188.00	320,140.92	326,166.60	332,243.59	325,000.00	347,000.00	275,000.00	285,000.00	330,000.00	360,000.00
Interest and Other Charges	180,960.00	168,482.08	155,702.20	142,616.73	129,722.26	116,884.00	106,196.00	86,550.67	47,240.92	38,475.00
Total Governmental Fund Expenditures	31,099,668.00	32,109,381.32	32,374,405.19	32,391,148.90	34,754,439.83	36,027,059.63	35,814,323.57	37,756,693.88	40,459,510.10	39,936,072.29
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,801.00)	(342,929.37)	218,276.09	631,455.35	(930,835.24)	(428,962.88)	53,889.82	161,417.87	(857,545.60)	379,380.68
Other Financing Sources (Uses)										
Operating Transfers In				779,923.68	779,923.68	105,838.03	105,838.03			
Operating Transfers Out				(779,923.68)	(779,923.68)	(17,400.00)	(17,400.00)			
Cancellation of Accounts Receivable						43,500.00	9,622.50			
Capital Leases (non-budgeted)						474,125.34	35,722.50		204,567.84	350,000.00
Total Other Financing Sources (Uses)						474,125.34	35,722.50		204,567.84	350,000.00
Net Changes in Fund Balance	(265,801.00)	(342,929.37)	538,304.47	631,455.35	161,587.99	45,162.46	89,612.32	161,417.87	(652,977.76)	729,380.68
Debt Service as a percentage of noncapital expenditures	1.64%	1.55%	1.53%	1.49%	1.37%	1.35%	1.07%	1.00%	0.97%	1.01%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

**General Fund Other Local Revenue by Source
Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Other Misc.</u>	<u>Rental</u>	<u>Total</u>
2011	1,705,558.00	6,018.00	135,923.00		1,847,499.00
2012	1,772,703.67	3,413.58	78,262.31	18,070.00	1,872,449.56
2013	1,921,017.96	3,763.62	85,787.53	17,725.00	2,028,294.11
2014	2,099,366.43	3,916.64	102,183.74	23,342.50	2,228,809.31
2015	2,450,894.60	3,930.78	74,769.23	22,270.00	2,551,864.61
2016	2,790,838.42	5,224.40	124,504.94	26,237.50	2,946,805.26
2017	2,676,767.31	8,337.16	105,926.12	26,515.00	2,817,545.59
2018	3,366,625.70	29,693.97	73,151.38	20,235.00	3,489,706.05
2019	3,624,753.97	102,110.92	38,207.86	31,066.25	3,796,139.00
2020	3,688,679.42	60,217.37	82,551.91	21,031.60	3,852,480.30

Source: District Records.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

<u>Year</u> <u>Ended Dec. 31,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities</u>	<u>Net Assessed Valuation Taxable</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate</u>
							a			b
2010	3,137,600	542,138,200	55,605,000	18,568,500	11,893,400	631,342,700		631,342,700	1,458,249,154	3.5020
2011	2,952,100	541,827,500	55,192,500	18,568,500	10,543,400	629,084,000		629,084,000	1,389,906,868	3.5870
2012	3,064,500	538,850,400	54,582,500	18,568,500	10,543,400	625,609,300		625,609,300	1,263,332,893	3.6320
2013	3,045,500	535,507,000	53,881,800	18,568,500	10,243,400	621,246,200		621,246,200	1,173,080,283	3.6820
2014	2,855,000	533,280,700	53,433,400	18,568,500	10,243,400	618,381,000		618,381,000	1,123,307,902	3.7310
2015	2,855,000	531,432,200	52,952,600	18,568,500	10,243,400	616,051,700		616,051,700	1,118,061,162	3.7870
2016	2,845,700	529,368,100	52,720,700	18,568,500	10,243,400	613,746,400		613,746,400	1,111,388,901	3.8530
2017	2,606,000	528,040,600	53,398,900	18,568,500	10,243,400	612,857,400		612,857,400	1,125,987,876	3.9130
2018	3,961,100	1,022,664,900	126,669,100	37,418,100	25,978,200	1,216,691,400		1,216,691,400	1,179,575,268	2.0100
2019	3,961,100	1,021,299,700	114,091,600	37,418,100	25,978,200	1,202,748,700		1,202,748,700	1,214,545,374	2.0700

Source: Passaic County, Abstract of Ratables and Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b Tax rates are per \$100 of assessed value.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Per \$100 of Assessed Valuation**

