

SCHOOL DISTRICT  
OF  
BOONTON TOWNSHIP

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

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2023

# Annual Comprehensive Financial Report

of the

Boonton Township School District  
Board of Education

Boonton Township, New Jersey

For Fiscal Year Ended June 30, 2023

Prepared by

Boonton Township School District  
Board of Education

BOONTON TOWNSHIP SCHOOL DISTRICT  
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INTRODUCTORY SECTION  
(UNAUDITED)

# BOONTON TOWNSHIP BOARD OF EDUCATION

11 Valley Road  
Boonton Township, New Jersey 07005

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

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

October 6, 2023

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

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Boonton Township School District (the “District”) 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 Boonton Township Board of Education (the “Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 organizational chart and a list of principal officials. The financial section includes The Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Boonton Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) in codification section 2100. All funds of the District are included in this report. The Boonton Township Board of Education and its school constitute the District's reporting entity.

The Boonton Township Board of Education is a Type II District administered by a superintendent and business administrator. Boonton Township has only one public school, known as Rockaway Valley School, which provided learning opportunities for 386 children during the 2022/2023 school year in grades K-8 with two special education preschool programs. The District is in a sending/receiving relationship with Mountain Lakes Board of Education to provide educational services for their high school students. There were 232 Boonton Township High School students attending Mountain Lakes High School during 2022/2023.

A full range of educational services and curriculum appropriate to the elementary grade levels is available at Rockaway Valley School. Regular programs as well as special education for the special needs youngsters are readily provided. The District completed the 2022/2023 fiscal year with an average daily enrollment of 593 students (which includes the high school students) which is 35 students less than the previous year's enrollment.

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

The population of Morris County continues to grow and Boonton Township's growth has slowed a bit in comparison to the County average. Boonton Township's population in 2020 was 4,380, an increase of 2.7% from the 2010 census, which showed a population of 4,263. The County growth during the same time frame was 3.5%. The Township labor force in 2022 equals 1,948 people and 1,882 are employed. The unemployment rate was 3.4% compared to the County average of 3.0%.

**3. MAJOR INITIATIVES:** The Boonton Township School District faced many challenges related to the world-wide Covid-19 Pandemic beginning in March of 2020. Beginning in September of 2021, the district resumed a normal schedule of full day in person instruction. The district continued to purchase greater than normal amounts of hand sanitizer, personal protective equipment, cleaning and disinfecting supplies, HVAC filters and equipment to maintain a safe and healthy working and learning environment. A part-time custodian was added to disinfect high touch areas during the school day to reduce the chance for virus transmission. Despite the challenges of the pandemic and the lack of guidance from the Governor's office and the New Jersey Department of Education, the district was able to remain open during the year by maintaining social distancing and contact tracing protocols and did not required to shut down due to Covid-19 related illnesses or quarantines.

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



Additional MacBooks and Chromebooks were purchased either to replace outdated units or supplement the existing inventory in order to prepare students for 21st Century learning. The wireless network and computer servers were replaced to keep up with the daily utilization of content streaming for student instruction. The school currently maintains an inventory of Promethean boards which replaced older Smartboard technology in every educational space and MacBook and Chromebook carts are available for each grade level and specialty areas. As Smart Boards reached the end of their useful life, they were replaced with more advanced technology found in promethean boards. The district purchased a number of classroom Promethean boards in the 2022-2023 school year and additional purchases are planned for the future as those units reach the end of their useful life. Computers continue to be upgraded for staff and student use as part of the district's 5-year Technology Plan. The district's budget included an allowance to maintain a bandwidth of 1 gigabyte and to support wireless network upgrades to improve the delivery of instruction to students through mobile computing and interactive instruction and to meet the demands of the State mandated NJSLA test. Laptop computers are used in conjunction with the Promethean Boards that are installed in every classroom and Media Center. A new literacy/ELA series was purchased for grades K-2 and grades 3-5 as well as an updated Science Series for grades 5-8 that includes grade 4. We also modified our mathematics offerings and offer Geometry to all 8<sup>th</sup> grade students. As a result, the District will continue to purchase Geometry resources and texts. A mini STEAM Lab/Maker Space "specials" class continues to be an integral part of the Gifted and Talented program for students in grades 3 through 8.

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

Several health and safety and facility items were addressed during the 2022/2023 school year either through the General Fund or by utilizing Federal ESSER funding. A new IP Digital phone system, bell, intercom, door locking systems and a new emergency alert notification system tied to local law enforcement were purchased to integrate all systems together to provide real-time response in the event of an emergency. Additional HEPA air purifier filters were purchased for each of the classrooms and offices to provide more frequent changes in an effort to improve air quality in each of those areas and mitigate the spread of viruses. Several electrical circuits and HVAC systems were either replaced or upgraded as needed. A large section of the roof system was completed as part of a multi-year replacement program. In addition, the district completed a 5-year Strategic plan process that included all stakeholders who offered input on other school initiatives and programs. With the retirement of the district's long-term debt, a major focus in 2022-2023 was planning for a March 2024 referendum to address the building envelope which will include security upgrades, electrical, HVAC systems, LED lighting, and replacement of the remaining roof systems.

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

As a recipient of federal awards and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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

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

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

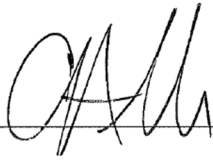
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under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

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

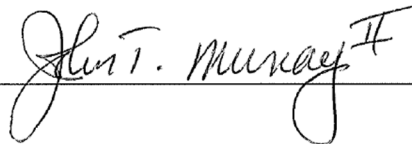
9. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes,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

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

Respectfully submitted,

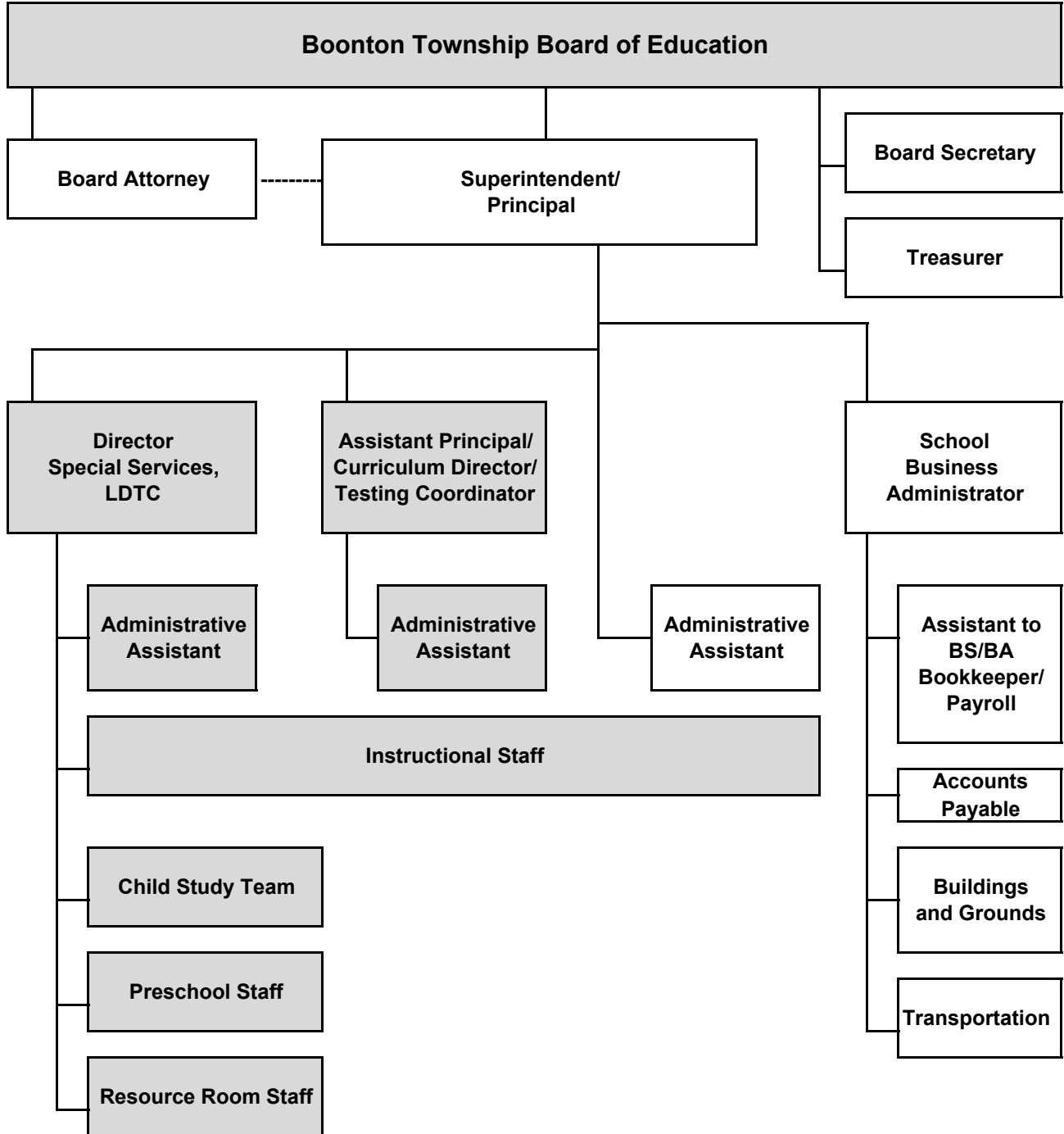


Christian Angelillo, Ed.D.  
Superintendent/ Principal



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

# Boonton Township Board of Education Organization Chart



BOONTON TOWNSHIP SCHOOL DISTRICT  
ROSTER AND OFFICIALS  
FISCAL YEAR ENDED JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Barry Brantner, President	2025
Christine Cabana, Vice President	2023
Lauren Bardach	2024
Jeffrey Chen	2024
Leigh Hermev	2025
Christopher Johnson	2024
Jonathan LeVar	2023
Grace McBride	2023
Alicja Nowicka	2025

Other Officials

Title

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

# **BOONTON TOWNSHIP SCHOOL DISTRICT**

Consultants and Advisors  
Year Ended June 30, 2023

## **Audit Firm**

Nisivoccia LLP  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856

and

11 Lawrence Road  
Newton, NJ 07860

and

1140 Route 22 East, Suite 203  
Bridgewater, NJ 08807

## **Board Attorney**

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

## **Special Education Attorney**

Robin S. Ballard, Esq.  
Schenck, Price, Smith & King, LLP  
220 Park Avenue  
P.O. Box 991  
Florham Park, New Jersey 07932

## **Architect of Record**

Parette Somjen Architects  
439 Route 46 East  
Rockaway, New Jersey 07866

## **Financial Advisors**

Phoenix Financial Advisors, LLC  
4 West Park Street  
Bordentown, New Jersey 08505

## **Official Depositories**

Bank of America  
Powerville Road  
Boonton Township, New Jersey 07005

State of New Jersey, Cash Management Fund  
Morgan Stanley Trust  
Harborside Financial Center, Plaza Two  
Jersey City, New Jersey 07311-3977

FINANCIAL SECTION

## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Boonton Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 misstatement, 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 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 the 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment 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 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 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, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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 District’s basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 basic 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 6, 2023 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District’s internal control over financial reporting and compliance.

