

SCHOOL DISTRICT  
OF  
BOONTON TOWNSHIP

Boonton Township School District  
Board of Education  
Boonton Township, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2021

Comprehensive Annual  
Financial Report

of the

Boonton Township School District  
Board of Education

Boonton Township, New Jersey

For Fiscal Year Ended June 30, 2021

Prepared by

Boonton Township School District  
Board of Education

BOONTON TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2021

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal .....	1
Organizational Chart .....	6
Roster of Officials .....	7
Consultants and Advisors.....	8
 FINANCIAL SECTION.....	 9
Independent Auditors' Report.....	10
Required Supplementary Information.....	13
Management's Discussion and Analysis .....	14
Basic Financial Statements (Sections A. and B.).....	21
A. District-Wide Financial Statements.....	22
A-1 Statement of Net Position .....	23
A-2 Statement of Activities.....	24
B. Fund Financial Statements.....	25
B-1 Balance Sheet – Governmental Funds .....	26
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	27
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	28
B-4 Statement of Net Position – Proprietary Funds.....	29
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds .....	30
B-6 Statement of Cash Flows – Proprietary Funds.....	31
Notes to the Basic Financial Statements .....	32
Required Supplementary Information.....	68
L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits	
Other than Pensions .....	69
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System.....	69
L-2 Schedule of District Contributions – Public Employees Retirement System .....	70
L-3 Schedule of State's Proportionate Share of the Net Pension Liability – Attributable to the District - Teachers' Pension and Annuity Fund .....	71
L-4 Schedule of State's Contributions – Attributable to the District - Teacher's Pension and Annuity Fund.....	72
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability associated with the District and Related Ratios.....	73
Notes to Required Supplementary Information .....	74

BOONTON TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

FINANCIAL SECTION (Cont'd)

Supplementary Schedules (Sections C. to I.)

C. Budgetary Comparison Schedules .....	76
C-1 Budgetary Comparison Schedule – General Fund .....	77
C-2 Budgetary Comparison Schedule – Budgetary Basis - Special Revenue Fund .....	88
C-3 Budgetary Comparison Schedule – Notes to Required Supplementary Information.....	89

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable) .....	91
E. Special Revenue Fund .....	92
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	93
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund (Not Applicable)	
G. Proprietary Funds.....	95
Enterprise Fund:	
G-1 Statement of Net Position .....	96
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position.....	97
G-3 Statement of Cash Flows .....	98
H. Fiduciary Activities (Not Applicable)	
I. Long-Term Debt .....	99
I-1 Schedule of Serial Bonds (Not Applicable)	
I-2 Schedule of Obligations Under Capital Leases.....	100
I-3 Debt Service Fund Budgetary Comparison Schedule (Not Applicable)	
J. Statistical Section (Unaudited) .....	101
J-1 Net Position by Component .....	102
J-2 Changes in Net Position.....	103
J-3 Fund Balance – Governmental Funds.....	105
J-4 Changes in Fund Balances – Governmental Funds .....	106
J-5 General Fund Other Local Revenue by Source .....	107
J-6 Assessed Value and Actual Value of Taxable Property .....	108
J-7 Direct and Overlapping Property Taxpayers .....	109
J-8 Principal Property Taxpayers.....	110
J-9 Property Tax Levies and Collections .....	111
J-10 Ratio of Outstanding Debt by Type .....	112
J-11 Ratios of Net General Bonded Debt Outstanding .....	113
J-12 Ratios of Overlapping Governmental Activities Debt.....	114
J-13 Legal Debt Margin.....	115

BOONTON TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

FINANCIAL SECTION (Cont'd)

J.	Statistical Section (Unaudited) (Cont'd)	
J-14	Demographic and Economic Statistics .....	116
J-15	Principal Employers.....	117
J-16	Full-Time Equivalent District Employees by Function/Program .....	118
J-17	Operating Statistics .....	119
J-18	School Building Information .....	120
J-19	Schedule of Required Maintenance for School Facilities .....	121
J-20	Insurance Schedule .....	122
K.	Single Audit Section.....	124
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 <i>Government Auditing Standards</i> .....	125
K-2	Report on Compliance For Each Major State Program; Report on Internal Control over Compliance.....	127
K-3	Schedule of Expenditures of Federal Awards .....	129
K-4	Schedule of Expenditures of State Awards .....	130
K-5	Notes to the Schedules of Expenditures of Federal and State Awards.....	131
K-6	Schedule of Findings and Questioned Costs .....	133
K-7	Summary Schedule of Prior Audit Findings.....	135

INTRODUCTORY SECTION  
(UNAUDITED)

# BOONTON TOWNSHIP BOARD OF EDUCATION

11 Valley Road  
Boonton Township, New Jersey 07005

---

Christian Angelillo, Ed.D.  
Superintendent/ Principal  
Voice (973) 334-4162

John T. Murray II, RSBA  
School Business Administrator/ Board Secretary  
Fax (973) 334-0035

October 28, 2021

The Honorable President and Members  
of the Board of Education  
Boonton Township School District  
County of Morris, New Jersey

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Boonton Township School District (the “District”) for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Boonton Township 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 letter, the District's organizational chart and a list of principal officials. The financial section includes The Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected 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*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' 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:** Boonton Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) in codification section 2100. All funds of the District are included in this report. The Boonton Township Board of Education and its school constitute the District's reporting entity.

The Boonton Township Board of Education is a Type II District administered by a superintendent and business administrator. Boonton Township has only one public school, known as Rockaway Valley School, which provided learning opportunities for 394 children during the 2020/2021 school year in grades K-8 with two special education preschool programs. The District is in a sending/receiving relationship with Mountain Lakes Board of Education to provide educational services for their high school students. There were 238 Boonton Township High School students attending Mountain Lakes High School during 2020/2021.

A full range of educational services and curriculum appropriate to the elementary grade levels is available at Rockaway Valley School. Regular programs as well as special education for the special needs youngsters are readily provided. The District completed the 2020/2021 fiscal year with an average daily enrollment of 632 students (which includes the high school students) which is 19 students less than the previous year's enrollment.

**2. ECONOMIC CONDITION AND OUTLOOK:** Boonton Township is a suburban community with a District Factor Group rating of I. It was founded in 1867, partially on land once owned by William Penn. The Township was once famous for its electronics industry, having been the home for Johanson Manufacturing Corp., still in existence today; Radio Frequency Laboratories and its hangar and flying field, and the Aircraft Radio Corp. Electronics played a large part in the history of the Township's World War II hero, General Jimmy Doolittle, who made the first "blind" aircraft landing at Mitchell Field using the company's radio equipment in 1929.

The population of Morris County continues to grow and Boonton Township's growth has slowed a bit in comparison to the County average. Boonton Township's population in 2000 was 4,283. In 2010, the census showed that the population was 4,263 or a decrease of -0.47%. The County growth during the same time frame was 4.7%. The Township labor force equals 2,088 people and 1,994 are employed. The unemployment rate was 4.50% compared to the County average of 6.3%.

**3. MAJOR INITIATIVES:** The Boonton Township School District faced many challenges related to the world-wide Covid-19 Pandemic beginning in March of 2020. Beginning in September of 2020, the district switched from an online learning environment to a half day in person school day. Employee salaries and transportation contracts for special education and regular to and from routes continued to be paid for during the school year in accordance with New Jersey law. The district purchased higher than normal amounts of hand sanitizer, personal protective equipment, cleaning and disinfecting supplies and equipment, new hands free towel dispensers, social distancing signage and acrylic sneeze guards for classrooms and offices. An additional part-time custodian was hired to disinfect high touch areas during the school day to reduce the chance for virus transmission. Despite the challenges of the pandemic and the lack of guidance from the Governor's office and the New Jersey Department of Education, the district was able to remain open during the year and was not required to shut down due to Covid-19 related illnesses or quarantines.

The district continues to purchase new Chromebooks to provide students in each grade level access to the internet and Google Classroom to enhance the learning environment. Rockaway Valley School continues to provide a welcoming and nurturing environment for all students. We believe that students must continue to strive toward high academic standards that are aligned with the New Jersey Student Learning Standards. Math and literacy programs implemented in the past few years continued to be expanded. A blended education course is offered to select students in 7th and 8th grade mathematics, which provides enrichment in both Algebra I and Geometry. The emphasis on infusing literacy in the classroom continues to focus on improving teaching strategies in all academic areas, and upgrading the physical plant over the next several years. A comprehensive staff development program was initiated several years ago and continues to focus on implementing the Kim Marshall teacher evaluation program and the Genesis student database program. This effort is expected to continue into the next year. Professional development continues to be provided to the staff on the Google Suite platform to enhance the infusion of Google into typical classroom instruction and is also focused on diversity and inclusion training and social and emotional learning. Board of Education members receive their agenda information and correspondence through their designated Google accounts as the district continues its effort as it moves toward a more paperless environment. Parents receive more student information and updates through our Genesis student information system, thereby eliminating the costs and time encumbered by sending out a summer mailing and grade reporting.



Additional MacBooks and iPads purchased either replace outdated units or supplement the existing inventory in order to prepare students for 21st Century learning. The school currently maintains an inventory of Smart boards and Promethean boards in every educational space and MacBook carts are available for each grade level and specialty areas. As Smart Boards reach the end of their useful life, they are being replaced with more advanced technology found in promethean boards. Computers continue to be upgraded for staff and student use as part of the district's 5-year Technology Plan. The district's budget includes an allowance to maintain a bandwidth of 1 gigabyte and to support wireless network upgrades to improve the delivery of instruction to students through mobile computing and interactive instruction and to meet the demands of the State mandated NJSLA test. Laptop computers are used in conjunction with the SMART Boards that are installed in every classroom. A new textbook program was purchased for grades 6 through 8 math. As in past years, new books including teacher resource materials were purchased for the library/media center and new novels were purchased for the classrooms. A mini STEAM Lab/Maker Space "specials" class continues to be an integral part of the Gifted and Talented program for students in grades 6 through 8. The budget continues to support the "Apex" Geometry online program to enrich math instruction for accelerated learners.

Over the past few years there has been an increasing emphasis at RVS on fostering a climate of respect for individual student differences. As such the staff has focused on identifying and correcting behaviors that might be considered "bullying" in nature. With the efforts of our school-based Climate Team, the staff will continue to focus this year on fostering a climate of respect and student awareness of the harmful effects of bullying type behavior. This renewed effort is aligned with the State initiatives on Harassment/Intimidation/ and Bullying (HIB.) The Board Policy is referenced in the parent, staff, and student handbooks and is also posted on the school's website. Finally, a major theme on developing "Respect for All" along with a zero tolerance for any bullying type behaviors will be rolled out for the students during a State mandated "Week of Respect" in early October. Rockaway Valley School has partnered with the United Way Culture and Climate Initiative that offered staff development and resources to promote a positive school climate. For the second year in a row the district participated in the Kean University Diversity Council and remains steadfast in our commitment that we are #bettertogether.

Several health and safety and facility items were addressed during the 2020/2021 school year. New LED exterior lighting was installed to provide employees and visitors with safer passage after dark. Additional video security cameras were added to increase the security coverage in the building. HEPA air purifiers were purchased for each of the classrooms and offices in an effort to improve air quality in each of those Areas. Cracked or uneven sidewalks were replaced to eliminate tripping hazards and unsafe conditions. Several electrical circuits and HVAC systems were either replaced or upgraded as needed. With the retirement of the district's long-term debt, a major focus in the coming years will be to plan for a referendum to address the building envelope including electrical, HVAC systems, LED lighting, air conditioning and roof replacement.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2021.

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

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

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

9. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

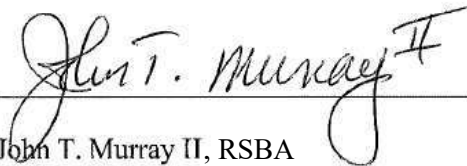
The Honorable President and Members  
of the Board of Education  
Boonton Township School District  
Page 5  
October 28, 2021

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Boonton Township 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 our financial and accounting staff.