Assessment Year	Basic Rate^a	General Obligation Debt Service^b	Local School District	Overlapping Rates		Total Direct and overlapping Tax Rate
				Municipality^c	County	
2010	3.4500	0.0520	3.5020	1.3900	1.2400	6.1320
2011	3.5354	0.0516	3.5870	1.4362	1.2708	6.2940
2012	3.5780	0.0540	3.6320	1.502	1.2800	6.4140
2013	3.6257	0.0563	3.6820	1.569	1.2720	6.5230
2014	3.6773	0.0537	3.7310	1.615	1.2880	6.6340
2015	3.7332	0.0538	3.7870	1.658	1.3870	6.8320
2016	3.8102	0.0428	3.8530	1.667	1.3580	6.8780
2017	3.8700	0.0430	3.9130	1.682	1.3590	6.9540
2018	1.9880	0.0220	2.0100	0.88	0.7150	3.6050
2019	2.0481	0.0219	2.0700	0.889	0.7100	3.6690

Source: District Records and Municipal Tax Collector.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a** The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- b** Rates for debt service are based on each year's requirements.
- c** Includes Library tax rate and Municipal Open Space tax rate .

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

Schedule of Principal Taxpayers

Current and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Chemours Company FC, LLC	30,857,500	1	2.57%			
UB Pompton Lake I, LLC	22,500,000	2	1.87%	15,063,900	1	2.39%
Aldrich 9 Apt. LLC & Park36 Apt. LLC	10,274,200	3	0.85%			
Ocean Lake Realty, LLC	5,613,800	4	0.47%			
K & A Associates, LLC	4,948,400	5	0.41%			
Cape Realty, LLC	4,384,900	6	0.36%			
Valbruna Stainless Inc.	3,692,000	7	0.31%	1,400,000	10	0.22%
Tresenfeld	3,210,900	8	0.27%			
Landolina Investment Co. LLP	2,595,800	8	0.22%			
Pompton Five Associates	2,293,000	10	0.19%			
Pompton Center Associates				9,645,400	2	1.53%
Larson Financial				4,300,000	3	0.68%
F & B Construction Co				2,950,000	4	0.47%
Higgins & Peragallo				2,871,600	5	0.45%
Alrose Pompton, LLC				2,703,200	6	0.43%
Tresenfeld & Singer				2,000,000	7	0.32%
Landolina Investment Co. LLP				1,525,700	8	0.24%
Walsh Industrial Condominium				1,423,100	9	0.23%
	<u>90,370,500</u>		<u>7.51%</u>	<u>43,882,900</u>		<u>6.95%</u>

Source: Municipal Tax Assessor's Office.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

**School Tax Levies and Collections
Last Ten Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	22,394,878.00	22,394,878.00	100.00%	
2012	22,733,287.92	22,733,287.92	100.00%	
2013	22,700,214.00	22,700,214.00	100.00%	
2014	23,041,236.00	23,041,236.00	100.00%	
2015	23,101,169.00	23,101,169.00	100.00%	
2016	23,556,059.00	23,556,059.00	100.00%	
2017	23,742,959.00	23,742,959.00	100.00%	
2018	24,213,517.13	24,213,517.13	100.00%	
2019	24,672,795.00	24,672,795.00	100.00%	
2020	25,101,526.00	25,101,526.00	100.00%	

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

- a School Taxes are collected by the Municipal Tax Collector. Under New Jersey Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Economic Development Authority Loans	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2011	4,568,000.00	94,181.00			4,662,181.00	1.07%	420
2012	4,278,000.00	63,410.00			4,341,410.00	0.96%	389
2013	3,983,000.00	32,244.00		261,385.30	4,276,629.30	0.91%	384
2014	3,683,000.00			156,920.62	3,839,920.62	0.81%	346
2015	3,358,000.00			1,506,817.51	4,864,817.51	1.01%	439
2016	3,011,000.00			1,491,038.41	4,502,038.41	0.89%	407
2017	2,736,000.00			1,342,864.46	4,078,864.46	0.78%	369
2018	2,535,000.00			1,194,888.89	3,729,888.89	0.71%	338
2019	2,205,000.00			1,245,385.42	3,450,385.42	0.65%	313
2020	1,845,000.00			1,386,083.35	3,231,083.35	0.58%	294

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

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds and EDA Loans	Deductions	Net General Bonded Debt Outstanding		
2011	4,662,181.00	-	4,662,181.00	0.74%	420
2012	4,341,410.00	-	4,341,410.00	0.69%	389
2013	4,276,629.30	-	4,276,629.30	0.68%	384
2014	3,683,000.00	-	3,683,000.00	0.59%	332
2015	3,358,000.00	-	3,358,000.00	0.54%	303
2016	3,011,000.00	-	3,011,000.00	0.49%	272
2017	2,736,000.00	-	2,736,000.00	0.45%	248
2018	2,535,000.00	-	2,535,000.00	0.41%	230
2019	2,205,000.00	-	2,205,000.00	0.18%	200
2020	1,845,000.00	-	1,845,000.00	0.15%	168

