

TOWN OF BOONTON SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Town of Boonton School District

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Town of Boonton School District
Boonton, New Jersey
For The Fiscal Year Ended June 30, 2023**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



BOONTON PUBLIC SCHOOLS
BUSINESS OFFICE

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October 30, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Town of Boonton Public Schools for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 12 for the students residing in Boonton and to grade levels 9 through 12 for the students residing in Lincoln Park. These include regular and vocational, as well as special



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education for disabled youngsters. The District completed the 2022-2023 fiscal year with an average daily enrollment of 1,484 students, an increase of 39 students over the previous year's enrollment.

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

<u>Fiscal Year</u>	<u>Avg Daily Enrollment</u>	<u>Percent Change</u>
2013-2014	1,293	1.5%
2014-2015	1,308	1.2%
2015-2016	1,353	3.4%
2016-2017	1,404	3.8%
2017-2018	1,408	0.3%
2018-2019	1,410	0.1%
2019-2020	1,438	2.1%
2020-2021	1,419	-1.3%
2021-2022	1,446	1.9%
2022-2023	1,484	2.7%

2) **ECONOMIC CONDITIONS AND OUTLOOK:** The School District continues to monitor the ratable base for the Town. Short term trends continue to indicate that ratables will remain flat. An increase in housing projects is in the preliminary stages of development. If these projects come to fruition, the burden on the District to provide services could increase. The District's budget for the 2023-2024 fiscal year includes a 4.22% increase in the local tax levy (2.0% plus enrollment adjustment of 2.2%). At the close of the 2023-2024 fiscal year, the Teachers' contract will expire, and the Administrators' contract will have an additional year.

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

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



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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

5) **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.

6) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. A detailed Management Discussion and Analysis follows this section of the report that discussed the District's financial performance for the year ended June 30, 2023.

7) **DEBT ADMINISTRATION:** During the 2022-2023 fiscal year the District did not obtain additional debt through referendum. The District continues to maintain and service its bond debt from previously financed obligations.

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

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

10) **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm



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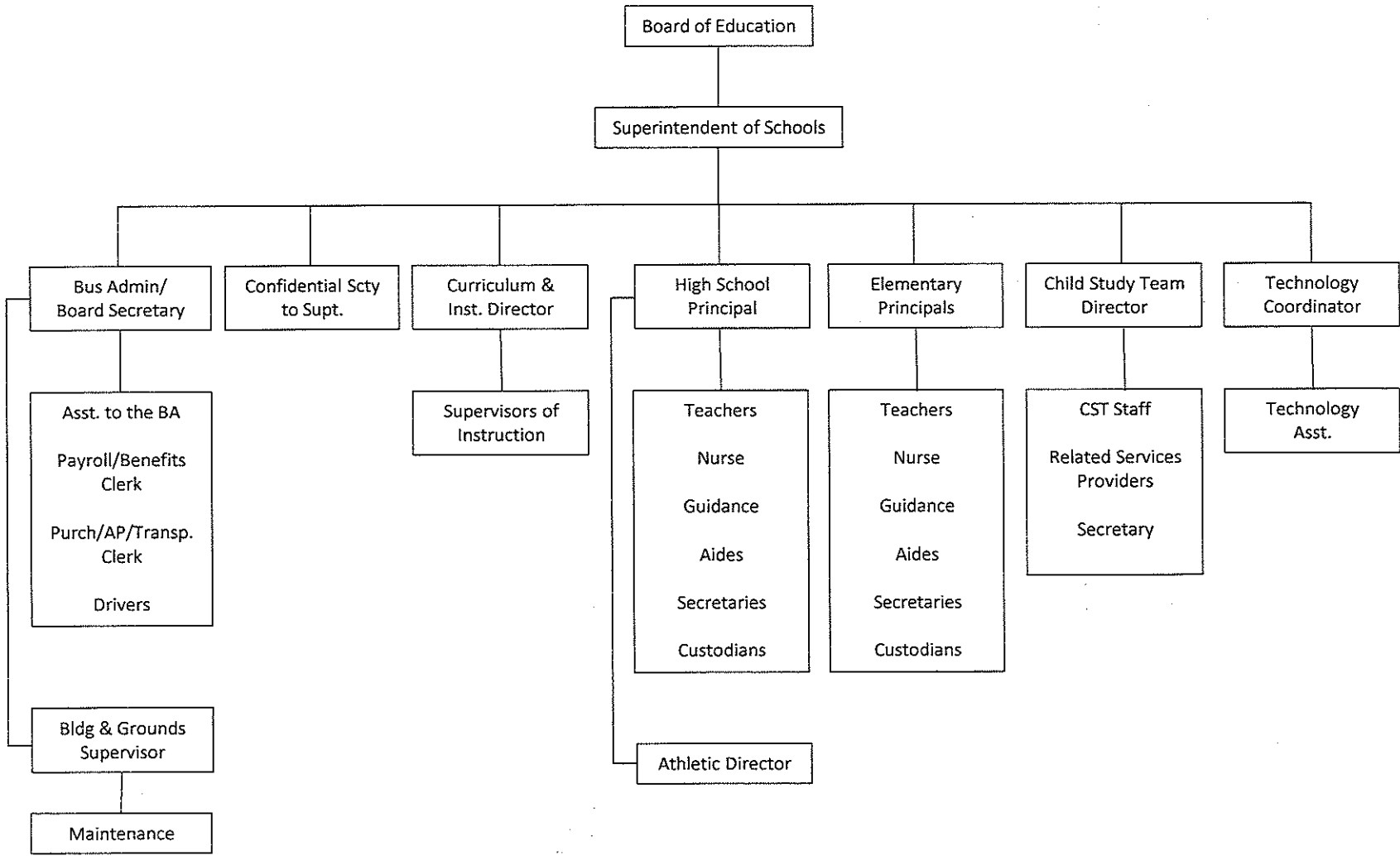
of Lerch, Vinci, Bliss, LLP, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of U.S. Uniform Guidance and New Jersey's OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

Mr. Thomas Valle
Acting Superintendent of Schools

Mr. Steven Gardberg,
School Business Administrator
Board Secretary



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

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires (December)</u>
Irene LeFebvre, President	2024
Elaine Doherty, Vice-President	2025
Christopher J. Cartelli	2025
Jennifer Darling	2023
Dr. Crystal Davis	2023
Natavia Hayes	2023
Patrick Joyce	2024
Loren Katsakos	2024
Matthew Mondino	2025
Sandra Vucenovic (Lincoln Park Representative)	

Other Officers

Thomas Valle, Superintendent of Schools

Steven Gardberg, Board Secretary/Business Administrator

BOONTON SCHOOL DISTRICT

Consultants & Advisors

June 30, 2023

District Auditor

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

Attorney

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

Official Depositories

Lakeland Bank
Boonton, NJ 07005

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA

INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Boonton School District, as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education’s basic financial statements as listed in the table of contents.

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 and each major fund of the Town of Boonton School District as of June 30, 2023, 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.

Basis for Opinions

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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Boonton School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Boonton School District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Boonton School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Boonton School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Boonton School District's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town of Boonton School District. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


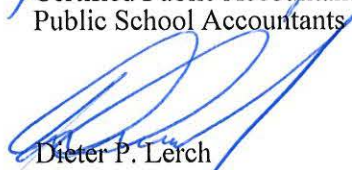
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2023 on our consideration of the Town of Boonton School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Boonton School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Boonton School District's internal control over financial reporting and compliance.


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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2023**

This discussion and analysis of the Town of Boonton School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2023. The intent of this analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at year end by \$4,180,270 (net position). The District's net position increased \$1,635,568 from the previous year.
- General revenues accounted for \$24,545,176, or 55, percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$19,708,744 or 45 percent, of total revenues of \$44,253,920.
- The School District had \$41,017,942 in expenses for governmental activities; \$17,688,541 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) were adequate to provide funding for the balance of these programs.
- Among governmental funds, the General Fund had \$38,881,699 in revenues and \$38,779,601 in expenditures and other financing uses. The General Fund's fund balance increased \$102,098 from 2022.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets, deferred inflows of resources and liabilities and deferred outflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid, as well as the activity of capital assets and long-term liabilities.

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Reporting the District's Most Significant Funds (Continued)

Governmental Funds

The District's activities are reported in governmental funds. These funds are reported using an accounting method known as modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

The District as a Whole

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

A comparative summary of the District's net position as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Assets		
Current and Other Assets	\$ 4,205,022	\$ 3,986,955
Capital Assets, net of accumulated depreciation	<u>22,344,886</u>	<u>22,990,476</u>
Total Assets	<u>26,549,908</u>	<u>26,977,431</u>
Deferred Outflows of Resources	<u>2,000,217</u>	<u>1,626,344</u>
Total Assets and Deferred Outflows of Resources	<u>28,550,125</u>	<u>28,603,775</u>
Liabilities		
Long-Term Liabilities	21,593,241	21,076,518
Other Liabilities	<u>1,620,595</u>	<u>1,610,789</u>
Total Liabilities	<u>23,213,836</u>	<u>22,687,307</u>
Deferred Inflows of Resources	<u>1,156,019</u>	<u>3,371,766</u>
Total Liabilities and Deferred Inflows of Resources	<u>24,369,855</u>	<u>26,059,073</u>
Net Position		
Net Investment in Capital Assets	8,797,360	8,148,418
Restricted	691,112	1,033,205
Unrestricted	<u>(5,308,202)</u>	<u>(6,636,921)</u>
Total Net Position	<u>\$ 4,180,270</u>	<u>\$ 2,544,702</u>

A comparative schedule of the changes in net position for fiscal years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 7,517,612	\$ 7,346,990
Grants and Contributions	12,191,132	13,021,926
General Revenues:		
Property Taxes	22,046,490	21,637,152
Grants and Entitlements	2,331,474	1,917,264
Other	<u>167,212</u>	<u>129,089</u>
Total Revenues	<u>44,253,920</u>	<u>44,052,421</u>
Program Expenses		
Instruction	25,222,941	24,599,401
Support Services:		
Pupils and Instructional Staff	8,217,227	8,279,488
General, School and Central Administration	2,641,660	2,757,561
Operations and Maintenance of Facilities	3,083,307	3,090,406
Pupil Transportation	1,295,414	930,130
Interest on Debt	557,393	599,211
Food Service	754,009	762,891
Bridges to Learning	<u>846,401</u>	<u>584,337</u>
Total Expenses	<u>42,618,352</u>	<u>41,603,425</u>
Increase in Net Position	<u>\$ 1,635,568</u>	<u>\$ 2,448,996</u>

Governmental Activities

Property taxes made up 50 percent of revenues for governmental activities for the Town of Boonton School District in fiscal year 2023. The District's total revenues from governmental activities were \$42,198,703 for the year ended June 30, 2023. Charges for services accounted for 15 percent of this total revenue. Federal, state, and local grants, contributions and entitlements accounted for 35 percent of this total revenue. The total cost of all governmental programs and services was \$41,017,942. Instruction comprises 61 percent of District governmental expenses.

Business-Type Activities

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

- Enterprise Fund revenues exceeded expenses by \$454,807.
- Charges for services represent 53 percent of revenue. This represents amounts paid for food service and tuition for the bridges to learning program. State and federal subsidies account for the remaining 47 percent.
- Federal and state reimbursements for food service amounted to \$413,853 of total Enterprise Fund revenues.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The total cost of services and the net cost of services for the years ended June 30, 2023 and 2022 are summarized below. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction	\$ 25,222,941	\$ 24,599,401	\$ 10,868,638	\$ 9,330,243
Support Services				
Pupils and Instructional Staff	8,217,227	8,279,488	5,963,025	5,827,353
General, School and Central Admin.	2,641,660	2,757,561	2,290,762	2,266,689
Operation and Maintenance of Facilities	3,083,307	3,090,406	2,681,916	2,690,354
Pupil Transportation	1,295,414	930,130	1,110,399	839,753
Interest on Long-Term Debt	557,393	599,211	414,661	449,612
Total	<u>\$ 41,017,942</u>	<u>\$ 40,256,197</u>	<u>\$ 23,329,401</u>	<u>\$ 21,404,004</u>

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

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

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

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

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

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

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$44,244,519 and expenditures were \$44,491,544.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a comparative summary of the governmental fund revenues for the fiscal years ended June 30, 2023 and 2022.

<u>Revenue</u>	<u>Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>June 30, 2023</u>	<u>June 30, 2022</u>		
Local Sources	\$ 28,623,226	\$ 28,519,379	\$ 103,847	0.4%
State Sources	13,856,465	12,899,674	956,791	7.4%
Federal Sources	1,764,828	1,414,940	349,888	24.7%
Total Revenues	<u>\$ 44,244,519</u>	<u>\$ 42,833,993</u>	<u>\$ 1,410,526</u>	3.3%

The following schedule represents a comparative summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal years ended June 30, 2023 and 2022.

<u>Expenditures</u>	<u>Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>June 30, 2023</u>	<u>June 30, 2022</u>		
Current				
Instruction	\$ 26,967,535	\$ 25,214,994	\$ 1,752,541	7.0%
Support Services	15,214,621	14,530,312	684,309	4.7%
Capital Outlay	444,793	407,731	37,062	9.1%
Debt Service				
Principal	1,292,872	1,547,007	(254,135)	-16.4%
Interest and Other	571,723	615,031	(43,308)	-7.0%
Total Expenditures	<u>\$ 44,491,544</u>	<u>\$ 42,315,075</u>	<u>\$ 2,176,469</u>	5.1%

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of fiscal year 2023, the District had \$38,736,925 invested in land, construction in progress, buildings, furniture, equipment and vehicles. Accumulated depreciation on these assets at June 30, 2023 was \$16,392,039. The Table below compares the fiscal year 2023 balances to the 2022 balances.

Capital Assets (Net of Depreciation) at June 30

	<u>2023</u>	<u>2022</u>
Land	\$ 471,800	\$ 471,800
Building and Building Improvements	20,836,673	21,676,228
Machinery and Equipment	691,945	842,448
Construction in Progress	<u>344,468</u>	<u>-</u>
Total Capital Assets, Net	<u>\$ 22,344,886</u>	<u>\$ 22,990,476</u>

Debt Administration

At June 30, 2023, the District had \$21,593,241 of long-term liabilities. Of this amount, \$372,921 is for compensated absences, \$181,830 is for capital and other financing agreements, \$7,189,241 is for net pension liability and \$13,849,249 is for outstanding serial bonds issued to fund school construction projects (net of unamortized premium).