October 6, 2023  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*

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Man C. Lee  
Licensed Public School Accountant #2527  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management’s Discussion and Analysis  
For Fiscal Year Ended June 30, 2023**

This section of Boonton Township School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

**Overview of the Financial Statements**

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

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

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

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

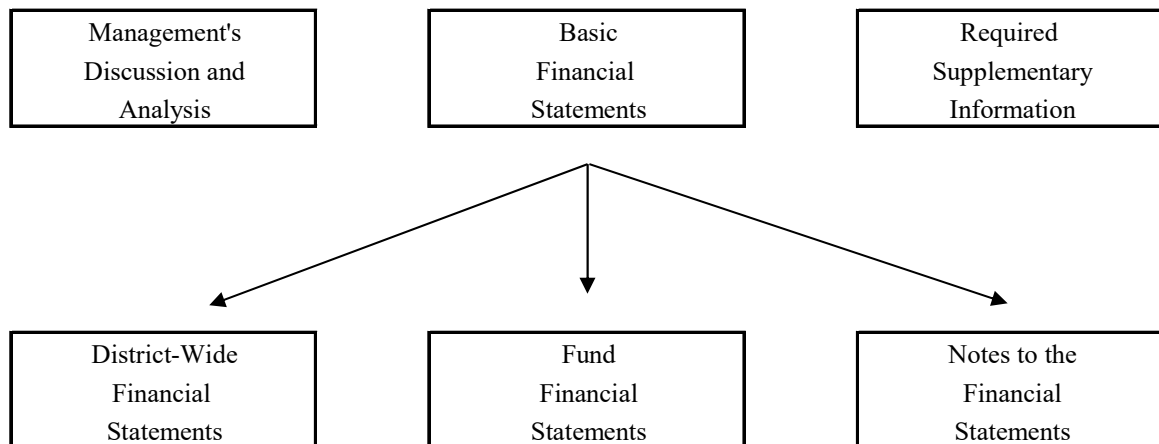


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

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

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

## District-Wide Statements

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

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

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

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

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

## Fund Financial Statements

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

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

The District has two kinds of funds:

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

## Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

### Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position was \$2,823,427 on June 30, 2023, \$1,473,550 or 109% higher than the year before. (See Figure A-3). The net position of the governmental activities increased \$1,469,902 and net position from business-type activities increased by \$3,648.

**Figure A-3**

#### Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2022-2023
	Current and Other Assets	\$ 4,041,856	\$ 3,711,872	\$ 6,008	\$ 4,605	\$ 4,047,864	\$ 3,716,477
Capital Assets, Net	1,255,002	294,536	8,786	9,770	1,263,788	304,306	
Total Assets	5,296,858	4,006,408	14,794	14,375	5,311,652	4,020,783	32.10%
Deferred Outflows of Resources	971,693	265,594			971,693	265,594	265.86%
Other Liabilities	353,393	248,900		3,229	353,393	252,129	
Long-Term Liabilities	2,701,521	1,738,750			2,701,521	1,738,750	
Total Liabilities	3,054,914	1,987,650			3,054,914	1,987,650	53.69%
Deferred Inflows of Resources	405,002	945,621			405,002	945,621	-57.17%
Net Position:							
Net Investment in Capital							
Assets	1,221,184	228,201	8,786	9,770	1,229,970	237,971	
Restricted	3,267,467	1,860,162			3,267,467	1,860,162	
Unrestricted/(Deficit)	(1,680,018)	(749,632)	6,008	1,376	(1,674,010)	(748,256)	
Total Net Position	\$ 2,808,633	\$ 1,338,731	\$ 14,794	\$ 11,146	\$ 2,823,427	\$ 1,349,877	109.16%

*Changes in net position.* Net investment in capital assets increased by \$991,999 primarily due to capital assets additions of \$1,025,106; offset by \$65,625 in depreciation expense and financed purchases principal paydown of \$32,518. Restricted net position increased by \$1,407,305 mainly due to increases in excess surplus and the capital reserve. Unrestricted net position decreased by \$925,754, primarily due to a decrease in funds committed for capital projects as the first phase of the roof project nears completion and the transfer of funds to the capital reserve; offset by the net change in net pension liability and related deferred outflows and inflows of resources.

**Figure A-4**

**Changes in Net Position from Operating Results**

	Governmental		Business-Type		Total		Total Percentage Change 2022-2023
	Activities		Activities		School District		
	2023	2022	2023	2022	2023	2022	
Revenue:							
Program Revenue:							
Charges for Services	\$ 109,995	\$ 142,573	\$ 4,293	\$ 2,346	\$ 114,288	\$ 144,919	
Operating Grants and Contributions	2,798,352	2,943,004			2,798,352	2,943,004	
General Revenue:							
Property Taxes	14,312,030	14,031,402			14,312,030	14,031,402	
Other	146,048	164,229			146,048	164,229	
Total Revenue	<u>17,366,425</u>	<u>17,281,208</u>	<u>4,293</u>	<u>2,346</u>	<u>17,370,718</u>	<u>17,283,554</u>	0.50%
Expenses:							
Instruction	6,818,639	7,115,868			6,818,639	7,115,868	
Tuition	4,786,643	5,197,447			4,786,643	5,197,447	
Pupil & Instruction Services	1,329,540	1,224,703			1,329,540	1,224,703	
Administrative and Business	1,240,282	1,118,838			1,240,282	1,118,838	
Maintenance & Operations	798,105	789,307			798,105	789,307	
Transportation	831,787	781,983			831,787	781,983	
Other	78,527	154,420	13,645	10,947	92,172	165,367	
Total Expenses	<u>15,883,523</u>	<u>16,382,566</u>	<u>13,645</u>	<u>10,947</u>	<u>15,897,168</u>	<u>16,393,513</u>	-3.03%
Transfers	(13,000)	(5,000)	13,000	5,000			
Change in Net Position	<u>\$ 1,469,902</u>	<u>\$ 893,642</u>	<u>\$ 3,648</u>	<u>\$ (3,601)</u>	<u>\$ 1,473,550</u>	<u>\$ 890,041</u>	65.56%

**Governmental Activities**

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

- A significant number of special needs pupils continue to be educated in the District’s Pre-K Integrated, Multiply Disabled and Learning and/or Language Disabilities programs rather than being sent out-of-District whereby the District would have to pay tuition as well as increased transportation costs. Boonton Township has been cited by the NJDOE for its inclusion programs.
- Boonton Township is maximizing its joint purchasing/cooperative and shared services agreements. We currently utilize many cooperative purchasing arrangements for the purchase of supplies and services (teaching, technology, custodial, etc.), shared services arrangements with the Township of Boonton and other school districts and insurance pools (health, workers compensation, property/casualty). It also participates in an energy purchasing consortium (ACES) for gas and electric and a telecommunication services consortium (ACTS) for broadband connectivity.

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.



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

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

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Instruction	\$ 6,818,639	\$ 7,115,868	\$ 4,655,391	\$ 4,481,549
Tuition	4,786,643	5,197,447	4,786,643	5,197,447
Pupil & Instruction Services	1,329,540	1,224,703	932,233	1,029,264
Administrative and Business	1,240,282	1,118,838	1,066,904	1,029,189
Maintenance & Operations	798,105	789,307	775,869	776,282
Transportation	831,787	781,983	679,609	628,838
Other	78,527	154,420	78,527	154,420
<b>Total</b>	<b>\$ 15,883,523</b>	<b>\$ 16,382,566</b>	<b>\$ 12,975,176</b>	<b>\$ 13,296,989</b>

**Business-Type Activities**

Net position from the District’s business-type activity increased by \$3,648 (refer to Figure A-4).

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

The District’s overall financial position improved and district wide net pension liability does not affect fund balance. The cost of additional teachers and benefits has been a strain on our budget but is necessary to maintain class sizes at acceptable levels. A recent demographic study prepared for the district indicated that the enrollment decrease experienced over the last several years will begin to reverse which will require additional teaching staff in the near future.

Difficult economic times have had a direct impact upon the District’s revenue sources. The District has also increased its level of using surplus to reduce the tax levy. As overall revenue for the District is strained, the amount of funds generated for this purpose likewise decreases. The ratables in the municipality of the District have not significantly changed, thus generating concern for the local tax levy in the future.

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

**General Fund Budgetary Highlights**

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

## Capital Asset and Long-Term Liabilities Administration

**Figure A-6**

### Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total
	2023	2022	2023	2022	2023	2022	Percentage Change
Construction in Progress	\$ 800,776	\$ 53,303			\$ 800,776	\$ 53,303	
Furniture, Machinery and Equipment	454,226	\$ 241,233	\$ 8,786	\$ 9,770	463,012	\$ 251,003	
<b>Total</b>	<b>\$ 1,255,002</b>	<b>\$ 294,536</b>	<b>\$ 8,786</b>	<b>\$ 9,770</b>	<b>\$ 1,263,788</b>	<b>\$ 304,306</b>	<b>315.30%</b>

During the fiscal year, the District acquired \$1,025,107 in capital additions and depreciated \$65,624 of its capital assets.

### Long-Term Liabilities

At year-end, the District had \$2,701,521 in long-term liabilities outstanding – an increase of \$962,771 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the financial statements.)

**Figure A-7**

### Outstanding Long-Term Liabilities

	Total School District		Total
	2023	2022	Percentage Change
Net Pension Liability	\$ 2,436,345	\$ 1,451,533	
Compensated Absences Payable	231,359	220,882	
Financed Purchases Payable	33,817	66,335	
<b>Total</b>	<b>\$ 2,701,521</b>	<b>\$ 1,738,750</b>	<b>55.37%</b>

### Factors Bearing on the District’s Future

At the time these financial statements were prepared and audited, the District was in a good financial position. S1701, adopted by the State of New Jersey on June 17, 2004, forced the District to cut its allowable unassigned general fund balance to 2% leaving the District with very little protection in the event of costly emergencies. This law also placed limits on the District’s ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to transfer available balance as needed and the ability to transfer available funds between appropriation accounts. However, recent changes increased the allowable unassigned general fund balance temporarily to 4% which offers some relief in handling unforeseen emergencies. This temporary measure reverted back to 2% at the end of the 2022-2023 school year. The District maintains maintenance and capital reserve accounts to aid in the planning for future maintenance and improvement projects. A recent demographic study revealed that the downward trend in student enrollment over the last few years will begin to reverse beginning in 2023-2024. As a small district, it is very challenging to remain within the State mandated administrative spending limits as enrollment plays a major factor in the cost calculations. A new multi-family housing project was recently approved by the Boonton Township Committee which may impact enrollment, class size and staffing needs in the future. Class scheduling and instructional space utilization will become more challenging in the coming years.

Increases in kindergarten and Grade 1 enrollment as well as recent changes to special education laws requiring districts to provide educational services to special education students beyond their 21st birthday will impact class size, facility needs and staffing in the future.

### **Contacting the District's Financial Management**

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOONTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,414,590	\$ 6,008	\$ 1,420,598
Receivables from Federal Government	4,100		4,100
Receivables from State Government	196,057		196,057
Other Receivables	3,500		3,500
Restricted Cash and Cash Equivalents	2,423,608		2,423,608
Construction in Progress	800,775		800,775
Depreciable Capital Assets, Net	454,226	8,786	463,012
Total Assets	<u>5,296,856</u>	<u>14,794</u>	<u>5,311,650</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	971,693		971,693
Total Deferred Outflows of Resources	<u>971,693</u>		<u>971,693</u>
<u>LIABILITIES</u>			
Accounts Payable	326,028		326,028
Payable to Other Governments	26,465		26,465
Unearned Revenue	900		900
Noncurrent Liabilities:			
Due Within One Year	33,817		33,817
Due Beyond One Year	2,667,704		2,667,704
Total Liabilities	<u>3,054,914</u>		<u>3,054,914</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	405,002		405,002
Total Deferred Outflows of Resources	<u>405,002</u>		<u>405,002</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	1,221,184	8,786	1,229,970
Restricted for:			
Capital Projects	1,965,475		1,965,475
Maintenance	350,750		350,750
Excess Surplus	843,859		843,859
Unemployment Compensation	56,571		56,571
Student Activities	50,812		50,812
Unrestricted/(Deficit)	(1,680,018)	6,008	(1,674,010)
Total Net Position	<u>\$ 2,808,633</u>	<u>\$ 14,794</u>	<u>\$ 2,823,427</u>