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Pompton Lakes	\$ 8,580,487	100.000%	\$ 8,580,487
Other debt			
Passaic County General Obligation Debt	326,206,257	2.4041%	7,842,231
Passaic County Utility Authority	46,770,000	2.4041%	1,124,384
Pompton Lakes Municipal Utilities Authority	3,243,990	100.000%	3,243,990
Subtotal, overlapping debt			20,791,091
Pompton Lakes School District Direct Debt			<u>1,845,000</u>
Total direct and overlapping debt			<u>\$ 22,636,091</u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pompton Lakes. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

(1) Debt information as of December 31, 2019.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation basis	
2019	\$ 1,267,919,777
2018	1,220,597,311
2017	1,171,587,459
[A]	<u>\$ 3,660,104,547</u>
[A/3]	\$ 1,220,034,849
[B]	48,801,394
[C]	1,845,000
[B-C]	<u>\$ 46,956,394</u>

Average equalized valuation of taxable property

Debt limit (4 % of average equalization value)	[B]	48,801,394
Total Net Debt Applicable to Limit	[C]	1,845,000
Legal debt margin	[B-C]	<u>\$ 46,956,394</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 58,883,050	\$ 54,874,319	\$ 50,915,201	\$ 47,497,674	\$ 45,648,960	\$ 44,789,421	\$ 44,683,768	\$ 45,341,086	\$ 46,836,979	\$ 48,801,394
Total net debt applicable to limit	<u>4,661,551</u>	<u>4,342,040</u>	<u>4,015,244</u>	<u>3,683,000</u>	<u>3,358,000</u>	<u>3,011,000</u>	<u>2,736,000</u>	<u>2,535,000</u>	<u>2,205,000</u>	<u>1,845,000</u>
Legal debt margin	<u>\$ 54,221,499</u>	<u>\$ 50,532,279</u>	<u>\$ 46,899,957</u>	<u>\$ 43,814,674</u>	<u>\$ 42,290,960</u>	<u>\$ 41,778,421</u>	<u>\$ 41,947,768</u>	<u>\$ 42,806,086</u>	<u>\$ 44,631,979</u>	<u>\$ 46,956,394</u>
Total net debt applicable to the limit as a percentage of debt limit	7.92%	7.91%	7.89%	7.75%	7.36%	6.72%	6.12%	5.59%	4.71%	3.78%

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

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

**Demographic and Economic Statistics
Last Ten Years**

<u>Year Ended June 30,</u>	<u>School District Population (1)</u>	<u>Personal Income in Thousands \$ (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>
2011	11,105	437,270,480	39,376	9.40%
2012	11,153	452,666,811	40,587	9.20%
2013	11,126	468,237,710	42,085	9.10%
2014	11,099	475,015,002	42,798	9.90%
2015	11,082	480,770,406	43,383	5.80%
2016	11,060	505,950,760	45,746	4.80%
2017	11,041	520,638,355	47,155	4.30%
2018	11,029	526,855,330	47,770	4.30%
2019	11,009	531,668,646	48,294	3.90%
2020	10,986	555,562,020	50,570	3.00%

- Source:
- (1) U.S. Bureau of the Census, Population Division,
(Estimates April 1, 2010 to July 1, 2019)
 - (2) Personal income of the District is Based on the County Information.
 - (3) U.S. Department of Commerce, County Information 2009-2018.
 - (4) N.J. Department of Labor.

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

Schedule of Principal Employers

Current and Nine Years Ago

2018

2009

INFORMATION IS NOT AVAILABLE

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	119.0	110.0	115.0	117.0	130.0	123.0	125.0	120.0	120.0	127.0
Special education	29.0	32.0	39.0	40.0	36.0	31.0	32.0	30.0	32.0	36.0
Support Services:										
Student & instruction related services	26.0	65.0	58.0	61.0	61.0	61.0	62.0	75.0	75.0	74.0
General administrative services	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
School administrative services	23.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Plant operations and maintenance	24.0	24.0	24.0	24.0	22.0	21.0	21.0	21.0	21.0	19.0
Total	229.0	261.0	265.0	271.0	278.0	265.0	269.0	275.0	277.0	285.0