For the Future

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

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

Contacting the District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWN OF BOONTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,726,233	\$ 226,119	\$ 2,952,352
Receivables, Net:			
Receivables from Other Governments	1,202,053	21,241	1,223,294
Other		25,036	25,036
Internal Balances	(363,189)	363,189	
Inventory		4,019	4,019
Restricted Assets:			
Cash with Fiscal Agents	321		321
Capital Assets:			
Not Being Depreciated	816,268		816,268
Being Depreciated, Net	<u>21,402,227</u>	<u>126,391</u>	<u>21,528,618</u>
Total Assets	<u>25,783,913</u>	<u>765,995</u>	<u>26,549,908</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	483,232		483,232
Deferred Amount on Net Pension Liability	<u>1,516,985</u>	<u>-</u>	<u>1,516,985</u>
Total Deferred Outflows of Resources	<u>2,000,217</u>	<u>-</u>	<u>2,000,217</u>
Total Assets and Deferred Outflows of Resources	<u>27,784,130</u>	<u>765,995</u>	<u>28,550,125</u>
LIABILITIES			
Accounts Payable and Other Liabilities	214,121	7,784	221,905
Payable to Other Governments	75,262		75,262
Deposits Payable	805,692		805,692
Unearned Revenue	265,679	8,934	274,613
Accrued Interest	243,123		243,123
Noncurrent Liabilities			
Due Within One Year	1,056,275		1,056,275
Due Beyond One Year	<u>20,536,966</u>	<u>-</u>	<u>20,536,966</u>
Total Liabilities	<u>23,197,118</u>	<u>16,718</u>	<u>23,213,836</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	1,154,559		1,154,559
Deferred Government Commodities	<u>-</u>	<u>1,460</u>	<u>1,460</u>
Total Deferred Inflows of Resources	<u>1,154,559</u>	<u>1,460</u>	<u>1,156,019</u>
Total Liabilities and Deferred Inflows of Resources	<u>24,351,677</u>	<u>18,178</u>	<u>24,369,855</u>
NET POSITION			
Net Investment in Capital Assets	8,670,969	126,391	8,797,360
Restricted for:			
Capital Projects	263,903		263,903
Other Purposes	427,209		427,209
Unrestricted	<u>(5,929,628)</u>	<u>621,426</u>	<u>(5,308,202)</u>
Total Net Position	<u>\$ 3,432,453</u>	<u>\$ 747,817</u>	<u>\$ 4,180,270</u>

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

TOWN OF BOONTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 15,307,619	\$ 5,331,189	\$ 4,798,273		\$ (5,178,157)		\$ (5,178,157)
Special Education	7,665,541	823,209	2,942,588		(3,899,744)		(3,899,744)
Other Instruction	1,030,930		223,901		(807,029)		(807,029)
School Sponsored Activities and Athletics	1,218,851	147,424	87,719		(983,708)		(983,708)
Support Services							
Student and Instruction Related Services	8,217,227		2,254,202		(5,963,025)		(5,963,025)
General Administrative Services	717,461		18,650		(698,811)		(698,811)
School Administrative Services	1,285,799		213,176		(1,072,623)		(1,072,623)
Central and Other Support Services	638,400		119,072		(519,328)		(519,328)
Plant Operations and Maintenance	3,083,307		401,391		(2,681,916)		(2,681,916)
Pupil Transportation	1,295,414	114,445	70,570		(1,110,399)		(1,110,399)
Interest on Long-Term Debt	557,393	-	142,732	-	(414,661)	-	(414,661)
Total Governmental Activities	41,017,942	6,416,267	11,272,274	-	(23,329,401)	-	(23,329,401)
Business-Type Activities							
Food Service	754,009	421,409	413,853	-	-	\$ 81,253	81,253
Bridges to Learning	846,401	679,936	505,005	-	-	338,540	338,540
Total Business-Type Activities	1,600,410	1,101,345	918,858	-	-	419,793	419,793
Total Primary Government	\$ 42,618,352	\$ 7,517,612	\$ 12,191,132	\$ -	(23,329,401)	419,793	(22,909,608)
General Revenues:							
Property Taxes:							
Levied for General Purposes					20,946,479		20,946,479
Levied for Debt Service					1,100,011		1,100,011
Federal and State Aid, Unrestricted					2,096,167		2,096,167
State Aid Restricted for Debt Service					235,307		235,307
Investment Earnings					5,247	377	5,624
Miscellaneous Income					126,951	34,637	161,588
Total General Revenues and Transfers					24,510,162	35,014	24,545,176
Change in Net Position					1,180,761	454,807	1,635,568
Net Position, Beginning of Year					2,251,692	293,010	2,544,702
Net Position, End of Year					\$ 3,432,453	\$ 747,817	\$ 4,180,270

FUND FINANCIAL STATEMENTS

**TOWN OF BOONTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,269,177	\$ 401,849	\$ 55,207		\$ 2,726,233
Receivables, Net					
Federal Government	-	633,540			633,540
State Government	568,513				568,513
Due from Other Funds	486,192				486,192
Restricted Assets:					
Cash with Fiscal Agents	-	-	321	-	321
Total Assets	<u>\$ 3,323,882</u>	<u>\$ 1,035,389</u>	<u>\$ 55,528</u>	<u>\$ -</u>	<u>\$ 4,414,799</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 137,303	\$ 5,469			\$ 142,772
Due to Other Funds	363,189	486,192			849,381
Payable to State Government	66,466	8,796			75,262
Payroll Deductions and Withholdings	46,819				46,819
Accrued Salaries and Wages	24,530				24,530
Deposits Payable	805,692				805,692
Unearned Revenue	-	265,679	-	-	265,679
Total Liabilities	<u>1,443,999</u>	<u>766,136</u>	<u>-</u>	<u>-</u>	<u>2,210,135</u>
Fund Balances (Deficits)					
Restricted					
Capital Reserve	208,696				208,696
Excess Surplus	300,000				300,000
Capital Projects			\$ 55,528		55,528
Unemployment Compensation	34,719				34,719
Scholarships		249,346			249,346
Student Activities		143,144			143,144
Committed					
Year-End Encumbrances	22,230				22,230
Assigned					
Year-End Encumbrances	61,415				61,415
Designated for Subsequent Year's Expenditures	1,233,606				1,233,606
Unassigned					
General Fund	19,217				19,217
Special Revenue Fund (Deficit)	-	(123,237)	-	-	(123,237)
Total Fund Balances (Deficits)	<u>1,879,883</u>	<u>269,253</u>	<u>55,528</u>	<u>-</u>	<u>2,204,664</u>
Total Liabilities and Fund Balances	<u>\$ 3,323,882</u>	<u>\$ 1,035,389</u>	<u>\$ 55,528</u>	<u>\$ -</u>	<u>\$ 4,414,799</u>

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

**TOWN OF BOONTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023**

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 2,204,664

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$38,378,352 and the accumulated depreciation is \$16,159,857. 22,218,495

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 483,232

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

	\$ 1,516,985	
Deferred Outflow of Resources		
Deferred Inflow of Resources	(1,154,559)	
		362,426

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

	(13,849,249)	
Serial Bonds		
Capital Leases	(181,830)	
Net Pension Liability	(7,189,241)	
Compensated Absences	(372,921)	
		(21,593,241)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (243,123)

Net Position of Governmental Activities (Exhibit A-1) **\$ 3,432,453**

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

TOWN OF BOONTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 20,946,479			\$ 1,100,011	\$ 22,046,490
Tuition	6,154,398				6,154,398
Transportation	114,445				114,445
Interest	5,247				5,247
Miscellaneous	126,951	\$ 188,095	-	-	315,046
Total - Local Sources	27,347,520	188,095	-	1,100,011	28,635,626
State Sources	11,455,693	2,022,733		378,039	13,856,465
Federal Sources	78,486	1,673,942	-	-	1,752,428
Total Revenues	38,881,699	3,884,770	-	1,478,050	44,244,519
EXPENDITURES					
Instruction					
Regular	13,751,475	2,609,004			16,360,479
Special Education	7,739,216	411,682			8,150,898
Other Instruction	1,130,287	478			1,130,765
School Sponsored Co-Curricular Activities	1,186,832	138,561			1,325,393
Support Services					
Student and Instruction Related Services	7,869,848	925,540			8,795,388
General Administrative Services	759,934		20		759,954
School Administrative Services	1,401,276				1,401,276
Central and Other Support Services	691,607				691,607
Plant Operations and Maintenance	2,180,013	96,884			2,276,897
Pupil Transportation	1,289,499				1,289,499
Debt Service					
Principal	372,872			920,000	1,292,872
Interest	13,673			558,050	571,723
Capital Outlay	21,037	79,288	344,468	-	444,793
Total Expenditures	38,407,569	4,261,437	344,488	1,478,050	44,491,544
Excess (Deficiency) of Revenues Over (Under) Expenditures	474,130	(376,667)	(344,488)	-	(247,025)
OTHER FINANCING SOURCES (USES)					
Operating Transfer In		372,032	-		372,032
Operating Transfer Out	(372,032)	-	-	-	(372,032)
Total Other Financing Sources (Uses)	(372,032)	372,032	-	-	-
Net Change in Fund Balances	102,098	(4,635)	(344,488)	-	(247,025)
Fund Balance Beginning of Year	1,777,785	273,888	400,016	-	2,451,689
Fund Balance End of Year	\$ 1,879,883	\$ 269,253	\$ 55,528	\$ -	\$ 2,204,664

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

**TOWN OF BOONTON SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (247,025)

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

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

Capital Outlay	\$ 444,793	
Depreciation Expense	<u>(1,103,114)</u>	
		(658,321)

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

Compensated Absences	27,311	
Accrued Interest	12,650	
Pension Expense	<u>751,594</u>	
		791,555

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

Principal Repayments		
Serial Bonds	920,000	
Capital Financing Agreements	<u>372,872</u>	
		1,292,872

Amortization of Refunding Bond Items		
Original Issue Premium	105,969	
Deferred Amount on Refunding	<u>(104,289)</u>	
		<u>1,680</u>

Change in net position of governmental activities (Exhibit A-2) \$ 1,180,761

**TOWN OF BOONTON SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Enterprise Funds		<u>Total</u>
	<u>Food Service</u>	<u>Bridges to Learning Program</u>	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 225,089	\$ 1,030	\$ 226,119
Receivables			
Intergovernmental	21,241		21,241
Accounts	25,036		25,036
Due from Other Funds	15,689	347,500	363,189
Inventories	4,019	-	4,019
	291,074	348,530	639,604
Total Current Assets			
Capital Assets			
Furniture, Machinery and Equipment	358,573		358,573
Less Accumulated Depreciation	(232,182)	-	(232,182)
	126,391	-	126,391
Total Capital Assets, Net			
Total Assets	417,465	348,530	765,995
LIABILITIES			
Current Liabilities			
Accounts Payable	7,784		7,784
Unearned Revenue	8,934	-	8,934
	16,718	-	16,718
Total Current Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	1,460	-	1,460
	1,460	-	1,460
Total Deferred Inflows of Resources			
Total Liabilities and Deferred Inflows of Resources	18,178	-	18,178
NET POSITION			
Investment in Capital Assets	126,391		126,391
Unrestricted	272,896	348,530	621,426
	399,287	348,530	747,817
Total Net Position	\$ 399,287	\$ 348,530	\$ 747,817

**TOWN OF BOONTON SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Enterprise Funds</u>		
	<u>Food Service</u>	<u>Bridges to Learning Program</u>	<u>Total</u>
OPERATING REVENUES			
Local Sources			
Daily Sales			
Reimbursable Programs	\$ 202,062		\$ 202,062
Non-Reimbursable Programs	219,347		219,347
Program Fees		\$ 679,936	679,936
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	421,409	679,936	1,101,345
OPERATING EXPENSES			
Salaries and Wages	242,654	706,632	949,286
Employee Benefits	18,262	24,242	42,504
Other Purchased Services	3,102	33,841	36,943
Repairs and Maintenance	59,510		59,510
Management Fee	33,841		33,841
Rent		50,000	50,000
Other Expenses	4,990	5,828	10,818
Supplies and Materials	47,336	25,858	73,194
Insurance	27,963		27,963
Cost of Sales			
Reimbursable Programs	161,739		161,739
USDA Commodities	39,475		39,475
Non-Reimbursable Programs	100,882		100,882
Depreciation	14,255	-	14,255
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	754,009	846,401	1,600,410
Operating Income (Loss)	<u>(332,600)</u>	<u>(166,465)</u>	<u>(499,065)</u>
Nonoperating Revenues			
State Sources			
School Lunch Program	11,358		11,358
Hiring and Retention Bonus Program		70,005	70,005
Federal Sources			
School Breakfast Program	12,239		12,239
U.S.D.A. Commodities	39,475		39,475
School Lunch Program	273,422		273,422
Supply Chain Assistance	77,359		77,359
ARP		435,000	435,000
PPP Reimbursement	34,637		34,637
Interest Income	377	-	377
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues	448,867	505,005	953,872
Change in Net Position	116,267	338,540	454,807
Net Position, Beginning of Year	<u>283,020</u>	<u>9,990</u>	<u>293,010</u>
Net Position, End of Year	<u>\$ 399,287</u>	<u>\$ 348,530</u>	<u>\$ 747,817</u>

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

**TOWN OF BOONTON SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Enterprise Funds</u>		
	<u>Food Service</u>	<u>Bridges to Learning Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 408,896	\$ 679,936	\$ 1,088,832
Cash Payments for Employees Salaries & Benefits	(260,916)	(730,874)	(991,790)
Cash Payments to Suppliers for Goods and Services	(467,296)	(115,659)	(582,955)
Net Cash Provided by (Used for) Operating Activities	<u>(319,316)</u>	<u>(166,597)</u>	<u>(485,913)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from (Payments to) Other Funds	-	(347,500)	(347,500)
Cash Received from Other Governments	445,152	345,005	790,157
Net Cash Provided by Noncapital Financing Activities	<u>445,152</u>	<u>(2,495)</u>	<u>442,657</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(26,986)	-	(26,986)
Net Cash (Used for) Capital and Related Financing Activities	<u>(26,986)</u>	<u>-</u>	<u>(26,986)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings	377	-	377
Net Cash Provided by Investing Activities	<u>377</u>	<u>-</u>	<u>377</u>
Net Increase (Decrease) in Cash and Cash Equivalents	99,227	(169,092)	(69,865)
Cash and Cash Equivalents, Beginning of Year	125,862	170,122	295,984
Cash and Cash Equivalents, End of Year	<u>\$ 225,089</u>	<u>\$ 1,030</u>	<u>\$ 226,119</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (332,600)	\$ (166,465)	\$ (499,065)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	14,255		14,255
Non-Cash Federal Assistance - Food Distribution Program	39,475		39,475
Change in Assets, Deferred Inflows of Resources and Liabilities (Increase)/Decrease in Accounts Receivable	(17,709)		(17,709)
(Increase)/Decrease in Inventory	107		107
Increase/(Decrease) in Accounts Payable	(28,600)	(132)	(28,732)
Increase/(Decrease) in Deferred Inflows of Resources	560		560
Increase/(Decrease) in Unearned Revenue	5,196	-	5,196
Total Adjustments	<u>13,284</u>	<u>(132)</u>	<u>13,152</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (319,316)</u>	<u>\$ (166,597)</u>	<u>\$ (485,913)</u>
Non-Cash Investing, Capital and Financing Activities: Value Received - Food Distribution Program	\$ 40,035		\$ 40,035

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

NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Boonton School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials along with one representative from Lincoln Park and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District and is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

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

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

B. New Accounting Standards

During fiscal year 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no Fiduciary Funds.

District-Wide Financial Statements

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

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

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

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

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

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

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

Reclassifications

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Receivables

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

3. Inventories

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

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

4. Restricted Assets

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

5. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use leased assets, and intangible right-to-use subscription assets, the measurement of which is described in Note 1. E.10 and E.11, respectively. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

7. Compensated Absences

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

8. Pensions

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

10. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 original budget certified for taxes.

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

Unemployment Compensation – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

Scholarships – This restriction was created to represent is the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Fund Balance Policies

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

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

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2021/2022 and 2022/2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service and bridges to learning enterprise funds, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$153,274 and the special revenue fund by \$684,207. The increase in the general fund was funded by the reappropriation of prior year encumbrances. The increase in the special revenue fund was funded by grant awards.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$123,237 in the Special Revenue Fund as of June 30, 2023 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2022/2023 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$123,237 in the Special Revenue Fund is less than the delayed state aid payments at June 30, 2023.

C. Capital Reserve

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022	\$ 181,380
Increased by:	
Deposits Approved by Board Resolution	<u>27,316</u>
Balance, June 30, 2023	<u>\$ 208,696</u>

The June 30, 2023 LRFPP balance of the total costs of uncompleted capital projects is estimated by management to be \$50,909,217.

D. Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 fund balance in excess of 2% of budget expenditures 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 excess fund balance at June 30, 2023 is \$300,000. This amount is required to be appropriated in the 2024/2025 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$2,952,673 and bank and brokerage firm balances of the Board's deposits amounted to \$3,688,955. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" or "cash with fiscal agents" are categorized as:

Depository Account

Insured	\$ 2,719,552
Uninsured and Collateralized	<u>969,403</u>
	<u>\$ 3,688,955</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023, the Board’s bank balances of \$969,403 were exposed to custodial credit risk as follows:

Uninsured and Collateralized:

Collateral held by Board's Agent in the Board's name	\$ 321
Collateral held by pledging financial institutions' trust department but not in the Board's name	<u>969,082</u>
	<u>\$ 969,403</u>

Investments

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

As of June 30, 2023, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37).