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

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

Functions/Programs	Program Revenue			Net Expense and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 5,181,722	\$ 41,100	\$ 1,012,613	\$ (4,128,009)		\$ (4,128,009)
Special Education	1,408,301		1,066,452	(341,849)		(341,849)
Other Special Instruction	114,854		22,560	(92,294)		(92,294)
School Sponsored/Other Instruction	113,762		20,523	(93,239)		(93,239)
<b>Support Services:</b>						
Tuition	4,786,643			(4,786,643)		(4,786,643)
Student & Instruction Related Services	1,329,540	68,099	329,208	(932,233)		(932,233)
General Administrative Services	428,601		55,674	(372,927)		(372,927)
School Administrative Services	434,216		64,678	(369,538)		(369,538)
Central Services	347,662		53,026	(294,636)		(294,636)
Administration Information Technology	29,803			(29,803)		(29,803)
Plant Operations and Maintenance	798,105		22,236	(775,869)		(775,869)
Pupil Transportation	831,787	796	151,382	(679,609)		(679,609)
Capital Outlay	868			(868)		(868)
Transfer of Funds to Charter Schools	77,659			(77,659)		(77,659)
<b>Total Governmental Activities</b>	<b>15,883,523</b>	<b>109,995</b>	<b>2,798,352</b>	<b>(12,975,176)</b>		<b>(12,975,176)</b>
<b>Business-Type Activities:</b>						
Food Service	13,645	4,293			\$ (9,352)	(9,352)
<b>Total Business-Type Activities</b>	<b>13,645</b>	<b>4,293</b>			<b>(9,352)</b>	<b>(9,352)</b>
<b>Total Primary Government</b>	<b>\$ 15,897,168</b>	<b>\$ 114,288</b>	<b>\$ 2,798,352</b>	<b>\$ (12,975,176)</b>	<b>\$ (9,352)</b>	<b>\$ (12,984,528)</b>
<b>General Revenues and Transfers:</b>						
<b>Taxes:</b>						
Property Taxes, Levied for General Purposes, Net				\$ 14,312,030		\$ 14,312,030
Miscellaneous Income				146,048		146,048
Transfers				(13,000)	\$ 13,000	
<b>Total General Revenue and Transfers</b>				<b>14,445,078</b>	<b>13,000</b>	<b>14,458,078</b>
Change in Net Position				1,469,902	3,648	1,473,550
Net Position - Beginning				1,338,731	11,146	1,349,877
Net Position - Ending				\$ 2,808,633	\$ 14,794	\$ 2,823,427

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

FUND FINANCIAL STATEMENTS



BOONTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,408,149		\$ 6,441	\$ 1,414,590
Receivables From Federal Government		\$ 4,100		4,100
Receivables From State Government	196,057			196,057
Other Receivables	3,500			3,500
Interfund Receivable	4,100			4,100
Restricted Cash and Cash Equivalents	2,372,796	50,812		2,423,608
<b>Total Assets</b>	<b>\$ 3,984,602</b>	<b>\$ 54,912</b>	<b>\$ 6,441</b>	<b>\$ 4,045,955</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable - Vendors	\$ 122,798			\$ 122,798
Interfund Payable - General Fund		\$ 4,100		4,100
Unearned Revenue	900			900
Payable to Other Governments	26,465			26,465
<b>Total Liabilities</b>	<b>150,163</b>	<b>4,100</b>		<b>154,263</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve	1,965,475			1,965,475
Maintenance Reserve	350,750			350,750
Excess Surplus - 2023-2024	280,000			280,000
Excess Surplus - 2024-2025	563,859			563,859
Unemployment Compensation	56,571			56,571
Student Activities		50,812		50,812
Committed			\$ 6,441	6,441
<b>Assigned:</b>				
Other Purposes	233,883			233,883
Unassigned	383,901			383,901
<b>Total Fund Balances</b>	<b>3,834,439</b>	<b>50,812</b>	<b>6,441</b>	<b>3,891,692</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,984,602</b>	<b>\$ 54,912</b>	<b>\$ 6,441</b>	<b>\$ 4,045,955</b>

BOONTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

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

Total Fund Balances (Above)	\$ 3,891,692
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	1,255,001
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(2,436,345)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	971,693
Deferred Inflows	(405,002)
District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the Statement of Net Position.	(203,230)
Long-term liabilities, including financed purchases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(265,176)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 2,808,633</u></u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUE:</b>				
<b>Local Sources:</b>				
Local Tax Levy	\$ 14,312,030			\$ 14,312,030
Tuition	41,100			41,100
Transportation Fees from Individuals	796			796
Restricted Miscellaneous Revenue	8,474	\$ 68,099		76,573
Unrestricted Miscellaneous Revenue	137,574			137,574
<b>Total - Local Sources</b>	<b>14,499,974</b>	<b>68,099</b>		<b>14,568,073</b>
State Sources	3,049,828			3,049,828
Federal Sources		436,590		436,590
<b>Total Revenue</b>	<b>17,549,802</b>	<b>504,689</b>		<b>18,054,491</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Regular Instruction	3,278,541	86,943		3,365,484
Special Education Instruction	867,783	113,476		981,259
Other Special Instruction	69,034			69,034
School Sponsored/Other Instruction	74,874			74,874
<b>Support Services and Undistributed Costs:</b>				
Tuition	4,786,643			4,786,643
Student & Instruction Related Services	806,102	250,105		1,056,207
General Administrative Services	320,917			320,917
School Administrative Services	285,665			285,665
Central Services	221,334			221,334
Administration Information Technology	29,541			29,541
Plant Operations and Maintenance	680,522			680,522
Pupil Transportation	835,622			835,622
Unallocated Benefits	3,960,925			3,960,925
Capital Outlay	225,495	53,008	\$ 747,472	1,025,975
Transfer of Funds to Charter Schools	77,659			77,659
<b>Total Expenditures</b>	<b>16,520,657</b>	<b>503,532</b>	<b>747,472</b>	<b>17,771,661</b>
<b>Excess/(Deficit) of Revenue Over/(Under) Expenditures</b>	<b>1,029,145</b>	<b>1,157</b>	<b>(747,472)</b>	<b>282,830</b>
<b>Other Financing Sources/(Uses):</b>				
Transfers	(370,216)		357,216	(13,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>(370,216)</b>		<b>357,216</b>	<b>(13,000)</b>
<b>Net Change in Fund Balances</b>	<b>658,929</b>	<b>1,157</b>	<b>(390,256)</b>	<b>269,830</b>
Fund Balance - July 1	3,175,510	49,655	396,697	3,621,862
Fund Balance - June 30	\$ 3,834,439	\$ 50,812	\$ 6,441	\$ 3,891,692

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

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

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 269,830

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

Capital outlays related to capital assets are reported in the Governmental Funds as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (64,641)	
Capital Asset Additions	1,025,106	
		960,465

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

Change in Net Pension Liability		(984,812)
Change in Deferred Outflows		661,759
Change in Deferred Inflows		540,619

In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(10,477)

Repayment of financed purchased payable and other long-term obligation liabilities (if any) is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

32,518

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

\$ 1,469,902

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023

	Business-type Activities - Enterprise Funds
	Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$           6,008
Total Current Assets	6,008
Non-Current Assets:	
Capital Assets	27,068
Less: Accumulated Depreciation	(18,282)
Total Non-Current Assets	8,786
Total Assets	14,794
<u>NET POSITION:</u>	
Investment in Capital Assets	8,786
Unrestricted	6,008
Total Net Position	\$           14,794

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales:	
Non-Reimbursable Programs	\$ 4,293
	4,293
Total Operating Revenue	4,293
Operating Expenses:	
Cost of Sales:	
Non-Reimbursable Programs	12,661
Depreciation Expense	984
	13,645
Total Operating Expenses	13,645
Operating Loss	(9,352)
Transfers:	
Transfer from General Fund	13,000
	3,648
Change in Net Position	3,648
Net Position - Beginning of Year	11,146
Net Position - End of Year	\$ 14,794

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

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

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,293
Payments to Suppliers	(15,890)
	(11,597)
Net Cash Used for Operating Activities	(11,597)
Cash Flows from Noncapital Financing Activities:	
Board Contribution from General Fund	13,000
	13,000
Net Cash Provided by Noncapital Financing Activities	13,000
Net Increase in Cash and Cash Equivalents	1,403
Cash and Cash Equivalents, July 1	4,605
Cash and Cash Equivalents, June 30	\$ 6,008
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (9,352)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	984
Changes in Assets and Liabilities:	
(Decrease) in Accounts Payable	(3,229)
	(3,229)
Net Cash Used for Operating Activities	\$ (11,597)

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements: (Cont'd)

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

D. Budgets/Budgetary Control:

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 17,559,529	\$ 492,382
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas GAAP does not		
Prior Year Encumbrances		28,326
Prior Year Encumbrances Canceled		(13,207)
Current Year Encumbrances		(2,812)
Prior Year State Aid Payment Recognized for GAAP Statements, not Recognized for Budgetary Statements	69,499	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(79,226)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 17,549,802	\$ 504,689

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,520,657	\$ 491,225
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances		28,326
Prior Year Encumbrances Canceled		(13,207)
Current Year Encumbrances		(2,812)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 16,520,657	\$ 503,532

E. Cash and Cash Equivalents, and Investments:

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

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

K. Capital Assets:

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

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

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

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

L. Lease Assets:

Intangible right-to-use lease assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2023.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

P. Compensated Absences:

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

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

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

Q. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$3,834,439 General Fund balance at June 30, 2023, \$233,883 is assigned for year-end encumbrances; \$1,965,475 is restricted in the capital reserve account; \$350,750 is restricted in the maintenance reserve account; \$56,571 is restricted for unemployment compensation; \$563,859 is restricted for current excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended and will be included as anticipated revenue for the fiscal year ending June 30, 2025); \$280,000 is restricted as prior year excess surplus and has been included as anticipated revenue for the fiscal year ending June 30, 2024; and \$383,901 is unassigned fund balance (which is \$79,226 less than the calculated maximum unassigned fund balance, on a Budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2024).

Special Revenue Fund: The Special Revenue fund balance at June 30, 2023 of \$50,812 is restricted for student activities.

Capital Projects Fund: The Capital Projects fund balance at June 30, 2023 of \$6,441 is committed.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA).

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: (Cont'd) New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as indicated above.

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

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,680,018 in the governmental activities as of June 30, 2023 primarily due to compensated absences payable and net pension liability and the related deferred inflows and outflows of resources. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2023 related to pensions.

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

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

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

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



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment or resources. The District has committed resources in the Capital Projects Fund at June 30, 2023.

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

The process is not a restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances at June 30, 2023.