Respectfully submitted,

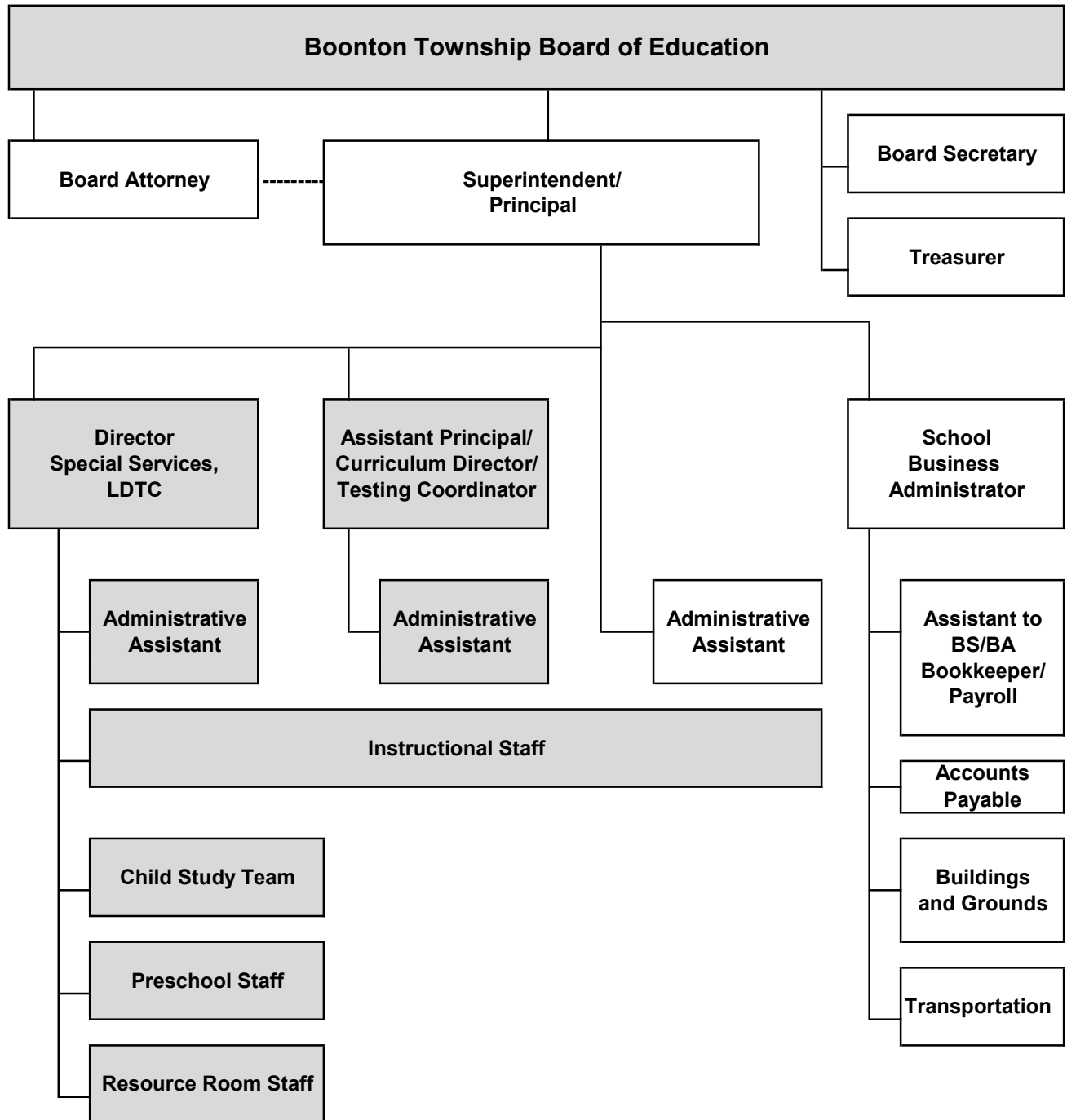


Christian Angelillo, Ed.D.  
Superintendent / Principal



John T. Murray II, RSBA  
Business Administrator/Board Secretary

# Boonton Township Board of Education Organization Chart



BOONTON TOWNSHIP SCHOOL DISTRICT  
ROSTER AND OFFICIALS  
FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Barry Brantner, President	2022
Christine Cabana, Vice President	2023
Ann Bentrovato	2021
Charles Eaton	2022
Leigh Hermey	2022
Jonathan LeVar	2023
Grace McBride	2023
John Sierchio	2021
Melissa Signore	2021

Other Officials

Title

Dr. Christian Angelillo Ed. D.	Superintendent/Principal
John T. Murray II, RSBA	School Business Administrator/Board Secretary
Lia Lendis	Assistant Principal
Christy Voorhees	Director of Special Services, LDTC
Norman M. Eckstein	Treasurer of School Monies
Matthew J. Giacobbe (Cleary, Giacobbe, Alfieri, Jacobs,LLC)	School Board Attorney

# **BOONTON TOWNSHIP SCHOOL DISTRICT**

Consultants and Advisors  
Year Ended June 30, 2020

## **Audit Firm**

Nisivoccia LLP  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856  
and  
Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

## **Board Attorney**

Matthew J. Giacobbe, Esq.  
Cleary Giacobbe Alfieri Jacobs, LLC  
169 Ramapo Valley Road  
Upper Level 105  
Oakland, NJ 07436

## **Special Education Attorney**

Robin S. Ballard, Esq.  
Schenck, Price, Smith & King, LLP  
220 Park Avenue  
P.O. Box 991  
Florham Park, NJ 07003

## **Bond Attorney**

Lisa A. Gorab, Esq.  
Wilentz, Goldman, Spitzer  
90 Woodbridge Center Dr., Suite 900, Box 10  
Woodbridge, NJ 07095

## **Architect of Record**

GA Architect  
151 Washington Street  
Bloomfield, NJ 07003

## **Official Depositories**

Bank of America  
Powerville Road  
Boonton Township, NJ 07005  
  
State of New Jersey, Cash Management Fund  
Morgan Stanley Trust  
Harborside Financial Center, Plaza Two  
Jersey City, NJ 07311-3977

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Boonton Township School District  
County of Morris, 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 Boonton Township School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2021, 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 misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Boonton Township School District, in the County of Morris, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 19 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-employment benefits schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2021 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

October 28, 2021  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*  
\_\_\_\_\_  
Man C. Lee  
Licensed Public School Accountant #2527  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## Management's Discussion and Analysis For Fiscal Year Ended June 30, 2021

This section of Boonton Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### Overview of the Financial Statements

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

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**  
**Organization of Boonton Township School District's Financial Report**

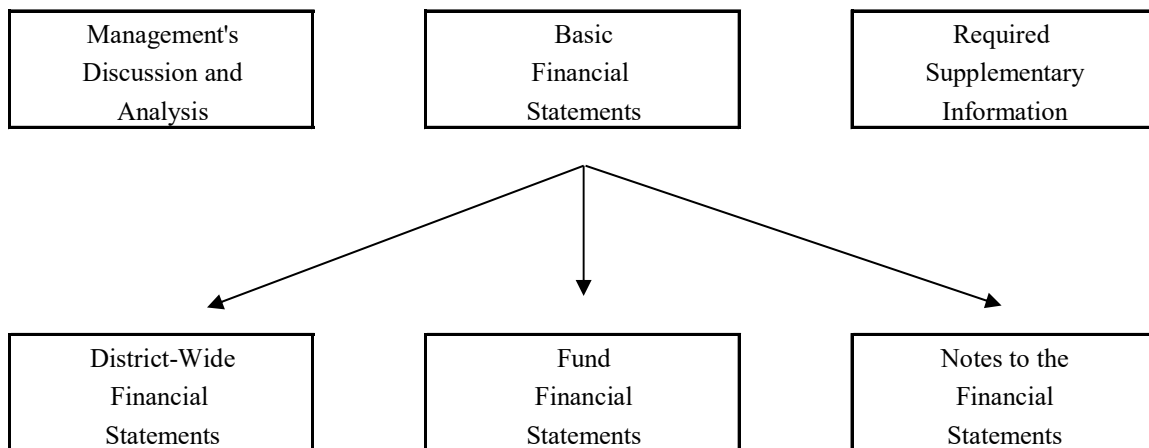


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

**Figure A-2**  
**Major Features of the District-Wide and Fund Financial Statements**

	Fund Financial Statements		
	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenue, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses, and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid

## District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

## Notes to the Basic 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. The notes to the basic financial statements can be found immediately following the fund financial statements.

### Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position was \$459,836 on June 30, 2021, \$1,110,546 or 170.67% higher than the year before. (See Figure A-3). The net position of the governmental activities increased \$1,110,214 and net position from business-type activities increased by \$332.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2021	2020*	2021	2020*	2021	2020*	2020-2021
Current and Other Assets	\$ 3,224,848	\$ 2,153,612	\$ 3,993	\$ 2,677	\$ 3,228,841	\$ 2,156,289	
Capital Assets, Net	236,743	152,629	10,754	11,738	247,497	164,367	
Total Assets	<u>3,461,591</u>	<u>2,306,241</u>	<u>14,747</u>	<u>14,415</u>	<u>3,476,338</u>	<u>2,320,656</u>	49.80%
Deferred Outflows of Resources	373,522	513,154			373,522	513,154	-27.21%
Other Liabilities	253,495	254,467			253,495	254,467	
Long-Term Liabilities	2,266,137	2,421,831			2,266,137	2,421,831	
Total Liabilities	<u>2,519,632</u>	<u>2,676,298</u>			<u>2,519,632</u>	<u>2,676,298</u>	-5.85%
Deferred Inflows of Resources	870,392	808,222			870,392	808,222	7.69%
Net Position:							
Net Investment in Capital							
Assets	139,140	152,629	10,754	11,738	149,894	164,367	
Restricted	1,644,356	979,855			1,644,356	979,855	
Unrestricted/(Deficit)	<u>(1,338,407)</u>	<u>(1,797,609)</u>	<u>3,993</u>	<u>2,677</u>	<u>(1,334,414)</u>	<u>(1,794,932)</u>	
Total Net Position/(Deficit)	<u>\$ 445,089</u>	<u>\$ (665,125)</u>	<u>\$ 14,747</u>	<u>\$ 14,415</u>	<u>\$ 459,836</u>	<u>\$ (650,710)</u>	170.67%

\* Restated

*Changes in net position.* Net investment in capital assets decreased by \$14,473, primarily due to \$64,957 in depreciation expense and new capital lease of \$129,089; offset by the payment of \$31,486 of capital lease payable and \$148,587 in capital assets additions. Restricted net position increased by \$664,501 mainly due to an increase in excess surplus and capital reserve. Unrestricted net position increased by \$460,518, primarily due to change in maximum unassigned General Fund balance from 2% to 4%.

**Figure A-4**

**Changes in Net Position from Operating Results**

	Governmental		Business-Type		Total		Total Percentage Change 2020-2021
	Activities		Activities		School District		
	2021	2020	2021	2020	2021	2020	
Revenue:							
Program Revenue:							
Charges for Services	\$ 47,263	\$ 79,161		\$ 7,192	\$ 47,263	\$ 86,353	
Operating Grants and Contributions	3,168,615	2,834,043			3,168,615	2,834,043	
General Revenue:							
Property Taxes	13,756,276	13,629,010			13,756,276	13,629,010	
Unrestricted Federal & State Aid		57,756				57,756	
Other	296,083	57,240			296,083	57,240	
Total Revenue	<u>17,268,237</u>	<u>16,657,210</u>		<u>7,192</u>	<u>17,268,237</u>	<u>16,664,402</u>	3.62%
Expenses:							
Instruction	6,977,810	6,672,595			6,977,810	6,672,595	
Tuition	5,167,830	5,642,389			5,167,830	5,642,389	
Pupil & Instruction Services	1,368,812	1,238,279			1,368,812	1,238,279	
Administrative and Business	1,077,627	1,075,324			1,077,627	1,075,324	
Maintenance & Operations	779,669	768,046			779,669	768,046	
Transportation	608,210	926,532			608,210	926,532	
Other	173,065	8,068	\$ 4,668	11,189	177,733	19,257	
Total Expenses	<u>16,153,023</u>	<u>16,331,233</u>	<u>4,668</u>	<u>11,189</u>	<u>16,157,691</u>	<u>16,342,422</u>	-1.13%
Transfers	<u>(5,000)</u>		<u>5,000</u>				
Change in Net Position	<u>\$ 1,110,214</u>	<u>\$ 325,977</u>	<u>\$ 332</u>	<u>\$ (3,997)</u>	<u>\$ 1,110,546</u>	<u>\$ 321,980</u>	244.91%

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position of the District increased significantly in the governmental activities. Maintaining existing programs with regular pupil enrollment and the provision of a multitude of special programs and services for special needs pupils place great demands on the District’s resources. Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions continued during the year were:

- A significant number of special needs pupils continue to be educated in programs within the District rather than being sent out-of-District whereby the District would have to pay tuition as well as increased transportation costs. Boonton Township has been cited for its inclusion programs.
- Boonton Township is maximizing its joint purchasing/cooperative agreements. We currently jointly purchase supplies (teaching, custodial, etc.), and insurances (health, property/casualty). It also participates in an energy purchasing consortium (ACES) and a telecommunication services consortium (ACT).

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly. District resources are at their tightest level in a decade.



Figure A-5 presents the cost of seven major District activities: instruction, tuition, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers by each of these functions:

**Figure A-5**  
**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction	\$ 6,977,810	\$ 6,672,595	\$ 4,313,604	\$ 4,164,972
Tuition	5,167,830	5,642,389	5,167,830	5,642,389
Pupil & Instruction Services	1,368,812	1,238,279	1,075,336	1,066,973
Administrative and Business	1,077,627	1,075,324	982,771	981,762
Maintenance & Operations	779,669	768,046	766,637	768,046
Transportation	608,210	926,532	457,902	785,819
Other	173,065	8,068	173,065	8,068
<b>Total</b>	<b>\$ 16,153,023</b>	<b>\$ 16,331,233</b>	<b>\$ 12,937,145</b>	<b>\$ 13,418,029</b>

**Business-Type Activities**

Net position from the District’s business-type activity increased by \$332 (refer to Figure A-4).

**Financial Analysis of the District’s Funds**

The District’s overall financial position improved and district wide net pension liability does not affect fund balance. The cost of additional teachers, plus benefits, has been a strain on our budget but is necessitated to maintain class sizes at acceptable levels.

Difficult economic times have had a direct impact upon the District’s revenue sources. The District has also reduced its level of using surplus to reduce the tax levy. As overall revenue for the District is strained, the amount of funds generated for this purpose likewise decreases. The rates in the municipality of the District have not significantly changed, thus generating concern for the local tax levy in the future. Additional funding was dedicated to the purchase of additional cleaning supplies, staffing, technology, personal protective equipment and other safety related purchases due to the COVID-19 pandemic.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised its annual operating budget several times. These budget amendments were for changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

## Capital Asset and Long-Term Liabilities Administration

**Figure A-6**  
**Capital Assets (net of depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2021	2020	2021	2020	2021	2020	
Machinery and Equipment	\$ 236,743	\$ 152,629	\$ 10,754	\$ 11,738	\$ 247,497	\$ 164,367	
Total	\$ 236,743	\$ 152,629	\$ 10,754	\$ 11,738	\$ 247,497	\$ 164,367	50.58%

During the fiscal year, the District acquired \$148,857 in equipment, disposed \$500 in equipment and depreciated \$64,957 of its capital assets.

### Long-Term Liabilities

At year-end, the District had \$2,266,137 in long-term liabilities outstanding – a decrease of \$155,694 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 8 to the financial statements.)