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts			\$ 25,036	\$ 25,036
Intergovernmental				
Federal		\$ 633,540	20,452	653,992
State	\$ 568,513	-	789	569,302
Gross Receivables	568,513	633,540	46,277	1,248,330
Less: Allowance for				
Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 568,513</u>	<u>\$ 633,540</u>	<u>\$ 46,277</u>	<u>\$ 1,248,330</u>

C. Unearned Revenue

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

	<u>Total</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 12,768
Grant Draw Downs Reserved for Encumbrances	<u>252,911</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 265,679</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 471,800			\$ 471,800
Construction in Progress	-	\$ 344,468	-	344,468
Total Capital Assets, Not Being Depreciated	<u>471,800</u>	<u>344,468</u>	<u>-</u>	<u>816,268</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	33,757,703	79,288		33,836,991
Machinery and Equipment	4,079,005	21,037	\$ (374,949)	3,725,093
Total Capital Assets Being Depreciated	<u>37,836,708</u>	<u>100,325</u>	<u>(374,949)</u>	<u>37,562,084</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(12,081,475)	(918,843)		(13,000,318)
Machinery and Equipment	(3,350,217)	(184,271)	374,949	(3,159,539)
Total Accumulated Depreciation	<u>(15,431,692)</u>	<u>(1,103,114)</u>	<u>374,949</u>	<u>(16,159,857)</u>
Total Capital Assets, Being Depreciated, Net	<u>22,405,016</u>	<u>(1,002,789)</u>	<u>-</u>	<u>21,402,227</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,876,816</u>	<u>\$ (658,321)</u>	<u>\$ -</u>	<u>\$ 22,218,495</u>
	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 360,648	\$ 26,986	\$ (29,061)	\$ 358,573
Total Capital Assets Being Depreciated	<u>360,648</u>	<u>26,986</u>	<u>(29,061)</u>	<u>358,573</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(246,988)	(14,255)	29,061	(232,182)
Total Accumulated Depreciation	<u>(246,988)</u>	<u>(14,255)</u>	<u>29,061</u>	<u>(232,182)</u>
Total Capital Assets, Being Depreciated, Net	<u>113,660</u>	<u>12,731</u>	<u>-</u>	<u>126,391</u>
Business-Type Activities Capital Assets, Net	<u>\$ 113,660</u>	<u>\$ 12,731</u>	<u>\$ -</u>	<u>\$ 126,391</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 101,427
Total Instruction	<u>101,427</u>

Support Services	
Support Services-Students	5,880
School Administration	12,866
Operations and Maintenance	949,840
Transporation	<u>33,101</u>
Total Support Services	<u>1,001,687</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,103,114</u>
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Business-Type Activities:

Food Service Fund	\$ 14,255
Total Depreciation Expense-Business-Type Activities	<u>\$ 14,255</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitment</u>
Boonton High School Locker Replacement	<u>\$ 22,230</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 486,192
Food Service Enterprise Fund	General Fund	15,689
Bridges to Learning Enterprise Fund	General Fund	<u>347,500</u>
		<u>\$ 849,381</u>

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

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

Interfund transfers

<u>Transfer Out:</u>	<u>Transfer In:</u> Special Revenue <u>Fund</u>	<u>Total</u>
General Fund	\$ 372,032	\$ 372,032
	<u>\$ 372,032</u>	<u>\$ 372,032</u>

The above transfer was the result of revenues earned in one fund to finance expenditures in another fund.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets and to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies under capital and other financing agreements. The repayments of these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Capital and other financing agreements at June 30, 2023 are comprised of the following:

\$200,000 fiscal year 2019 agreement for mobile devices and textbooks for a term of 5 years due in an annual installment \$42,284 on July 15, 2024, interest at 2.00%	\$	42,284
\$340,000 fiscal year 2020 agreement for buses and technology equipment for a term of 5 years due in semi-annual installments of \$34,298 to \$35,475 through February 15, 2025, interest at 2.255%		139,546
Total	\$	181,830

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 111,275	\$ 4,739	\$ 116,014
2025	70,555	1,196	71,751
Total	\$ 181,830	\$ 5,935	\$ 187,765

G. Long-Term Debt

General Obligation Bonds

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

Bonds payable at June 30, 2023 are comprised of the following issues:

\$9,305,000, 2014 Refunding Bonds, due in annual installments of \$945,000 to \$1,080,000 through January 15, 2027, interest at 4.00% to 5.00%	\$ 4,060,000
\$9,475,000, 2015 Refunding Bonds, due in annual installments of \$1,210,000 to \$1,480,000 through January 15, 2034, interest at 3.00% to 4.00%	<u>9,330,000</u>
	<u>\$13,390,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 945,000	\$ 530,450	\$ 1,475,450
2025	995,000	483,200	1,478,200
2026	1,040,000	433,450	1,473,450
2027	1,080,000	391,850	1,471,850
2028	1,210,000	348,650	1,558,650
2029-2033	6,640,000	1,098,350	7,738,350
2034	<u>1,480,000</u>	<u>59,200</u>	<u>1,539,200</u>
	<u>\$ 13,390,000</u>	<u>\$ 3,345,150</u>	<u>\$ 16,735,150</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 52,150,863
Less: Net Debt Issued and Authorized but not Issued	<u>(13,390,325)</u>
Remaining Borrowing Power	<u>\$ 38,760,538</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance, July 1, 2022	Additions	Reductions	Balance, June 30, 2023	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 14,310,000		\$ (920,000)	\$ 13,390,000	\$ 945,000
Add: Premium	565,218	-	(105,969)	459,249	-
Total Bonds Payable	14,875,218	-	(1,025,969)	13,849,249	945,000
Capital and Other Financing Agreements	554,702		(372,872)	181,830	111,275
Net Pension Liability	5,246,366	\$ 1,942,875	-	7,189,241	
Compensated Absences	400,232	85,971	(113,282)	372,921	-
Governmental Activity Long-Term Liabilities	<u>\$ 21,076,518</u>	<u>\$ 2,028,846</u>	<u>\$ (1,512,123)</u>	<u>\$ 21,593,241</u>	<u>\$ 1,056,275</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2023	None	\$ 38,238	\$ 182	\$ 66,093	\$ 34,719
2022	None	60,703	165		26,892
2021	None	61,263	103		26,727

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91%. The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2023.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2023, 2022 and 2021 were equal to the required contributions.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the fiscal years ended June 30, 2023, 2022 and 2021 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 600,739	\$ 5,015,320	\$ 12,267
2022	518,643	4,951,646	9,801
2021	448,680	3,464,204	8,883

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$1,948, \$1,857 and \$2,143, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,086,961 during the fiscal year ended June 30, 2023 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$7,189,241 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District’s proportionate share of the net pension liability was based on the ratio of the District’s share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District’s proportionate share was .04763 percent, which was an increase of .00335 percent from its proportionate share measured as of June 30, 2021 of .04428 percent.

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$128,757 for PERS. The pension contribution made by the District during the current 2022/2023 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 51,889	\$ 45,758
Changes of Assumptions	22,275	1,076,514
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	297,556	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,145,265</u>	<u>32,287</u>
Total	<u>\$ 1,516,985</u>	<u>\$ 1,154,559</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (464,724)
2024	(84,007)
2025	69,071
2026	407,330
2027	434,756
Thereafter	-
	<u>\$ 362,426</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Mortality Rates

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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 on 100% 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 in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 9,790,288</u>	<u>\$ 7,189,241</u>	<u>\$ 4,981,884</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District's net pension liability at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2022, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,646,956 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the net pension liability attributable to the District is \$61,196,032. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the state's share of the net pension liability attributable to the District was .11860 percent, which was an increase of .00166 percent from its proportionate share measured as of June 30, 2021 of .11694 percent.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF’s target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 72,405,128</u>	<u>\$ 61,196,032</u>	<u>\$ 51,781,096</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2022. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the June 30, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$1,317,513, \$1,156,905 and \$1,085,628, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,640,061. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023, the State’s proportionate share of the OPEB liability attributable to the District is \$52,406,792. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was .10348 percent, which was a decrease of .00132 percent from its proportionate share measured as of June 30, 2021 of .10480 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ 62,892,992
Changes Recognized for the Fiscal Year:	
Service Cost	3,261,593
Interest on the Total OPEB Liability	1,388,838
Differences Between Expected and Actual Experience	253,513
Changes of Assumptions	(14,058,592)
Gross Benefit Payments	(1,375,685)
Contributions from the Member	44,133
Net Changes	\$ (10,486,200)
Balance, June 30, 2022 Measurement Date	\$ 52,406,792

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 61,598,671	\$ 52,406,792	\$ 45,039,960

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 43,317,417	\$ 52,406,792	\$ 64,346,238

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

F. Tax Abatements

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

For Town of Boonton School District, the District's share of abated taxes resulting from the municipality/county having entered into a tax abatement agreement, if any, has not been determined.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$2,676,736 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 20,946,479		\$ 20,946,479	\$ 20,946,479	
Tuition from Other LEA's within the State	6,153,816		6,153,816	6,154,398	\$ 582
Transportation Fees from Other LEA's within the State	52,000		52,000	114,445	62,445
Interest on Investments				5,065	5,065
Interest Earned on Capital Reserve	1		1		(1)
Interest Earned on Unemployment				182	182
Rents and Royalties	50,000		50,000	53,952	3,952
Unrestricted Miscellaneous Revenues	20,000	-	20,000	72,999	52,999
Total Local Sources	27,222,296	-	27,222,296	27,347,520	125,224
State Sources					
School Choice Aid	15,662		15,662	15,662	
Transportation Aid	58,651		58,651	58,651	
Extraordinary Aid	786,500		786,500	851,840	65,340
Special Education Aid	959,170		959,170	959,170	
Equalization Aid	1,646,780		1,646,780	1,646,780	
Security Aid	238,909		238,909	238,909	
Maintenance of Equity Aid				463,250	463,250
Lead Testing for Schools Aid				2,700	2,700
TPAF Pension System Contribution (On-Behalf - Non-Budgeted)				4,946,690	4,946,690
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				68,630	68,630
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,317,513	1,317,513
TPAF Long-Term Disability Contributions (Non-Budgeted)				1,948	1,948
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,086,961	1,086,961
Total State Sources	3,705,672	-	3,705,672	11,658,704	7,953,032
Federal Sources					
FFCRA /SEMI				4,819	4,819
Special Education Medicaid Initiative	74,407	-	74,407	73,667	(740)
Total Federal Sources	74,407	-	74,407	78,486	4,079
Total Revenues	31,002,375	-	31,002,375	39,084,710	8,082,335
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	347,275	\$ 74,942	422,217	422,217	
Grades 1-5	2,128,213	(42,529)	2,085,684	2,085,684	
Grades 6-8	1,345,799	65,711	1,411,510	1,411,510	
Grades 9-12	3,868,695	47,130	3,915,825	3,915,825	
Regular Programs - Home Instruction					
Salaries of Teachers	3,000	18,477	21,477	21,477	
Purchased Professional-Educational Services	11,000	12,134	23,134	23,134	
Regular Programs - Undistributed Instruction					
Purchased Technical Services	28,959	(2,896)	26,063	26,061	2
Other Purchased Services	45,305	223,358	268,663	268,107	556
General Supplies	316,482	(666)	315,816	309,133	6,683
Textbooks	150,541	(5,502)	145,039	133,241	11,798
Other Objects	5,600	(4,450)	1,150	1,150	-
Total Regular Programs - Instruction	8,250,869	385,709	8,636,578	8,617,539	19,039
Special Education					
Learning and/or Language Disabilities - Mild/Moderate					
Salaries of Teachers	253,815	160,417	414,232	413,763	469
Other Salaries for Instruction	62,944	134,378	197,322	197,322	
Travel		29	29	29	
General Supplies	1,500	(484)	1,016	814	202
Total Learning and/or Language Disabilities - Mild/Moderate	318,259	294,340	612,599	611,928	671

TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 209,925	\$ (61,141)	\$ 148,784	\$ 148,784	
Other Salaries for Instruction	155,784	(76,971)	78,813	78,813	
Other Purchased Services (400-500 series)	200		200		\$ 200
General Supplies	2,000	(1,650)	350	350	-
Total Multiple Disabilities	367,909	(139,762)	228,147	227,947	200
Resource Room/Resource Center					
Salaries of Teachers	1,742,855	(128,966)	1,613,889	1,613,889	
Other Salaries for Instruction	563,467	29,750	593,217	591,682	1,535
Other Purchased Services	1,150	(1,150)			
General Supplies	5,450	(2,163)	3,287	3,268	19
Total Resource Room/Resource Center	2,312,922	(102,529)	2,210,393	2,208,839	1,554
Preschool Disabilities - Full Time					
Salaries of Teachers	104,825	(4,299)	100,526	100,526	
Other Salaries for Instruction	87,076	(6,025)	81,051	81,051	
Travel - All Other	-	50	50		50
General Supplies	150	-	150	149	1
Total Preschool Disabilities - Full-Time	192,051	(10,274)	181,777	181,726	51
Home Instruction					
Salaries of Teachers	3,500	3,240	6,740	6,740	
Purchased Professional Educational Services	25,000		25,000	14,828	10,172
Other Purchased Services	50	(50)	-	-	-
Total Home Instruction	28,550	3,190	31,740	21,568	10,172
Total Special Education - Instruction					
	3,219,691	44,965	3,264,656	3,252,008	12,648
Basic Skills/Remedial - Instruction					
Salaries of Teachers	248,475	7,473	255,948	255,948	
Other Purchased Services	150		150	28	122
General Supplies	2,964	106	3,070	2,951	119
Total Basic Skills/Remedial - Instruction	251,589	7,579	259,168	258,927	241
Bilingual Education - Instruction					
Salaries of Teachers	429,045	(5,250)	423,795	423,590	205
Other Purchased Services	500	332	832	831	1
General Supplies	7,319	(209)	7,110	5,715	1,395
Total Bilingual Education - Instruction	436,864	(5,127)	431,737	430,136	1,601
School Sponsored Co-Curricular Activities - Instruction					
Salaries	138,128	18,046	156,174	154,967	1,207
Purchased Services	1,000	1,500	2,500	2,495	5
Supplies and Materials	3,000	(813)	2,187	2,187	-
Total School Sponsored Co-Curricular Activities - Instruction	142,128	18,733	160,861	159,649	1,212
School Sponsored Athletics - Instruction					
Salaries	562,523	(16,814)	545,709	527,015	18,694
Purchased Services	116,612	14,150	130,762	112,247	18,515
Supplies and Materials	78,000	6,767	84,767	69,825	14,942
Other Objects	9,400	716	10,116	9,892	224
Total School Sponsored Athletics - Instruction	766,535	4,819	771,354	718,979	52,375
Other Instructional Programs - Instruction					
Supplies and Materials	1,000	(1,000)	-	-	-
Total Other Instructional Programs - Instruction	1,000	(1,000)	-	-	-
Total Instruction	13,068,676	455,678	13,524,354	13,437,238	87,116

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction (Tuition)					
Tuition to Other LEAs w/i State -Regular	\$ 16,000	\$ (15,241)	\$ 759	\$ 759	
Tuition to Other LEAs w/i State - Special	265,853	126,091	391,944	296,607	\$ 95,337
Tuition to County Voc. School Dist.-Regular	276,454	(46,492)	229,962	229,962	
Tuition to County Voc. School Dist.- Special	26,524	(19,893)	6,631	6,631	
Tuition to CSSD and Regional Day Schools	70,344	67,044	137,388	75,696	61,692
Tuition to Priv. Sch. Disabled Within State	1,518,867	(297,882)	1,220,985	1,200,241	20,744
Tuition- State Facilities	4,500	-	4,500	4,500	-
Total Undistributed Expenditures - Instruction (Tuition)	2,178,542	(186,373)	1,992,169	1,814,396	177,773
Attendance and Social Work					
Salaries	21,345	299	21,644	21,644	
Purchased Professional and Technical Services	8,339	40	8,379	8,379	
Supplies and Materials	300	(500)	-	-	-
Total Attendance and Social Work	30,184	(161)	30,023	30,023	-
Health Services					
Salaries	272,528	(68)	272,460	272,460	
Purchased Professional and Technical Services	23,360	(358)	23,002	23,002	
Other Purchased Services	1,721	(1,419)	302	302	
Supplies and Materials	11,379	20,699	32,078	32,078	-
Total Health Services	308,988	18,854	327,842	327,842	-
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	522,744	6,760	529,504	529,419	85
Purchased Professional/Educational Services	454,818	26,533	481,351	465,331	16,020
Supplies and Materials	4,000	-	4,000	1,504	2,496
Total Other Supp.Serv. Student- Speech, OT, PT, & Related Serv.	981,562	33,293	1,014,855	996,254	18,601
Other Support Services - Students - Extra Serv.					
Salaries	518,308	(80,477)	437,831	405,163	32,668
Purchased Professional/Educational Services	500,189	11,491	511,680	436,097	75,583
Total Other Supp.Serv. Student - Extra Serv.	1,018,497	(68,986)	949,511	841,260	108,251
Guidance					
Salaries of Other Professional Staff	706,695	(23,635)	683,060	682,805	255
Salaries of Secretarial & Clerical Assistants	59,715	250	59,965	59,965	
Other Salaries	-	8,302	8,302	8,302	
Purchased Professional/Educational Services	8,539	6,427	14,966	14,966	
Other Purchased Professional and Technical Svs.	10,650	(2,907)	7,743	3,092	4,651
Other Purchased Services	4,872	1,279	6,151	6,151	
Travel - All Other	-	2,210	2,210	445	1,765
Supplies and Materials	14,764	(3,125)	11,639	11,639	
Other Objects	1,014	(490)	524	517	7
Total Guidance	806,249	(11,689)	794,560	787,882	6,678
Child Study Teams					
Salaries of Other Professional Staff	846,237	(3,105)	843,132	843,132	
Salaries of Secretarial & Clerical Assistants	57,071	858	57,929	57,929	
Other Salaries	10,350	9,036	19,386	19,386	
Unused Vacation Payment to Terminated/Retired Staff	-	6,008	6,008	6,008	
Purchased Professional-Educational Services	14,750	2,088	16,838	16,838	
Other Purchased Professional and Technical Services	12,551	(6,375)	6,176	6,176	
Other Purchased Services	8,280	6,978	15,258	15,258	
Supplies and Materials	27,000	(2,872)	24,128	16,725	7,403
Other Objects	1,288	377	1,665	1,665	-
Total Child Study Teams	977,527	12,993	990,520	983,117	7,403
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	640,656	(15,897)	624,759	624,759	
Salaries Other Prof Staff	6,400	(2,392)	4,008	688	3,320
Salaries of Secretarial & Clerical Assistants	63,345	(1,238)	62,107	61,650	457
Salaries of Facilitators, Math and Literacy Coaches	5,000	-	5,000	2,500	2,500
Unused Vacation Payment to Terminated/Retired Staff	-	17,135	17,135	17,135	
Purchased Professional/Educational Services	10,398	432	10,830	10,830	
Other Purchased Professional and Technical Services	12,209	211	12,420	12,420	
Supplies and Materials	7,350	(210)	7,140	6,706	434
Other Objects	1,475	1,960	3,435	3,435	-
Total Improvement of Instruction Services	746,833	1	746,834	740,123	6,711