X. Revenue - Exchange and Nonexchange Transactions:

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Investments: (Cont'd)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Investments: (Cont'd)

- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		Total
	Unrestricted	Restricted	
Checking & Savings Accounts	\$ 1,186,870	\$ 2,417,324	\$ 3,604,194
NJ Cash Management Fund	233,728	6,284	240,012
	\$ 1,420,598	\$ 2,423,608	\$ 3,844,206

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023 was \$3,844,206 and the bank balance was \$4,031,004. The \$240,012 in the NJ Cash Management Fund is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance at June 30, 2022	\$	846,660
Increases: Board Resolution - June 14, 2023		800,000
Return of Unexpended funds from Capital Outlay		318,815
Balance at June 30, 2023	\$	1,965,475

The Long Range Facilities Plan balance of local support costs of uncompleted projects exceeds the balance in the capital reserve account at June 30, 2023.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Balance 6/30/2022	Increases	Adjustments/ Decreases	Balance 6/30/2023
Governmental Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress	\$ 53,303	\$ 747,472		\$ 800,775
Total Capital Assets not Being Depreciated	<u>53,303</u>	<u>747,472</u>		<u>800,775</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	1,867,191			1,867,191
Machinery and Equipment	1,371,006	277,634		1,648,640
Total Capital Assets Being Depreciated	<u>3,238,197</u>	<u>277,634</u>		<u>3,515,831</u>
Governmental Activities Capital Assets	<u>3,291,500</u>	<u>1,025,106</u>		<u>4,316,606</u>
Less Accumulated Depreciated for:				
Buildings and Building Improvements	(1,867,191)			(1,867,191)
Machinery and Equipment	(1,129,773)	(64,641)		(1,194,414)
Total Accumulated Depreciation	<u>(2,996,964)</u>	<u>(64,641)</u>		<u>(3,061,605)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 294,536</u>	<u>\$ 960,465</u>	<u>\$ -0-</u>	<u>\$ 1,255,001</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 27,068			\$ 27,068
Less Accumulated Depreciation	(17,298)	\$ (984)		(18,282)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,770</u>	<u>\$ (984)</u>	<u>\$ -0-</u>	<u>\$ 8,786</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 23,417
Special Education Instruction	6,954
Other Special Instruction	440
Student & Instructional Related Services	6,622
General Administration	2,191
School Administration	1,954
Central Services	1,510
Administrative Information Technology	262
Operations and Maintenance of Plant	11,348
Transportation	9,943
	<u>\$ 64,641</u>

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District transferred \$83,733 to the capital outlay accounts for equipment which did not require approval of the County Superintendent.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>06/30/22</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>06/30/23</u>	<u>Due within</u> <u>One Year</u>
Net Pension Liability	\$ 1,451,533	\$ 984,812		\$ 2,436,345	
Compensated Absences Payable	220,882	36,420	\$ 25,943	231,359	
Financed Purchases Payable	66,335		32,518	33,817	\$ 33,817
	<u>\$ 1,738,750</u>	<u>\$ 1,021,232</u>	<u>\$ 58,461</u>	<u>\$ 2,701,521</u>	<u>\$ 33,817</u>

A. Bonds Payable:

As of June 30, 2023, the District has no bonds payable outstanding.

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the District has no bonds authorized but not issued.

C. Financed Purchases Payable:

The District entered into a financed purchases agreement for the purchase of two school buses. As of June 30, 2023, \$95,272 has matured and been repaid. The following is a schedule of future minimum finance purchase payments and the present value of the net minimum payments at June 30, 2023.

<u>Year</u>	<u>Amount</u>
2024	\$ 35,168
Total minimum financed purchases payments	35,168
Less: Amount representing interest	(1,351)
Present value of net minimum financed purchases payments	<u>\$ 33,817</u>

The current portion of the financed purchases payable at June 30, 2023 is \$33,817 and the long-term portion is \$-0-. The General Fund will be used to liquidate the financed purchases payable.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and the current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term portion of compensated absences of \$231,359. There is no liability for compensated absences in the District's Enterprise Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$2,436,345. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65.



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$203,583 for 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$5,126 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the District's liability was \$2,436,345 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0161%, which was an increase of 0.0039% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized actual pension benefit in the amount of \$13,984 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$5,126 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 58,564
	2019	5.21		73,187
	2020	5.16		215,208
	2021	5.13		17,858
	2022	5.04	\$ 7,549	
				<u>7,549</u>
Difference Between Expected and Actual Experience	2018	5.63		2,230
	2019	5.21	5,594	
	2020	5.16	11,990	
	2021	5.13		6,003
	2022	5.04		7,274
				<u>17,584</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	2,410	
	2020	5.00	72,425	
	2021	5.00	(451,740)	
	2022	5.00	477,743	
			<u>100,838</u>	

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	2016	5.57		
	2018	5.63	902	
	2019	5.21	8,052	
	2020	5.16		24,678
	2021	5.13	40,263	
	2022	5.04	593,275	
			<u>642,492</u>	<u>24,678</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	203,230	
			<u>\$ 971,693</u>	<u>\$ 405,002</u>

Amounts reported as deferred outflows and inflows of resources (excluding the District contribution subsequent to the measurement date) related to pensions will be recognized in pension benefit as follows:

<u>Fiscal Year End June 30,</u>	<u>Total</u>
2023	\$ (53,138)
2024	43,209
2025	105,961
2026	261,803
2027	5,626
	<u>\$ 363,461</u>

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:

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%

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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 pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table:

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 upon 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 the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 3,129,990	\$ 2,436,345	\$ 1,846,025

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

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

Contributions

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

Special Funding Situation

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

During the fiscal year ended 2023, the State of New Jersey contributed \$1,402,739 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$466,037.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$17,316,550. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0336%, which was a decrease of 0.0006% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		17,316,550
Total	\$	17,316,550

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$466,037 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The State reported collective deferred outflows and inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

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%

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability 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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 20,304,023	\$ 17,316,550	\$ 14,799,980

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$2,697 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$3,473 for the fiscal year ended June 30, 2023.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-oheb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS) and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2021	\$ 20,164,619
Service Cost	929,153
Interest on the Total OPEB Liability	461,067
Difference Between Expected and Actual Experience	952,420
Changes of Assumptions	(4,667,178)
Member Contributions	14,651
Gross Benefit Payments by the State	<u>(456,701)</u>
Net Changes	<u>(2,766,588)</u>
Balance at June 30, 2022	<u>\$ 17,398,031</u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
	Total OPEB Liability Attributable to the District	\$ 20,449,555	\$ 17,398,031

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 14,380,536	\$ 17,398,031	\$ 21,361,694

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$622,245 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2022, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 903,324
	2018	9.51		862,028
	2019	9.29	\$ 121,705	
	2020	9.24	2,873,518	
	2021	9.24	15,935	
	2022	9.13		4,155,986
			3,011,158	5,921,338
Differences Between Expected and Actual Experience	2018	9.51		814,885
	2019	9.29		1,432,479
	2020	9.24	2,678,232	
	2021	9.24		3,064,457
	2022	9.13	428,007	
			3,106,239	5,311,821
Changes in Proportion	N/A	N/A	976,729	272,140
			\$ 7,094,126	\$ 11,505,299

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (864,689)
2024	(864,690)
2025	(864,690)
2026	(747,309)
2027	(427,321)
Thereafter	(1,347,063)
	\$ (5,115,762)

NOTE 10. DEFERRED COMPENSATION

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

- Ameriprise
- AXA Equitable
- Lincoln Investment
- MetLife

NOTE 11. RISK MANAGEMENT

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

Property, Liability and Health Benefits

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

The District is a member of the New Jersey Schools Insurance Group (“NJSIG”). This public entity risk management pool provided general liability, property and automobile coverage and workers’ compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The NJSIG is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the NJSIG are elected.



BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

As a member of the NJSIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the NJSIG were to be exhausted, members would become responsible for their respective shares of the NJSIG's liabilities. The NJSIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

The June 30, 2023 audit report is not available as of the date of this report. Selected financial information for the NJSIG as of June 30, 2022 is as follows:

Total Assets	\$ 419,556,712
Net Position	\$ 184,982,708
Total Revenue	\$ 134,563,842
Total Expenses	\$ 121,403,370
Change in Net Position	\$ 13,160,472
Members Dividends	\$ -0-

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

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

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	District Contributions	Employee Contributions and Interest	Amount Reimbursed	Ending Balance
2022/2023	\$ -0-	\$ 9,991	\$ 1,517	\$ 56,571
2021/2022	-0-	9,187	159	48,097
2020/2021	9,000	8,552	5,936	39,069

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. TAX CALENDAR

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

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 233,883	\$ 2,812	\$ 3,559	\$ 236,695

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances (Cont'd)

On the District’s Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$2,812 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$3,559 encumbrances in the Capital Projects Fund is included in the committed fund balance on a GAAP basis.

NOTE 15. MAINTENANCE RESERVE ACCOUNT

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

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

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

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance at June 30, 2022	\$ 350,750
Balance at June 30, 2023	<u>\$ 350,750</u>

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Funds as of June 30, 2023 consisted of the following:

	<u>Governmental Funds</u>	District Contribution	Total
	General Fund	Subsequent to the Measurement Date	Governmental Activities
Vendors	\$ 75,938		\$ 75,938
Payroll Deductions and Withholdings	46,860		46,860
State of New Jersey		\$ 203,230	203,230
	<u>\$ 122,798</u>	<u>\$ 203,230</u>	<u>\$ 326,028</u>

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0102578214%	0.0113230660%	0.0117048258%	0.0120232965%	0.0120589910%	0.0122121246%	0.0119502767%	0.0122528402%	0.0161439530%
District's proportionate share of the net pension liability	\$ 1,920,545	\$ 2,541,801	\$ 3,466,634	\$ 2,798,831	\$ 2,374,355	\$ 2,200,440	\$ 1,948,778	\$ 1,451,533	\$ 2,436,345
District's covered employee payroll	\$ 704,653	\$ 799,336	\$ 820,322	\$ 805,456	\$ 858,725	\$ 858,463	\$ 879,326	\$ 1,041,661	\$ 883,111
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	272.55%	317.99%	422.59%	347.48%	276.50%	256.32%	221.62%	139.35%	275.88%
Plan fiduciary net position as a percentage of the total pension liability for the local group	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 85,196	\$ 97,348	\$ 104,691	\$ 114,642	\$ 120,323	\$ 119,089	\$ 130,730	\$ 143,495	\$ 203,583
Contributions in relation to the contractually required contribution	(85,196)	(97,348)	(104,691)	(114,642)	(120,323)	(119,089)	(130,730)	(143,495)	(203,583)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 799,336	\$ 820,322	\$ 805,456	\$ 858,725	\$ 858,463	\$ 879,326	\$ 1,041,661	\$ 883,111	\$ 1,055,006
Contributions as a percentage of covered employee payroll	10.66%	11.87%	13.00%	13.35%	14.02%	13.54%	12.55%	16.25%	19.30%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.0345934377%	0.0361999168%	0.0356519581%	0.0334630139%	0.0367784558%	0.0346821008%	0.0345879016%	0.0341640622%	0.0335628280%
State's proportionate share of the net pension liability attributable to the District	\$ 18,489,067	\$ 22,879,884	\$ 28,046,100	\$ 22,561,971	\$ 23,397,664	\$ 21,284,733	\$ 22,775,717	\$ 16,424,437	\$ 17,316,550
District's covered employee payroll	\$ 3,493,986	\$ 3,453,257	\$ 3,653,694	\$ 3,657,373	\$ 3,810,206	\$ 3,762,618	\$ 3,809,200	\$ 3,833,687	\$ 4,122,830
State's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	529.17%	662.56%	767.61%	616.89%	614.08%	565.69%	597.91%	428.42%	420.02%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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



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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 994,885	\$ 1,397,023	\$ 2,107,274	\$ 1,562,978	\$ 1,364,002	\$ 1,255,430	\$ 1,416,291	\$ 386,474	\$ 466,037	
Contributions in relation to the contractually required contribution	(195,710)	(285,443)	(363,232)	(541,617)	(682,114)	(758,645)	(993,108)	(1,381,667)	(1,402,739)	
Contribution deficiency/(excess)	\$ 799,175	\$ 1,111,580	\$ 1,744,042	\$ 1,021,361	\$ 681,888	\$ 496,785	\$ 423,183	\$ (995,193)	\$ (936,702)	
District's covered employee payroll	\$ 3,453,257	\$ 3,653,694	\$ 3,657,373	\$ 3,810,206	\$ 3,762,618	\$ 3,809,200	\$ 3,833,687	\$ 4,122,830	\$ 4,202,879	
Contributions as a percentage of covered employee payroll	5.67%	7.81%	9.93%	14.21%	18.13%	19.92%	25.90%	33.51%	33.38%	

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

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

	Fiscal Years Ending June 30,				
	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 676,143	\$ 564,405	\$ 574,460	\$ 1,035,178	\$ 929,153
Interest Cost	648,472	611,817	491,709	523,091	461,067
Changes of Benefit Terms				(21,463)	
Difference Between Expected and Actual Experience	(1,342,126)	(2,755,153)	4,192,388	(3,676,680)	952,420
Changes in Assumptions	(1,772,552)	203,734	4,143,455	19,894	(4,667,178)
Member Contributions	14,275	12,434	11,969	13,373	14,651
Gross Benefit Payments	(413,031)	(419,450)	(394,897)	(412,050)	(456,701)
Net Change in Total OPEB Liability	(2,188,819)	(1,782,213)	9,019,084	(2,518,657)	(2,766,588)
Total OPEB Liability - Beginning	17,635,224	15,446,405	13,664,192	22,683,276	20,164,619
Total OPEB Liability - Ending	<u>\$ 15,446,405</u>	<u>\$ 13,664,192</u>	<u>\$ 22,683,276</u>	<u>\$ 20,164,619</u>	<u>\$ 17,398,031</u>
District's Covered Employee Payroll *	\$ 4,462,829	\$ 4,668,931	\$ 4,621,081	\$ 4,688,526	\$ 4,875,348
Total OPEB Liability as a Percentage of Covered Employee Payroll	346%	293%	491%	430%	357%

\* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, and 2020 are based on the payroll on the June 30, 2016, 2017, 2018, and 2019 census data.