**Figure A-7**  
**Outstanding Long-Term Liabilities**

	Total School District		Total Percentage Change
	2021	2020	
Net Pension Liability	\$ 1,948,778	\$ 2,200,440	
Other Long Term Liabilities	317,359	221,391	
Total	\$ 2,266,137	\$ 2,421,831	-6.43%

### Factors Bearing on the District’s Future

At the time these financial statements were prepared and audited, the District was in a good financial position. S1701, adopted by the State of New Jersey on June 17, 2004, forced the District to cut its allowable unassigned general fund balance to 2% leaving the District with very little protection in the event of costly emergencies. This law also placed limits on the District’s ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to transfer available balance as needed and the ability to transfer available funds between appropriation accounts. However, recent changes have increased the allowable unassigned general fund balance to 4% which offers some relief in handling unforeseen emergencies. As the student enrollment continues to trend downward, it becomes even more challenging to remain within the State mandated administrative spending limits.

### Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 11 Valley Road, Boonton Township, New Jersey 07005.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOONTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,498,677	\$ 3,993	\$ 1,502,670
Receivables from Federal Government	15,547		15,547
Receivables from State Government	351,268		351,268
Restricted Cash and Cash Equivalents	1,359,356		1,359,356
Depreciable Capital Assets, Net	236,743	10,754	247,497
Total Assets	<u>3,461,591</u>	<u>14,747</u>	<u>3,476,338</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	373,522		373,522
Total Deferred Outflows of Resources	<u>373,522</u>		<u>373,522</u>
<u>LIABILITIES</u>			
Accounts Payable	248,681		248,681
Unearned Revenue	4,814		4,814
Noncurrent Liabilities:			
Due Within One Year	33,586		33,586
Due Beyond One Year	2,232,551		2,232,551
Total Liabilities	<u>2,519,632</u>		<u>2,519,632</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	870,392		870,392
Total Deferred Outflows of Resources	<u>870,392</u>		<u>870,392</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	139,140	10,754	149,894
Restricted for:			
Capital Projects	925,918		925,918
Maintenance	350,750		350,750
Excess Surplus	285,000		285,000
Unemployment Compensation	39,069		39,069
Student Activities	43,619		43,619
Unrestricted/(Deficit)	<u>(1,338,407)</u>	<u>3,993</u>	<u>(1,334,414)</u>
Total Net Position/(Deficit)	<u>\$ 445,089</u>	<u>\$ 14,747</u>	<u>\$ 459,836</u>

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenue			Net Expense and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 5,506,676	\$ 33,677	\$ 1,444,947	\$ (4,028,052)		\$ (4,028,052)
Special Education	1,284,456		1,136,053	(148,403)		(148,403)
Other Special Instruction	121,578		32,639	(88,939)		(88,939)
School Sponsored/Other Instruction	65,100		16,890	(48,210)		(48,210)
<b>Support Services:</b>						
Tuition	5,167,830			(5,167,830)		(5,167,830)
Student & Instruction Related Services	1,368,812	11,794	281,682	(1,075,336)		(1,075,336)
General Administrative Services	320,492			(320,492)		(320,492)
School Administrative Services	457,484		94,856	(362,628)		(362,628)
Central Services	268,207			(268,207)		(268,207)
Administration Information Technology	31,444			(31,444)		(31,444)
Plant Operations and Maintenance	779,669		13,032	(766,637)		(766,637)
Pupil Transportation	608,210	1,792	148,516	(457,902)		(457,902)
Capital Outlay	868			(868)		(868)
Transfer of Funds to Charter Schools	172,197			(172,197)		(172,197)
<b>Total Governmental Activities</b>	<b>16,153,023</b>	<b>47,263</b>	<b>3,168,615</b>	<b>(12,937,145)</b>		<b>(12,937,145)</b>
<b>Business-Type Activities:</b>						
Food Service	4,668				\$ (4,668)	(4,668)
<b>Total Business-Type Activities</b>	<b>4,668</b>				<b>(4,668)</b>	<b>(4,668)</b>
<b>Total Primary Government</b>	<b>\$ 16,157,691</b>	<b>\$ 47,263</b>	<b>\$ 3,168,615</b>	<b>\$ (12,937,145)</b>	<b>\$ (4,668)</b>	<b>\$ (12,941,813)</b>
<b>General Revenues and Transfers:</b>						
<b>Taxes:</b>						
Property Taxes, Levied for General Purposes, Net				\$ 13,756,276		\$ 13,756,276
Miscellaneous Income				296,083		296,083
Transfers				(5,000)	\$ 5,000	
<b>Total General Revenue and Transfers</b>				<b>14,047,359</b>	<b>5,000</b>	<b>14,052,359</b>
Change in Net Position				1,110,214	332	1,110,546
Net Position/(Deficit) - Beginning (Restated)				(665,125)	14,415	(650,710)
Net Position - Ending				\$ 445,089	\$ 14,747	\$ 459,836

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

FUND FINANCIAL STATEMENTS

BOONTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,498,677		\$ 1,498,677
Receivables From Federal Government		\$ 15,547	15,547
Receivables From State Government	351,268		351,268
Interfund Receivable	15,547		15,547
Restricted Cash and Cash Equivalents	1,315,737	43,619	1,359,356
Total Assets	\$ 3,181,229	\$ 59,166	\$ 3,240,395
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable - Vendors	\$ 92,121		\$ 92,121
Interfund Payable - General Fund		\$ 15,547	15,547
Unearned Revenue	4,814		4,814
Total Liabilities	96,935	15,547	112,482
Fund Balances:			
Restricted:			
Capital Reserve	925,918		925,918
Maintenance Reserve	350,750		350,750
Excess Surplus - 2022-2023	285,000		285,000
Unemployment Compensation	39,069		39,069
Student Activities		43,619	43,619
Assigned:			
Other Purposes	333,825		333,825
Designated for Subsequent Year's Expenditures	287,335		287,335
Unassigned	862,397		862,397
Total Fund Balances	3,084,294	43,619	3,127,913
Total Liabilities and Fund Balances	\$ 3,181,229	\$ 59,166	\$ 3,240,395

Amounts Reported for *Governmental Activities* in the Statement of Net Position (Exhibit A-1) are Different Because:

Total Fund Balances (Above)	\$ 3,127,913
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	236,743
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,948,778)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	216,962
Deferred Inflows	(870,392)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(317,359)
Net Position of Governmental Activities (Exhibit A-1)	\$ 445,089

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



BOONTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUE:</b>			
<b>Local Sources:</b>			
Local Tax Levy	\$ 13,756,276		\$ 13,756,276
Tuition	33,677		33,677
Transportation Fees from Individuals	1,792		1,792
Restricted Miscellaneous Revenue	11,616	\$ 11,794	23,410
Unrestricted Miscellaneous Revenue	284,467		284,467
Total - Local Sources	14,087,828	11,794	14,099,622
State Sources	2,572,590		2,572,590
Federal Sources		174,195	174,195
Total Revenue	16,660,418	185,989	16,846,407
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Regular Instruction	3,071,334	21,373	3,092,707
Special Education Instruction	796,553	112,808	909,361
Other Special Instruction	64,773		64,773
School Sponsored/Other Instruction	36,892		36,892
<b>Support Services and Undistributed Costs:</b>			
Tuition	5,167,830		5,167,830
Student & Instruction Related Services	786,209	54,232	840,441
General Administrative Services	279,409		279,409
School Administrative Services	271,581		271,581
Central Services	204,894		204,894
Administration Information Technology	29,106		29,106
Plant Operations and Maintenance	660,296		660,296
Pupil Transportation	609,947		609,947
Unallocated Benefits	3,386,550		3,386,550
Capital Outlay	149,456		149,456
Transfer of Funds to Charter Schools	172,197		172,197
Total Expenditures	15,687,027	188,413	15,875,440
Excess/(Deficit) of Revenue Over/(Under) Expenditures	973,391	(2,424)	970,967
<b>Other Financing Sources/(Uses):</b>			
Transfers	(5,000)		(5,000)
Capital Leases (Non-Budgeted)	129,089		129,089
Total Other Financing Sources/(Uses)	124,089		124,089
Net Change in Fund Balances	1,097,480	(2,424)	1,095,056
Fund Balance - July 1 (Restated)	1,986,814	46,043	2,032,857
Fund Balance - June 30	\$ 3,084,294	\$ 43,619	\$ 3,127,913

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 1,095,056

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in the 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 and disposals in the period.

Depreciation Expense	\$	(63,973)	
Capital Assets Disposals, Net		(500)	
Capital Outlays		148,587	
			84,114

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability		251,662	
Change in Deferred Outflows		(162,480)	
Change in Deferred Inflows		(62,170)	

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

(14,097)

Repayment of debt service principal and other long-term obligation liabilities is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

47,218

Capital leases entered into by the District is an other financing source in the governmental funds, however, the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities.

(129,089)

Change in Net Position of Governmental Activities (Exhibit A-2)

\$ 1,110,214

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021

	Business-type Activities - Enterprise Funds <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,993
Total Current Assets	<u>3,993</u>
Non-Current Assets:	
Capital Assets	27,068
Less: Accumulated Depreciation	<u>(16,314)</u>
Total Non-Current Assets	<u>10,754</u>
Total Assets	<u>14,747</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	10,754
Unrestricted	<u>3,993</u>
Total Net Position	<u><u>\$ 14,747</u></u>

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds
	Food Service
Operating Expenses:	
Cost of Sales:	
Non-Reimbursable Programs	\$ 3,684
Depreciation Expense	984
	4,668
Total Operating Expenses	4,668
Operating Loss	(4,668)
Transfers:	
Transfer from General Fund	5,000
	332
Change in Net Position	332
Net Position - Beginning of Year	14,415
Net Position - End of Year	\$ 14,747

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds
	Food Service
Cash Flows from Operating Activities:	
Payments to Suppliers	\$ (3,684)
Net Cash Used for Operating Activities	(3,684)
Cash Flows from Noncapital Financing Activities:	
Board Contribution from General Fund	5,000
Net Cash Provided by Noncapital Financing Activities	5,000
Net Increase in Cash and Cash Equivalents	1,316
Cash and Cash Equivalents, July 1	2,677
Cash and Cash Equivalents, June 30	\$ 3,993
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (4,668)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	984
Net Cash Used for Operating Activities	\$ (3,684)

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the County office and are approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget Amendments/Transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize the payments on the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 16,662,190	\$ 180,262
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas GAAP does not		
Prior Year Encumbrances		8,126
Current Year Encumbrances		(2,399)
Prior Year State Aid Payment Recognized for GAAP Statements, not Recognized for Budgetary Statements	58,909	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(60,681)	
	(60,681)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 16,660,418	\$ 185,989

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 15,687,027	\$ 182,686
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances		8,126
Current Year Encumbrances		(2,399)
	\$ 15,687,027	\$ 188,413
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds		

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing source/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	50 Years
Machinery and Equipment	10 to 15 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2021.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

N. Compensated Absences: (Cont'd)

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components - the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$3,084,294 General Fund fund balance at June 30, 2021, \$333,825 is assigned for year-end encumbrances; \$287,335 is assigned and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022; \$925,918 is restricted in the capital reserve account; \$350,750 is restricted in the maintenance reserve account; \$39,069 is restricted for unemployment compensation; \$285,000 is restricted for current excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended and will be included as anticipated revenue for the fiscal year ending June 30, 2023); and \$862,397 is unassigned fund balance (which is \$60,681 less than the calculated maximum unassigned fund balance, on a Budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2022).

Special Revenue Fund: The Special Revenue fund balance at June 30, 2021 of \$43,619 is restricted for student activities.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as indicated above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the related state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,338,407 in the governmental activities as of June 30, 2021 primarily due to compensated absences payable, ERIP liability, net pension liability and the related deferred inflows and outflows of resources. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2021 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, excess surplus, unemployment compensation and student activities.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment or resources. The District has no committed resources at June 30, 2021.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The process is not a restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for the 2021/2022 budget and year-end encumbrances at June 30, 2021.

T. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section entitled Investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

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

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		Total
	Unrestricted	Restricted	
Checking & Savings Accounts	\$ 1,277,647	\$ 1,353,306	\$ 2,630,953
NJ Cash Management Fund	225,023	6,050	231,073
	\$ 1,502,670	\$ 1,359,356	\$ 2,862,026

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021 was \$2,862,026 and the bank balance was \$3,052,480. The \$231,073 in the NJ Cash Management Fund is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Boonton Township School District by inclusion of \$1 on June 30, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance at June 30, 2020		\$ 508,445
Increases: Board Resolution - June 16, 2021		417,473
Balance at June 30, 2021		\$ 925,918

The Long Range Facilities Plan balance of local support costs of uncompleted projects exceeds the balance in the capital reserve account at June 30, 2021.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Balance 6/30/2020	Increases	Adjustments/ Decreases	Balance 6/30/2021
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 1,867,191			\$ 1,867,191
Machinery and Equipment	1,156,477	\$ 148,587	\$ (500)	1,304,564
Total Capital Assets Being Depreciated	3,023,668	148,587	(500)	3,171,755
Governmental Activities Capital Assets	3,023,668	148,587	(500)	3,171,755
Less Accumulated Depreciated for:				
Buildings and Building Improvements	(1,867,191)			(1,867,191)
Machinery and Equipment	(1,003,848)	(63,973)		(1,067,821)
Total Accumulated Depreciation	(2,871,039)	(63,973)		(2,935,012)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 152,629	\$ 84,614	\$ (500)	\$ 236,743
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 27,068			\$ 27,068
Less Accumulated Depreciation	(15,330)	\$ (984)		(16,314)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 11,738	\$ (984)	\$ -0-	\$ 10,754

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	22,285
Special Education Instruction		4,775
Other Special Instruction		531
Student & Instructional Related Services		7,428
General Administration		2,122
School Administration		2,122
Central Services		1,592
Administrative Information Technology		531
Operations and Maintenance of Plant		11,824
Transportation		10,763
	<u>\$</u>	<u>63,973</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District transferred \$47,605 to the capital outlay accounts for equipment which did not require approval of the County Superintendent.