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Educational Media/School Library					
Salaries	\$ 238,096	\$ 3,791	\$ 241,887	\$ 241,887	
Salaries of Technology Coordinators	123,160		123,160	123,160	
Purchased Professional and Technical Services	3,797	342	4,139	3,937	\$ 202
Other Purchased Services	100	(100)			
Travel - All Other	-	491	491	491	
Supplies and Materials	16,001	2,649	18,650	14,773	3,877
Other Objects	80	-	80	65	15
Total Educational Media/School Library	381,234	7,173	388,407	384,313	4,094
Instructional Staff Training Services					
Other Salaries		4,000	4,000	2,493	1,507
Purchased Professional Educational Services	35,150	(8,303)	26,847	14,400	12,447
Other Purchased Services	10,125	(10,125)			
Travel - All Other		8,310	8,310	4,833	3,477
Other Objects	1,071	-	1,071	300	771
Total Instructional Staff Training Services	46,346	(6,118)	40,228	22,026	18,202
Support Services General Administration					
Salaries	308,639	(41,320)	267,319	267,319	
Unused Vac Payment to Term / Ret Staff		5,269	5,269	5,269	
Legal Services	125,000	19,825	144,825	144,825	
Audit Fees	35,000	(2,089)	32,911	32,911	
Architectural/Engineering Services	10,000	13,000	23,000	22,868	132
Other Purchased Professional Services	2,100	12,618	14,718	14,718	
Purchased Technical Services	17,305	(256)	17,049	17,017	32
Communications/Telephone	106,869	(9,159)	97,710	93,050	4,660
BOE Other Purchased Services	3,280	696	3,976	3,976	
Miscellaneous Purchased Services	20,500	5,274	25,774	24,987	787
General Supplies	7,729	1,410	9,139	8,473	666
Judgements Against the School District	2,500	2,500	5,000	1,782	3,218
Miscellaneous Expenditures	3,037	3,926	6,963	6,963	
BOE Membership Dues and Fees	10,400	(8)	10,392	10,392	-
Total Support Services General Administration	652,359	11,686	664,045	654,550	9,495
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	498,359	(22,553)	475,806	475,806	
Salaries of Other Professional Staff	117,630		117,630	117,630	
Salaries of Secretarial and Clerical Assistants	262,796	(3,458)	259,338	258,912	426
Unused Vac Payment to Term / Ret Staff		10,483	10,483	10,483	
Other Purchased Services	19,500	11,971	31,471	18,667	12,804
Supplies and Materials	33,976	8,996	42,972	37,055	5,917
Other Objects	9,727	100	9,827	7,250	2,577
Total Support Services School Administration	941,988	5,539	947,527	925,803	21,724
Undistributed Expenditures - Central Services					
Salaries	361,421	1,243	362,664	362,159	505
Purchased Professional Services	16,533	8,730	25,263	24,232	1,031
Purchased Professional Services - Public Relation Costs	5,000	(4,235)	765	607	158
Purchased Technical Services	12,717	335	13,052	13,052	
Misc. Purchased Services	3,300	35	3,335	2,266	1,069
Supplies and Materials	5,000	(2,220)	2,780	2,780	
Interest on Lease Purchase Agreements	13,280	(13,280)			
Miscellaneous Expenditures	1,818	121	1,939	1,939	-
Total Undistributed Expenditures - Central Services	419,069	(9,271)	409,798	407,035	2,763
Undistributed Expenditures - Admin. Info. Tech.					
Purchased Technical Services	42,219	11,013	53,232	49,648	3,584
Other Purchased Services		5,901	5,901	5,901	
Supplies and Materials	6,000	(5,013)	987	549	438
Other Objects	125	-	125	-	125
Total Undistributed Expenditures - Admin. Info. Tech.	48,344	11,901	60,245	56,098	4,147
Required Maintenance for School Facilities					
Salaries	252,436	(20,450)	231,986	229,540	2,446
Cleaning, Repair and Maintenance Services	118,000	(32,978)	85,022	64,046	20,976
General Supplies	16,000	(1,113)	14,887	11,631	3,256
Other Objects	500	(43)	457	375	82
Total Required Maintenance for School Facilities	386,936	(54,584)	332,352	305,592	26,760

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

EXPENDITURES (Continued)	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Custodial Services					
Salaries	\$ 579,626	\$ (33,287)	\$ 546,339	\$ 546,339	
Salaries of Non-Instructional Aides	114,916	12,170	127,086	126,423	\$ 663
Unused Vac Payment to Term / Ret Staff	2,400	(1,626)	774	774	
Purchased Professional and Technical Services	1,454	100	1,554	1,554	
Cleaning, Repair and Maintenance Services	44,600	4,745	49,345	49,345	
Other Purchased Property Services	22,800	9,113	31,913	31,913	
Insurance	302,984	(26,396)	276,588	276,588	
General Supplies	60,000	(4,938)	55,062	52,841	2,221
Energy (Natural Gas)	176,000	(5,058)	170,942	160,834	10,108
Energy (Electricity)	177,500	49,862	227,362	224,021	3,341
Energy (Oil)	2,500	(25)	2,475	2,109	366
Total Custodial Services	1,484,780	4,660	1,489,440	1,472,741	16,699
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	15,000	(11,682)	3,318	2,150	1,168
Cleaning, Repair and Maintenance Services	5,000	6,239	11,239	10,039	1,200
General Supplies	4,000	(116)	3,884	2,142	1,742
Total Care and Upkeep of Grounds	24,000	(5,559)	18,441	14,331	4,110
Security					
Purchased Professional and Technical Services	1,650	(150)	1,500	1,500	
Cleaning, Repair and Maintenance Services	1,000	12,576	13,576	5,400	8,176
General Supplies	2,000	7,319	9,319	8,541	778
Total Security	4,650	19,745	24,395	15,441	8,954
Student Transportation Services					
Salaries of Non-Instructional Aides	41,174	(5,903)	35,271	33,977	1,294
Salaries for Pupil Transportation (Between Home and School) - Regular Ed.	20,247	(20,247)			
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	69,722	(7,741)	61,981	61,981	
Salaries for Pupil Transportation (Other Than Between Home and School)	54,677	21,204	75,881	75,070	811
Cleaning, Repair and Maintenance Services	10,000	48,496	58,496	58,421	75
Contracted Services - Aid in Lieu Payments - Charter School	1,000	(1,000)			
Contracted Services - Aid in Lieu Payments - Choice School	1,000	22	1,022	1,022	
Contracted Services (Between Home and School) - Vendors	226,000	33,375	259,375	259,375	
Contracted Services (Other Than Between Home and School) - Vendors	68,000	(19,080)	48,920	42,515	6,405
Contracted Services (Special Ed Students) - Vendors	519,811	140,604	660,415	623,751	36,664
Transportation Supplies	15,000	4,482	19,482	19,482	
Other Objects	1,200	75	1,275	1,275	
Total Student Transportation Services	1,027,831	194,287	1,222,118	1,176,869	45,249
Allocated Benefits					
Special Education - Instruction					
Learning and/or Language Disabilities - Mild/Moderate					
Social Security Contributions		18,622	18,622	18,622	
Pension Contributions		6,525	6,525	6,525	
Health Benefits	-	141,025	141,025	141,025	-
Total Allocated Benefits - Learning and/or Language Disabilities - Mild/Moderate	-	166,172	166,172	166,172	-
Multiple Disabilities					
Social Security Contributions		7,774	7,774	7,774	
Pension Contributions		25,593	25,593	25,593	
Health Benefits	-	69,714	69,714	69,213	501
Total Allocated Benefits - Multiple Disabilities	-	103,081	103,081	102,580	501
Resource Room/Resource Center					
Social Security Contributions		52,645	52,645	52,645	
Pension Contributions		91,885	91,885	91,885	
Health Benefits	-	582,874	582,874	579,403	3,471
Total Allocated Benefits - Resource Room/Resource Center	-	727,404	727,404	723,933	3,471
Preschool Disabilities - Full Time					
Social Security Contributions		7,226	7,226	7,226	
Pension Contributions		12,869	12,869	12,869	
Health Benefits	-	48,423	48,423	47,348	1,075
Total Allocated Benefits - Preschool Disabilities - Full Time	-	68,518	68,518	67,443	1,075

TOWN OF BOGNTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Home Instruction					
Social Security Contributions	-	\$ 551	\$ 551	\$ 551	-
Total Allocated Benefits - Home Instruction	-	551	551	551	-
Basic Skills/Remedial - Instruction					
Social Security Contributions	-	178	178	178	-
Total Allocated Benefits - Basic Skills/Remedial - Instruction	-	178	178	178	-
Bilingual Education - Instruction					
Social Security Contributions	-	731	731	724	\$ 7
Total Allocated Benefits - Bilingual Education - Instruction	-	731	731	724	7
Other Support Services - Students - Extra Serv.					
Social Security Contributions		33,569	33,569	33,569	
Pension Contributions		63,388	63,388	63,388	
Health Benefits	-	168,206	168,206	167,110	1,096
Total Allocated Benefits - Other Support Services - Students - Extra Serv.	-	265,163	265,163	264,067	1,096
Support Services - General Administration					
Tuition Reimbursement	\$ 5,500	(5,500)	-	-	-
Total Allocated Benefits - Support Services - General Administration	5,500	(5,500)	-	-	-
Support Services - School Administration					
Tuition Reimbursement	9,000	-	9,000	4,232	4,768
Total Allocated Benefits - Support Services - School Administration	9,000	-	9,000	4,232	4,768
Support Services - Administration Information Technology					
Tuition Reimbursement	-	-	-	-	-
Total Allocated Benefits - Support Services - Administration Information Technology	-	-	-	-	-
Support Services - Student Transportation Services					
Social Security Contributions		14,000	14,000	14,000	
Pension Contributions		6,911	6,911	6,911	
Health Benefits	-	63,596	63,596	63,118	478
Total Allocated Benefits - Student Transportation Services	-	84,507	84,507	84,029	478
Total Allocated Benefits	14,500	1,410,805	1,425,305	1,413,909	11,396
Unallocated Benefits					
Group Insurance	6,000	722	6,722	5,266	1,456
Social Security Contributions	360,820	55,229	416,049	416,049	
Other Retirement Contributions - PERS	564,378	(247,582)	316,796	316,796	
Other Retirement Contributions - Regular	12,800		12,800	12,267	533
Workmen's Compensation	105,525	10,292	115,817	115,817	
Health Benefits	4,114,705	(1,359,089)	2,755,616	2,754,664	952
Tuition Reimbursement	55,000	(1,192)	53,808	51,517	2,291
Other Employee Benefits	249,899	15,422	265,321	264,441	880
Unused Sick Payment to Terminated/Retired Staff	10,440	63,173	73,613	73,613	-
Total Unallocated Benefits	5,479,567	(1,463,025)	4,016,542	4,010,430	6,112

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
On-Behalf (Non-Budget)					
TPAF Pension System Contribution (On-Behalf - Non-Budgeted)				\$ 4,946,690	\$ (4,946,690)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				68,630	(68,630)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,317,513	(1,317,513)
TPAF Long-Term Disability Contributions (Non-Budgeted)				1,948	(1,948)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,086,961	(1,086,961)
Total On-Behalf	-	-	-	7,421,742	(7,421,742)
Total Undistributed Expenditures	\$ 17,959,986	\$ (74,829)	\$ 17,885,157	24,801,777	(6,916,620)
Total Current Expenditures	31,028,662	380,849	31,409,511	38,239,015	(6,829,504)
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Grades 1-5	10,500	565	11,065	10,971	94
Grades 9-12	8,000	8,895	16,895	16,895	
Learning and/or Language Disabilities - Mild/Moderate		2,261	2,261	2,261	
Undistributed Expenditures - Transportation	-	2,540	2,540	231	2,309
Total Equipment	18,500	14,261	32,761	30,358	2,403
Facilities Acquisition and Construction Services					
Construction Services	27,400	33,230	60,630	11,000	49,630
Lease Purchase Agreements- Principal	317,500	(249,606)	67,894	67,894	
Lease Purchase Agreements- Interest		977	977	977	
Assessment for Debt Service on SDA Funding	5,733	-	5,733	5,733	-
Total Facilities Acquisition and Construction Services	350,633	(215,399)	135,234	85,604	49,630
Interest Deposit to Capital Reserve	1	-	1	-	1
Total Capital Outlay	369,134	(201,138)	167,996	115,962	52,034
Transfer of Funds to Charter School	167,642	(115,049)	52,593	52,592	1
Total General Fund	31,565,438	64,662	31,630,100	38,407,569	(6,777,469)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(563,063)	(64,662)	(627,725)	677,141	1,304,866
Other Financing Sources (Uses)					
Local Contribution - Preschool - Transfer to Special Revenue Fund	(283,420)	(88,612)	(372,032)	(372,032)	-
Total Other Financing Sources	(283,420)	(88,612)	(372,032)	(372,032)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(846,483)	(153,274)	(999,757)	305,109	1,304,866
Fund Balance, Beginning of Year	2,711,304	-	2,711,304	2,711,304	-
Fund Balance, End of Year	\$ 1,864,821	\$ (153,274)	1,711,547	3,016,413	\$ 1,304,866
Reconciliation of Governmental Funds Statements (GAAP)					
Restricted					
Capital Reserve				\$ 208,696	
Unemployment Compensation				34,719	
Excess Surplus				300,000	
Committed					
Year End Encumbrances				22,230	
Assigned					
Designated for Subsequent Year's Expenditures				1,233,606	
Year End Encumbrances				61,415	
Unassigned				1,155,747	
Fund Balance- Budgetary Basis				3,016,413	
Less: State Aid Revenue not recognized on GAAP basis				(1,136,530)	
Fund Balance per Governmental Funds Statements (GAAP)				\$ 1,879,883	

**TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original <u>Budget</u>	<u>Adjustments</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
REVENUES					
Intergovernmental					
Local	\$ 20,400	\$ 133,738	\$ 154,138	\$ 191,020	\$ 36,882
State	1,964,527	156,229	2,120,756	2,054,088	(66,668)
Federal	2,163,161	305,628	2,468,789	1,857,543	(611,246)
Total Revenues	<u>4,148,088</u>	<u>595,595</u>	<u>4,743,683</u>	<u>4,102,651</u>	<u>(641,032)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	1,304,019	(132,976)	1,171,043	1,028,700	142,343
Other Salaries for Instruction	420,517	222,191	642,708	642,497	211
Purchased Professional/Technical Services	77,562	42,082	119,644	111,044	8,600
Tuition	360,000	40,207	400,207	400,207	
General Supplies	114,418	183,339	297,757	260,877	36,880
Textbooks	9,243	4,089	13,332	13,332	
Student Activities	11,400	127,161	138,561	138,561	-
Total Instruction	<u>2,297,159</u>	<u>486,093</u>	<u>2,783,252</u>	<u>2,595,218</u>	<u>188,034</u>
Support Services					
Salaries of Supervisors of Instruction	24,375	(26)	24,349	24,349	
Salaries of Program Directors	83,585	(8,410)	75,175	75,175	
Salary of Other Professional Staff	293,578	37,199	330,777	192,666	138,111
Salaries of Secretarial and Clerical Assistants	37,998	538	38,536	38,536	
Other Salaries	42,597	(9,784)	32,813	32,813	
Salaries of Community Parent Involvement Spec.	4,000	1,500	5,500	5,500	
Salaries of Master Teachers	95,725		95,725	95,725	
Personal Services - Employee Benefits	1,176,964	(129,981)	1,046,983	876,012	170,971
Purchased Professional and Technical Services	72,651	45,211	117,862	63,464	54,398
Cleaning, Repair and Maintenance Services	100,040	90,084	190,124	134,547	55,577
Other Purchased Services	48,150	121,772	169,922	169,622	300
Contract Services-Transportation (Field Trips)	4,500	(4,500)			
Travel	3,275	83,938	87,213	70,354	16,859
Supplies and Materials	135,911	(48,038)	87,873	68,568	19,305
Other Objects	2,000	12,709	14,709	14,709	
Scholarship Awards	9,000	5,902	14,902	14,902	-
Total Support Services	<u>2,134,349</u>	<u>198,114</u>	<u>2,332,463</u>	<u>1,862,233</u>	<u>470,230</u>
Total Expenditures	<u>4,431,508</u>	<u>684,207</u>	<u>5,115,715</u>	<u>4,457,451</u>	<u>658,264</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(283,420)</u>	<u>(88,612)</u>	<u>(372,032)</u>	<u>(354,800)</u>	<u>17,232</u>
Other Financing Sources					
Operating Transfers In	283,420	88,612	372,032	372,032	-
Total Other Financing Sources	<u>283,420</u>	<u>88,612</u>	<u>372,032</u>	<u>372,032</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	17,232	17,232
Fund Balances, Beginning of Year	375,258	-	375,258	375,258	-
Fund Balances, End of Year	<u>\$ 375,258</u>	<u>\$ -</u>	<u>\$ 375,258</u>	<u>\$ 392,490</u>	<u>\$ 17,232</u>
Reconciliation of Governmental Funds Statements (GAAP)					
Restricted					
Student Activities				\$ 143,144	
Scholarships				249,346	
Fund Balance- Budgetary Basis				392,490	
Less: State Aid Revenue not recognized on GAAP basis				(123,237)	
Fund Balance per Governmental Funds Statements (GAAP)				<u>\$ 269,253</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 39,084,710	\$ 4,102,651
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Encumbrances, June 30, 2023		(252,911)
Encumbrances, June 30, 2022		56,897
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	933,519	101,370
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(1,136,530)</u>	<u>(123,237)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 38,881,699</u>	<u>\$ 3,884,770</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 38,407,569	\$ 4,457,451
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2023		(252,911)
Encumbrances, June 30, 2022	<u>-</u>	<u>56,897</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 38,407,569</u>	<u>\$ 4,261,437</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04763%	0.04428%	0.04101%	0.03952%	0.03841%	0.03969%	0.03748%	0.03452%	0.03209%	0.03605%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,189,241	\$ 5,246,366	\$ 6,688,408	\$ 7,121,123	\$ 7,564,016	\$ 9,240,543	\$ 11,101,169	\$ 7,751,074	\$ 6,008,550	\$ 6,890,699
District's Covered Payroll	\$ 3,415,782	\$ 3,336,193	\$ 3,142,626	\$ 2,841,045	\$ 2,667,647	\$ 2,692,375	\$ 2,635,509	\$ 2,413,304	\$ 2,272,309	\$ 2,093,434
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	210%	157%	213%	251%	284%	343%	421%	321%	264%	329%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.59%	48.10%	40.14%	47.92%	52.08%	48.72%

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

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

Public Employees Retirement System

**Last Ten Fiscal Years
(Dollar amounts in thousands)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 600,739	\$ 518,643	\$ 448,680	\$ 384,425	\$ 382,120	\$ 367,739	\$ 332,987	\$ 296,857	\$ 271,476	\$ 234,285
Contributions in Relation to the Contractually Required Contribution	<u>600,739</u>	<u>518,643</u>	<u>448,680</u>	<u>384,425</u>	<u>382,120</u>	<u>367,739</u>	<u>332,987</u>	<u>296,857</u>	<u>271,476</u>	<u>234,285</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,703,670	\$ 3,415,782	\$ 3,336,193	\$ 3,142,626	\$ 2,841,045	\$ 2,667,647	\$ 2,692,375	\$ 2,635,509	\$ 2,413,304	\$ 2,272,309
Contributions as a Percentage of Covered Payroll	16.22%	15.18%	13.45%	12.23%	13.45%	13.79%	12.63%	9.04%	11.95%	11.1%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>61,196,032</u>	<u>56,222,755</u>	<u>75,141,142</u>	<u>69,813,017</u>	<u>71,224,092</u>	<u>73,100,319</u>	<u>82,265,151</u>	<u>63,946,677</u>	<u>57,675,711</u>	<u>55,602,809</u>
Total	<u>\$ 61,196,032</u>	<u>\$ 56,222,755</u>	<u>\$ 75,141,142</u>	<u>\$ 69,813,017</u>	<u>\$ 71,224,092</u>	<u>\$ 73,100,319</u>	<u>\$ 82,265,151</u>	<u>\$ 63,946,677</u>	<u>\$ 57,675,711</u>	<u>\$ 55,602,809</u>
District's Covered Payroll	\$ 14,326,851	\$ 13,919,341	\$ 13,192,027	\$ 12,456,853	\$ 11,937,455	\$ 11,714,471	\$ 11,137,027	\$ 10,483,171	\$ 10,382,424	\$ 10,159,432
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.74%	33.64%	33.76%

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

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Six Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 3,261,593	\$ 3,615,305	\$ 1,981,020	\$ 1,823,408	\$ 2,003,820	\$ 2,433,262
Interest on Total OPEB Liability	1,388,838	1,631,510	1,542,820	1,818,605	1,865,216	1,599,938
Changes of Benefit Terms		(66,942)				
Differences Between Expected and Actual Experience	253,513	(10,422,634)	11,622,031	(6,126,055)	(2,315,657)	
Changes of Assumptions	(14,058,592)	62,049	12,661,864	636,356	(5,255,618)	(6,695,977)
Gross Benefit Payments	(1,375,685)	(1,285,173)	(1,206,755)	(1,310,137)	(1,224,638)	(1,141,786)
Contribution from the Member	44,133	41,710	36,577	38,836	42,325	42,043
Net Change in Total OPEB Liability	(10,486,200)	(6,424,175)	26,637,557	(3,118,987)	(4,884,552)	(3,762,520)
Total OPEB Liability - Beginning	62,892,992	69,317,167	42,679,610	45,798,597	50,683,149	54,445,669
Total OPEB Liability - Ending	\$ 52,406,792	\$ 62,892,992	\$ 69,317,167	\$ 42,679,610	\$ 45,798,597	\$ 50,683,149
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	52,406,792	62,892,992	69,317,167	42,679,610	45,798,597	50,683,149
Total OPEB Liability - Ending	\$ 52,406,792	\$ 62,892,992	\$ 69,317,167	\$ 42,679,610	\$ 45,798,597	\$ 50,683,149
District's Covered Payroll	\$ 17,742,633	\$ 172,555,434	\$ 16,334,653	\$ 15,297,898	\$ 14,605,102	\$ 14,406,846
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Ever Student Succeeds Act (ESSA)										IDEA	Sub-Total ESSA	Sub-Total ESSA	Total	
	Title I	Title I, SEA	Title I, EA	Title III	Title III	Title III	Title IV	Part B, Basis	Preschool	Local Grant					
REVENUES															
Intergovernmental															
State	\$ 231,737	\$ 20,000	\$ 25,354	\$ 18,960	\$ 10,897	\$ 16,225	\$ 16,225	\$ 429,830	\$ 10,122	\$ 20,325	\$ 2,017,672	\$ 36,416	\$ 2,054,088	\$ 1,857,543	\$ 191,020
Federal															
Local Sources															
Total Revenues	231,737	20,000	25,354	18,960	10,897	16,225	429,830	10,122	20,325	2,017,672	36,416	2,054,088	1,857,543	191,020	
EXPENDITURES															
Support Services															
Salaries of Supervisors of Instruction															
Salaries of Program Directors															
Salaries of Other Professional Staff															
Salaries of Secretarial and Clerical Assistants															
Salaries of Community Parent Involvement Spec.															
Salaries of Family Liaison															
Salaries of Master Teachers															
Personal Services Employee-Benefits															
Purchased Professional and Technical Services															
Purchased Properties															
Cleaning, Repair and Maintenance Services															
Other Purchased Services															
Contract Services-Transportation (Field Trips)															
Travel															
Supplies and Materials															
Travel Object															
Scholarship Awards															
Total Support Services	106,723	132	3,516	680	8,224	16,225	12,730	7,233	1,704	1,465,425	561,791	2,952,218	74,349	74,349	
Total Facilities Acquisition and Construction Services															
Other Financing Sources															
Transfer from General Fund - Preschool															
Total Other Financing Sources															
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures	125,014	20,000	1,569	8,994	2,673	16,225	406,793	1,345	1,704	1,465,425	561,791	2,952,218	74,349	74,349	
Fund Balance, Beginning of Year (Restate)															
Fund Balance, End of Year															

TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic		Nonpublic Handicapped Services		New Jersey Nonpublic Aid		Preschool Education Aid	Total Page 2
	Aviation Services	Examination & Classification	Commutative Services	Supplemental Instruction	Navigation	Security		
REVENUES								
Intergovernmental	\$ 36,962	\$ 20,635	\$ 10,363	\$ 18,502	\$ 22,624	\$ 40,024	\$ 13,132	\$ 2,017,672
State	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	173,020
Total Revenues	36,962	20,635	10,363	18,502	22,624	40,024	13,132	2,190,692
EXPENDITURES								
Instruction								
Salaries of Teachers	36,962	20,635	10,363	18,502	22,624	40,024	13,132	698,072
Other Salaries for Instruction	-	-	-	-	-	-	-	416,469
Purchased Professional/Educational Services	-	-	-	-	-	-	-	1,938
General Supplies	-	-	-	-	-	-	-	44,980
Textbooks	-	-	-	-	-	-	-	13,332
Total Instruction	36,962	20,635	10,363	18,502	22,624	40,024	13,132	1,211,479
Support Services								
Salaries of Supervisors of Instruction	-	-	-	-	-	-	-	24,349
Salaries of Bus Drivers	-	-	-	-	-	-	-	75,175
Salaries of Other Professional Staff	-	-	-	-	-	-	-	95,381
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-	-	-	38,536
Other Salaries	-	-	-	-	-	-	-	32,813
Salaries of Community Parent Involvement Spec.	-	-	-	-	-	-	-	5,500
Salaries of Master Teachers	-	-	-	-	-	-	-	95,725
Personal Services Employee-Benefits	-	-	-	-	-	-	-	634,584
Cleaning, Repair and Maintenance Services	-	-	-	-	-	-	-	74,890
Supplies and Materials	-	-	-	-	-	-	-	20,346
Total Support Services	-	-	-	-	-	-	-	1,097,299
Total Expenditures	36,962	20,635	10,363	18,502	22,624	40,024	13,132	2,218,778
Other Financing Sources								
Transfer from General Fund - Preschool	-	-	-	-	-	-	-	372,032
Total Other Financing Sources	-	-	-	-	-	-	-	372,032
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balance, End of Year	-	-	-	-	-	-	-	-

TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ESSEER I		ESSEER II		ESSEER III		CRSSA - ESSEER II		Total Page 3			
	ARP IDEA Basis	ARP IDEA Prosschool	ARP Homeless II	ARP	Accelerated Learning Cash	Beyond the School Day	Mental Health Support Staff	ESSEER II		Learning Association	Mental Health	Student Activities
REVENUES												
Intergovernmental												
State	\$ 42,387	\$ 6,610	\$ 5,609	\$ 604,554	\$ 100,568	\$ 13,940	\$ 41,124	\$ 65,212	\$ 13,733	\$ 21,127	\$ 147,424	\$ 25,271
Federal												
Local Sources												
Total Revenues	42,387	6,610	5,609	604,554	100,568	13,940	41,124	65,212	13,733	21,127	147,424	25,271
EXPENDITURES												
Instruction												
Salaries of Teachers				12,522	69,332							
Other Salaries for Instruction				103,881				17,240				
General Supplies	4,515			81,355		12,006		21,086	4,289			
Student Activities											138,561	
Total Instruction	4,515			288,228	69,332	12,006		42,899	4,289		138,561	
Support Services												
Salaries of Other Professional Staff	3,239			46,987		1,792	37,626			7,641		
Salaries of Family Liaison												
Salaries of Master Teachers	267			56,821	31,236	142	3,498	1,298		621		
Personal Services Employee-Benefits										9,776		
Other Purchased Professional and Technical Services								19,843				
Purchased Property Services	8,212	6,610	5,609	3,398								
Cleaning, Repair and Maintenance Services				145,575								
Other Purchased Services				18,864					9,444	3,089		
Contract Services-Transportation (Field Trips)				4,381				5,745				
Supplies and Materials	12,000											
Scholarship Awards	14,034										14,902	
Total Support Services	37,872	6,610	5,609	316,326	31,236	1,934	41,124	26,886	9,444	21,127		14,902
Total Expenditures	42,387	6,610	5,609	604,554	100,568	13,940	41,124	65,212	13,733	21,127	138,561	14,902
Other Financing Sources												
Transfer From General Fund - Trooschool												
Total Other Financing Sources												
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures											8,863	17,232
Fund Balance, Beginning of Year											134,281	249,977
Fund Balance, End of Year											143,144	269,346

**TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXPENDITURES	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
Instruction					
Salaries of Teachers	\$ 658,720	\$ (648)	\$ 658,072	\$ 658,072	
Other Salaries for Instruction	418,916	(2,447)	416,469	416,469	
Purchased Professional-Educational Services	2,000	(42)	1,958	1,958	
General Supplies	26,000	18,980	44,980	44,980	-
Total Instruction	1,105,636	15,843	1,121,479	1,121,479	-
Support Services					
Salaries of Supervisors of Instruction		24,349	24,349	24,349	
Salaries of Program Directors	107,960	(32,785)	75,175	75,175	
Salaries of Other Professional Staff	94,484	897	95,381	95,381	
Salaries of Secretarial and Clerical Assistants	37,998	538	38,536	38,536	
Other Salaries	42,597	(9,784)	32,813	32,813	
Salaries of Community Parent Involvement Spec.	4,800	700	5,500	5,500	
Salaries of Master Teachers	95,725		95,725	95,725	
Personal Services - Employee Benefits	530,500	104,884	635,384	634,584	\$ 800
Cleaning, Repair and Maintenance Services	99,240	31,324	130,564	74,890	55,674
Contract Services-Transportation (Field Trips)	4,500	(4,500)			
Travel	3,275	(3,275)			
Supplies and Materials	2,000	18,554	20,554	20,346	208
Total Support Services	1,023,079	130,902	1,153,981	1,097,299	56,682
Total Expenditures	\$ 2,128,715	\$ 146,745	\$ 2,275,460	\$ 2,218,778	\$ 56,682

Calculation of Budget Carryover

Total 2022-2023 Preschool Education Aid Allocation	\$ 1,842,230
Add:	
Actual PEA Carryover (June 30, 2022)	65,502
Budgeted Transfer from the General Fund 2022-2023	372,032
Total Preschool Education Aid Funds Available for 2022-2023 Budget	2,279,764
Less: 2022-2023 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	2,275,460
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2023	4,304
Add: June 30, 2023 Unexpended Preschool Education Aid	56,682
2022-2023 Carryover - Preschool Education Aid Programs	\$ 60,986
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-24	\$ 62,437

CAPITAL PROJECTS FUND

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Interest on Lease</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2023</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Lease - Buses and Technology Equipment	\$ 340,000	\$ 210	\$ 339,869	\$ 20	\$ 321
BHS Roof	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>344,468</u>	<u>55,532</u>
	<u>\$ 740,000</u>	<u>\$ 210</u>	<u>\$ 339,869</u>	<u>\$ 344,488</u>	<u>\$ 55,853</u>
Recapitulation:					
					\$ 55,853
					Unexpended Balance, June 30, 2023
Less:					
					(325)
					Debt Authorized but not Issued
					<u>\$ 55,528</u>
					Fund Balance, June 30, 2023 (GAAP Basis)