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

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. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

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. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

BOONTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

C. State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

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 4.5% 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 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues from Local Sources:					
Local Tax Levy	\$ 14,312,030		\$ 14,312,030	\$ 14,312,030	
Tuition From Individuals	40,600		40,600	41,100	\$ 500
Transportation Fees From Individuals				796	796
Unrestricted Miscellaneous Revenues	8,700		8,700	137,574	128,874
Other Restricted Miscellaneous Revenues				8,474	8,474
<b>Total Revenues from Local Sources</b>	<b>14,361,330</b>		<b>14,361,330</b>	<b>14,499,974</b>	<b>138,644</b>
Revenues from State Sources:					
Categorical Transportation Aid	138,307		138,307	138,307	
Extraordinary Aid				154,227	154,227
Categorical Special Education Aid	642,576		642,576	642,576	
Categorical Security Aid	23,245		23,245	23,245	
Nonpublic Transportation Aid				13,104	13,104
TPAF Post Retirement Contributions (Non-Budgeted)				373,609	373,609
TPAF Pension Contributions (Non-Budgeted)				1,402,739	1,402,739
TPAF Non-Contributory Insurance (Non-Budgeted)				19,461	19,461
TPAF Long-Term Disability Insurance (Non-Budgeted)				539	539
Reimbursed TPAF Social Security Contributions				291,748	291,748
<b>Total Revenues from State Sources</b>	<b>804,128</b>		<b>804,128</b>	<b>3,059,555</b>	<b>2,255,427</b>
<b>TOTAL REVENUE</b>	<b>15,165,458</b>		<b>15,165,458</b>	<b>17,559,529</b>	<b>2,394,071</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 160,255	\$ 2,022	\$ 162,277	\$ 161,212	\$ 1,065
Kindergarten - Salaries of Teachers	184,007	(12,695)	171,312	171,312	
Grades 1-5 - Salaries of Teachers	1,367,962	(76,316)	1,291,646	1,255,061	36,585
Grades 6-8 - Salaries of Teachers	1,267,308	(7,438)	1,259,870	1,222,086	37,784
Regular Programs - Home Instruction:					
Salaries of Teachers	700	6,307	7,007	7,007	
Purchased Professional-Educational Services		4,225	4,225	3,380	845
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	144,211	1,095	145,306	145,306	
Purchased Professional-Educational Services	6,300	1,222	7,522	7,504	18
Other Purchased Services (400-500 series)	33,730	2,800	36,530	36,494	36
General Supplies	95,967	60,729	156,696	118,931	37,765
Textbooks	132,104	31,279	163,383	149,998	13,385
Other Objects	500		500	250	250
<b>Total Regular Programs - Instruction</b>	<b>3,393,044</b>	<b>13,230</b>	<b>3,406,274</b>	<b>3,278,541</b>	<b>127,733</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	96,040	2,200	98,240	98,120	120
Other Salaries for Instruction	36,187	(36,187)			
General Supplies	992		992	946	46
<b>Total Learning and/or Language Disabilities</b>	<b>133,219</b>	<b>(33,987)</b>	<b>99,232</b>	<b>99,066</b>	<b>166</b>
Multiple Disabilities:					
Salaries of Teachers	69,368	6,403	75,771	75,441	330
Other Salaries for Instruction	70,774	(35,311)	35,463	35,463	
General Supplies	1,069	44	1,113	1,109	4
<b>Total Multiple Disabilities</b>	<b>141,211</b>	<b>(28,864)</b>	<b>112,347</b>	<b>112,013</b>	<b>334</b>

**BOONTON SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	\$ 308,940	\$ 1,780	\$ 310,720	\$ 310,706	\$ 14
Other Salaries for Instruction	249,409	72,397	321,806	321,806	
General Supplies	6,002	1,000	7,002	6,810	192
<b>Total Resource Room/Resource Center</b>	<b>564,351</b>	<b>75,177</b>	<b>639,528</b>	<b>639,322</b>	<b>206</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	42,669		42,669	17,382	25,287
<b>Total Preschool Disabilities - Full-Time</b>	<b>42,669</b>		<b>42,669</b>	<b>17,382</b>	<b>25,287</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>881,450</b>	<b>12,326</b>	<b>893,776</b>	<b>867,783</b>	<b>25,993</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	67,468	1,357	68,825	68,645	180
General Supplies	1,314		1,314	389	925
<b>Total Basic Skills/Remedial - Instruction</b>	<b>68,782</b>	<b>1,357</b>	<b>70,139</b>	<b>69,034</b>	<b>1,105</b>
<b>School-Spon. Cocurricular &amp; Extracurricular Actvts. - Inst.:</b>					
Salaries	35,547	(5,000)	30,547	18,109	12,438
Other Objects	700		700	567	133
<b>Total School-Spon. Cocurricular &amp; Extracurricular Actvts. - Inst.</b>	<b>36,247</b>	<b>(5,000)</b>	<b>31,247</b>	<b>18,676</b>	<b>12,571</b>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	43,821	516	44,337	44,337	
Supplies and Materials	5,270	2,410	7,680	7,680	
Other Objects	1,425	(200)	1,225	162	1,063
Transfers to Cover Deficit (Agency Funds)	8,778	(900)	7,878	4,019	3,859
<b>Total School-Sponsored Athletics - Instruction</b>	<b>59,294</b>	<b>1,826</b>	<b>61,120</b>	<b>56,198</b>	<b>4,922</b>
<b>TOTAL INSTRUCTION</b>	<b>4,438,817</b>	<b>23,739</b>	<b>4,462,556</b>	<b>4,290,232</b>	<b>172,324</b>



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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 2,877,920	\$ 53,961	\$ 2,931,881	\$ 2,931,881	
Tuition to Other LEAs Within the State - Special	830,454	162,184	992,638	980,898	\$ 11,740
Tuition to County Voc. School Dist. - Regular	47,756	33,429	81,185	66,752	14,433
Tuition to Priv. Sch. for the Handicap. W/I State	1,240,114	(295,806)	944,308	714,712	229,596
Tuition to Priv Sch Handicap & Oth LEAs - Spl,O/S St	104,556	(12,156)	92,400	92,400	
Total Undistributed Expenditures - Instruction	<u>5,100,800</u>	<u>(58,388)</u>	<u>5,042,412</u>	<u>4,786,643</u>	<u>255,769</u>
Undistributed Expenditures - Health Services:					
Salaries	97,380	4,100	101,480	101,480	
Purchased Professional and Technical Services	6,897	47	6,944	4,038	2,906
Supplies and Materials	6,406	(1,347)	5,059	2,835	2,224
Other Objects	600	200	800	781	19
Total Undist. Expenditures - Health Services	<u>111,283</u>	<u>3,000</u>	<u>114,283</u>	<u>109,134</u>	<u>5,149</u>
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	56,928	600	57,528	57,528	
Purchased Professional - Educational Services	75,120	(2,600)	72,520	39,746	32,774
Supplies and Materials	1,726	3,699	5,425	5,297	128
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>133,774</u>	<u>1,699</u>	<u>135,473</u>	<u>102,571</u>	<u>32,902</u>
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Purchased Professional - Educational Services	49,000	53,760	102,760	53,649	49,111
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	<u>49,000</u>	<u>53,760</u>	<u>102,760</u>	<u>53,649</u>	<u>49,111</u>
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	102,128	(49,990)	52,138	51,638	500
Other Purchased Services (400-500 series)	15,022		15,022	11,101	3,921

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Guidance: (Cont'd)					
Supplies and Materials	\$ 3,000		\$ 3,000	\$ 350	\$ 2,650
Other Objects	750		750		750
Total Undist Expend. - Guidance	<u>120,900</u>	<u>\$ (49,990)</u>	<u>70,910</u>	<u>63,089</u>	<u>7,821</u>
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	203,591	272	203,863	184,200	19,663
Salaries of Secretarial and Clerical Assistants	37,111		37,111	37,111	
Purchased Professional - Educational Services	42,980	42,599	85,579	52,673	32,906
Other Purchased Prof. and Tech. Services	15,200	(500)	14,700	12,113	2,587
Other Purchased Services (400-500 series)	500		500	392	108
Supplies and Materials	3,921	1,800	5,721	4,966	755
Other Objects	1,500		1,500	1,345	155
Total Undist Expend. - Child Study Team	<u>304,803</u>	<u>44,171</u>	<u>348,974</u>	<u>292,800</u>	<u>56,174</u>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	3,200		3,200		3,200
Purchased Professional - Educational Services	12,700		12,700	1,800	10,900
Total Undist. Expend.-Improv. of Inst. Serv.	<u>15,900</u>		<u>15,900</u>	<u>1,800</u>	<u>14,100</u>
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	119,885	5,454	125,339	124,087	1,252
Other Purchased Services (400-500 series)	17,520		17,520	12,592	4,928
Supplies and Materials	10,580		10,580	8,134	2,446
Other Objects	711		711	680	31
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>148,696</u>	<u>5,454</u>	<u>154,150</u>	<u>145,493</u>	<u>8,657</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 25,436	\$ 132	\$ 25,568	\$ 25,568	
Other Purchased Services (400-500 series)	32,275		32,275	11,666	\$ 20,609
Supplies and Materials	2,600		2,600	330	2,270
Other Objects	800		800	2	798
<b>Total Undist. Expend.-Instructional Staff Training Services</b>	<b>61,111</b>	<b>132</b>	<b>61,243</b>	<b>37,566</b>	<b>23,677</b>
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	170,204		170,204	169,404	800
Legal Services	17,991	7,337	25,328	23,862	1,466
Audit Fees	22,900		22,900	22,900	
Other Purchased Professional Services	2,500	25,897	28,397	17,084	11,313
Communications / Telephone	18,663	4,852	23,515	22,335	1,180
BOE Other Purchased Services	2,000	400	2,400	2,310	90
Other Purch. Serv. (400-500 series other than 530 & 585)	36,319	6,480	42,799	39,477	3,322
General Supplies	10,000	(998)	9,002	7,878	1,124
BOE In-house training/ Meeting Supplies	2,000	500	2,500	1,743	757
Judgments Against The School District	33,745	(24,479)	9,266	2,756	6,510
Miscellaneous Expenditures	5,209		5,209	4,665	544
BOE Membership Dues and Fees	7,000		7,000	6,503	497
<b>Total Undist. Expend.-Support Serv.-Gen. Admin.</b>	<b>328,531</b>	<b>19,989</b>	<b>348,520</b>	<b>320,917</b>	<b>27,603</b>
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	196,804		196,804	196,804	
Salaries of Other Professional Staff	12,695		12,695	12,695	
Salaries of Secretarial and Clerical Assistants	67,711	861	67,711	65,311	2,400
Other Purchased Services (400-500 series)	4,400	(279)	5,261	4,721	540
Supplies and Materials	5,265		4,986	3,326	1,660
Other Objects	2,900	279	3,179	2,808	371
<b>Total Undist. Expend.-Support Serv.-School Adm.</b>	<b>289,775</b>	<b>861</b>	<b>290,636</b>	<b>285,665</b>	<b>4,971</b>