Source: NJDOE Annual School District Budget Statement Supporting Document (Budgeted Full-Time Equivalents)

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
 Operating Statistics,
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Teacher/Pupil Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior High School	High School				
2011	1,652	29,754,489	\$ 18,011	4.09%	148	1:11	1:12	1:12	1,652.0	1,575.0	-5.17%	95.34%
2012	1,661	31,066,832	\$ 18,704	3.84%	142	1:11	1:12	1:12	1,661.0	1,589.0	0.54%	95.67%
2013	1,702	31,292,241	\$ 18,386	-1.70%	154	1:11	1:12	1:12	1,702.0	1,629.0	2.47%	95.71%
2014	1,727	31,334,520	\$ 18,144	-1.31%	157	1:11	1:12	1:12	1,687.8	1,620.0	-0.83%	95.98%
2015	1,722	32,706,958	\$ 18,994	4.68%	166	1:11	1:11	1:11	1,702.3	1,635.2	0.86%	96.06%
2016	1,706	34,009,549	\$ 19,935	4.96%	170	1:11	1:11	1:11	1,682.0	1,615.0	-1.19%	96.02%
2017	1,665	35,267,984	\$ 21,182	6.25%	179	1:11	1:10	1:11	1,659.0	1,633.0	-1.37%	98.43%
2018	1,655	36,836,169	\$ 22,258	5.08%	179	1:11	1:10	1:11	1,649.0	1,602.0	-0.60%	97.15%
2019	1,679	38,478,850	\$ 22,918	2.97%	174	1:11	1:10	1:11	1,649.0	1,602.0	0.00%	97.15%
2020	1,713	38,894,933	\$ 22,706	-0.92%	170	1:11	1:11	1:12	1,679.0	1,627.0	1.82%	96.90%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures J-4 less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>Lincoln Elementary School</u>										
Square Feet	38,195	38,195	38,195	38,195	38,195	38,195	38,195	38,195	38,195	38,195
Capacity (students)	360	360	360	360	360	360	360	360	360	360
Enrollment	311	333	344	337	338	321	321	325	316	324
<u>Lenox Elementary School</u>										
Square Feet	46,681	46,681	46,681	46,681	46,681	46,681	46,681	46,681	46,681	46,681
Capacity (students)	419	419	419	419	419	419	419	419	419	419
Enrollment	326	343	349	337	342	339	361	333	357	357
<u>Lakeside Middle School</u>										
Square Feet	70,550	70,550	70,550	70,550	70,550	70,550	70,550	70,550	70,550	70,550
Capacity (students)	366	366	366	366	366	366	366	366	366	366
Enrollment	373	373	389	361	362	376	354	384	363	393
<u>Pompton Lakes High School</u>										
Square Feet	98,685	98,685	98,685	98,685	98,685	98,685	98,685	98,685	98,685	98,685
Capacity (students) unadjusted	886	886	886	886	886	886	886	886	886	886
Enrollment	642	612	620	658	670	646	629	629	643	639
<u>Administration Office Building</u>										
Square Feet	3072	3072	3072	3072	3072	3072	3072	3072	3072	3072
<u>District Administration Storage</u>										
Square Feet	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
<u>High School Storage Building</u>										
Square Feet	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
<u>High School Storage Garage</u>										
Square Feet	950	950	950	950	950	950	950	950	950	950

Number of Schools at June 30, 2020
 Elementary = 2
 Middle School = 1
 High School = 1

Source: District records, ASSA, LRFP

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
For the Fiscal Year Ended June 30,
Last Ten Fiscal Years

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

* School Facilities	Project # (s)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Pompton Lakes High School	N/A	303,215.00	308,430.00	363,615.00	359,784.00	454,179.00	358,323.00	469,337.00	405,202.00	464,649.00	404,857.00
Lakeside Middle School	N/A	229,075.00	216,735.00	134,127.00	252,821.00	319,153.00	256,563.00	247,602.00	293,241.00	306,403.00	289,433.00
Lenox Elem. School	N/A	152,782.00	150,047.00	130,985.00	175,030.00	220,952.00	160,143.00	266,913.00	247,882.00	264,263.00	191,510.00
Lincoln Elem School	N/A	118,196.00	125,039.00	155,155.00	145,858.00	184,127.00	158,043.00	233,625.00	227,139.00	197,173.00	156,696.00
Administration Offices	N/A	7,084.00	8,336.00	10,528.00	9,723.00	12,274.00	6,942.00	7,594.00	8,219.00	9,217.00	12,603.00
District Administration Storage	N/A	5,313.00	8,336.00	10,528.00	9,725.00	12,274.00	6,942.00	7,594.00	8,219.00	9,217.00	9,846.00
High School Storage Building	N/A	2,573.00	8,336.00	10,528.00	9,725.00	12,275.00	6,942.00	7,593.00	8,219.00	9,217.00	6,154.00
High School Storage Garage	N/A	3,542.00	8,336.00	10,528.00	9,723.00	12,278.00	6,941.00	7,593.00	8,219.00	9,217.00	3,897.00
Total School Facilities		<u>821,780.00</u>	<u>833,595.00</u>	<u>825,994.00</u>	<u>972,389.00</u>	<u>1,227,512.00</u>	<u>960,839.00</u>	<u>1,247,851.00</u>	<u>1,206,340.00</u>	<u>1,269,356.00</u>	<u>1,074,996.00</u>