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Expenditures and Other Financing Uses

Expenditures		
Capital Outlay		\$ <u>344,488</u>
Total Expenditures and Other Financing Uses		<u>344,488</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		(344,488)
Fund Balance - Beginning of Year		<u>400,016</u>
Fund Balance - End of Year		<u><u>\$ 55,528</u></u>
 <u>Recapitulation of Fund Balance</u> 		
	Restricted for Capital Projects	<u><u>\$ 55,528</u></u>

**TOWN OF BOONTON SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
 VARIOUS IMPROVEMENTS
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 23,581,000	-	\$ 23,581,000	\$ 23,581,325
Total Revenues and Other Financing Sources	<u>23,581,000</u>	<u>-</u>	<u>23,581,000</u>	<u>23,581,325</u>
Expenditures and Other Financing Uses				
Legal Services	28,206		28,206	28,206
Purchased Professional and Technical Services	3,171,969		3,171,969	3,171,969
Other Purchased Services	1,294,768		1,294,768	1,294,768
Operation and Maintenance of Plant Services	5,760		5,760	5,740
Construction Services	<u>19,080,622</u>	<u>-</u>	<u>19,080,622</u>	<u>19,080,642</u>
Total Expenditures and Other Financing Uses	<u>23,581,325</u>	<u>-</u>	<u>23,581,325</u>	<u>23,581,325</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (325)</u>	<u>\$ -</u>	<u>\$ (325)</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers:				
High School	#0450-020-07-1000			
John Hill Elementary	#0450-030-07-1000			
Grant Date	3/29/2007			
Bond Authorization Date	2007			
Bonds Authorized	\$ 23,581,000			
Bonds Issued	23,581,000			
Original Authorization Cost	23,581,325			
Additional Authorization Cost	<u>-</u>			
Revised Authorized Cost	<u>23,581,325</u>			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	100%			
Original Target Completion Date	9/1/2009			
Revised Target Completion Date	9/1/2013			

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUSES AND TECHNOLOGY
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Purchase Proceeds	\$ 340,000		\$ 340,000	\$ 340,000
Interest on Lease Purchase	<u>210</u>	<u>-</u>	<u>210</u>	<u>210</u>
Total Revenues and Other Financing Sources	<u>340,210</u>	<u>-</u>	<u>340,210</u>	<u>340,210</u>
Expenditures and Other Financing Uses				
Regular Instruction	96,385		96,385	96,385
General Administration	4,250	\$ 20	4,270	4,270
Operations and Maintenance of Plant Services	7,426		7,426	7,426
Capital Outlay	<u>231,808</u>	<u>-</u>	<u>231,808</u>	<u>232,129</u>
Total Expenditures and Other Financing Uses	<u>339,869</u>	<u>20</u>	<u>339,889</u>	<u>340,210</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 341</u>	<u>\$ (20)</u>	<u>\$ 321</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers:	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	200,000			
Additional Authorization Cost	<u>-</u>			
Revised Authorized Cost	<u>200,000</u>			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	100%			
Original Target Completion Date	12/2020			
Revised Target Completion Date	12/2020			

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BHS ROOF
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 400,000	\$ -	\$ 400,000	\$ 400,000
Total Revenues and Other Financing Sources	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>
Expenditures and Other Financing Uses				
Capital Outlay	<u>-</u>	<u>344,468</u>	<u>344,468</u>	<u>400,000</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>344,468</u>	<u>344,468</u>	<u>400,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 400,000</u>	<u>\$ (344,468)</u>	<u>\$ 55,532</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers:	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	400,000			
Additional Authorization Cost	<u>-</u>			
Revised Authorized Cost	<u>400,000</u>			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	86%			
Original Target Completion Date	2022/23			
Revised Target Completion Date	2022/23			

PROPRIETARY FUNDS

EXHIBIT G-1

**TOWN OF BOONTON SCHOOL DISTRICT
ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

THIS STATEMENT IS NOT APPLICABLE
INFORMATION IS PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

THIS STATEMENT IS NOT APPLICABLE
INFORMATION IS PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

THIS STATEMENT IS NOT APPLICABLE
INFORMATION IS PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS
(Not Applicable)

LONG-TERM DEBT

**TOWN OF BOONTON SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Redeemed</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>				
2014 Refunding Bonds	9/25/14	\$ 9,305,000	1/15/2024	\$ 945,000	5.00%	\$ 4,980,000	\$ 920,000	\$ 4,060,000
			1/15/2025	995,000	5.00%			
			1/15/2026	1,040,000	4.00%			
			1/15/2027	1,080,000	4.00%			
2015 Refunding Bonds	4/14/15	9,475,000	1/15/2028	1,210,000	3.00%	<u>9,330,000</u>	-	<u>9,330,000</u>
			1/15/2029	1,245,000	3.00%			
			1/15/2030	1,275,000	4.00%			
			1/15/2031	1,325,000	4.00%			
			1/15/2032	1,375,000	4.00%			
			1/15/2033	1,420,000	4.00%			
			1/15/2034	1,480,000	4.00%			
						<u>\$ 14,310,000</u>	<u>\$ 920,000</u>	<u>\$ 13,390,000</u>

**TOWN OF BOONTON SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL AND OTHER FINANCING AGREEMENTS**

	Original Amount Issued	Date	Balance, July 1, 2022	Issued	Paid	Balance, June 30, 2023
Lighting and Security Equipment	\$ 550,000	12/2017	\$ 57,206		\$ 57,206	
Copiers, Chromebooks and Textbooks	559,668	7/2018	118,844		118,844	
Aquos Boards and HVAC Improvements	425,000	11/2018	88,967		88,967	
Mobile Devices and Textbooks	200,000	6/2019	82,678		40,394	\$ 42,284
Buses and Technology	340,000	6/2020	<u>207,007</u>	<u>-</u>	<u>67,461</u>	<u>139,546</u>
			<u>\$ 554,702</u>	<u>\$ -</u>	<u>\$ 372,872</u>	<u>\$ 181,830</u>

**TOWN OF BOONTON SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 1,100,011		\$ 1,100,011	\$ 1,100,011	
State Sources					
Debt Service State Aid	<u>378,039</u>	<u>-</u>	<u>378,039</u>	<u>378,039</u>	<u>-</u>
Total Revenues	<u>1,478,050</u>	<u>-</u>	<u>1,478,050</u>	<u>1,478,050</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	920,000		920,000	920,000	
Interest and Other Charges	<u>558,050</u>	<u>-</u>	<u>558,050</u>	<u>558,050</u>	<u>-</u>
Total Expenditures	<u>1,478,050</u>	<u>-</u>	<u>1,478,050</u>	<u>1,478,050</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Town of Boonton School District's annual comprehensive 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

Exhibits

Financial Trends

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 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
		(Restated)								
Governmental Activities										
Net Investment in Capital Assets	\$ 4,821,733	\$ 3,251,092	\$ 4,280,074	\$ 4,885,119	\$ 5,148,477	\$ 4,995,033	\$ 6,340,229	\$ 7,156,254	\$ 8,034,758	\$ 8,670,969
Restricted	195,425	195,572	729	27,946	79,175	246,203	1,092,000	1,551,579	1,033,205	691,112
Unrestricted	(88,341)	(5,354,528)	(5,796,140)	(7,812,844)	(8,291,092)	(8,047,390)	(9,289,283)	(8,735,474)	(6,816,271)	(5,929,628)
Total Governmental Activities Net Position	<u>\$ 4,928,817</u>	<u>\$ (1,907,864)</u>	<u>\$ (1,515,337)</u>	<u>\$ (2,899,779)</u>	<u>\$ (3,063,440)</u>	<u>\$ (2,806,154)</u>	<u>\$ (1,857,054)</u>	<u>\$ (27,641)</u>	<u>\$ 2,251,692</u>	<u>\$ 3,432,453</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 50,931	\$ 42,604	\$ 34,277	\$ 21,873	\$ 111,266	\$ 109,814	\$ 97,164	\$ 117,060	\$ 113,660	\$ 126,391
Unrestricted	114,360	254,853	39,890	(1,742)	24,488	(21,234)	20,952	6,287	179,350	621,426
Total Business-Type Activities Net Position	<u>\$ 165,291</u>	<u>\$ 297,457</u>	<u>\$ 74,167</u>	<u>\$ 20,131</u>	<u>\$ 135,754</u>	<u>\$ 88,580</u>	<u>\$ 118,116</u>	<u>\$ 123,347</u>	<u>\$ 293,010</u>	<u>\$ 747,817</u>
District-Wide										
Net Investment in Capital Assets	\$ 4,872,664	\$ 3,293,696	\$ 4,314,351	\$ 4,906,992	\$ 5,259,743	\$ 5,104,847	\$ 6,437,393	\$ 7,273,314	\$ 8,148,418	\$ 8,797,360
Restricted	195,425	195,572	729	27,946	79,175	246,203	1,092,000	1,551,579	1,033,205	691,112
Unrestricted	26,019	(5,099,675)	(5,756,250)	(7,814,586)	(8,266,604)	(8,068,624)	(9,268,331)	(8,729,187)	(6,636,921)	(5,308,202)
Total District Net Position	<u>\$ 5,094,108</u>	<u>\$ (1,610,407)</u>	<u>\$ (1,441,170)</u>	<u>\$ (2,879,648)</u>	<u>\$ (2,927,686)</u>	<u>\$ (2,717,574)</u>	<u>\$ (1,738,938)</u>	<u>\$ 95,706</u>	<u>\$ 2,544,702</u>	<u>\$ 4,180,270</u>

Source: District Financial Statements

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

Table with columns for Fiscal Year Ended June 30 (2014-2023) and rows for Expenses (Governmental, Business-Type), Program Revenues (Governmental, Business-Type), Net (Expense)/Revenue, and General Revenues And Other Changes In Net Assets. Includes sub-rows for Instruction, Support Services, Tuition, etc.

Source: District Financial Statements

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 373,124	\$ 373,271	\$ 729	\$ 730	\$ 732	\$ 9,462	\$ 1,092,000	\$ 1,169,107	\$ 258,272	\$ 543,415
Committed						23,599		-	33,230	22,230
Assigned	109,559	157,260	238,887	116,911	418,662	612,914	247,410	39,538	916,527	1,295,021
Unassigned	314,144	238,161	276,503	(197,946)	(292,149)	(635,878)	(315,503)	449,628	569,756	19,217
Total General Fund	\$ 796,827	\$ 768,692	\$ 516,119	\$ (80,305)	\$ 127,245	\$ 10,097	\$ 1,023,907	\$ 1,658,273	\$ 1,777,785	\$ 1,879,883
All Other Governmental Funds										
Restricted	\$ 125,389	\$ 96,295	\$ 123,511	\$ (427,785)	\$ 143,658	\$ 284,436	\$ 379,081	\$ 409,408	\$ 775,274	\$ 448,018
Unassigned	-	-	-	-	-	(47,567)	(107,039)	(134,910)	(101,370)	(123,237)
Total All Other Governmental Funds	\$ 125,389	\$ 96,295	\$ 123,511	\$ (427,785)	\$ 143,658	\$ 236,869	\$ 272,042	\$ 274,498	\$ 673,904	\$ 324,781
Total Governmental Funds										
Restricted	\$ 498,513	\$ 469,566	\$ 124,240	\$ (427,055)	\$ 144,390	\$ 293,898	\$ 1,471,081	\$ 1,578,515	\$ 1,033,546	\$ 991,433
Assigned	109,559	157,260	238,887	116,911	418,662	612,914	247,410	39,538	916,527	1,295,021
Committed						23,599	-	-	33,230	22,230
Unassigned	314,144	238,161	276,503	(197,946)	(292,149)	(683,445)	(422,542)	314,718	468,386	(104,020)
Total Governmental Funds	\$ 922,216	\$ 864,987	\$ 639,630	\$ (508,090)	\$ 270,903	\$ 246,966	\$ 1,295,949	\$ 1,932,771	\$ 2,451,689	\$ 2,204,664

Source: District Financial Statements

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Tax Levy	\$ 17,907,270	\$ 18,198,343	\$ 18,464,772	\$ 18,888,892	\$ 19,515,729	\$ 20,271,148	\$ 20,843,332	\$ 21,239,140	\$ 21,637,152	\$ 22,046,490
Tuition Charges	6,686,058	6,454,946	6,136,381	6,118,081	6,933,030	5,145,557	5,720,412	6,181,636	6,640,115	6,154,398
Transportation								40,832	-	114,445
Interest Earnings	3,191	63	3,168	2,201	3,910	5,610	7,209	7,543	5,446	5,247
Miscellaneous	250,579	343,322	541,652	193,593	243,313	388,461	270,266	158,976	236,666	315,046
State Sources	3,614,930	3,896,230	4,502,206	4,855,080	5,590,402	7,315,763	8,796,427	10,892,400	12,899,674	13,856,465
Federal Sources	470,850	636,143	731,224	675,896	718,437	832,203	783,181	757,271	1,414,940	1,752,428
Total Revenue	28,932,878	29,529,049	30,379,403	30,733,743	33,004,821	33,958,742	36,420,827	39,277,798	42,833,993	44,244,519
Expenditures										
Instruction										
Regular Instruction	10,217,283	11,055,583	11,726,395	11,945,778	12,372,690	12,494,192	13,323,269	14,692,995	15,590,553	16,360,479
Special Education Instruction	5,719,166	5,890,594	5,481,312	5,811,445	5,562,691	5,017,365	5,638,048	6,008,640	7,184,446	8,150,898
Other Instruction	415,714	175,010	212,762	396,983	732,982	799,720	861,592	943,342	1,119,380	1,130,765
School Sponsored Co-Curricular Activ.	932,877	1,214,747	1,091,241	1,033,061	1,252,174	1,220,522	1,119,413	1,157,411	1,320,615	1,325,393
Support Services										
Student & Instruction Related Services	4,518,019	4,522,916	4,673,111	4,960,014	5,519,763	6,575,960	6,974,770	7,688,353	8,502,054	8,795,388
General Administration Services	656,882	647,455	690,160	614,649	601,318	792,834	742,052	783,623	737,989	759,954
School Administrative Services	942,284	969,786	1,070,429	1,194,220	1,188,012	1,281,096	1,333,725	1,425,056	1,438,950	1,401,276
Central Services	503,207	560,947	722,784	729,019	841,794	917,184	655,318	630,103	671,539	691,607
Plant Operations And Maintenance	2,214,221	2,074,370	2,180,225	2,303,878	2,127,589	2,201,836	2,046,585	2,131,744	2,266,889	2,276,897
Pupil Transportation	409,558	585,328	427,348	537,720	464,085	552,374	712,506	729,256	912,891	1,289,499
Unallocated Expenditures										
Capital Outlay	1,053,408	254,048	546,254	639,079	1,084,769	1,240,208	197,684	710,016	407,731	444,793
Debt Service:										
Principal	839,278	949,132	1,176,289	1,065,929	1,383,040	1,343,434	1,412,273	1,523,523	1,547,007	1,292,872
Interest And Other Charges	987,773	1,155,340	702,940	747,379	724,921	730,622	694,609	656,511	615,031	571,723
Total Expenditures	29,409,670	30,055,256	30,701,250	31,979,154	33,855,828	35,167,347	35,711,844	39,080,573	42,315,075	44,491,544
Excess (Deficiency) Of Revenues Over (Under) Expenditures										
	(476,792)	(526,207)	(321,847)	(1,245,411)	(851,007)	(1,208,605)	708,983	197,225	518,918	(247,025)
Other Financing Sources (Uses)										
Bond Proceeds										
Refunding Bond Proceeds		18,780,000								
Premium on Refunding Bonds Issued		1,696,069								
Payment to Refunded Bond Escrow Agent		(20,181,479)								
Capital Lease Proceeds	1,056,370	174,388	96,490	97,691	1,630,000	1,184,668	340,000	-	-	-
Transfers In	2	-	245,002	5	177	254,302	198,971	90,442	817,180	372,032
Transfers Out	(2)	-	(245,002)	(5)	(177)	(254,302)	(198,971)	(90,442)	(817,180)	(372,032)
Total Other Financing Sources (Uses)	1,056,370	468,978	96,490	97,691	1,630,000	1,184,668	340,000	-	-	-
Net Change In Fund Balances	\$ 579,578	\$ (57,229)	\$ (225,357)	\$ (1,147,720)	\$ 778,993	\$ (23,937)	\$ 1,048,983	\$ 197,225	\$ 518,918	\$ (247,025)
Debt Service As A Percentage Of Noncapital Expenditures										
	6.44%	7.06%	6.23%	5.79%	6.43%	6.11%	5.93%	5.68%	5.16%	4.23%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Statements