BOONTON SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 193,117		\$ 193,117	\$ 193,116	\$ 1
Miscellaneous Purchased Services (400-500 series other than 594)	12,792	\$ 8,207	20,999	20,999	
Supplies and Materials	3,600	(651)	2,949	2,715	234
Other Objects	4,250	500	4,750	4,504	246
Total Undist. Expend. - Central Services	<u>213,759</u>	<u>8,056</u>	<u>221,815</u>	<u>221,334</u>	<u>481</u>
Undist. Expend. - Admin. Info. Technology:					
Salaries					
Purchased Technical Services	2,990	(400)	2,590	2,490	100
Other Purchased Services (400-500 series)	6,800	15,200	22,000	21,433	567
Supplies and Materials	4,990		4,990	4,735	255
Other Objects	2,000	(800)	1,200	883	317
Total Undist. Expend. - Admin. Info. Technology	<u>16,780</u>	<u>14,000</u>	<u>30,780</u>	<u>29,541</u>	<u>1,239</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	62,700	2,015	64,715	64,715	
Cleaning, Repair, and Maintenance Services	137,080	(21,745)	115,335	61,563	53,772
General Supplies	18,158	1,079	19,237	16,876	2,361
Total Undist. Expend.- Required Maint. for School Facilities	<u>217,938</u>	<u>(18,651)</u>	<u>199,287</u>	<u>143,154</u>	<u>56,133</u>
Undist. Expend.-Custodial Services:					
Salaries	308,673		308,673	293,368	15,305
Purchased Professional and Technical Services	9,000		9,000	6,997	2,003
Cleaning, Repair, and Maintenance Services	74,436	(113)	74,323	33,540	40,783
Other Purchased Property Services	5,600		5,600	5,474	126
Insurance	49,800		49,800	34,505	15,295
Miscellaneous Purchased Services	450		450	36	414
General Supplies	22,819		22,819	11,535	11,284
Energy (Natural Gas)	141,671		141,671	98,817	42,854

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services: (Cont'd)					
Other Objects	\$ 700		\$ 700	400	\$ 300
Total Undist. Expend.-Custodial Services	<u>613,149</u>	<u>\$(113)</u>	<u>613,036</u>	<u>484,672</u>	<u>\$ 128,364</u>
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	24,100	20,450	44,550	17,687	26,863
Total Care And Upkeep Of Grounds	<u>24,100</u>	<u>20,450</u>	<u>44,550</u>	<u>17,687</u>	<u>26,863</u>
Security:					
Purchased Professional and Technical Services	54,352	54,352	54,352	35,009	19,343
Total Security	<u>54,352</u>	<u>54,352</u>	<u>54,352</u>	<u>35,009</u>	<u>19,343</u>
Total Undist. Expend.- Oper. And Maint. Of Plant Serv.	<u>855,187</u>	<u>56,038</u>	<u>911,225</u>	<u>680,522</u>	<u>230,703</u>
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch) - Regular	54,553	740	55,293	54,312	981
Sal. for Pupil Trans. (Bet. Home and Sch) - Special Ed.	5,282		5,282	4,182	1,100
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	12,000		12,000	5,230	6,770
Cleaning, Repair, and Maint. Services	7,500	(1,500)	6,000	3,952	2,048
Lease Purchase Payments - School Buses		35,170	35,170	35,168	2
Contract. Serv. - Aid in Lieu of Payments - Nonpublic Students	45,000	2,297	47,297	47,297	
Contract. Serv.(Bet. Home & Sch.) - Vendors	286,723	(9,991)	276,732	276,732	
Contract. Serv.(Oth. than Bet. Home & Sch.) - Vendors	7,400	4,049	11,449	11,449	
Contract. Serv.(Spl. Ed. Students) - Vendors		5,000	5,000	5,000	
Contract. Serv.(Reg. Students) - ESCs & CTSAAs	42,000	13,231	55,231	54,120	1,111
Contract. Serv.(Spl. Ed. Students) - ESCs & CTSAAs	355,016	(20,294)	334,722	334,722	
Misc. Purchased Serv. - Transportation	4,000	(3,136)	864	864	
General Supplies	8,563		8,563	2,494	6,069
Other Objects	800		800	100	700
Total Undist. Expend.-Student Trans. Serv.	<u>828,837</u>	<u>25,566</u>	<u>854,403</u>	<u>835,622</u>	<u>18,781</u>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	\$ 101,519	\$ 38,969	\$ 140,488	\$ 140,488	
T.P.A.F. Contributions - ERIP	17,000	(17,000)			
Other Retirement Contributions - PERS	158,890	44,693	203,583	203,583	
Other Retirement Contributions - Regular	3,300		3,300	2,697	\$ 603
Unemployment Compensation	9,000		9,000		9,000
Workers Compensation	51,181	(3,087)	48,094	48,094	
Health Benefits	1,556,530	(79,216)	1,477,314	1,388,352	88,962
Tuition Reimbursement	25,500		25,500	10,527	14,973
Other Employee Benefits	88,300	396	88,696	79,088	9,608
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>2,011,220</b>	<b>(15,245)</b>	<b>1,995,975</b>	<b>1,872,829</b>	<b>123,146</b>
<b>ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>					
TPAF Post Retirement Contributions (Non-Budgeted)				373,609	(373,609)
TPAF Pension Contributions (Non-Budgeted)				1,402,739	(1,402,739)
TPAF Non-Contributory Insurance (Non-Budgeted)				19,461	(19,461)
TPAF Long-Term Disability Insurance (Non-Budgeted)				539	(539)
Reimbursed TPAF Social Security Contributions				291,748	(291,748)
<b>TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>				<b>2,088,096</b>	<b>(2,088,096)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>2,011,220</b>	<b>(15,245)</b>	<b>1,995,975</b>	<b>3,960,925</b>	<b>(1,964,950)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>10,590,356</b>	<b>109,103</b>	<b>10,699,459</b>	<b>11,927,271</b>	<b>(1,227,812)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>15,029,173</b>	<b>132,842</b>	<b>15,162,015</b>	<b>16,217,503</b>	<b>(1,055,488)</b>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
Undistributed:					
Undistributed Expenditures - Instruction	\$ 31,603	\$ 21,617	\$ 53,220	\$ 53,220	
Undistributed Expenditures - General Admin.	4,266	5,076	9,342	9,342	
Undistributed Expenditures - Central Services	6,249	0	6,249	6,249	
Undistributed Expenditures - Admin. Info. Tech.	64,446	52,539	116,985	64,446	\$ 52,539
Undist. Expend. - Required Maint for School Fac.	70,809	39,671	110,479	91,370	19,109
School Buses - Regular	35,170	(35,170)			
Total Equipment	212,542	83,733	296,275	224,627	71,648
Facilities Acquisition and Construction Serv.:					
Construction Services	700,000	(381,185)	318,815		318,815
Assessment for Debt Service on SDA Funding	868		868	868	
Total Facilities Acquisition and Const. Serv.	700,868	(381,185)	319,683	868	318,815
<b>TOTAL CAPITAL OUTLAY</b>	913,410	(297,452)	615,958	225,495	390,463
Transfer of Funds to Charter Schools	153,552	(42,922)	110,630	77,659	32,971
<b>TOTAL EXPENDITURES</b>	16,096,135	(207,532)	15,888,603	16,520,657	(632,054)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(930,677)	207,532	(723,145)	1,038,872	1,762,017
Other Financing Sources/(Uses):					
Transfers to Cover Deficit (Enterprise Fund)		(13,000)	(13,000)	(13,000)	
Capital Outlay - Transfer to Capital Projects Fund		(381,185)	(381,185)	(357,216)	23,969
Other Financing Sources/(Uses)		(394,185)	(394,185)	(370,216)	23,969
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(930,677)	(186,653)	(1,117,330)	668,656	1,785,986

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Fund Balance, July 1	\$ 3,245,009		\$ 3,245,009	\$ 3,245,009	
Fund Balance, June 30	<u>\$ 2,314,332</u>	<u>\$ (186,653)</u>	<u>\$ 2,127,679</u>	<u>\$ 3,913,665</u>	<u>\$ 1,785,986</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 563,859	
Excess Surplus - Restricted For 2023-2024				280,000	
Capital Reserve				1,965,475	
Maintenance Reserve				350,750	
Unemployment Compensation				56,571	
Assigned Fund Balance:					
Year End Encumbrances				233,883	
Unassigned Fund Balance				<u>463,127</u>	
				<u>3,913,665</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(79,226)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,834,439</u>	



BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 68,099	\$ 68,099	\$ 68,099	
State Sources		812	812		\$ (812)
Federal Sources	\$ 143,554	288,385	431,939	424,283	(7,656)
<b>Total Revenues</b>	<b>143,554</b>	<b>357,296</b>	<b>500,850</b>	<b>492,382</b>	<b>(8,468)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers		33,930	33,930	33,930	
Purchased Professional and Technical Services	5,000	(5,000)			
Purchased Professional and Educational Services	6,000	(975)	5,025	5,025	
Tuition	88,018	25,458	113,476	113,476	
General Supplies	24,670	11,332	36,002	36,001	1
<b>Total Instruction</b>	<b>123,688</b>	<b>64,745</b>	<b>188,433</b>	<b>188,432</b>	<b>1</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff	6,346	74,452	80,798	73,907	6,891
Personal Services - Employee Benefits	485	2,171	2,656	2,130	526
Purchased Professional and Technical Services		48,262	48,262	48,262	
Purchased Professional and Educational Services	4,035	1,388	5,423	5,423	
Other Purchased Services	2,000	33,680	35,680	34,630	1,050
Supplies and Materials	7,000	10,622	17,622	17,622	
Other Objects		869	869	869	
Student Activities		66,942	66,942	66,942	
<b>Total Support Services</b>	<b>19,866</b>	<b>238,386</b>	<b>258,252</b>	<b>249,785</b>	<b>8,467</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		53,008	53,008	53,008	
<b>Total Facilities Acquisition and Construction Services</b>		<b>53,008</b>	<b>53,008</b>	<b>53,008</b>	
<b>Total Expenditures</b>	<b>\$ 143,554</b>	<b>\$ 356,139</b>	<b>\$ 499,693</b>	<b>\$ 491,225</b>	<b>\$ 8,468</b>
<b>Excess of Revenue Over Expenditures</b>	<b>\$ -0-</b>	<b>\$ 1,157</b>	<b>\$ 1,157</b>	<b>\$ 1,157</b>	<b>\$ -0-</b>

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 17,559,529	\$ 492,382
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(2,812)
Prior Year Encumbrances		28,326
Prior Year Encumbrances Canceled		(13,207)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	69,499	
Current Year State Aid Payments Recognized for Budgetary Statements, not Recognized for GAAP Statements	(79,226)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 17,549,802	\$ 504,689
Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,520,657	\$ 491,225
Differences - Budget to GAAP:		
Encumbrances Ordered but not Received are Reported in the Year the Order is Place for Budgetary Purposes, but in the Year they are Received for Financial Reporting Purposes.		
Current Year Encumbrances		(2,812)
Prior Year Encumbrances		28,326
Prior Year Encumbrances Canceled		(13,207)
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 16,520,657	\$ 503,532

BOONTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	Elementary and Secondary Education Act				CRRSA		
	Title I	Title IIA	Title IV	FY 2022 Title IV	ESSER II	Learning Acceleration	Mental Health
<b>REVENUES:</b>							
Local Sources	\$ 18,238	\$ 9,969	\$ 10,000	\$ 13	\$ 12,944	\$ 3,350	\$ 5,894
Federal Sources	18,238	9,969	10,000	13	12,944	3,350	5,894
<b>Total Revenues</b>							
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers							5,025
Purchased Professional and Educational Services							
Tuition	18,238		2,116	13			
General Supplies	18,238		2,116	13			5,025
<b>Total Instruction</b>							
<b>Support Services:</b>							
Salaries of Other Professional Staff		6,231	7,323				
Personal Services - Employee Benefits		476	561				
Purchased Professional and Technical Services		3,262					
Purchased Professional and Educational Services							
Other Purchased Services						3,350	
Supplies and Materials					12,944		
Other Objects							869
Student Activities							
<b>Total Support Services</b>		9,969	7,884		12,944	3,350	869
<b>Facilities Acquisition and Construction Services:</b>							
Instructional Equipment							
<b>Total Facilities Acquisition and Construction Services</b>							
<b>Total Expenditures</b>	\$ 18,238	\$ 9,969	\$ 10,000	\$ 13	\$ 12,944	\$ 3,350	\$ 5,894