* School facilities as defined under EFCA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

**Insurance Schedule
June 30, 2020**

	<u>Coverage</u>	<u>Deductible</u>
Comprehensive Package Policy - Zurich Insurance Company		
Property - Blanket Building and Contents	\$57,457,372	\$5,000
Comprehensive General Liability	1,000,000	
Comprehensive Automobile Liability	1,000,000	
Blanket Employee Dishonesty	500,000	5,000
Boiler and Machinery	100,000,000	1,000
Excess Liability - Fireman's Fund Ins. Co.:		
Per Occurrence	50,000,000	
Aggregate	50,000,000	
Excess Policy - American Alternative		
Per Occurrence	9,000,000	
Aggregate	9,000,000	
Environmental Impairment Liability - Chubb/ACE		
Per Occurrence	1,000,000	25,000
Aggregate	10,000,000	
Fungi or Legionella		50,000
School Board Legal Liability - XL Catlin		
Errors & Omissions	1,000,000	7,500
Employment Practices	1,000,000	15,000
Travel Accident Insurance - Gerber Life Insurance Co.:		
Limit	100,000	
Cyber Liability - XL Insurance		
Combined Policy Aggregate Limit of Liability	4,000,000	25,000
Surety Bonds - Western Surety:		
Treasurer of School Monies	300,000	
Board Secretary / Business Administrator	236,000	

Source: District records.

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900
office@w-cpa.com

Rockaway Office
100 Enterprise Drive
Suite 301
Rockaway, New Jersey 07866
(973)-835-7900

K-1
Page 1 of 2

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

Honorable President and
Members of the Board of Education
Borough of Pompton Lakes School District
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Pompton Lakes School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Pompton Lakes Board of Education'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 Borough of Pompton Lakes Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Pompton Lakes Board of Education'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 have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Pompton Lakes Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Pompton Lakes School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated December 22, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 22, 2020





WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900
office@w-cpa.com

Rockaway Office
100 Enterprise Drive
Suite 301
Rockaway, New Jersey 07866
(973)-835-7900

K-2
Page 1 of 3

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY STATE OF NEW JERSEY OMB CIRCULAR 15-08

Honorable President and
Members of the Board of Education
Borough of Pompton Lakes School District
County of Passaic, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Borough of Pompton Lakes School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Pompton Lakes Board of Education’s major federal and state programs for the year ended June 30, 2020. The Borough of Pompton Lakes Board of Education’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 laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Pompton Lakes Board of Education’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; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Pompton Lakes Board of Education'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 Borough of Pompton Lakes Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Pompton Lakes Board of Education 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 year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Borough of Pompton Lakes Board of Education 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 Borough of Pompton Lakes Board of Education's internal control over compliance with the type 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 Uniform Guidance and N.J. 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 Borough of Pompton Lakes Board of Education'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 and 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 and 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 and 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 material weaknesses. 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 the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 22, 2020