NOTE 7. OPERATING LEASES

The District entered into one lease for all of its copiers during the fiscal year ended June 30, 2018. Payments on this lease began in the fiscal year 2018 and will be payable over the next two years. Future minimum lease payments are as follows:

Year	Amount
2022	\$ 5,565
Total Future Minimum Lease Payments	\$ 5,565

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 06/30/20	Accrued	Retired	Balance 06/30/21
Net Pension Liability	\$ 2,200,440		\$ 251,662	\$ 1,948,778
Compensated Absences Payable	203,341	\$ 14,097		217,438
ERIP Accrued Liability	18,050		15,732	2,318
Capital Leases Payable		129,089	31,486	97,603
	\$ 2,601,831	\$ 143,186	\$ 298,880	\$ 2,266,137

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 8. LONG TERM LIABILITIES (Cont'd)

A. Bonds Payable:

As of June 30, 2021, the District has no bonds payable outstanding.

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the District has no bonds authorized but not issued.

C. Capital Leases Payable:

The District entered into a lease purchase agreement for the purchase of two school buses. As of June 30, 2021, \$31,486 has matured and been repaid. The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum payments at June 30, 2021.

<u>Year</u>	<u>Amount</u>
2022	\$ 35,168
2023	35,168
2024	35,168
Total minimum lease payments	105,504
Less: Amount representing interest	(7,901)
Present value of net minimum lease payments	<u>\$ 97,603</u>

The current portion of the capital leases payable at June 30, 2021 is \$31,268 and the long-term portion is \$66,335. The General Fund will be used to liquidate the capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and the current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term portion of compensated absences of \$217,438. There is no liability for compensated absences in the District's Enterprise Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long-term portion is \$1,948,778. See Note 9 for further information on the PERS.

F. Early Retirement Incentive Program – Accrued Liability:

The District's obligation for principal payments under the Early Retirement Incentive Program ("ERIP") is \$2,318 and is due in fiscal year 2022.

The General Fund will be used to liquidate other long-term liabilities which include Compensated Absences Payable, the Net Pension Liability and the ERIP Accrued Liability.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$130,730 for 2021. The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2021, the District's liability was \$1,948,778 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.0120%, which was a decrease of 0.0002% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized actual pension expense in the amount of \$103,719. At June 30, 2021, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	5.57	\$ 63,221	
	2017	5.48		\$ 184,467
	2018	5.63		180,976
	2019	5.21		143,721
	2020	5.16		306,808
			63,221	815,972
Difference Between Expected and Actual Experience	2016	5.57	1,919	
	2017	5.48	5,486	
	2018	5.63		6,892
	2019	5.21	10,986	
	2020	5.16	17,093	
			35,484	6,892
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(23,847)	
	2018	5.00	(22,117)	
	2019	5.00	5,352	
	2020	5.00	107,223	
			66,611	

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	2016	5.57	\$ 7,766	
	2017	5.48	18,751	
	2018	5.63	3,760	
	2019	5.21	21,369	
	2020	5.16	<u>47,528</u>	<u>\$ 47,528</u>
			<u>51,646</u>	<u>47,528</u>
District Contribution Subsequent to the Measurement Date	2020	1.00	<u>156,560</u>	
			<u>\$ 373,522</u>	<u>\$ 870,392</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2021	\$ (244,536)
2022	(222,942)
2023	(127,406)
2024	(51,521)
2025	<u>(11,143)</u>
	<u>\$ (657,548)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

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%



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,447,752	\$ 1,948,778	\$ 1,517,405

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$993,108 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,416,291. The employee contribution rate was 7.50% effective July 1, 2018.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$22,775,717. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.0346%, which was a decrease of 0.0001% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>22,775,717</u>
Total	<u>\$ 22,775,717</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$1,416,291 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements. The State reported collective deferred outflows and inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	<u>1,411,170,422</u>	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		<u>7,520,890</u>
			<u>986,767,511</u>	<u>182,357,860</u>

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	\$ (226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	965,582,162	
			<u>656,175,235</u>	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

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

Fiscal Year Ending June 30,	Total
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	<u>(335,285,618)</u>
	<u>\$ (4,965,440,613)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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%

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 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 pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 26,752,747	\$ 22,775,717	\$ 19,473,461

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$2,603 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$3,721 for the fiscal year ended June 30, 2021.

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Plan Description and Benefits Provided (Cont'd)

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

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.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on service years	based on service years

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 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Mortality Rates

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

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 is reflected. The assumed post-65 medical trend rate 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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 15,446,405
Service Cost	564,405
Interest on the Total OPEB Liability	611,817
Difference Between Expected and Actual Experience	(2,755,153)
Changes of Assumptions	203,734
Member Contributions	12,434
Gross Benefit Payments by the State	(419,450)
Net Changes	(1,782,213)
Balance at June 30, 2019	\$ 13,664,192

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 16,142,810	\$ 13,664,192	\$ 11,695,313

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 11,258,685	\$ 13,664,192	\$ 16,848,589

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$315,793 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	<u>Year of Deferral</u>	<u>Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ 1,590,789
	2018	9.51		1,368,293
	2019	9.29	\$ 181,804	
			<u>181,804</u>	<u>2,959,082</u>
Differences Between Expected and Actual Experience	2018	9.51		1,293,463
	2019	9.29		2,139,840
				<u>3,433,303</u>
Changes in Proportion	N/A	N/A	<u>294,317</u>	<u>429,492</u>
			<u>\$ 476,121</u>	<u>\$ 6,821,877</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2020	\$ (833,859)
2021	(833,861)
2022	(833,861)
2023	(833,861)
2024	(833,861)
Thereafter	<u>(2,041,278)</u>
	<u>\$ (6,210,581)</u>

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 11. DEFERRED COMPENSATION

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

- Ameriprise
- AXA Equitable
- Lincoln Investment
- MetLife

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property, Liability and Health Benefits

A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the New Jersey Schools Insurance Group (“NJSIG”). This public entity risk management pool provided general liability, property and automobile coverage and workers’ compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The NJSIG 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 NJSIG are elected.

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

The June 30, 2021 audit report is not available as of the date of this report. Selected financial information for the NJSIG as of June 30, 2020 is as follows:

Total Assets	\$ 384,022,002
Net Position	\$ 139,233,105
Total Revenue	\$ 144,445,665
Total Expenses	\$ 113,037,156
Change in Net Position	\$ 31,408,509
Members Dividends	\$ -0-

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

Financial statements for the Group are available at the Group's Executive Director's Office:

New Jersey School Boards Insurance Group  
 6000 Midlantic Drive  
 Mount Laurel, NJ 08054  
 (609) 386-6060  
 www.njsig.org

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 the employee contributions and interest, reimbursements to the State for benefits paid and the ending balance of the District's unemployment compensation restricted fund balance for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020/2021	\$ 9,000	\$ 8,552	\$ 5,936	\$ 39,069
2019/2020	-0-	16,997	18,340	27,453
2018/2019	-0-	6,207	619	28,796

NOTE 13. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

The District is periodically involved in pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

Encumbrances

At June 30, 2021, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 333,825	\$ 2,399	\$ 336,224

On the District’s Governmental Funds Balance Sheet as of June 30, 2021, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$2,399 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 16. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$165,000 was established by the Boonton Township School District during the year ended June 30, 2012. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year’s budget that is certified for taxes.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(Continued)

NOTE 16. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance at June 30, 2020	\$ 350,750
Balance at June 30, 2021	<u>\$ 350,750</u>

NOTE 17. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Funds as of June 30, 2020 consisted of the following:

	Governmental Funds	District Contribution Subsequent to the Measurement Date	Total Governmental Activities
	General Fund		
Vendors	\$ 51,454		\$ 51,454
Payroll Deductions and Withholdings	40,667		40,667
State of New Jersey		\$ 156,560	156,560
	<u>\$ 92,121</u>	<u>\$ 156,560</u>	<u>\$ 248,681</u>

NOTE 18. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 19. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	<u>Balance 6/30/20</u> <u>as Previously</u> <u>Reported</u>	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance 6/30/20</u> <u>as Restated</u>
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position/(Deficit) - Ending	\$ (738,621)	\$ 73,496	\$ (665,125)
<u>Statement of Revenues, Expenditures and Changes in</u> <u>Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	1,959,361	27,453	1,986,814
Special Revenue Fund:			
Fund Balance - June 30	-0-	46,043	46,043
<u>Statement of Changes in Fiduciary Net Position -</u> <u>Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	27,453	(27,453)	-0-

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0102578214%	0.0113230660%	0.0117048258%	0.0120232965%	0.0120589910%	0.0122121246%	0.0119502767%
District's proportionate share of the net pension liability	\$ 1,920,545	\$ 2,541,801	\$ 3,466,634	\$ 2,798,831	\$ 2,374,355	\$ 2,200,440	\$ 1,948,778
District's covered employee payroll	\$ 704,653	\$ 799,336	\$ 820,322	\$ 805,456	\$ 858,725	\$ 858,463	\$ 879,326
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	272.55%	317.99%	422.59%	347.48%	276.50%	256.32%	221.62%
Plan fiduciary net position as a percentage of the total pension liability for the local group	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 85,196	\$ 97,348	\$ 104,691	\$ 114,642	\$ 120,323	\$ 119,089	\$ 130,730
Contributions in relation to the contractually required contribution	(85,196)	(97,348)	(104,691)	(114,642)	(120,323)	(119,089)	(130,730)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 799,336	\$ 820,322	\$ 805,456	\$ 858,725	\$ 858,463	\$ 879,326	\$ 1,041,661
Contributions as a percentage of covered employee payroll	10.66%	11.87%	13.00%	13.35%	14.02%	13.54%	12.55%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOONTON TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.0345934377%	0.0361999168%	0.0356519581%	0.0334630139%	0.0367784558%	0.0346821008%	0.0345879016%
State's proportionate share of the net pension liability attributable to the District	\$ 18,489,067	\$ 22,879,884	\$ 28,046,100	\$ 22,561,971	\$ 23,397,664	\$ 21,284,733	\$ 22,775,717
District's covered employee payroll	\$ 3,493,986	\$ 3,453,257	\$ 3,653,694	\$ 3,657,373	\$ 3,810,206	\$ 3,762,618	\$ 3,809,200
State's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	529.17%	662.56%	767.61%	616.89%	614.08%	565.69%	597.91%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%	25.41%	26.49%	26.95%	24.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BOONTON TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S CONTRIBUTIONS ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 994,885	\$ 1,397,023	\$ 2,107,274	\$ 1,562,978	\$ 1,364,002	\$ 1,255,430	\$ 1,416,291
Contributions in relation to the contractually required contribution	(195,710)	(285,443)	(363,232)	(541,617)	(682,114)	(758,645)	(993,108)
Contribution deficiency/(excess)	<u>\$ 799,175</u>	<u>\$ 1,111,580</u>	<u>\$ 1,744,042</u>	<u>\$ 1,021,361</u>	<u>\$ 681,888</u>	<u>\$ 496,785</u>	<u>\$ 423,183</u>
District's covered employee payroll	\$ 3,453,257	\$ 3,653,694	\$ 3,657,373	\$ 3,810,206	\$ 3,762,618	\$ 3,809,200	\$ 3,833,687
Contributions as a percentage of covered employee payroll	5.67%	7.81%	9.93%	14.21%	18.13%	19.92%	25.90%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Years Ending June 30,		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 815,318	\$ 676,143	\$ 564,405
Interest Cost	560,489	648,472	611,817
Difference Between Expected and Actual Experience		(1,342,126)	(2,755,153)
Changes in Assumptions	(2,393,447)	(1,772,552)	203,734
Member Contributions	15,041	14,275	12,434
Gross Benefit Payments	(408,469)	(413,031)	(419,450)
Net Change in Total OPEB Liability	(1,411,068)	(2,188,819)	(1,782,213)
Total OPEB Liability - Beginning	19,046,292	17,635,224	15,446,405
Total OPEB Liability - Ending	<u>\$ 17,635,224</u>	<u>\$ 15,446,405</u>	<u>\$ 13,664,192</u>
District's Covered Employee Payroll *	\$ 4,474,016	\$ 4,462,829	\$ 4,668,931
Total OPEB Liability as a Percentage of Covered Employee Payroll	394%	346%	293%

\* - Covered payroll for the fiscal years ending June 30, 2017, 2018 and 2019 are based on the payroll on the June 30, 2016, 2017 and 2018 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

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 is reflected. The assumed post-65 medical trend rate 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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 13,756,276		\$ 13,756,276	\$ 13,756,276	
Tuition	88,200		88,200	33,677	\$ (54,523)
Transportation Fees from Individuals				1,792	1,792
Other Restricted Miscellaneous Revenues				11,616	11,616
Unrestricted Miscellaneous Revenues	8,800		8,800	284,467	275,667
<b>Total - Local Sources</b>	<b>13,853,276</b>		<b>13,853,276</b>	<b>14,087,828</b>	<b>234,552</b>
State Sources:					
Categorical Transportation Aid	138,307		138,307	138,307	
Categorical Special Education Aid	511,138	\$ (44,288)	466,850	466,850	
Categorical Security Aid	13,027		13,027	13,027	
Extraordinary Aid Prior Year				26,337	26,337
Extraordinary Aid				327,943	327,943
Nonpublic Transportation				10,150	10,150
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				317,146	317,146
On-Behalf TPAF Pension Contributions (Non-Budgeted)				993,108	993,108
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				18,895	18,895
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				580	580
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				262,019	262,019
<b>Total State Sources</b>	<b>662,472</b>	<b>(44,288)</b>	<b>618,184</b>	<b>2,574,362</b>	<b>1,956,178</b>
<b>TOTAL REVENUES</b>	<b>14,515,748</b>	<b>(44,288)</b>	<b>14,471,460</b>	<b>16,662,190</b>	<b>2,190,730</b>