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

<u>Fiscal Year Ended June 30.</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Cancelled Prior Year Accounts Payable</u>	<u>E-Rate</u>	<u>Private Contribution</u>	<u>Transportation</u>	<u>Other</u>	<u>Total</u>
2014	\$ 3,189	\$ 6,686,058	\$ 141,724	\$ 64,113					\$ 40,448	\$ 6,935,532
2015	63	6,454,946	175,837	45,685					121,800	6,798,331
2016	3,166	6,136,381	225,382	24,259	\$ 142,648				149,363	6,681,199
2017	2,196	6,118,081	182,456						9,779	6,312,512
2018	3,733	6,933,030	155,468				\$ 54,827		23,723	7,170,781
2019	4,469	5,145,557	230,000			\$ 94,179			31,124	5,505,329
2020	6,753	5,720,412	160,000	74,065					23,271	5,984,501
2021	7,355	6,181,636		58,480				\$ 40,832	88,091	6,376,394
2022	5,463	6,154,398	53,952	84,028					35,119	6,332,960
2023	5,247	6,154,398	53,952	12,400				114,445	60,599	6,401,041

Source: District Financial Records

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

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
2014	\$ 7,185,500	\$ 852,895,600	\$ 252,500	\$ 2,200	\$ 160,407,600	\$ 63,558,500	\$ 19,213,200	\$ 1,103,515,100	\$ 100	\$ 1,103,515,200	\$ 1,097,543,322	\$ 1.625
2015	6,448,600	855,815,600	252,500	2,200	159,387,000	63,665,300	19,213,200	1,104,784,400	100	1,104,784,500	1,152,309,286	1.652
2016	6,347,700	856,010,200	252,500	2,200	159,532,600	63,665,300	20,512,200	1,106,322,700	100	1,106,322,800	1,129,427,791	1.685
2017	6,535,800	856,830,700	252,500	2,200	150,673,900	63,665,300	28,032,200	1,105,992,600	100	1,105,992,700	1,156,775,024	1.730
2018	6,535,800	857,360,700	252,500	2,000	151,249,100	63,594,600	19,532,200	1,098,526,900		1,098,526,900	1,160,624,884	1.840
2019	6,897,500	858,197,500	252,500	2,000	151,126,100	62,710,100	19,532,200	1,098,717,900		1,098,717,900	1,158,862,884	1.877
2020	6,920,800	859,969,900	252,500	2,000	151,491,100	61,593,200	22,112,200	1,102,341,700		1,102,341,700	1,210,417,758	1.832
2021	7,515,500	859,890,500	252,500	1,900	147,128,400	62,166,100	22,112,200	1,099,067,100		1,099,067,100	1,203,085,777	1.946
2022	7,138,900	861,394,300	252,500	1,900	146,192,500	62,166,100	24,105,900	1,101,252,100		1,101,252,100	1,302,924,929	1.978
2023	6,605,300	861,946,300	252,500	1,900	145,365,900	62,166,100	24,105,900	1,100,443,900		1,100,443,900	1,438,331,635	2.038

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Year Ended <u>December 31,</u>	Total Direct School Rate	<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
		<u>Town of Boonton</u>	<u>Morris County</u>	
2014	\$ 1.625	\$ 0.766	\$ 0.256	\$ 2.647
2015	1.652	0.792	0.262	2.706
2016	1.685	0.807	0.260	2.752
2017	1.730	0.830	0.266	2.826
2018	1.840	0.833	0.276	2.949
2019	1.877	0.846	0.280	3.003
2020	1.832	0.871	0.287	2.990
2021	1.946	0.888	0.285	3.119
2022	1.978	0.902	0.304	3.184
2023	2.038	0.919	0.334	3.291

Source: Municipal Tax Assessor

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

2023			2014		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Boonton Investors, LLC	\$ 21,955,300	1.99%	Boonton Investors, Inc.	\$ 25,091,800	2.27%
UB Boonton 1, LLC	13,991,400	1.27%	BTS Boonton, LLC	13,991,400	1.27%
JB Dels 19, LLC	8,367,200	0.76%	Deer Hill Village, Inc.	10,371,900	0.94%
Apartments at Cherry Hill, LLC	5,400,000	0.49%	JCT Associates Et Al	9,994,000	0.91%
Daco	5,013,200	0.46%	Princeton Meadows Holdings, LLC	7,742,200	0.70%
Monroe St. Holdings, LLC	4,770,000	0.43%	Daco	5,013,200	0.45%
Kapalua, Inc.	4,747,400	0.43%	Apts. At Cherry Hill	4,781,000	0.43%
Supor Properties Boonton, LLC	4,481,600	0.41%	Kapalua, Inc.	4,747,400	0.43%
Sabro Realty, LLC	3,500,000	0.32%	Erasteel, Inc.	4,481,600	0.41%
Wootton St. Associates, LLC	3,461,900	0.31%	Sabro Realty, LLC	3,500,000	0.32%
	<u>\$ 75,688,000</u>	<u>6.87%</u>		<u>\$ 89,714,500</u>	<u>8.13%</u>

Source: Municipal Tax Assessor

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

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 17,172,487	\$ 17,172,487	100.00%	N/A
2014	17,907,270	17,907,270	100.00%	N/A
2015	18,198,345	18,198,345	100.00%	N/A
2016	18,464,772	18,464,772	100.00%	N/A
2017	18,888,892	18,888,892	100.00%	N/A
2018	19,515,729	19,515,729	100.00%	N/A
2019	20,271,148	20,271,148	100.00%	N/A
2020	20,843,332	21,239,140	101.90%	N/A
2021	21,239,140	21,239,140	100.00%	N/A
2022	21,637,152	21,637,152	100.00%	N/A
2023	22,046,490	22,046,490	100.00%	N/A

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
2014	\$ 20,620,000	\$ 862,092	\$21,482,092	8,350	2,573
2015	20,140,000	827,348	20,967,348	8,341	2,514
2016	19,270,000	617,549	19,887,549	8,303	2,395
2017	18,515,000	404,311	18,919,311	8,255	2,292
2018	17,730,000	1,436,271	19,166,271	8,191	2,340
2019	16,920,000	2,087,505	19,007,505	8,911	2,133
2020	16,080,000	1,855,232	17,935,232	8,878	2,020
2021	15,205,000	1,206,709	16,411,709	8,802	1,865
2022	14,310,000	554,702	14,864,702	8,815	1,686
2023	13,390,000	181,830	13,571,830	8,802 *	1,542

Source: District Records

* - Estimate

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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2014	\$ 20,620,000		\$ 20,620,000	1.87%	\$ 2,469
2015	20,140,000		20,140,000	1.82%	2,415
2016	19,270,000		19,270,000	1.74%	2,321
2017	18,515,000		18,515,000	1.67%	2,243
2018	17,730,000		17,730,000	1.61%	2,165
2019	16,920,000		16,920,000	1.54%	1,899
2020	16,080,000		16,080,000	1.46%	1,811
2021	15,205,000		15,205,000	1.38%	1,727
2022	14,310,000		14,310,000	1.30%	1,623
2023	13,390,000		13,390,000	1.22%	1,521

Source: District Records

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

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data

**TOWN OF BOONTON SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2022
 (UNAUDITED)**

	<u>Gross Debt</u>
Municipal Debt (1)	
Town of Boonton	\$ 14,310,325
Town of Boonton School District	<u>21,765,716</u>
	36,076,041
Overlapping Debt Apportioned to the Municipality	
County of Morris (2)	<u>5,073,513</u>
Total Direct and Overlapping Debt	<u><u>\$ 41,149,554</u></u>

Source:

- (1) Town of Boonton's 2022 Annual Debt Statement

- (2) The debt for this entity was apportioned to the Town of Boonton School District by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Morris County.

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

Equalized valuation basis

2022	\$ 1,427,416,850
2021	1,289,077,058
2020	1,194,820,832
	<u>\$ 3,911,314,740</u>
	<u>\$ 1,303,771,580</u>

Debt limit (4 % of average equalization value)	\$ 52,150,863
Total Net Debt Applicable to Limit	(13,390,325)
Legal debt margin	<u>\$ 38,760,538</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>2022</u>	<u>2023</u>
Debt limit	\$ 44,529,846	\$ 44,345,193	\$ 44,529,596	\$ 45,487,326	\$ 45,720,341	\$ 46,295,918	\$ 46,803,221	\$ 47,315,336	\$ 49,054,211	\$ 52,150,863
Total net debt applicable to limit	<u>20,620,325</u>	<u>20,140,325</u>	<u>19,270,325</u>	<u>18,515,325</u>	<u>17,730,325</u>	<u>16,920,325</u>	<u>16,080,325</u>	<u>15,205,325</u>	<u>(14,310,325)</u>	<u>(13,390,325)</u>
Legal debt margin	<u>\$ 23,909,521</u>	<u>\$ 24,204,868</u>	<u>\$ 25,259,271</u>	<u>\$ 26,972,001</u>	<u>\$ 27,990,016</u>	<u>\$ 29,375,593</u>	<u>\$ 30,722,896</u>	<u>\$ 32,110,011</u>	<u>\$ 34,743,886</u>	<u>\$ 38,760,538</u>
Total net debt applicable to the limit as a percentage of debt limit	46.31%	45.42%	43.28%	40.70%	38.78%	36.55%	34.36%	32.14%	29.17%	-25.68%

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

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

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	8,350	\$ 84,287	5.2%
2015	8,341	88,298	4.9%
2016	8,303	91,252	4.2%
2017	8,255	93,544	4.1%
2018	8,191	97,244	3.6%
2019	8,911	99,140	3.1%
2020	8,878	102,227	8.3%
2021	8,802	107,767	5.3%
2022	8,815	N/A	2.9%
2023	8,802 (E)	N/A	N/A

Source:

United States Bureau of Census, Population Division estimates

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

E - Estimate

N/A - Not Available

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

Employer	2023		2014	
	Employees	% of Total Municipal Employment	Employees	% of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	92.00	92.30	91.00	94.00	111.00	108.00	116.30	117.70	116.00	113.30
Special education	43.00	45.00	55.00	58.00	58.00	75.00	60.80	57.20	66.60	71.90
Support Services:										
Student & instruction related service:	33.00	38.75	44.60	41.00	36.00	47.00	53.90	56.90	34.50	29.90
General administrative services	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	6.00	6.00
School administrative services	7.00	8.15	8.00	8.00	8.00	9.00	9.80	10.30	13.00	14.00
Business administrative services	6.20	4.50	4.10	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Plant operations and maintenance	16.00	16.00	18.00	16.00	18.00	21.00	19.00	19.00	18.00	18.00
Lunchroom/Playground Aides	3.00	1.20	4.00	4.00	6.00	2.00	5.70	7.00	6.00	8.00
Pupil Transportation	1.00	1.00	1.00	1.00	2.00	1.00	1.00	3.00	4.00	3.00
Total	<u>204.20</u>	<u>209.90</u>	<u>228.70</u>	<u>229.00</u>	<u>246.00</u>	<u>269.00</u>	<u>272.50</u>	<u>277.10</u>	<u>269.10</u>	<u>269.10</u>

N/A - Not Available

Source: District Records

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

<u>Pupil/Teacher Ratio</u>													
Fiscal Year	Enrollment a	Operating Expenditures b	Cost Per Pupil c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage	
2014	1,293	\$ 26,529,211	\$ 20,518	-1.39%	153	1:12	1:09	1:12	1,293	1,236	1.49%	95.59%	
2015	1,303	27,696,736	21,256	3.60%	133	1:12	1:09	1:10	1,308	1,251	1.16%	95.64%	
2016	1,303	28,275,767	21,701	2.09%	116	1:12	1:09	1:10	1,353	1,251	3.44%	92.46%	
2017	1,405	29,526,767	21,015	-3.16%	116	1:12	1:09	1:10	1,404	1,251	3.77%	89.10%	
2018	1,443	30,663,098	21,250	1.11%	169	1:12	1:09	1:10	1,408	1,346	0.28%	95.60%	
2019	1,373	31,853,083	20,263	-4.64%	183	1:10	1:08	1:09	1,410	1,344	0.14%	95.32%	
2020	1,430	33,407,278	23,362	15.29%	177	1:08	1:08	1:09	1,438	1,389	1.99%	96.59%	
2021	1,461	36,190,523	24,771	6.03%	175	1:08	1:09	1:09	1,419	1,375	-1.32%	96.90%	
2022	1,477	39,745,306	26,909	8.63%	183	1:07	1:07	1:10	1,446	1,342	1.90%	92.81%	
2023	1,511	42,182,156	27,917	3.74%	185	1:08	1:07	1:09	1,484	1,378	2.63%	92.86%	

Source: District records

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

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

District Building	<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>2022</u>	<u>2023</u>
School Street School (Grades K-3)										
Square Feet	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Capacity (Students)	299	299	299	299	299	299	299	262	262	299
Enrollment	122	122	122	141	141	273	277	277	274	304
John Hill School, Including Annex Building (Grades 4-8)										
Square Feet	90,076	90,076	90,076	90,076	90,076	90,076	90,076	90,076	90,076	90,076
Capacity (Students)	800	800	800	800	800	800	800	800	800	800
Enrollment	595	595	595	645	645	476	538	537	510	539
Boonton High School (Grades 9-12)										
Square Feet	111,741	111,741	111,741	111,741	111,741	111,741	111,741	111,741	111,741	111,741
Capacity (Students)	501	501	501	501	501	501	501	501	501	501
Enrollment	607	607	607	618	618	624	631	620	661	664
Administration Building										
Square Feet	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120
Administration Annex Building										
Square Feet	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
Child Study Team										
Square Feet	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299
Maintenance/Transportation Building										
Square Feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995
Number of Schools at June 30, 2023										
Elementary = 1										
Middle School = 1										
High School = 1										

Source: District records

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

<u>School Facilities</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Boonton High School	\$ 203,735	\$ 101,934	\$ 74,464	\$ 192,268	\$ 191,662	\$ 31,753	\$ 20,069	\$ 62,946	\$ 30,645	\$ 22,437
John Hill School	228,957	119,956	91,256	94,976	95,164	37,916	21,523	21,903	21,586	22,102
School Street School	29,706	94,946	13,867	52,281	65,455	53,901	6,421	16,323	24,335	12,496
Other Facilities	<u>179,640</u>	<u>48,299</u>	<u>263,638</u>	<u>-</u>	<u>-</u>	<u>261,758</u>	<u>249,574</u>	<u>245,108</u>	<u>263,902</u>	<u>248,557</u>
Total School Facilities	<u>\$ 642,038</u>	<u>\$ 365,135</u>	<u>\$ 443,225</u>	<u>\$ 339,525</u>	<u>\$ 352,281</u>	<u>\$ 385,328</u>	<u>\$ 297,587</u>	<u>\$ 346,280</u>	<u>\$ 340,468</u>	<u>\$ 305,592</u>

**TOWN OF BOONTON SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2023
(Unaudited)**

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Multi Peril Package Policy New Jersey Schools Insurance Group		
Section I - Property:		
Blanket building and contents	\$ 500,000,000	\$ 5,000
Flood Zone A or V	25,000,000	500,000
Flood Zone - All Other	75,000,000	10,000
Earthquake	50,000,000	5,000
Extra expense	50,000,000	5,000
Business Income / Tuition	200,000	5,000
Loss of Rents	400,000	5,000
EDP equip, data, media, extra expense	500,000	1,000
Energy systems-boiler and machinery	100,000,000	5,000
Demolition/Incr. Cost of Construction	25,000,000	5,000
Blanket contractors equipment	Inc in property	
Cameras, musical instruments	Inc in property	
Glass coverage	Inc in property	
Section II - General Liability:		
Bodily injury and property damage	31,000,000	
Sexual abuse annual NJSIG aggregate	27,000,000	
Section III - School Board Legal Liability Policy:		
Aggregate limit of liability	31,000,000	10,000
Section IV - Crime:		
Public Employee Dishonesty with Faithful Performance	250,000	1,000
Forgery or Alteration	250,000	1,000
Computer Fraud	250,000	1,000
Money Orders & Counterfeit Paper Currency	25,000	500
Theft, Disappearance and Destruction-Loss of Money & Securities on or off premises	25,000	500
Workers Compensation:		
Section A	Statutory	
Section B - Bodily Injury by Accident	3,000,000	
Bodily Injury by Disease - each employee	3,000,000	
Bodily Injury by Disease - policy aggregate	3,000,000	

**TOWN OF BOONTON SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2023
(Unaudited)**

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Automobile:		
Bodily injury and property	\$31,000,000	
Personal injury protection	250,000	
Uninsured/underinsured - Private Passenger Autos	1,000,000	
Uninsured/underinsured - All Other Vehicles		
Bodily Injury per occurrence	15,000	
Bodily Injury per Accident	30,000	
Property Damage per Accident	5,000	
Comprehensive and collision	ACV	1,000
Environmental Liability:		
Policy aggregate limit of liability-primary	2,000,000	
Each Incident	1,000,000	50,000
Cyber & Privacy Liability:		
Each Claim (includes claim expenses)	2,000,000	\$25,000 or \$250,000
Annual Aggregate	2,000,000	
Student Accident:		
AD&D - Base (Arch)	500,000	
AD&D - Catastrophic (US Fire)	500,000	
Fidelity Bonds		
Business Administrator	250,000	
Treasurer	250,000	
(All Bonds are written through Hanover Insurance Company)		

SINGLE AUDIT SECTION

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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MARK SACO, CPA
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CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Town of Boonton School District as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Town of Boonton School District's basic financial statements and have issued our report thereon dated October 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Boonton School District's internal control over financial reporting (internal control) 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 Town of Boonton School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Boonton School District's internal control.