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2020

Federal Grant/Pass-Through Grantor Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019	Carryover/ Adjustments	Cash Received	Budgetary Expenditures	Adjustment/ Repayment of Prior Year's Balance	Balance at June 30, 2020		MEMO Cumulative Total Expenditures
											Receivable	Deferred	
U.S. Department of Education:													
General Fund:													
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	07/01/19-06/30/20	25,130.00	(12,204.98)		1,703.27	(25,130.00)		(23,426.73)	*	25,130.00
Medical Assistance Program (SEMI)	93.778	1905NJ5MAP	N/A	07/01/18-06/30/19	14,610.00	(12,204.98)		5,533.47	(25,130.00)		(6,671.51)	*	25,130.00
								7,236.74			(30,098.24)	*	
Total General Fund						(12,204.98)		7,236.74	(25,130.00)		(30,098.24)	*	25,130.00
U.S. Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
Title I - Improving Basic Programs	84.010	S010A190030	ESSA4230-20	07/01/19-09/30/20	323,817.00	(104,051.00)		216,375.00	(320,768.00)		(104,393.00)	*	320,768.00
Title I - Improving Basic Programs	84.010	S010A180030	ESSA4230-19	07/01/18-06/30/19	340,982.00	(104,051.00)		104,051.00	(320,768.00)		(104,393.00)	*	320,768.00
								320,426.00				*	
Title II-A - Teacher & Principal Training/Recruiting	84.367A	S367A190029	ESSA4230-20	07/01/19-09/30/20	57,802.00	(5,373.00)		22,951.00	(27,705.00)		(4,754.00)	*	27,705.00
Title II-A - Teacher & Principal Training/Recruiting	84.367A	S367A180029	ESSA4230-19	07/01/18-06/30/19	51,518.00	(5,373.00)		5,373.00	(27,705.00)		(4,754.00)	*	27,705.00
								28,324.00				*	
Title III - Part A English Language Enhancements	84.365	S365A190030	ESSA4230-20	07/01/19-09/30/20	30,292.00	(5,513.00)		7,998.00	(12,891.00)		(4,893.00)	*	12,891.00
Title III - Part A English Language Enhancements	84.365	S365A180030	ESSA4230-19	07/01/18-06/30/19	28,892.00	(5,513.00)		5,513.00	(12,891.00)		(4,893.00)	*	12,891.00
								13,511.00			(4,893.00)	*	12,891.00
Title IV - Student Support and Academic Enrich.	84.424	S424A190031	ESSA4230-20	07/01/19-09/30/20	23,382.00	(555.00)		15,531.00	(19,450.00)		(3,919.00)	*	19,450.00
Title IV - Student Support and Academic Enrich.	84.424	S424A180031	ESSA4230-19	07/01/18-06/30/19	16,300.00	(555.00)		555.00	(19,450.00)		(3,919.00)	*	19,450.00
								16,086.00				*	
I.D.E.A. Part B - Basic Regular	84.027	H027A190100	IDEA4230-20	07/01/19-09/30/20	423,402.00	(51,242.00)		337,708.00	(423,402.00)		(85,694.00)	*	423,402.00
I.D.E.A. Part B - Basic Regular	84.027	H027A180100	IDEA4230-19	07/01/18-06/30/19	418,622.00	(51,242.00)		51,242.00	(423,402.00)		(85,694.00)	*	423,402.00
I.D.E.A. Part B - Preschool	84.173	H173A190114	IDEA4230-20	07/01/19-09/30/20	13,279.00	(51,242.00)		388,950.00	(436,681.00)		(98,973.00)	*	436,681.00
												*	
Coronavirus Aid Relief and Economic Security Act	84.425D	S425D200027		03/13/20-09/30/22	250,657.00				(10,420.00)		(10,420.00)	*	10,420.00
Total Special Revenue Fund						(166,734.00)		767,297.00	(827,915.00)		(227,352.00)	*	827,915.00
U.S. Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
Non-Cash Assistance:													
Food Distribution Program	10.555	201NJ304N1099	N/A	07/01/19-06/30/20	42,559.82		4,236.28	42,559.82	(46,796.10)			*	46,796.10
Food Distribution Program	10.555	191NJ304N1099	N/A	07/01/18-06/30/19	32,242.28	4,236.28	(4,236.28)					*	
Cash Assistance:													
School Breakfast Program	10.553	201NJ304N1099	N/A	07/01/19-06/30/20	14,853.80	(313.15)		12,167.60	(14,853.80)		(2,686.20)	*	14,853.80
School Breakfast Program	10.553	191NJ304N1099	N/A	07/01/18-06/30/19	4,288.25	(313.15)		313.15	(4,288.25)			*	
National School Lunch Program	10.555	201NJ304N1099	N/A	07/01/19-06/30/20	123,212.30	(8,701.48)		118,963.22	(123,212.30)		(4,249.08)	*	123,212.30
National School Lunch Program	10.555	191NJ304N1099	N/A	07/01/18-06/30/19	138,136.90	(8,701.48)		8,701.48				*	
								182,705.27	(184,862.20)		(6,935.28)	*	184,862.20
Total Enterprise Fund						(4,778.35)		957,239.01	(1,037,907.20)		(264,385.52)	*	1,037,907.20
TOTAL FEDERAL FINANCIAL AWARDS						(183,717.33)						*	

See accompanying notes to schedules of federal awards and state financial assistance.