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 156,303		\$ 156,303	\$ 154,158	\$ 2,145
Kindergarten - Salaries of Teachers	174,696		174,696	173,696	1,000
Grades 1-5 - Salaries of Teachers	1,328,439	\$ (59,407)	1,269,032	1,264,872	4,160
Grades 6-8 - Salaries of Teachers	1,026,441	47,659	1,074,100	1,074,100	
Regular Programs - Home Instruction:					
Salaries of Teachers	700		700		700
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	138,542		138,542	138,043	499
Purchased Professional-Educational Services	6,690	(3,000)	3,690	1,095	2,595
Other Purchased Services (400-500 series)	33,730		33,730	26,307	7,423
General Supplies	155,531	63,091	218,622	182,619	36,003
Textbooks	41,598	20,015	61,613	56,444	5,169
Other Objects	500		500		500
Total Regular Programs - Instruction	3,063,170	68,358	3,131,528	3,071,334	60,194
Special Education - Instruction:					
Learning and Language Disabilities:					
Salaries of Teachers	89,156	740	89,896	89,896	
Other Salaries for Instruction	67,742		67,742	67,742	
General Supplies	798	279	1,077	1,077	
Total Learning and Language Disabilities	157,696	1,019	158,715	158,715	
Special Education:					
Multiple Disabilities					
Salaries of Teachers	53,919	13,438	67,357	66,997	360
Other Salaries for Instruction	33,271		33,271	33,271	
General Supplies	2,000	3,399	5,399	5,304	95
Total Multiple Disabilities	89,190	16,837	106,027	105,572	455

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Special Education: (Cont'd)					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 288,789	\$ 21,386	\$ 310,175	\$ 304,975	\$ 5,200
Other Salaries for Instruction	233,897	(22,016)	211,881	200,928	10,953
General Supplies	6,029	(450)	5,579	3,258	2,321
Total Resource Room/Resource Center	528,715	(1,080)	527,635	509,161	18,474
Preschool Disabilities - Full Time:					
Salaries of Teachers	35,080		35,080	23,105	11,975
Total Preschool Disabilities - Full Time	35,080		35,080	23,105	11,975
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	62,889	1,600	64,489	64,309	180
General Supplies	1,607		1,607	464	1,143
Total Basic Skills/Remedial - Instruction	64,496	1,600	66,096	64,773	1,323
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	30,406		30,406	18,043	12,363
Other Objects	700		700		700
Total School-Sponsored Cocurricular Activities - Instruction	31,106		31,106	18,043	13,063
School-Sponsored Athletics - Instruction:					
Salaries	44,823		44,823	15,236	29,587
Supplies and Materials	4,226		4,226	3,173	1,053
Other Objects	1,425		1,425		1,425
Transfer to Cover Deficit	8,778		8,778	440	8,338
Total School-Sponsored Athletics - Instruction	59,252		59,252	18,849	40,403
Total Instruction	4,028,705	86,734	4,115,439	3,969,552	145,887

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 3,509,464		\$ 3,509,464	\$ 3,509,464	
Tuition to Other LEAs Within the State - Special	841,644	\$ (100,000)	741,644	735,503	\$ 6,141
Tuition to County Vocational School District - Regular	32,079		32,079	24,730	7,349
Tuition to Private Schools for the Handicapped - Within State	1,494,256	(238,160)	1,256,096	898,133	357,963
Total Undistributed Expenditures - Instruction	5,877,443	(338,160)	5,539,283	5,167,830	371,453
Health Services:					
Salaries	96,791	800	97,591	96,091	1,500
Purchased Professional and Technical Services	7,088	(800)	6,288	4,396	1,892
Supplies and Materials	7,098		7,098	4,584	2,514
Other Objects	600		600	249	351
Total Health Services	111,577		111,577	105,320	6,257
Speech, OT, PT & Related Services:					
Salaries	56,575		56,575	56,575	
Purchased Professional - Educational Services	84,977	17,378	102,355	65,967	36,388
Supplies and Materials	1,446	6,000	7,446	7,265	181
Total Speech, OT, PT & Related Services	142,998	23,378	166,376	129,807	36,569
Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	97,687	96,298	193,985	23,670	170,315
Total Other Support Services - Students - Extraordinary Services	97,687	96,298	193,985	23,670	170,315
Guidance:					
Salaries of Other Professional Staff	37,622		37,622	37,122	500
Other Purchased Services (400-500 series)	16,000		16,000	9,784	6,216
Supplies and Materials	3,000		3,000	94	2,906
Other Objects	750		750		750
Total Guidance	57,372		57,372	47,000	10,372

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Undistributed Expenditures:					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 191,747		\$ 191,747	\$ 176,166	\$ 15,581
Salaries of Secretarial and Clerical Assistants	34,980		34,980	34,896	84
Purchased Professional - Educational Services	27,942	\$ 62,667	90,609	76,357	14,252
Other Purchased Professional and Technical Services	15,000	(4,550)	10,450	10,450	
Other Purchased Services (400-500 series)	500		500		500
Supplies and Materials	3,175	500	3,675	2,695	980
Other Objects	1,500		1,500	1,390	110
Total Child Study Teams	<u>274,844</u>	<u>58,617</u>	<u>333,461</u>	<u>301,954</u>	<u>24,258</u>
Improvement of Instruction Services:					
Salaries of Other Professional Staff	1,600	1,600	3,200		3,200
Purchased Professional - Educational Services	12,700	(1,600)	11,100	1,875	9,225
Total Improvement of Instruction Services	<u>14,300</u>		<u>14,300</u>	<u>1,875</u>	<u>12,425</u>
Educational Media Services/School Library:					
Salaries	32,494		32,494	32,494	
Salaries of Technology Coordinators	77,422	(5,652)	71,770	71,770	
Other Purchased Services (400-500 series)	13,920	29,573	43,493	37,242	6,251
Supplies and Materials	10,580	(5,037)	5,543	3,297	2,246
Other Objects	711		711		711
Total Educational Media Services/School Library	<u>135,127</u>	<u>18,884</u>	<u>154,011</u>	<u>144,803</u>	<u>9,208</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	23,889		23,889	23,889	
Other Purchased Services (400-500 series)	31,553		31,553	7,891	23,662
Supplies and Materials	2,600		2,600		2,600
Other Objects	800		800		800
Total Instructional Staff Training Services	<u>58,842</u>		<u>58,842</u>	<u>31,780</u>	<u>27,062</u>

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 162,120	\$ 600	\$ 162,720	\$ 162,719	\$ 1
Legal Services	11,000	10,220	21,220	21,220	
Audit Fees	20,000	2,400	22,400	22,400	
Architectural/ Engineering Services	2,000	(2,000)			
Other Purchased Professional Services	2,000	10,150	12,150	6,352	5,798
Purchased Technical Services	7,000	(7,000)			
Communications/Telephone	20,200	6,076	26,276	22,547	3,729
BOE Other Purchased Services	2,000	(1,533)	467	467	
Miscellaneous Purchased Services (400-500)	26,699	6,235	32,934	31,785	1,149
General Supplies	10,000	2,065	12,065	1,617	10,448
BOE In-House Training/Meeting Supplies	2,104		2,104	1,116	988
Miscellaneous Expenditures	6,231	(2,065)	4,166	2,683	1,483
BOE Membership Dues and Fees	7,000		7,000	6,503	497
Total Support Services - General Administration	278,354	25,148	303,502	279,409	24,093
Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	186,896		186,896	186,895	1
Salaries of Other Professional Staff	11,938		11,938	11,938	
Salaries of Secretarial and Clerical Assistants	62,613		62,613	61,413	1,200
Other Purchased Services (400-500 series)	4,400	1,000	5,400	4,536	864
Supplies and Materials	7,521	(300)	7,221	4,499	2,722
Other Objects	2,700	800	3,500	2,300	1,200
Total Support Services - School Administration	276,068	1,500	277,568	271,581	5,987
Central Services:					
Salaries	181,590	1,000	182,590	182,361	229
Miscellaneous Purchased Services (400-500 Series)	12,918	5,501	18,419	17,926	493
Supplies and Materials	3,600		3,600	2,881	719



BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Undistributed Expenditures:					
Central Services: (Cont'd)					
Miscellaneous Expenditures	\$ 4,250	\$ (200)	\$ 4,050	\$ 1,726	\$ 2,324
Total Central Services	<u>202,358</u>	<u>6,301</u>	<u>208,659</u>	<u>204,894</u>	<u>3,765</u>
Administration Information Technology:					
Salaries	8,602	(1,237)	7,365	5,376	1,989
Purchased Technical Services	2,000	(1,000)	1,000	419	581
Other Purchased Services (400-500 series)	10,800	6,237	17,037	16,456	581
Supplies and Materials	3,500	3,000	6,500	6,280	220
Other Objects	2,000	(1,000)	1,000	575	425
Total Administration Information Technology	<u>26,902</u>	<u>6,000</u>	<u>32,902</u>	<u>29,106</u>	<u>3,796</u>
Required Maintenance for School Facilities:					
Salaries	59,817		59,817	59,817	
Cleaning, Repair and Maintenance Services	104,082	19,200	123,282	87,724	35,558
General Supplies	31,465		31,465	30,604	861
Total Required Maintenance for School Facilities	<u>195,364</u>	<u>19,200</u>	<u>214,564</u>	<u>178,145</u>	<u>36,419</u>
Custodial Services:					
Salaries	286,612	1,800	288,412	258,596	29,816
Purchased Professional and Technical Services	9,000	(800)	8,200	4,326	3,874
Cleaning, Repair and Maintenance Services	78,901		78,901	41,775	37,126
Other Purchased Property Services	5,717		5,717	5,367	350
Insurance	40,809	(6,748)	34,061	31,716	2,345
Miscellaneous Purchased Services	450		450		450
General Supplies	29,552	4,500	34,052	33,273	779
Energy (Electricity)	76,783		76,783	44,453	32,330
Other Objects	700		700	320	380
Energy (Natural Gas)	66,000	(2,500)	63,500	46,575	16,925
Total Custodial Services	<u>594,524</u>	<u>(3,748)</u>	<u>590,776</u>	<u>466,401</u>	<u>124,375</u>

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Undistributed Expenditures:					
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	\$ 21,300		\$ 21,300	\$ 15,750	\$ 5,550
Total Care and Upkeep of Grounds	21,300		21,300	15,750	5,550
Undistributed Expenditures:					
Student Transportation Services:					
Salaries (Between Home & School) - Regular	5,033		5,033	3,933	1,100
Salaries (Between Home & School) - Special Education	51,492	\$ 278	51,770	50,995	775
Salaries (Other Than Between Home & School)	12,000	(278)	11,722	70	11,652
Cleaning, Repair and Maintenance Services	7,500		7,500	1,690	5,810
Lease Purchase Payments - School Buses		35,168	35,168	35,168	
Contracted Services:					
Between Home & School - Vendors	277,031	(6,500)	270,531	250,125	20,406
Other Than Between Home & School - Vendors	7,400		7,400	4,330	3,070
Special Education Students - Vendors		6,500	6,500	650	5,850
Regular Students - ESCs & CTSA's	42,000		42,000	38,761	3,239
Special Education Students - ESC's & CTSA's	388,000	60,575	448,575	190,031	258,544
Aid in Lieu of Payments - Non Public School	45,000	1,000	46,000	30,044	15,956
Miscellaneous Purchased Services - Transportation	4,000	(1,000)	3,000	650	2,350
General Supplies	9,932		9,932	3,400	6,532
Other Objects	800		800	100	700
Total Student Transportation Services	850,188	95,743	945,931	609,947	335,984
Unallocated Benefits:					
Social Security Contributions	96,100	14,600	110,700	110,700	
TPAF Contributions - ERIP	17,000		17,000	15,732	1,268
Other Retirement Contributions - PERS	133,712		133,712	130,730	2,982
Other Retirement Contributions - Regular	3,000		3,000	2,603	397

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Unallocated Benefits: (Cont'd)					
Unemployment Compensation	\$ 9,000	\$	9,000	9,000	
Workmen's Compensation	48,095	(500)	47,595	43,721	\$ 3,874
Health Benefits	1,402,384	(14,230)	1,388,154	1,388,154	
Tuition Reimbursement	25,500	(2,020)	23,480	7,055	16,425
Other Employee Benefits	85,500	2,150	87,650	87,107	543
Total Unallocated Benefits	1,820,291		1,820,291	1,794,802	25,489
TPAF Contributions:					
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				317,146	(317,146)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				993,108	(993,108)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				18,895	(18,895)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				580	(580)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				262,019	(262,019)
Total TPAF Contributions				1,591,748	(1,591,748)
Total Personal Services - Employee Benefits	1,820,291		1,820,291	3,386,550	(1,566,259)
Total Undistributed Expenses	11,035,539	9,161	11,044,700	11,395,822	(358,371)
Total Expenditures - Current Expense	15,064,244	95,895	15,160,139	15,365,374	(205,235)
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Instruction		77,520	77,520	14,244	63,276
Support Services - Students		2,257	2,257	2,257	
School Administration		2,998	2,998	2,998	
School Buses - Regular	35,170	(35,170)			
Total Equipment	35,170	47,605	82,775	19,499	63,276

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Capital Outlay: (Cont'd)					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service	868		868	868	
Total Facilities Acquisition and Construction Services	868		868	868	
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
Student Transportation				129,089	\$ (129,089)
Assets Acquired Under Capital Leases (Non-Budgeted)				129,089	(129,089)
Total Capital Outlay	36,038	\$ 47,605	83,643	149,456	(65,813)
Transfer of Funds to Charter Schools	31,413		172,197	172,197	
<b>TOTAL EXPENDITURES</b>	15,131,695	284,284	15,415,979	15,687,027	(271,048)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(615,947)	(328,572)	(944,519)	975,163	1,919,682
Other Financing Sources/(Uses):					
Transfer to Food Service Fund		(5,000)	(5,000)	(5,000)	
Capital Leases (Non-Budgeted)				129,089	129,089
Total Other Financing Sources/(Uses)		(5,000)	(5,000)	124,089	129,089
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(615,947)	(333,572)	(949,519)	1,099,252	2,048,771
Fund Balance, July 1	2,045,723		2,045,723	2,045,723	
Fund Balance, June 30	\$ 1,429,776	\$ (333,572)	\$ 1,096,204	\$ 3,144,975	\$ 2,048,771