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

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


Report on Compliance and Other Matters


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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Town of Boonton School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 30, 2023.

Purpose of this Report

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


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 30, 2023



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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Town of Boonton School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Town of Boonton School District's major federal and state programs for the fiscal year ended June 30, 2023. The Town of Boonton School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Boonton School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Boonton School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Town of Boonton School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Town of Boonton School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Boonton School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Boonton School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Boonton School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Boonton School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Town of Boonton School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.


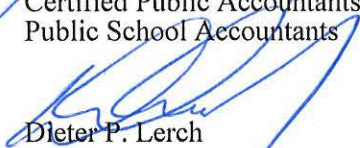
consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Town of Boonton School District as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated October 30, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 30, 2023

EXHIBIT K-3

TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2022	Current Amount Unearned Revenue	Accounts Receivable	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	(Accounts Receivable)	Balance, June 30, 2023 Unearned Revenue/	Due to Grants	Memo GAAP Receivable
U.S. Department of Agriculture Passed Through State Department of Education:														
Enterprise Fund:														
10.553	231N1304N1199	7/1/22-6/30/23	\$ 12,239	\$	\$	\$	\$ 11,029	\$ 12,239			\$ (1,210)			\$ 1,210
10.553	231N1304N1099	7/1/21-6/30/22	39,923	(2,123)			2,123							
10.555	231N1344N8903	7/1/22-6/30/23	22,193	(2,032)			2,032							
10.555	231N1344N8903	7/1/22-6/30/23	16,010				16,010							
10.555	231N1344N8903	7/1/22-6/30/23	61,349				61,349							
10.555	231N1304N1199	7/1/22-6/30/23	273,422				254,180	273,422			(19,242)			19,242
10.555	231N1304N1099	7/1/21-6/30/22	717,183	(52,036)			52,026							
10.555	231N1304N1199	7/1/22-6/30/23	40,035				40,035							
10.555	231N1304N1099	7/1/21-6/30/22	36,076	900				900						
				(55,281)			438,784	402,495			(20,452)	1,460		20,452
Child Nutrition Cluster Total														
93.575	2101N1C5C6	9/1/21-12/31/23	435,000	160,000			275,000	435,000						
				104,719			713,784	837,495			(20,452)	1,460		20,452
Total Enterprise Funds														
U.S. Department of Health and Human Services														
93.778	2005N15M4P	7/1/22-6/30/23					73,667	73,667						
93.778	2005N15M4P	7/1/22-6/30/23					4,819	4,819						
93.778	2005N15M4P	7/1/21-6/30/22	61,982	(9,782)			9,782							
				(9,782)			88,268	78,486						
Total General Fund														
U.S. Department of Education Passed Through State Department of Education														
Special Revenue Fund														
IDEA														
84.027X	H077X210100	7/1/21-9/30/23	77,673	(4,744)				42,367			(7,673)	30,242		47,131
84.027A	H077A220100	7/1/22-9/30/23	395,161		\$ 39,042	(39,042)	318,841	429,830			(95,362)	4,373		90,989
84.027A	H077A210100	7/1/21-9/30/22	373,261	11,187			6,610							
84.173X	H173X210114	7/1/21-9/30/23	6,610				6,610							
84.173A	H173A220114	7/1/22-9/30/23	14,280		8,243	(8,243)	9,254	10,122			(12,969)	12,401		568
84.173A	H173A210114	7/1/21-9/30/22	12,382	(13,223)			11,999							
				(6,780)			367,004	488,949			(186,004)	47,316		138,688
Special Education Cluster Total														
84.010	S010A220030	7/1/22-9/30/23	180,092		60,991	(60,991)	172,631	231,737			(68,452)	9,346		59,106
84.010	S010A210030	7/1/21-9/30/22	185,539	(34,223)			32,223							
84.010	S010A220030	7/1/22-9/30/23	20,000				20,000	20,000						
84.367A	S367A220029	7/1/22-9/30/23	30,327		32,873	(32,873)	23,723	25,354			(9,477)	37,846		1,631
84.367A	S367A210029	7/1/21-9/30/22	32,873	(9,509)			5,254							
84.365A	S365A220030	7/1/22-9/30/23	16,069		9,276	(9,276)	17,335	18,960			(8,010)	6,385		1,625
84.365A	S365A210030	7/1/21-9/30/22	16,385	(5,839)			5,839							
84.365A	S365A220029	7/1/22-9/30/23	9,841		2,417	(2,417)	2,343	10,897			(9,915)	1,361		8,554
84.365A	S365A210029	7/1/21-9/30/22	6,159	(1,46)			146							
84.424A	S424A220031	7/1/22-9/30/23	15,455		3,298	(3,298)		16,225			(18,753)	2,528		16,225
84.424A	S424A210031	7/1/21-9/30/22	1,459	(13,183)			13,183							

TOWN OF BOONTON SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2022	Carryover Amount		Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2023		Due to Grantor	Memo GAAP Receivable
						Unearned Revenue	Accounts Receivable					(Accounts Receivable)	Unearned Revenue/		
Elementary and Secondary School Emergency Relief (ESSER) Coronavirus Aid, Relief, and Economic Security (CARES) Act CARES Emergency Relief Act	84.425D	S42SD200027	3/13/20-9/30/22	\$ 187,143	\$ (12,881)			\$ 19,026	\$ 6,534	\$ 389					-
Elementary and Secondary School Emergency Relief (ESSER II) Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act ESSER II	84.425D	S42SD200027	3/13/20-9/30/23	653,306	(143,226)			198,714	65,212	1,327		\$ (8,397)			\$ 8,397
Learning Acceleration	84.425D	S42SD200027	3/13/20-9/30/23	41,926	(5,404)			13,346	13,733			(5,791)			5,791
Mental Health	84.425D	S42SD200027	3/13/20-9/30/23	45,000	(3,037)			17,985	21,127			(6,254)	\$ 75		6,179
American Rescue Plan (ESSER III) ESSER III	84.425U	S42SU210027	3/13/20-9/30/24	1,468,264	(24,566)			454,779	604,554			(783,199)	608,858		174,341
Accelerated Learning Coach and Educator Support	84.425U	S42SU210027	3/13/20-9/30/24	101,121					100,568			(101,121)	553		100,568
Summer Learning and Enrichment	84.425U	S42SU210027	3/13/20-9/30/24	40,000								(40,000)	40,000		-
Beyond the School Day	84.425U	S42SU210027	3/13/20-9/30/24	40,000					13,940			(40,000)	26,060		13,940
Mental Health Support Staffing	84.425U	S42SU210027	3/13/20-9/30/24	45,000					41,124			(45,000)	3,876		41,124
American Rescue Plan - Emergency Relief Fund Homeless Children and Youth	84.425W	S42SW210031	3/13/20-9/30/24	5,609	-	-	-	5,609	5,609	-	-	-	-	-	-
ESSER Cluster Total					(189,114)	-	-	709,459	872,401	1,716	-	(1,029,762)	679,422	-	350,340
U.S. Department of Treasury Passed-Through State Department of Education Additional Compensatory Special Education and Related Services (ASCERS)	21.027	SLFRFDOED1SES	7/1/22-6/30/23	114,989				57,618	114,989			(57,371)	-		57,371
Additional Compensatory Special Education and Related Services (ASCERS)	21.027	SLFRFDOED1SES	7/1/21-6/30/22	58,031	-	-	-	58,031	58,031	-	-	-	-	-	-
Total Special Revenue Fund					(256,794)	47,864	(47,864)	1,484,789	1,857,543	(3,992)	-	(1,417,744)	784,204	-	633,540
Total Federal Awards					\$ (161,857)	\$ 47,864	\$ (47,864)	\$ 2,286,841	\$ 2,773,524	\$ (3,992)	\$ -	\$ (1,438,196)	\$ 785,664	\$ -	\$ 653,992

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

TOWN OF EDGEMONT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Unearned Revenue/ (Asset Rec.)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Reallocations	General Fund Contribution	Repayment of Prior Year Balances	Accounts Receivable	June 30, 2023 Unearned Revenue	Due to Grantor	MEMO	COAP Receivable	Cumulative Total Expenditures
State Department of Education																
General Fund																
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	959,170	\$			\$ 865,628	\$ 959,170			\$ (93,542)			\$	\$	959,170
Special Education Aid	23-495-034-5120-089	7/1/21-6/30/22	1,959,170				93,328	1,959,170			(160,601)					1,666,780
Equipment Aid	23-495-034-5120-078	7/1/21-6/30/22	1,362,841				132,694	1,362,841			(23,299)					238,909
Security Aid	23-495-034-5120-084	7/1/21-6/30/23	238,909				215,610	238,909			(1,528)					15,662
Security Aid	23-495-034-5120-084	7/1/21-6/30/22	238,909				14,134	238,909			(663,359)					463,250
School Choice Aid	23-495-034-5120-068	7/1/22-6/30/23	15,662				352,309	15,662			(742,228)					463,250
Maintenance of Equity Aid	23-495-034-5120-128	7/1/22-6/30/23	463,250					463,250								463,250
Maintenance of Equity Aid	23-495-034-5120-128	7/1/21-6/30/22	363,309					363,309								363,309
State Aid - Public Charter Total																
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	58,651				3,194,038	3,232,771			(5,728)					3,232,771
Transportation Aid	23-495-034-5120-014	7/1/21-6/30/22	58,651				52,931	58,651			(81,840)					58,651
Extrordinary Aid	23-100-034-5120-044	7/1/22-6/30/23	831,840				5,707	831,840			(81,840)					831,840
Extrordinary Aid	23-100-034-5120-044	7/1/22-6/30/22	831,840				678,634	831,840								831,840
Nonpublic Auxiliary Aid	23-100-034-5120-116	7/1/22-6/30/23	2,700				3,700	2,700								2,700
Nonpublic Auxiliary Aid	23-100-034-5120-116	7/1/22-6/30/22	2,700				4,946,690	4,946,690								4,946,690
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	68,630				68,630	68,630								68,630
On-Behalf TPAF Non-Contributory Insurance Contributions	23-495-034-5094-004	7/1/22-6/30/23	1,317,513				1,317,513	1,317,513								1,317,513
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	1,948				1,948	1,948								1,948
On-Behalf TPAF Long Term Disability Insurance Contributions	23-495-034-5094-004	7/1/22-6/30/23	1,086,961				981,698	1,086,961			(105,263)					1,086,961
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,086,961				32,416	1,086,961								1,086,961
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/21-6/30/22	1,069,178					1,069,178								1,069,178
Total General Fund																
Special Revenue Fund																
Nonpublic Aid	23-100-034-5120-067	7/1/21-6/30/23	39,928				39,928	39,928								39,928
Auxiliary Services	23-100-034-5120-067	7/1/21-6/30/22	14,512					14,512								14,512
Complementary Education																
Complementary Education																
Nonpublic Auxiliary Services (Chapter 193) Cluster Total																
Handicapped Services																
Examination and Classification	23-100-034-5120-066	7/1/21-6/30/23	25,026				25,026	25,026								25,026
Examination and Classification	23-100-034-5120-066	7/1/21-6/30/22	20,474				10,416	20,474								20,474
Examination and Classification	23-100-034-5120-066	7/1/21-6/30/22	10,416				7,440	10,416								10,416
Corrective Speech	23-100-034-5120-066	7/1/21-6/30/22	7,440					7,440								7,440
Corrective Speech	23-100-034-5120-066	7/1/21-6/30/23	18,502				18,502	18,502								18,502
Supplemental Instruction	23-100-034-5120-066	7/1/21-6/30/23	15,611					15,611								15,611
Supplemental Instruction	23-100-034-5120-066	7/1/21-6/30/22														
Nonpublic Handicapped Services (Chapter 193) Cluster Total																
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	13,332				13,332	13,332								13,332
Textbook Aid	23-100-034-5120-064	7/1/21-6/30/22	8,003					8,003								8,003
Nursing Aid	23-100-034-5120-064	7/1/22-6/30/23	22,624				22,624	22,624								22,624
Nursing Aid	23-100-034-5120-070	7/1/21-6/30/22	13,562					13,562								13,562
Technology Aid	23-100-034-5120-070	7/1/21-6/30/22	8,484					8,484								8,484
Technology Aid	23-100-034-5120-373	7/1/21-6/30/22	6,468					6,468								6,468
Technology Aid	23-100-034-5120-373	7/1/21-6/30/22	41,410				41,410	41,410								41,410
Security Aid	23-100-034-5120-509	7/1/22-6/30/23	31,544					31,544								31,544
Security Aid	23-100-034-5120-509	7/1/21-6/30/22														
Preschool Education Expansion Aid	23-495-034-5120-086	7/1/22-6/30/23	1,842,229				65,502	1,842,229								1,842,229
Preschool Education Expansion Aid	23-495-034-5120-086	7/1/21-6/30/22	1,668,720				(65,502)	1,668,720								1,668,720
School Development Authority (SDA)																
Emergency and Capital Maintenance Needs Program																
Total Special Revenue Fund																
Debt Service Fund																
Debt Service Aid - Type II	23-495-034-5120-017	7/1/22-6/30/23	378,039				378,039	378,039								378,039
Debt Service Aid - Type II	23-495-034-5120-017	7/1/22-6/30/22														
Total Debt Service Fund																
Enterprise Fund																
Food Service																
State School Lunch Program	23-100-010-3310-023	7/1/22-6/30/23	11,358				10,569	11,358								11,358
State School Lunch Program	23-100-010-3310-023	7/1/21-6/30/22	16,999				1,197	16,999								16,999
Bridges to Learning																
Hiring and Retention Bonus Grant																
Total Enterprise Fund																
Total State Awards																
Less:																
On-Behalf Assistance Not Included in Single Audit and Major Program Determination																
TPAF Pension Contributions																
TPAF Non-Contributory Insurance Contributions																
TPAF Post Retirement Medical Contributions																
TPAF Long Term Disability Insurance Contributions																
Total State Financial Assistance Subject to Single Audit and Major Program Determination Calculation																

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

The Town of Boonton School District (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$203,011 for the general fund and a decrease of \$217,881 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 78,486	\$ 11,455,693	\$ 11,534,179
Special Revenue Fund	1,673,942	2,022,733	3,696,675
Debt Service Fund		378,039	378,039
Food Service Fund	402,495	11,358	413,853
Bridges to Learning Fund	<u>435,000</u>	<u>70,005</u>	<u>505,005</u>
Total Financial Assistance	<u>\$ 2,589,923</u>	<u>\$ 13,937,828</u>	<u>\$ 16,527,751</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,086,961 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$5,015,320, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,317,513 and TPAF Long-Term Disability Insurance in the amount of \$1,948 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D200027	Coronavirus Relief and Economic Security Act - Elementary and Secondary School Emergency Relief (CARES-ESSER I)
84.425D	S425D210027	Coronavirus Response and Relief Supplemental Act (CRRSA-ESSER II)
84.425U	S425U210027	American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)

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

Auditee qualified as low-risk auditee? x yes no

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part I – Summary of Auditor’s Results

State Awards Section

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

\$ 750,000

Auditee qualified as low-risk auditee?

X yes no

Internal control over major programs:

1) Material weakness(es) identified?

 yes X no

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

 yes X none reported

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

Unmodified

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

 yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-089	Special Education Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-068	School Choice Aid
495-034-5120-128	Maintenance of Equity Aid
100-034-5120-044	Extraordinary Aid

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**TOWN OF BOONTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.