BOROUGH OF POMPTON LAKES 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 at June 30, 2019		Cash Received	Budgetary Expenditures	Adjustment/Repayment of Prior Years Balance	Balance at June 30, 2020		MEMO Budgetary Receivable	Cumulative Total Expenditures
				Deferred Revenues/ (Accts. Receivable)	Due To Grantor				Accounts Receivable	Due To Grantor at		
State Department of Education:												
General Fund:												
Equalization Aid	20-495-034-5720-078	07/01/19-06/30/20	3,206,582.00			2,891,233.00	(3,206,582.00)				(315,359.00)	3,206,582.00
Special Education Categorical Aid	20-495-034-5720-089	07/01/19-06/30/20	953,729.00			859,932.00	(953,729.00)				(95,797.00)	953,729.00
School Choice Aid	20-495-034-5720-068	07/01/19-06/30/20	109,800.00			98,442.00	(109,800.00)				(10,358.00)	109,800.00
Security Categorical Aid	20-495-034-5720-084	07/01/19-06/30/20	43,115.00			3,888,872.00	(43,115.00)				(4,240.00)	43,115.00
Total State Aid Public												
Transportation Aid	20-495-034-5720-014	07/01/19-06/30/20	170,038.00			138,725.00	(170,038.00)				(31,313.00)	170,038.00
Extraordinary Special Education Aid	20-495-034-5720-044	07/01/19-06/30/20	141,763.00			465,223.00	(141,763.00)					141,763.00
Extraordinary Special Education Aid	19-495-034-5720-044	07/01/18-06/30/19	463,233.00	(465,223.00)								1,200,072.00
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	07/01/19-06/30/20	1,200,072.00			1,200,072.00	(1,200,072.00)					3,177,895.00
On-Behalf TPAF - Pension Contributions	20-495-034-5094-002	07/01/19-06/30/20	3,177,895.00			3,177,895.00	(3,177,895.00)					56,960.00
On-Behalf TPAF - Non-contributory Insurance	20-495-034-5094-004	07/01/19-06/30/20	56,960.00			2,179.00	(56,960.00)					2,179.00
On-Behalf TPAF - LTD	20-495-034-5094-004	07/01/19-06/30/20	2,179.00			1,000,843.49	(1,144,613.04)					1,144,613.04
Reimbursement TPAF - Social Security	20-495-034-5094-005	07/01/19-06/30/20	1,144,613.04					(113,769.55)				1,144,613.04
Reimbursement TPAF - Social Security	19-495-034-5094-005	07/01/18-06/30/19	1,125,293.12	(605,591.00)		90,291.00						10,082,126.04
Total General Fund			10,082,126.04	(655,814.00)		10,026,312.04	(10,082,126.04)	(255,523.55)		(441,447.00)		10,082,126.04
Special Revenue Funds:												
Advanced Computer Science Competitive N.J. Nonpublic Aid	19EB0137	01/15/19-6/30/20	47,611.00	(500.00)		26,347.00	(27,419.00)		(1,172.00)			27,419.00
Auxiliary Services												
Compensatory Services	20-100-034-5720-067	07/01/19-06/30/20	39,667.00			35,500.00	(23,525.00)	(7,107.00)				23,525.00
Compensatory Services	19-100-034-5720-067	07/01/18-06/30/19	46,954.00			2,107.00	(23,525.00)	(7,107.00)				23,525.00
Total Nonpublic Auxiliary Services Aid												
Handicapped Services												
Exam. & Classification	20-100-034-5720-066	07/01/19-06/30/20	21,927.00			17,579.50	(9,667.00)	(4,184.00)				9,667.00
Exam. & Classification	19-100-034-5720-066	07/01/18-06/30/19	28,393.00			4,184.00	(10,267.00)	(7,678.00)				10,267.00
Corrective Speech	20-100-034-5720-066	07/01/19-06/30/20	17,317.00			15,586.00	(1,731.00)					1,731.00
Corrective Speech	19-100-034-5720-066	07/01/18-06/30/19	2,250.00			7,678.00	(7,678.00)					2,250.00
Supplementary Instruction	20-100-034-5720-066	07/01/19-06/30/20	19,751.00			17,665.50	(11,566.00)	(6,815.00)				11,566.00
Supplementary Instruction	19-100-034-5720-066	07/01/18-06/30/19	24,899.00			18,681.00	(31,290.00)	(13,681.00)				31,290.00
Total Nonpublic Handicapped Services Aid												
Textbook Aid	20-100-034-5720-064	07/01/19-06/30/20	11,333.00			11,333.00	(11,333.00)	(1.00)				11,333.00
Textbook Aid	19-100-034-5720-064	07/01/18-06/30/19	12,602.00			1.00	(2.00)					2.00
Security Aid	20-100-034-5720-059	07/01/19-06/30/20	32,200.00			32,250.00	(2.00)					32,200.00
Security Aid	19-100-034-5720-059	07/01/18-06/30/19	58,400.00			20,855.00	(20,855.00)	(19,600.00)				20,855.00
Nursing Services	20-100-034-5720-070	07/01/19-06/30/20	20,855.00			7,740.00	(2,011.00)					2,011.00
Nursing Services	19-100-034-5720-070	07/01/18-06/30/19	7,400.00			8,496.60		(8,496.60)				8,496.60
Technology Initiative	20-100-034-5720-073	07/01/19-06/30/20	4,966.00			53,885.00	(15,663.00)					17,163.00
Technology Initiative	19-100-034-5720-073	07/01/18-06/30/19	4,966.00	(500.00)		185,256.00	(15,663.00)	(53,885.00)				17,163.00
Total Special Revenue Fund			122,448.00	(500.00)		122,448.00	(122,448.00)					122,448.00
Debt Service Fund:												
Debt Service Aid Type II	20-495-034-5720-075	07/01/19-06/30/20	122,448.00									122,448.00
State Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program (State Share)	20-100-010-3350-023	07/01/19-06/30/20	3,535.96			3,468.80	(3,535.96)		(67.16)			3,535.96
National School Lunch Program (State Share)	19-100-010-3350-023	07/01/18-06/30/19	4,368.91	(285.57)		285.57	(3,535.96)		(67.16)			3,535.96
Total Enterprise Fund			7,904.87	(285.57)		3,754.37	(3,535.96)		(67.16)			7,071.92
TOTAL STATE FINANCIAL ASSISTANCE												
			10,204,574.91	(656,609.57)		10,332,118.86	(10,424,473.00)	(53,885.00)	(259,102.71)		(441,447.00)	10,424,473.00
Less On-Behalf TPAF Pension and Annuity Aid												
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	07/01/19-06/30/20	1,200,072.00			1,200,072.00	(1,200,072.00)					1,200,072.00
On-Behalf TPAF - Pension Contributions	20-495-034-5094-002	07/01/19-06/30/20	3,177,895.00			3,177,895.00	(3,177,895.00)					56,960.00
On-Behalf TPAF - Pension Contributions	20-495-034-5094-002	07/01/19-06/30/20	56,960.00			56,960.00	(56,960.00)					2,179.00
On-Behalf TPAF - LTD	20-495-034-5094-004	07/01/19-06/30/20	2,179.00			4,437,106.00	(4,437,106.00)					4,437,106.00
TOTAL FOR STATE FINANCIAL ASSISTANCE MAJOR PROGRAM DETERMINATION												
			5,915,012.86	(556,609.57)		5,915,012.86	(5,987,307.00)	(53,885.00)	(259,102.71)		(441,447.00)	5,987,307.00