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Recapitulation:</u>	
Restricted:	
Capital Reserve	\$ 925,918
Maintenance Reserve	350,750
Excess Surplus - 2022-2023	285,000
Unemployment Compensation	39,069
Assigned:	
Year-End Encumbrances	333,825
Designated for Subsequent Year's Expenditures	287,335
Unassigned	<u>923,078</u>
	<u>3,144,975</u>
Reconciliation to Governmental Funds Statement (GAAP):	
Last Two State Aid Payments not Recognized on GAAP Basis	(60,681)
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 3,084,294</u></u>

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 11,794	\$ 11,794	\$ 11,794	
Federal Sources	\$ 132,440	148,229	280,669	168,468	\$ 112,201
Total Revenues	132,440	160,023	292,463	180,262	112,201
<b>EXPENDITURES:</b>					
Instruction;					
Salaries		4,087	4,087		4,087
Purchased Professional and Technical Services		58,250	58,250		58,250
Other Purchased Services (400-500 Series)					
Tuition	108,993	3,815	112,808	112,808	
General Supplies	10,218	27,473	37,691	21,373	16,318
Total Instruction	119,211	93,625	212,836	134,181	78,655
Support Services:					
Salaries	6,929	3,791	10,720	6,231	4,489
Personal Services - Employee Benefits	530	602	1,132	476	656
Purchased Professional Educational Services	5,019	1,403	6,422	6,422	
Other Purchased Services		5,500	5,500		5,500
Supplies and Materials	751	43,308	44,059	21,158	22,901
Student Activities		14,218	14,218	14,218	
Total Support Services	13,229	68,822	82,051	48,505	33,546
Total Expenditures	132,440	162,447	294,887	182,686	112,201
Excess/(Deficiency) of Revenue					
Over/(Under) Expenditures	\$ -0-	\$ (2,424)	\$ (2,424)	\$ (2,424)	\$ -0-

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 16,662,190	\$ 180,262
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(2,399)
Prior Year Encumbrances		8,126
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	58,909	
Current Year State Aid Payments Recognized for Budgetary Statements, not Recognized for GAAP Statements	<u>(60,681)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 16,660,418</u>	<u>\$ 185,989</u>
Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 15,687,027	\$ 182,686
Differences - Budget to GAAP:		
Encumbrances Ordered but not Received are Reported in the Year the Order is Place for Budgetary Purposes, but in the Year they are Received for Financial Reporting Purposes.		
Prior Year Encumbrances		(2,399)
Current Year Encumbrances		<u>8,126</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 15,687,027</u>	<u>\$ 188,413</u>

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.



SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BOONTON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Cares				Student Activities
	Emergency Relief Grant	Elementary and Secondary Education Act Title IA	Elementary and Secondary Education Act Title IIA	Elementary and Secondary Education Act Title IV	
REVENUES					
Local Sources					\$ 11,794
Federal Sources	\$ 444	\$ 10,715	\$ 8,115	\$ 10,000	
Total Revenues	444	10,715	8,115	10,000	11,794
EXPENDITURES:					
Instruction:					
Tuition					
General Supplies		10,715		1,500	
Total Instruction		10,715		1,500	
Support Services:					
Salaries			6,231		
Personal Services - Employee Benefits			476		
Purchased Professional Educational Services			1,408		
Supplies and Materials	444			8,500	
Student Activities					14,218
Total Support Services	444		8,115	8,500	14,218
Total Expenditures	\$ 444	\$ 10,715	\$ 8,115	\$ 10,000	\$ 14,218

BOONTON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	IDEA, Part B Basic	IDEA, Part B Preschool	Coronavirus Relief Fund	Digital Divide	Totals
REVENUES					
Local Sources	\$ 112,808	\$ 5,014	\$ 18,404	\$ 2,968	\$ 11,794
Federal Sources					168,468
Total Revenues	112,808	5,014	18,404	2,968	180,262
EXPENDITURES:					
Instruction:					
Tuition	112,808				112,808
General Supplies			6,190	2,968	21,373
Total Instruction	112,808		6,190.00	2,968	134,181
Support Services:					
Salaries					6,231
Personal Services - Employee Benefits					476
Purchased Professional Educational Services		5,014	12,214		6,422
Supplies and Materials					21,158
Student Activities					14,218
Total Support Services		5,014	12,214		48,505
Total Expenditures	\$ 112,808	\$ 5,014	\$ 18,404	\$ 2,968	\$ 182,686

PROPRIETARY FUNDS

BOONTON TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021

ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 3,993
---------------------------	----------

Total Current Assets	3,993
----------------------	-------

## Non-Current Assets:

Capital Assets	27,068
----------------	--------

Less: Accumulated Depreciation	(16,314)
--------------------------------	----------

Total Non-Current Assets	10,754
--------------------------	--------

Total Assets	14,747
--------------	--------

NET POSITION:

Investment in Capital Assets	10,754
------------------------------	--------

Unrestricted	3,993
--------------	-------

Total Net Position	\$ 14,747
--------------------	-----------

BOONTON TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Operating Expenses:	
Cost of Sales:	
Non-Reimbursable Programs	\$ 3,684
Depreciation Expense	984
	<hr/>
Total Operating Expenses	4,668
	<hr/>
Operating Loss	(4,668)
Transfers:	
Transfer from General Fund	5,000
	<hr/>
Change in Net Position	332
Net Position - Beginning of Year	14,415
	<hr/>
Net Position - End of Year	\$ 14,747
	<hr/> <hr/>

BOONTON TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Payments to Suppliers	\$ (3,684)
Net Cash Used for Operating Activities	<u>(3,684)</u>
Cash Flows from Noncapital Financing Activities:	
Board Contribution from General Fund	<u>5,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>5,000</u>
Net Increase in Cash and Cash Equivalents	1,316
Cash and Cash Equivalents, July 1	<u>2,677</u>
Cash and Cash Equivalents, June 30	<u>\$ 3,993</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (4,668)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	<u>984</u>
Net Cash Used for Operating Activities	<u>\$ (3,684)</u>



LONG-TERM DEBT

BOONTON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

<u>Item</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2021</u>
2 Thomas School Buses	\$ 129,089	3.969%	\$ -0-	\$ 129,089	\$ 31,486	\$ 97,603
			<u>\$ -0-</u>	<u>\$ 129,089</u>	<u>\$ 31,486</u>	<u>\$ 97,603</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
<b>Operating Information</b> These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT,  
LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)  
UNAUDITED

June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	(Restated) 2020	2021
<b>Governmental Activities</b>										
Net Investment in Capital Assets/(Deficit)	\$ (1,395,119)	\$ (1,093,396)	\$ (877,219)	\$ (654,042)	\$ (499,372)	\$ (361,668)	\$ (239,328)	\$ (57,194)	\$ 152,629	\$ 139,140
Restricted	515,283	459,255	731,686	901,550	761,486	757,475	1,010,336	999,220	979,855	1,644,356
Unrestricted/(Deficit)	456,578	426,991	(1,368,767)	(1,303,292)	(1,217,996)	(1,577,072)	(1,860,702)	(2,006,624)	(1,797,609)	(1,338,407)
Total Governmental Activities Net Position/(Deficit)	\$ (423,258)	\$ (207,150)	\$ (1,514,300)	\$ (1,055,784)	\$ (953,882)	\$ (1,181,265)	\$ (1,089,694)	\$ (1,064,598)	\$ (665,125)	\$ 445,089
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 15,161	\$ 14,377	\$ 17,618	\$ 16,657	\$ 15,696	\$ 14,689	\$ 13,705	\$ 12,722	\$ 11,738	\$ 10,754
Unrestricted	27,104	30,656	30,078	22,747	3,205	15,237	10,347	5,690	2,677	3,993
Total Business-Type Activities Net Position	\$ 42,265	\$ 45,033	\$ 47,696	\$ 39,404	\$ 18,901	\$ 29,926	\$ 24,052	\$ 18,412	\$ 14,415	\$ 14,747
<b>District-wide</b>										
Net Investment in Capital Assets/(Deficit)	\$ (1,379,958)	\$ (1,079,019)	\$ (859,601)	\$ (637,385)	\$ (483,676)	\$ (346,979)	\$ (225,623)	\$ (44,472)	\$ 164,367	\$ 149,894
Restricted	515,283	459,255	731,686	901,550	761,486	757,475	1,010,336	999,220	979,855	1,644,356
Unrestricted/(Deficit)	483,682	457,647	(1,338,689)	(1,280,545)	(1,214,791)	(1,561,835)	(1,850,355)	(2,000,934)	(1,794,932)	(1,334,414)
Total District Net Position/(Deficit)	\$ (380,993)	\$ (162,117)	\$ (1,466,604)	\$ (1,016,380)	\$ (936,981)	\$ (1,151,339)	\$ (1,065,642)	\$ (1,046,186)	\$ (650,710)	\$ 459,836

Source: School District Financial Reports

BOONTON TOWNSHIP SCHOOL DISTRICT  
CHANGE IN NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities										
Instruction:										
Regular										
Special Education										
Other Special Education										
Other Instruction										
Support Services:										
Tuition										
Student and Instruction Related Services										
General Administrative Services										
School Administrative Services										
Central Services										
Administration Information Technology										
Plant Operations and Maintenance										
Pupil Transportation										
Unallocated Depreciation										
Charter Schools										
Capital Outlay										
Interest on Long-Term Debt										
Total Governmental Activities Expenses										
Business-Type Activities:										
Food Service										
Total Business-Type Activities Expense										
Total District Expenses										
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition										
Pupil transportation										
Student and Related Services										
Operating Grants and Contributions										
Total Governmental Activities Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service										
Total Business-Type Activities Program Revenues										
Total District Program Revenues										
Net (Expense)/Revenue:										
Governmental Activities										
Business-Type Activities										
Total District-Wide Net Expense										

BOONTON TOWNSHIP SCHOOL DISTRICT  
CHANGE IN NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	\$ 11,510,636	\$ 11,740,849	\$ 11,975,666	\$ 12,215,179	\$ 12,459,483	\$ 12,708,673	\$ 12,962,846	\$ 13,222,103	\$ 13,486,545	\$ 13,756,276
Taxes Levied for Debt Service	298,581	300,904	293,043	278,898	181,430	171,537	165,601	155,860	142,465	
Unrestricted Grants and Contributions	61,793	62,059	61,271	73,500	81,044	88,788	86,490	64,066	57,756	
Investment Earnings	66	16	1	136						
Miscellaneous Income	40,673	39,929	197,719	17,804	64,281	132,214	146,584	159,042	57,240	296,083
Transfers										(5,000)
<b>Total Governmental Activities</b>	<u>\$ 11,911,749</u>	<u>\$ 12,143,757</u>	<u>\$ 12,527,700</u>	<u>\$ 12,585,517</u>	<u>\$ 12,786,238</u>	<u>\$ 13,101,212</u>	<u>\$ 13,561,521</u>	<u>\$ 13,601,071</u>	<u>\$ 13,744,006</u>	<u>\$ 14,047,359</u>
<b>Business-Type Activities:</b>										
Other Item - Cancellation of					(15,783)	15,782				
Prior Year Interfund - General Fund										
Transfers										5,000
<b>Total Business-Type Activities</b>						<u>\$ 15,782</u>				<u>\$ 5,000</u>
<b>Total District-Wide</b>	<u>\$ 11,911,749</u>	<u>\$ 12,143,757</u>	<u>\$ 12,527,700</u>	<u>\$ 12,585,517</u>	<u>\$ 12,770,455</u>	<u>\$ 13,116,994</u>	<u>\$ 13,561,521</u>	<u>\$ 13,601,071</u>	<u>\$ 13,744,006</u>	<u>\$ 14,052,359</u>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 657,654	\$ 216,108	\$ 530,441	\$ 458,516	\$ 99,902	\$ (225,383)	\$ 91,571	\$ 25,096	\$ 325,977	\$ 1,110,214
Business-Type Activities	3,854	2,768	2,663	(8,292)	(20,503)	11,025	(5,874)	(3,997)	(3,997)	332
<b>Total District</b>	<u>\$ 661,508</u>	<u>\$ 218,876</u>	<u>\$ 533,104</u>	<u>\$ 450,224</u>	<u>\$ 79,399</u>	<u>\$ (214,358)</u>	<u>\$ 85,697</u>	<u>\$ 19,456</u>	<u>\$ 321,980</u>	<u>\$ 1,110,546</u>

Source: School District Financial Reports

BOONTON TOWNSHIP SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENT FUNDS  
 LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
									(Restated)	
General Fund:										
Restricted	\$ 459,255	\$ 731,686	\$ 901,550	\$ 761,486	\$ 761,486	\$ 757,475	\$ 1,010,336	\$ 999,220	\$ 933,812	\$ 1,600,737
Assigned	371,495	372,172	426,541	689,788	689,788	500,752	436,586	313,364	613,071	621,160
Unassigned	393,024	389,611	412,809	358,802	358,802	454,685	431,833	469,200	439,931	862,397
Total General Fund	\$ 1,223,774	\$ 1,493,469	\$ 1,740,900	\$ 1,810,076	\$ 1,810,076	\$ 1,712,912	\$ 1,878,755	\$ 1,781,784	\$ 1,986,814	\$ 3,084,294
All Other Governmental Funds:										
Restricted									\$ 46,043	\$ 43,619
Total All Other Governmental Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 46,043	\$ 43,619