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

	American Rescue Plan				NJTSS Mental Health Support Staffing
	ESSER III	Accelerated Learning Coaching & Educator Support	Summer Learning & Enrichment	Evidence-Based Beyond the School Day	
<b>REVENUES:</b>					
Local Sources					
Federal Sources	\$ 76,582	\$ 50,000	\$ 40,000	\$ 33,394	\$ 45,000
<b>Total Revenues</b>	<b>76,582</b>	<b>50,000</b>	<b>40,000</b>	<b>33,394</b>	<b>45,000</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers			30,000	3,930	
Purchased Professional and Educational Services					
Tuition	15,634				
General Supplies	15,634		30,000	3,930	
<b>Total Instruction</b>	<b>31,268</b>		<b>30,000</b>	<b>7,860</b>	
<b>Support Services:</b>					
Salaries of Other Professional Staff	3,030	50,000		7,323	
Personal Services - Employee Benefits	232			861	45,000
Purchased Professional and Technical Services					
Purchased Professional and Educational Services			10,000	21,280	
Other Purchased Services					
Supplies and Materials	4,678				
Other Objects					
Student Activities					
<b>Total Support Services</b>	<b>7,940</b>	<b>50,000</b>	<b>10,000</b>	<b>29,464</b>	<b>45,000</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment	53,008				
<b>Total Facilities Acquisition and Construction Services</b>	<b>53,008</b>				
<b>Total Expenditures</b>	<b>\$ 76,582</b>	<b>\$ 50,000</b>	<b>\$ 40,000</b>	<b>\$ 33,394</b>	<b>\$ 45,000</b>

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

	I.D.E.A.		Student	Totals
	Basic	Preschool	Activities	
<b>REVENUES:</b>				
Local Sources			\$ 68,099	\$ 68,099
Federal Sources	\$ 113,476	\$ 5,423		424,283
<b>Total Revenues</b>	113,476	5,423	68,099	492,382
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers				33,930
Purchased Professional and Educational Services				5,025
Tuition	113,476			113,476
General Supplies				36,001
<b>Total Instruction</b>	113,476			188,432
Support Services:				
Salaries of Other Professional Staff				73,907
Personal Services - Employee Benefits				2,130
Purchased Professional and Technical Services				48,262
Purchased Professional and Educational Services		5,423		5,423
Other Purchased Services				34,630
Supplies and Materials				17,622
Other Objects				869
Student Activities			66,942	66,942
<b>Total Support Services</b>		5,423	66,942	249,785
Facilities Acquisition and Construction Services:				
Instructional Equipment				53,008
<b>Total Facilities Acquisition and Construction Services</b>				53,008
<b>Total Expenditures</b>	\$ 113,476	\$ 5,423	\$ 66,942	\$ 491,225



CAPITAL PROJECTS FUND

BOONTON TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2023

Revenue and Other Financing Sources:	
Transfer from Capital Outlay	\$ 357,216
	<hr/>
Total Revenue and Other Financing Sources	357,216
	<hr/>
Expenditures:	
Purchased Professional and Technical Services	13,238
Construction Services	734,234
	<hr/>
Total Expenditures	747,472
	<hr/>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	(390,256)
Fund Balance - Beginning	396,697
	<hr/>
Fund Balance - Ending	\$ 6,441
	<hr/> <hr/>
Recapitulation:	
Committed	\$ 2,882
Committed - Encumbered	3,559
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 6,441
	<hr/> <hr/>

BOONTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
ROOF REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 450,000		\$ 450,000	\$ 450,000
Transfer from Capital Outlay		\$ 357,216	357,216	357,216
Total Revenue and Other Financing Sources	450,000	357,216	807,216	807,216
Expenditures:				
Purchased Professional and Technical Services	53,303	13,238	66,541	70,100
Construction Services		734,234	734,234	737,116
Total Expenditures	53,303	747,472	800,775	807,216
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 396,697	\$ (390,256)	\$ 6,441	\$ -0-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Original Authorized Cost	\$ 450,000
Additional Authorized Cost	\$ 357,216
Revised Authorized Cost	\$ 807,216
Percentage Increase over Original Authorized Cost	79.38%
Percentage Completion	99.20%
Original Target Completion Date	10/31/22
Revised Target Completion Date	12/31/23

PROPRIETARY FUNDS

BOONTON TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 6,008
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Total Current Assets	6,008
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Non-Current Assets:

Capital Assets	27,068
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Less: Accumulated Depreciation	(18,282)
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Total Non-Current Assets	8,786
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Total Assets	14,794
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NET POSITION:

Investment in Capital Assets	8,786
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Unrestricted	6,008
--------------	-------

Total Net Position	\$ 14,794
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BOONTON TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Local Sources:	
Daily Sales:	
Non-Reimbursable Programs	\$ 4,293
Total Operating Revenue	<u>4,293</u>
Operating Expenses:	
Cost of Sales:	
Non-Reimbursable Programs	12,661
Depreciation Expense	984
Total Operating Expenses	<u>13,645</u>
Operating Loss	(9,352)
Transfers:	
Transfer from General Fund	<u>13,000</u>
Change in Net Position	3,648
Net Position - Beginning of Year	<u>11,146</u>
Net Position - End of Year	<u><u>\$ 14,794</u></u>

BOONTON TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,293
Payments to Suppliers	(15,890)
	<hr/>
Net Cash Used for Operating Activities	(11,597)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Board Contribution from General Fund	13,000
	<hr/>
Net Cash Provided by Noncapital Financing Activities	13,000
	<hr/>
Net Increase in Cash and Cash Equivalents	1,403
Cash and Cash Equivalents, July 1	4,605
	<hr/>
Cash and Cash Equivalents, June 30	\$ 6,008
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (9,352)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	984
Changes in Assets and Liabilities:	
(Decrease) in Accounts Payable	(3,229)
	<hr/>
Net Cash Used for Operating Activities	\$ (11,597)
	<hr/> <hr/>

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)



LONG-TERM LIABILITIES

BOONTON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Item</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Matured</u>	<u>Balance June 30, 2023</u>
2 Thomas School Buses	\$ 129,089	3.969%	\$ 66,335	\$ 32,518	\$ 33,817
			<u>\$ 66,335</u>	<u>\$ 32,518</u>	<u>\$ 33,817</u>

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

This part of the 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**

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

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

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net Investment in Capital Assets/(Deficit)	\$ (877,219)	\$ (654,042)	\$ (499,372)	\$ (361,668)	\$ (239,328)	\$ (57,194)	\$ 152,629	\$ 139,140	\$ 228,201	\$ 1,221,184
Restricted	731,686	901,550	761,486	757,475	1,010,336	999,220	979,855	1,644,356	1,860,162	3,267,467
Unrestricted/(Deficit)	(1,368,767)	(1,303,292)	(1,217,996)	(1,577,072)	(1,860,702)	(2,006,624)	(1,797,609)	(1,338,407)	(749,632)	(1,680,018)
<b>Total Governmental Activities Net Position/(Deficit)</b>	<b>\$ (1,514,300)</b>	<b>\$ (1,055,784)</b>	<b>\$ (953,882)</b>	<b>\$ (1,181,265)</b>	<b>\$ (1,089,694)</b>	<b>\$ (1,064,598)</b>	<b>\$ (665,125)</b>	<b>\$ 445,089</b>	<b>\$ 1,338,731</b>	<b>\$ 2,808,633</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 17,618	\$ 16,657	\$ 15,696	\$ 14,689	\$ 13,705	\$ 12,722	\$ 11,738	\$ 10,754	\$ 9,770	\$ 8,786
Unrestricted	30,078	22,747	3,205	15,237	10,347	5,690	2,677	3,993	1,376	6,008
<b>Total Business-Type Activities Net Position</b>	<b>\$ 47,696</b>	<b>\$ 39,404</b>	<b>\$ 18,901</b>	<b>\$ 29,926</b>	<b>\$ 24,052</b>	<b>\$ 18,412</b>	<b>\$ 14,415</b>	<b>\$ 14,747</b>	<b>\$ 11,146</b>	<b>\$ 14,794</b>
<b>District-wide</b>										
Net Investment in Capital Assets/(Deficit)	\$ (859,601)	\$ (637,385)	\$ (483,676)	\$ (346,979)	\$ (225,623)	\$ (44,472)	\$ 164,367	\$ 149,894	\$ 237,971	\$ 1,229,970
Restricted	731,686	901,550	761,486	757,475	1,010,336	999,220	979,855	1,644,356	1,860,162	3,267,467
Unrestricted/(Deficit)	(1,338,689)	(1,280,545)	(1,214,791)	(1,561,835)	(1,850,355)	(2,000,934)	(1,794,932)	(1,334,414)	(748,256)	(1,674,010)
<b>Total District Net Position/(Deficit)</b>	<b>\$ (1,466,604)</b>	<b>\$ (1,016,380)</b>	<b>\$ (936,981)</b>	<b>\$ (1,151,339)</b>	<b>\$ (1,065,642)</b>	<b>\$ (1,046,186)</b>	<b>\$ (650,710)</b>	<b>\$ 459,836</b>	<b>\$ 1,349,877</b>	<b>\$ 2,823,427</b>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses:</b>										
Governmental Activities										
Instruction:										
Regular	\$ 4,111,012	\$ 4,648,650	\$ 5,409,429	\$ 5,999,606	\$ 5,986,416	\$ 5,666,452	\$ 5,259,075	\$ 5,506,676	\$ 5,519,498	\$ 5,181,722
Special Education	1,217,404	1,447,043	1,063,179	1,333,066	1,428,431	1,246,448	1,118,822	1,284,456	1,331,252	1,408,301
Other Special Education	115,393	200,686	216,423	269,107	267,703	194,030	156,937	121,578	121,358	114,854
Other Instruction	112,891	133,317	128,000	148,554	155,899	153,356	137,761	65,100	143,760	113,762
Support Services:										
Tuition	4,712,162	4,769,617	5,137,900	5,382,635	5,391,426	5,548,571	5,642,389	5,167,830	5,197,447	4,786,643
Student and Instruction Related Services	803,652	883,564	973,397	1,009,029	1,016,989	1,355,568	1,238,279	1,368,812	1,224,703	1,329,540
General Administrative Services	268,081	295,176	289,630	311,736	282,332	303,238	325,564	320,492	357,692	428,601
School Administrative Services	343,051	434,209	391,927	488,095	463,684	454,096	460,665	457,484	452,766	434,216
Central Services	235,041	234,881	284,745	263,304	255,417	262,702	261,410	268,207	269,364	347,662
Administration Information Technology	45,660	52,025	58,313	62,980	59,611	49,780	27,685	31,444	39,016	29,803
Plant Operations and Maintenance	739,682	764,981	820,522	779,057	884,360	780,485	768,046	779,669	789,307	798,105
Pupil Transportation	632,070	617,890	600,101	719,675	764,426	812,440	926,532	608,210	781,983	831,787
Unallocated Depreciation	44,844	30,579	32,360	35,793	22,600	31,583		172,197	153,552	77,659
Charter Schools										
Capital Outlay	867	868	1,017	868	868	869	868	868	868	868
Interest on Long-Term Debt	64,314	50,018	38,400	30,400	63,620	14,800	7,200			
Total Governmental Activities Expenses	<u>\$ 13,446,124</u>	<u>\$ 14,563,504</u>	<u>\$ 15,445,343</u>	<u>\$ 16,833,905</u>	<u>\$ 17,043,782</u>	<u>\$ 16,874,418</u>	<u>\$ 16,331,233</u>	<u>\$ 16,153,023</u>	<u>\$ 16,382,566</u>	<u>\$ 15,883,523</u>
Business-Type Activities:										
Food Service	6,890	15,980	11,644	11,196	12,487	8,790	11,189	4,668	10,947	13,645
Total Business-Type Activities Expense	<u>6,890</u>	<u>15,980</u>	<u>11,644</u>	<u>11,196</u>	<u>12,487</u>	<u>8,790</u>	<u>11,189</u>	<u>4,668</u>	<u>10,947</u>	<u>13,645</u>
Total District Expenses	<u>\$ 13,453,014</u>	<u>\$ 14,579,484</u>	<u>\$ 15,456,987</u>	<u>\$ 16,845,101</u>	<u>\$ 17,056,269</u>	<u>\$ 16,883,208</u>	<u>\$ 16,342,422</u>	<u>\$ 16,157,691</u>	<u>\$ 16,393,513</u>	<u>\$ 15,897,168</u>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Tuition							\$ 76,693	\$ 33,677	\$ 67,814	\$ 41,100
Pupil transportation							2,468	1,792	2,390	796
Student and Related Services								11,794	72,369	68,099
Operating Grants and Contributions							2,834,043	3,168,615	2,943,004	2,798,352
Total Governmental Activities Program Revenues	<u>\$ 1,448,865</u>	<u>\$ 2,436,503</u>	<u>\$ 2,759,007</u>	<u>\$ 3,507,310</u>	<u>\$ 3,773,832</u>	<u>\$ 3,298,443</u>	<u>\$ 2,913,204</u>	<u>\$ 3,215,878</u>	<u>\$ 3,085,577</u>	<u>\$ 2,908,347</u>
Business-Type Activities:										
Charges for Services:										
Food Service	9,553	7,688	6,924	6,439	6,613	3,150	7,192	2,346	2,346	4,293
Total Business-Type Activities Program Revenues	<u>9,553</u>	<u>7,688</u>	<u>6,924</u>	<u>6,439</u>	<u>6,613</u>	<u>3,150</u>	<u>7,192</u>	<u>2,346</u>	<u>2,346</u>	<u>4,293</u>
Total District Program Revenues	<u>\$ 1,458,418</u>	<u>\$ 2,444,191</u>	<u>\$ 2,765,931</u>	<u>\$ 3,513,749</u>	<u>\$ 3,780,445</u>	<u>\$ 3,301,593</u>	<u>\$ 2,920,396</u>	<u>\$ 3,215,878</u>	<u>\$ 3,087,923</u>	<u>\$ 2,912,640</u>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (11,997,259)	\$ (12,127,001)	\$ (12,686,336)	\$ (13,326,595)	\$ (13,269,950)	\$ (13,575,975)	\$ (13,418,029)	\$ (12,937,145)	\$ (13,296,989)	\$ (12,975,176)
Business-Type Activities	2,663	(8,292)	(4,720)	(4,757)	(5,874)	(5,640)	(3,997)	(4,668)	(8,601)	(9,352)
Total District-Wide Net Expense	<u>\$ (11,994,596)</u>	<u>\$ (12,135,293)</u>	<u>\$ (12,691,056)</u>	<u>\$ (13,331,352)</u>	<u>\$ (13,275,824)</u>	<u>\$ (13,581,615)</u>	<u>\$ (13,422,026)</u>	<u>\$ (12,941,813)</u>	<u>\$ (13,305,590)</u>	<u>\$ (12,984,528)</u>