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Pompton Lakes School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(26,104.00) for the general fund and \$15,800.00 for the special revenue fund. See Notes to Required Supplemental 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 follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$25,130.00	\$10,156,022.04	\$10,181,152.04
Special Revenue Fund	827,915.00	132,463.00	960,378.00
Debt Service Fund		122,148.00	122,148.00
Food Service Fund	184,862.20	3,535.96	188,398.16
Total Awards and Financial	<u>\$1,037,907.20</u>	<u>\$10,414,169.00</u>	<u>\$11,452,076.20</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions 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. INDIRECT COST RATE

The Borough of Pompton Lakes School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS - (APPLICABLE TO SCHOOL DISTRICTS ONLY)

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$320,768.00
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	27,705.00
Title III: <i>English Language Acquisition State Grants</i>	12,891.00
Title IV: <i>Student Support and Academic Enrichment</i>	<u>19,450.00</u>
Total	<u>\$380,814.00</u>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

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

Federal Awards

Internal Control over major programs:

1. Material weakness(es) identified? _____ yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? _____ 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 2 CFR 200 section .516(a) of the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553, 10.555</u> <u>84.367A</u>	<u>201NJ304N1099</u> <u>S367A190029</u>	<u>Child Nutrition Cluster</u> <u>Title II Part A - Improving Teacher Quality</u>

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

Auditee qualified as low-risk auditee? X yes _____ no

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section II - Financial Statement Findings

None

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

No matters were reported.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Status of Prior Year Findings

There were no prior year audit findings.