**BOONTON TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS.**

LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Tax Levy	\$ 11,809,217	\$ 12,041,753	\$ 12,268,709	\$ 12,494,077	\$ 12,640,913	\$ 12,880,210	\$ 13,128,447	\$ 13,377,963	\$ 13,629,010	\$ 13,756,276
Tuition Charges	5,542	14,000	168,744	86,990	34,089	46,316	56,100	55,962	76,693	33,677
Interest Earnings	66	16	120	136		1				
Restricted Miscellaneous Revenue	35,131	25,929	28,856	17,804	30,192	85,897	90,484	103,080	59,708	23,410
Unrestricted Miscellaneous Revenue	1,181,435	1,447,881	1,344,354	1,489,077	1,590,190	1,733,299	1,937,102	2,109,719	2,225,474	2,572,590
State Sources	175,046	167,717	165,782	134,761	138,280	131,917	133,384	125,915	140,235	174,195
Federal Sources										
<b>Total Revenue</b>	<b>13,206,437</b>	<b>13,697,296</b>	<b>13,976,565</b>	<b>14,222,845</b>	<b>14,433,664</b>	<b>14,877,640</b>	<b>15,345,517</b>	<b>15,772,639</b>	<b>16,131,120</b>	<b>16,846,407</b>
<b>Expenditures:</b>										
<b>Instruction</b>										
Regular Instruction	2,637,653	2,997,596	2,903,012	2,846,813	3,096,794	2,955,833	2,854,351	3,016,738	2,967,136	3,092,707
Special Education Instruction	624,491	519,732	875,062	895,458	641,161	761,381	817,895	761,982	687,130	909,361
Other Special Instruction	108,524	115,972	78,415	116,951	118,122	122,811	122,409	95,634	82,767	64,773
Other Instruction	70,638	73,282	79,579	84,430	75,301	74,999	77,566	83,992	79,346	36,892
<b>Support Services:</b>										
Tuition	4,683,915	4,841,361	4,712,162	4,769,617	5,137,900	5,382,635	5,391,426	5,548,571	5,642,389	5,167,830
Student and Instruction Related Services	608,901	760,524	667,572	704,282	677,572	748,365	771,607	948,871	885,973	840,441
General Administrative Services	228,752	248,192	227,529	250,238	233,059	270,884	252,616	266,007	281,768	279,409
School Administrative Services	228,500	229,120	233,923	260,489	227,622	252,403	244,831	261,706	273,203	271,581
Central Services	176,029	179,147	187,172	186,035	189,836	198,116	198,647	201,971	199,454	204,894
Administration Information Technology	38,255	49,845	38,848	45,084	43,720	52,229	49,750	44,180	25,474	29,106
Plant Operations and Maintenance	608,143	591,972	646,794	666,152	645,401	654,075	773,339	664,531	648,503	660,296
Pupil Transportation	509,755	569,005	598,999	584,745	553,503	680,976	746,938	792,564	901,569	609,947
Unallocated Benefits	1,845,926	2,142,031	2,089,313	2,217,331	2,454,903	2,572,185	2,649,505	2,939,202	3,001,288	3,386,550
Capital Outlay	39,987	130,544	14,176	9,771	31,194	22,512	11,194	38,861	90,343	149,456
Charter Schools										
Debt Service:										
Principal	270,000	285,000	290,000	288,000	200,000	195,000	195,000	190,000	180,000	
Interest and Other Charges	89,875	77,963	64,314	50,018	38,400	30,400	22,600	14,800	7,200	
<b>Total Expenditures</b>	<b>12,769,344</b>	<b>13,811,286</b>	<b>13,706,870</b>	<b>13,975,414</b>	<b>14,364,488</b>	<b>14,974,804</b>	<b>15,179,674</b>	<b>15,869,610</b>	<b>15,953,543</b>	<b>15,875,440</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>437,093</b>	<b>(113,990)</b>	<b>269,695</b>	<b>247,431</b>	<b>69,176</b>	<b>(97,164)</b>	<b>165,843</b>	<b>(96,971)</b>	<b>177,577</b>	<b>970,967</b>
<b>Other Financing Sources (Uses):</b>										
Transfers										(5,000)
Capital Leases (Non-Budgeted)										129,089
<b>Total Other Financing Sources (Uses)</b>										<b>124,089</b>
<b>Net Change in Fund Balances</b>	<b>\$ 437,093</b>	<b>\$ (113,990)</b>	<b>\$ 269,695</b>	<b>\$ 247,431</b>	<b>\$ 69,176</b>	<b>\$ (97,164)</b>	<b>\$ 165,843</b>	<b>\$ (96,971)</b>	<b>\$ 177,577</b>	<b>\$ 1,095,056</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>2.83 %</b>	<b>2.65 %</b>	<b>2.59 %</b>	<b>2.42 %</b>	<b>1.66 %</b>	<b>1.51 %</b>	<b>1.43 %</b>	<b>1.29 %</b>	<b>1.18 %</b>	<b>0.00 %</b>

Source: School District Financial Reports



BOONTON TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Other	Refund of Prior Year Expenses	Total
2012	\$ 66	\$ 20,138	\$ 20,535		\$ 40,739
2013	16	14,000	25,929		39,945
2014	120	168,744	28,856		197,720
2015	136	86,990	17,804		104,930
2016		34,089	30,192		64,281
2017		46,316	85,898		132,214
2018		56,100	90,484		146,584
2019		55,962	103,080		159,042
2020		76,693	59,708		136,401
2021	129	33,677	17,496	\$ 280,250	331,552

Source: Boonton Township School District records

BOONTON TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 UNAUDITED

Year-Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
* 2010	\$ 17,802,300	\$ 895,958,000	\$ 22,097,600	\$ 253,000	\$ 15,475,400	\$ 14,311,400	\$ 496,800	\$ 966,394,500	\$ 75,975,900	\$ 1,206,835	\$ 967,601,335	1.16	\$ 1,080,125,540
2011	16,754,000	895,851,300	22,286,500	253,000	15,475,400	14,061,400	496,800	965,178,400	76,600,700	914,199	966,092,599	1.21	1,018,768,215
2012	16,713,900	893,580,300	22,089,700	244,500	15,475,400	14,061,400	496,800	962,662,000	76,600,700	914,199	966,092,599	1.24	1,018,768,215
2013	15,926,100	890,011,900	22,249,900	234,200	14,962,400	14,061,400	496,800	957,942,700	78,834,500	-0-	957,942,700	1.27	954,418,176
* 2014	12,736,700	791,081,700	19,328,000	233,100	13,771,500	12,342,400	-0-	849,493,400	71,896,700	-0-	849,493,400	1.46	927,103,178
2015	11,143,400	793,744,500	20,393,000	240,500	13,771,500	12,342,400	-0-	851,635,300	71,985,500	-0-	851,635,300	1.48	925,140,690
2016	11,610,200	795,957,400	20,575,800	250,900	29,032,000	12,342,400	-0-	869,768,700	53,698,100	-0-	869,768,700	1.47	937,574,113
2017	11,905,100	797,398,000	21,111,400	250,900	28,911,000	12,342,400	-0-	871,918,800	53,699,300	-0-	871,918,800	1.41	915,416,511
2018	11,674,900	799,906,800	21,136,100	251,200	28,805,900	12,342,400	-0-	874,117,300	53,699,300	-0-	874,117,300	1.52	928,793,968
2019	11,181,500	800,465,700	22,230,100	251,400	28,805,900	12,342,400	-0-	875,277,000	54,321,600	-0-	875,277,000	1.54	967,153,757
2020	10,393,800	804,259,100	21,518,800	223,100	30,680,700	12,342,400	-0-	879,417,900	54,156,000	-0-	879,417,900	1.56	980,265,478

\* Revaluation of Real Property.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> Tax Rates are per \$100 of Assessed Value.

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation.

Source: Municipal Tax Assessor

BOONTON TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(RATE PER \$100 OF ASSESSED VALUE)*

Year Ended December 31,	Boonton Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Boonton	Morris County	
2010	* \$ 1.130	\$ 0.031	\$ 1.161	\$ 0.361	\$ 0.253	\$ 1.775
2011	1.177	0.031	1.208	0.377	0.249	1.834
2012	1.207	0.031	1.238	0.384	0.250	1.872
2013	1.239	0.030	1.269	0.392	0.250	1.911
2014	* 1.425	0.033	1.458	0.446	0.278	2.182
2015	1.455	0.021	1.476	0.444	0.271	2.191
2016	1.447	0.020	1.467	0.451	0.273	2.191
2017	1.389	0.018	1.407	0.430	0.257	2.094
2018	1.498	0.018	1.516	0.461	0.276	2.253
2019	1.527	0.016	1.543	0.483	0.289	2.315
2020	1.557	-0-	1.557	0.499	0.290	2.346

\* Revaluation of Real Property.

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

BOONTON TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
MPT of Morris LLC	\$ 15,260,500	1.74 %	199 Powerville Rd. Associates	\$ 8,355,600
HighbRidge Boonton Realty LLC	7,901,600	0.90 %	Shamrock Village LC MSM	5,998,400
KIJ MGT LLC	4,720,300	0.54 %	Witman at Stonehenge LLC	5,568,700
RFL Electronics Inc.	3,923,100	0.45 %	RFL Electronics	4,292,200
Witman at Stonehenge LLC	3,469,200	0.39 %	Individual Taxpayer #1	3,348,500
NETA NJ LLC	2,673,500	0.30 %	Deer Lake Club	2,780,300
Individual Taxpayer #1	2,543,200	0.29 %	Johanson Associates	2,750,000
Johanson Associates	2,109,000	0.24 %	Individual Taxpayer #2	2,666,700
Deer Lake Club	2,013,600	0.23 %	Individual Taxpayer #3	2,620,400
Individual Taxpayer #2	1,992,500	0.23 %	Individual Taxpayer #4	2,452,300
Total	\$ 46,606,500	5.30 %	Total	\$ 40,833,100

Note : Individual Taxpayers listed may be different in 2020 and 2011

A revaluation of property was effective in 2014.

Source: Municipal Tax Assessor

BOONTON TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 11,809,217	\$ 11,809,217	100.00 %	\$ -0-
2013	12,041,753	12,041,753	100.00 %	-0-
2014	12,268,709	12,268,709	100.00 %	-0-
2015	12,494,077	12,494,077	100.00 %	-0-
2016	12,640,913	12,640,913	100.00 %	-0-
2017	12,880,210	12,880,210	100.00 %	-0-
2018	13,128,447	13,128,447	100.00 %	-0-
2019	13,377,963	13,377,963	100.00 %	-0-
2020	13,629,010	13,629,010	100.00 %	-0-
2021	13,756,276	13,756,276	100.00 %	-0-

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Total District		
2012	\$ 1,823,000	\$ 25,867	\$ 1,848,867	0.54 %	\$ 429
2013	1,538,000	-0-	1,538,000	0.44 %	355
2014	1,248,000	-0-	1,248,000	0.34 %	289
2015	960,000	-0-	960,000	0.25 %	222
2016	760,000	-0-	760,000	0.19 %	176
2017	565,000	-0-	565,000	0.14 %	131
2018	370,000	-0-	370,000	0.09 %	86
2019	180,000	-0-	180,000	0.04 %	43
2020	-0-	-0-	-0-	0.00 %	-0-
2021	-0-	97,603	97,603	0.02 %	23

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions				
2012	\$ 1,823,000	\$ -0-	\$ 1,823,000	0.19 %	\$ 423	
2013	1,538,000	-0-	1,538,000	0.16 %	355	
2014	1,248,000	-0-	1,248,000	0.13 %	289	
2015	960,000	-0-	960,000	0.11 %	222	
2016	760,000	-0-	760,000	0.09 %	176	
2017	565,000	-0-	565,000	0.06 %	131	
2018	370,000	-0-	370,000	0.04 %	86	
2019	180,000	-0-	180,000	0.02 %	43	
2020	-0-	-0-	-0-	0.00 %	-0-	
2021	-0-	-0-	-0-	0.00 %	-0-	

<sup>a</sup> See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

<sup>b</sup> See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2020  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Boonton Township	\$ 2,708,504	100.00 %	\$ 2,708,504
Morris County General Obligation Debt	250,902,245	1.01 %	<u>2,536,234</u>
Subtotal, Overlapping Debt			5,244,738
Boonton Township School District Direct Debt			<u>-0-</u>
Total Direct and Overlapping Debt			<u>\$ 5,244,738</u>

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

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 Boonton. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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



BOONTON TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized Valuation Basis	
2019	\$ 1,194,820,832
2018	1,195,167,954
2017	1,158,661,428
	\$ 3,548,650,214
Average Equalized Valuation of Taxable Property	\$ 1,182,883,405
Debt Limit <sup>a</sup> (3% of Average Equalization Value)	35,486,502
Net Bonded School Debt as of June 30, 2021	-0-
Legal Debt Margin	\$ 35,486,502

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt Limit	\$ 27,603,377	\$ 27,473,394	\$ 27,990,172	\$ 28,615,774	\$ 35,486,502
Total Net Debt Applicable to Limit	565,000	370,000	180,000	-0-	-0-
Legal Debt Margin	\$ 27,038,377	\$ 27,103,394	\$ 27,810,172	\$ 28,615,774	\$ 35,486,502
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.05 %	1.35 %	0.64 %	0.00 %	0.00 %

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 31,066,070	\$ 29,844,395	\$ 29,850,070	\$ 28,566,544	\$ 27,931,425
Total Net Debt Applicable to Limit	1,823,000	1,538,000	1,248,000	960,000	760,000
Legal Debt Margin	\$ 29,243,070	\$ 28,306,395	\$ 28,602,070	\$ 30,323,142	\$ 27,171,425
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.87 %	5.15 %	4.18 %	3.36 %	2.72 %

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts.

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Morris County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2012	4,314	\$ 344,149,350	\$ 79,775	7.70 %
2013	4,328	349,767,320	80,815	5.20%
2014	4,320	364,080,960	84,278	5.20%
2015	4,321	381,695,535	88,335	5.20%
2016	4,324	394,123,952	91,148	4.50%
2017	4,302	402,809,166	93,633	4.00%
2018	4,288	419,447,872	97,819	4.00%
2019	4,235	430,470,810	101,646	3.40%
2020	4,220	428,946,120 ***	101,646 *	N/A
2021	4,220 **	428,946,120 ***	101,646 *	8.80%

\* - Latest Morris County per capita personal income available (2019) was used for calculation purposes.

\*\* - Latest population data available (2020) was used for calculation purposes.

\*\*\* - Latest available population data (2020) and latest available Morris County per capita personal income (2019) was used for calculation purposes.

Source:

<sup>a</sup> Population information provided by the New Jersey Department of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by county provided by the New Jersey Department of Labor and Workforce Development

<sup>d</sup> Unemployment data provided by the New Jersey Department of Labor and Workforce Development

BOONTON TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - MORRIS COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

	2020		2011		
	Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Atlantic Health System		7,642	3.28%	6,200	2.44%
US Army Armament Research and Development		6,000	2.58%	5,274	2.08%
Novartis		5,200	2.23%	5,013	1.98%
Bayer		3,483	1.50%	2,332	0.92%
Barclays		2,560	1.10%	1,928	0.76%
Automatic Data Processing, Inc.		2,400	1.03%	1,924	0.76%
Accenture		1,826	0.78%	1,550	0.61%
Honeywell		1,704	0.73%	1,440	0.57%
St. Clare's Health System		1,638	0.70%	1,400	0.55%
County of Morris		1,469	0.63%	1,378	0.54%
Total		<u>33,922</u>	<u>14.56%</u>	<u>28,439</u>	<u>11.21%</u>
Total Employment		<u>232,958</u>	Total Employment	<u>253,719</u>	

Note - Information is for Morris County

Source: Morris County Economic Development Corporation

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Instruction:</u>										
Regular	47.00	49.00	53.00	52.12	54.00	54.00	55.00	55.00	53.00	55.50
<u>Support Services:</u>										
Student and Instruction Related Services	7.60	7.60	7.60	8.60	8.60	8.80	8.80	8.80	8.80	8.80
School Administrative Services	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
General Administrative Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Plant Operations and Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Pupil Transportation	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Business and Other Support Services	2.20	2.20	2.20	2.20	2.20	2.60	2.60	2.60	2.60	2.60
<b>Total</b>	<b>68.80</b>	<b>70.80</b>	<b>74.80</b>	<b>74.92</b>	<b>76.80</b>	<b>77.40</b>	<b>78.40</b>	<b>78.40</b>	<b>76.40</b>	<b>78.90</b>

Source: District Personnel Records

BOONTON TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff <sup>d</sup>	Elementary				% Change in Average Daily Enrollment	Student Attendance Percentage
						Pupil/Teacher Ratio	Average Daily Enrollment (ADE) <sup>e</sup>	Average Daily Attendance (ADA) <sup>e</sup>	Average Daily Enrollment		
2012	753	\$ 12,369,482	\$ 16,427	9.17%	50	1:9.87	490	473	490	-4.48%	96.53%
2013	744	13,317,779	17,900	8.97%	49	1:9.84	482	465	482	-1.63%	96.47%
2014	728	13,338,380	18,322	2.36%	50	1:9.50	475	461	475	-1.45%	97.06%
2015	713	13,627,625	19,126	4.39%	49	1:9.50	454	439	454	-4.52%	97.06%
2016	724	14,094,894	19,468	1.79%	51	1:9.50	451	437	451	-0.56%	97.05%
2017	709	14,726,892	20,771	6.69%	51	1:9.50	448	432	448	-0.63%	96.47%
2018	692	14,950,880	21,605	4.01%	52	1:9.50	430	413	430	-4.06%	96.22%
2019	670	15,625,949	23,322	7.95%	52	1:9.50	408	391	408	-5.12%	96.22%
2020	651	15,676,000	24,080	3.25%	51	1:9.50	401	391	401	-1.72%	97.42%
2021	632	15,725,984	24,883	3.33%	51	1:9.50	394	384	394	-1.75%	97.56%

<sup>a</sup> Enrollment includes grades 9-12 students attending Mountain Lakes High School and Out of District S/E placements.

<sup>b</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>c</sup> Cost per pupil is the sum as operating expenditures divided by enrollment. This cost per pupil may be different from the State's per pupil calculations.

<sup>d</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>e</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Note: Enrollment based on annual October district count.

Source: Boonton Township School District records

BOONTON TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
Rockaway Valley School	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320
Square Feet	537	537	537	537	537	537	537	537	537	537
Capacity (Students)	490	482	475	451	451	444	428	410	400	394
Enrollment										

Number of Schools at June 30, 2021  
 Elementary = 1

Note: Enrollment is based on the annual October district count.

Source: Boonton Township School District Facilities Office

BOONTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
ACCOUNT #111-000-261-xxx

School Facility	Project #	June 30,									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Rockaway Valley School	N/A	\$ 183,487	\$ 151,584	\$ 194,113	\$ 221,321	\$ 168,482	\$ 180,440	\$ 313,791	\$ 192,733	\$ 187,178	\$ 178,145
		<u>\$ 183,487</u>	<u>\$ 151,584</u>	<u>\$ 194,113</u>	<u>\$ 221,321</u>	<u>\$ 168,482</u>	<u>\$ 180,440</u>	<u>\$ 313,791</u>	<u>\$ 192,733</u>	<u>\$ 187,178</u>	<u>\$ 178,145</u>

N/A - Not Applicable

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

Source: Boonton Township School District records

BOONTON TOWNSHIP SCHOOL DISTRICTINSURANCE SCHEDULEJUNE 30, 2021UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
NJ Schools Insurance Group		
Commercial Package Policy:		
Property Section:		
Real & Personal Property (per occurrence)	\$ 500,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Paper & Records	10,000,000	5,000
Demolition & Increased Cost of Construction	25,000,000	
Limited Builders Risk	10,000,000	
Fire Dept. Service Charge	10,000	
Arson Reward	10,000	
Pollution Cleanup & Removal	250,000	
Flood/Earthquake		
Flood Zone A & V	25,000,000	500,000
All Other Flood Zones	75,000,000	10,000
Earthquake	50,000,000	5,000
Terrorism	1,000,000	
Electronic Data Processing Equipment		
Blanket Hardware/Software	200,000	1,000
Flood (Deductible for Zone A & Z)		500,000
(Deductible All Other Flood Zones)		10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Income	100,000,000	5,000
Property Damage	Included	
Off Premises Property Damage	1,000,000	5,000
Extra Expense	10,000,000	5,000
Service Interruption	10,000,000	5,000
Perishable Goods	1,000,000	5,000
Data Restoration	1,000,000	5,000
Demolition	1,000,000	5,000
Ordinance or Law	1,000,000	5,000
Expediting Expense	1,000,000	5,000
Hazardous Substances	1,000,000	5,000
Newly Acquired Locations - 120 Days Notice	1,000,000	5,000
Crime Coverage		
Public Employee Dishonesty	50,000	500
Theft, Disappearance & Destruction/Money Orders & Counterfeit	25,000	500
Forgery or Alteration	25,000	500
Computer Fraud	25,000	500



BOONTON TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2021  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
NJ Schools Insurance Group:		
Liability Section:		
Bodily Injury & Property Damage	11,000,000	
Products & Completed Operations	11,000,000	
Sexual Abuse	11,000,000	
Personal Injury & Advertising Injury	11,000,000	
Employee Benefit Liability	11,000,000	1,000
Terrorism	1,000,000	
Premises Medical Payments	10,000 per accident 5,000 per person	
Workers Compensation:		
(A) Statutory Benefits	Included	None
(B) Employers Liability		
Bodily Injury by Accident	2,000,000	
Bodily Injury by Disease	2,000,000	
School Board Legal Liability		
Coverage A	11,000,000	5,000
Coverage B	100,000/claim 300,000/agg	5,000 5,000
Automotive Coverage:		
Bodily Injury and Property Damage Comined Single Limit	11,000,000	1,000
Personal Injury Protection	250,000	1,000
Medical Payments	10,000	
Underinsured	1,000,000	
Terrorism	1,000,000	
Garagekeepers	Included	
Surety Bond Coverage		
Business Adminstrator/Board Secretary	185,000	None
Treasurer of School Monies	185,000	None

Source: District records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Boonton Township School District  
County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the 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 Township of Boonton, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2021.

**Internal Control Over Financial Reporting**

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

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

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

The Honorable President and Members  
of the Board of Education  
Boonton Township School District  
Page 2

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

October 28, 2021  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*  
\_\_\_\_\_  
Man C. Lee  
Licensed Public School Accountant #2527  
Certified Public Accountant

Report on Compliance For Each Major State Program:  
Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Boonton Township School District  
County of Morris, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the Board of Education of the Township of Boonton's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on the District's major state program for the fiscal year ended June 30, 2021. The District's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the District's major state program 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's 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 state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

The Honorable President and Members  
of the Board of Education  
Boonton Township School District  
Page 2

***Opinion on Each Major State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state program for the fiscal year ended June 30, 2021.

**Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be 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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

October 28, 2021  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*  
\_\_\_\_\_  
Man C. Lee  
Licensed Public School Accountant #2527  
Certified Public Accountant

BOONTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at		Cash Received	Budgetary Expenditures	Balance at	
					June 30, 2020 Budgetary Accounts Receivable	June 30, 2021 Budgetary Accounts Receivable			June 30, 2020 Budgetary Accounts Receivable	June 30, 2021 Budgetary Accounts Receivable
Special Revenue Fund:										
U.S. Department of Treasury - Passed-through State Department of Education: COVID-19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/30/20	\$ 18,404	\$ 18,404	\$ (18,404)				
Total U.S. Department of Treasury					18,404	(18,404)				
U.S. Department of Education - Passed-through State Department of Education: Education Stabilization Fund:										
COVID-19 - Digital Divide	84.425D	S425D200027	7/16/20-10/31/20	2,968		(2,968)				
COVID-19 - CARES Emergency Relief	84.425D	CARES-0460-20	7/1/19-9/30/20	8,570	\$ (8,126)	(444)				
Total Education Stabilization Fund					(8,126)	(3,412)				
Elementary and Secondary Education Act:										
Title I - Part A	84.010	ESEA-0460-21	7/1/20-9/30/21	10,715		(10,715)				
Title II - Part A	84.367A	ESEA-0460-20	7/1/19-9/30/20	8,210	(3,353)					
Title II - Part A	84.367A	ESEA-0460-21	7/1/20-9/30/21	8,115		(8,115)	\$ (2,400)			
Total Title II					(3,353)		(2,400)			
Title IV	84.186A	ESEA-0460-20	7/1/20-9/30/21	10,000		(10,000)	(2,950)			
Total Elementary and Secondary Education Act					(3,353)	(28,830)	(5,350)			
Special Education Cluster:										
IDEA Part B, Basic	84.027	IDEA-0460-20	7/1/19-9/30/20	108,993	(18,739)		18,739			
IDEA Part B, Basic	84.027	IDEA-0460-21	7/1/20-9/30/21	112,808		(112,808)				(12,596)
IDEA Part B, Preschool	84.173	IDEA-0460-21	7/1/20-9/30/21	5,014		(5,014)				
Total Special Education Cluster					(18,739)	(117,822)	(12,596)			
Total U.S. Department of Education					(22,092)	(146,652)	(17,946)			
Total Federal Financial Awards					\$ (30,218)	\$ 180,740	\$ (168,468)	\$ (17,946)	\$	\$ -0-

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOONTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at		Memo		
				June 30, 2020	June 30, 2021	Budgetary	(Accounts	Budgetary
				Receivable	GAAP	Receivable	Expenditures	Total
					Received	Expenditures		Expenditures
State Department of Education:								
General Fund:								
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	\$ 138,307	\$	124,731	\$ (138,307)	\$ (13,576)	\$ 138,307
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	138,307	\$ (13,635)	13,635			138,307
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	466,850	(43,990)	421,024	(466,850)	(45,826)	466,850
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	446,220	(1,284)	43,990			446,220
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	13,027		11,748	(13,027)	(1,279)	13,027
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	13,027		1,284			13,027
Extraordinary Special Education Aid	21-495-034-5120-044	7/1/20-6/30/21	327,943	(262,947)	289,284	(327,943)	(327,943)	327,943
Extraordinary Special Education Aid	20-495-034-5120-044	7/1/19-6/30/20	289,284		289,284	(26,337)		289,284
Nonpublic Transportation	21-495-034-5120-014	7/1/20-6/30/21	10,150		248,844	(10,150)	(10,150)	10,150
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	262,019		12,780	(262,019)	(13,175)	262,019
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	265,310	(12,780)				265,310
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	317,146		317,146	(317,146)		317,146
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	993,108		993,108	(993,108)		993,108
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	18,895		18,895	(18,895)		18,895
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	580		580	(580)		580
Total General Fund State Aid				(334,636)	2,497,049	(2,574,362)	(411,949)	3,700,173
Total State Awards Subject to Single Audit Determination				\$ (334,636)	\$ 2,497,049	\$ (2,574,362)	\$ (411,949)	\$ 3,700,173
Less: State Awards Not Subject to Single Audit Major Program Determination								
On-Behalf TPAF Pension System Contributions:								
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	(317,146)					317,146
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	(993,108)					993,108
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	(18,895)					18,895
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	(580)					580
Subtotal - On-Behalf TPAF Pension System Contributions								1,329,729
Total State Awards Subject to Single Audit Major Program Determination								\$ (1,244,633)

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Boonton Township School District Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,772) for the General Fund and \$5,727 for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds, respectively.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,572,590	\$ 2,572,590
Special Revenue Fund	\$ 174,195		174,195
Total Financial Awards	<u>\$ 174,195</u>	<u>\$ 2,572,590</u>	<u>\$ 2,746,785</u>

NOTE 5. 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 6. FEDERAL AND STATE LOANS OUTSTANDING

Boonton Township School District had no loan balances outstanding at June 30, 2021.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2021.

BOONTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in *the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state program for the District expresses an unmodified opinion on the major state program.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2021 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major a state program for the current fiscal year consisted of the following state aid:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Reimbursed TPAF				
Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	\$ 262,019	\$ 262,019

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

BOONTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or NJOMB 15-08.

BOONTON TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

There were no findings or questioned costs for the year ended June 30, 2020.