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,975,666	\$ 12,215,179	\$ 12,459,483	\$ 12,708,673	\$ 12,962,846	\$ 13,222,103	\$ 13,486,545	\$ 13,756,276	\$ 14,031,402	\$ 14,312,030
Taxes Levied for Debt Service	293,043	278,898	181,430	171,337	165,601	155,860	142,465			
Unrestricted Grants and Contributions	61,271	73,500	81,044	88,788	86,490	64,066	57,756			
Investment Earnings	1	136								
Miscellaneous Income	197,719	17,804	64,281	132,214	146,584	159,042	57,240	296,083	164,229	146,048
Transfers								(5,000)	(5,000)	(13,000)
Total Governmental Activities	12,527,700	12,585,517	12,786,238	13,101,212	13,361,521	13,601,071	13,744,006	14,047,359	14,195,631	14,445,078
Business-Type Activities:										
Other Item - Cancellation of			(15,783)							
Prior Year Interfund - General Fund				15,782					5,000	5,000
Transfers										
Total Business-Type Activities			(15,783)	15,782					5,000	5,000
Total District-Wide	\$ 12,527,700	\$ 12,585,517	\$ 12,770,455	\$ 13,116,994	\$ 13,361,521	\$ 13,601,071	\$ 13,744,006	\$ 14,052,359	\$ 14,195,631	\$ 14,458,078
Change in Net Position:										
Governmental Activities	\$ 530,441	\$ 458,516	\$ 99,902	\$ (225,383)	\$ 91,571	\$ 25,096	\$ 325,977	\$ 1,110,214	\$ 893,642	\$ 1,469,902
Business-Type Activities	2,663	(8,292)	(20,503)	11,025	(5,874)	(5,640)	(3,997)	332	(3,601)	3,648
Total District	\$ 533,104	\$ 450,224	\$ 79,399	\$ (214,358)	\$ 85,697	\$ 19,456	\$ 321,980	\$ 1,110,546	\$ 890,041	\$ 1,473,550

Source: School District Financial Reports

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

UNAUDITED

(modified accrual basis of accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund:</b>										
Restricted	\$ 901,550	\$ 761,486	\$ 761,486	\$ 757,475	\$ 1,010,336	\$ 999,220	\$ 933,812	\$ 1,600,737	\$ 1,810,507	\$ 3,216,655
Assigned	426,541	689,788	689,788	500,752	436,586	313,364	613,071	621,160	645,677	233,883
Unassigned	412,809	358,802	358,802	454,685	431,833	469,200	439,931	862,397	719,326	383,901
<b>Total General Fund</b>	<b>\$ 1,740,900</b>	<b>\$ 1,810,076</b>	<b>\$ 1,810,076</b>	<b>\$ 1,712,912</b>	<b>\$ 1,878,755</b>	<b>\$ 1,781,784</b>	<b>\$ 1,986,814</b>	<b>\$ 3,084,294</b>	<b>\$ 3,175,510</b>	<b>\$ 3,834,439</b>
<b>All Other Governmental Funds:</b>										
Committed									\$ 396,697	\$ 6,441
Restricted							\$ 46,043	\$ 43,619	49,655	50,812
<b>Total All Other Governmental Funds</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 46,043</b>	<b>\$ 43,619</b>	<b>\$ 446,352</b>	<b>\$ 57,253</b>

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

LAST TEN FISCAL YEARS  
UNAUDITED  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Tax Levy	\$ 12,268,709	\$ 12,494,077	\$ 12,640,913	\$ 12,880,210	\$ 13,128,447	\$ 13,377,963	\$ 13,629,010	\$ 13,756,276	\$ 14,031,402	\$ 14,312,030
Tuition Charges	168,744	86,990	34,089	46,316	56,100	55,962	76,693	33,677	67,814	41,100
Interest Earnings	120	136								
Restricted Miscellaneous Revenue	28,856	17,804	30,192	85,897	90,484	103,080	59,708	23,410	81,397	76,573
Unrestricted Miscellaneous Revenue	1,344,354	1,489,077	1,590,190	1,733,299	1,937,102	2,109,719	2,225,474	2,572,590	157,591	138,370
State Sources	165,782	134,761	138,280	131,917	133,384	125,915	140,235	174,195	2,909,549	3,049,828
Federal Sources	13,976,565	14,222,845	14,433,664	14,877,640	15,345,517	15,772,639	16,131,120	16,846,407	231,258	436,590
<b>Total Revenue</b>	<b>29,000</b>	<b>288,000</b>	<b>200,000</b>	<b>195,000</b>	<b>195,000</b>	<b>190,000</b>	<b>180,000</b>	<b>180,000</b>	<b>16,980,062</b>	<b>17,771,661</b>
	64,314	50,018	38,400	30,400	22,600	14,800	7,200			
	13,706,870	13,975,414	14,364,488	14,974,804	15,179,674	15,869,610	15,953,543	15,875,440	16,980,062	17,771,661
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>269,695</b>	<b>247,431</b>	<b>69,176</b>	<b>(97,164)</b>	<b>165,843</b>	<b>(96,971)</b>	<b>177,577</b>	<b>970,967</b>	<b>498,949</b>	<b>282,830</b>
<b>Other Financing Sources (Uses):</b>										
Transfers										
Financed Purchases (Non-Budgeted)									(5,000)	(13,000)
Total Other Financing Sources (Uses)									129,089	(13,000)
									(5,000)	(13,000)
<b>Net Change in Fund Balances</b>	<b>\$ 269,695</b>	<b>\$ 247,431</b>	<b>\$ 69,176</b>	<b>\$ (97,164)</b>	<b>\$ 165,843</b>	<b>\$ (96,971)</b>	<b>\$ 177,577</b>	<b>\$ 1,095,056</b>	<b>\$ 493,949</b>	<b>\$ 269,830</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>2.59 %</b>	<b>2.42 %</b>	<b>1.66 %</b>	<b>1.51 %</b>	<b>1.43 %</b>	<b>1.29 %</b>	<b>1.18 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>

Source: School District Financial Reports



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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u>	<u>Refund of Prior</u> <u>Year Expenses</u>	<u>Total</u>
2014	\$ 120	\$ 168,744	\$ 28,856		\$ 197,720
2015	136	86,990	17,804		104,930
2016		34,089	30,192		64,281
2017		46,316	85,898		132,214
2018		56,100	90,484		146,584
2019		55,962	103,080		159,042
2020		76,693	59,708		136,401
2021	129	33,677	17,496	\$ 280,250	331,552
2022	466	67,814	40,425	125,728	234,433
2023	8,239	41,100	23,070	115,535	187,944

Source: Boonton Township School District records

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

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2013	\$ 15,926,100	\$ 890,011,900	\$ 22,249,900	\$ 234,200	\$ 14,962,400	\$ 14,061,400	\$ 496,800	\$ 957,942,700	\$ 78,834,500	\$ -	\$ 957,942,700	1.27	\$ 954,418,176
2014	12,736,700	791,081,700	19,328,000	233,100	13,771,500	12,342,400	-	849,493,400	71,896,700	-	849,493,400	1.46	927,103,178
2015	11,143,400	793,744,500	20,393,000	240,500	13,771,500	12,342,400	-	851,635,300	71,985,500	-	851,635,300	1.48	925,140,690
2016	11,610,200	795,957,400	20,575,800	250,900	29,032,000	12,342,400	-	869,768,700	53,698,100	-	869,768,700	1.47	937,574,113
2017	11,905,100	797,398,000	21,111,400	250,900	28,911,000	12,342,400	-	871,918,800	53,699,300	-	871,918,800	1.41	915,416,511
2018	11,674,900	799,906,800	21,136,100	251,200	28,805,900	12,342,400	-	874,117,300	53,699,300	-	874,117,300	1.52	928,793,968
2019	11,181,500	800,465,700	22,230,100	251,400	28,805,900	12,342,400	-	875,277,000	54,321,600	-	875,277,000	1.54	967,153,757
2020	10,393,800	804,259,100	21,518,800	223,100	30,680,700	12,342,400	-	879,417,900	54,156,000	-	879,417,900	1.56	980,265,478
2021	10,393,800	804,521,900	21,781,800	223,100	30,680,700	12,342,400	-	879,943,700	54,213,200	-	879,943,700	1.58	971,887,448
2022	8,810,100	800,749,200	21,781,800	243,300	30,680,700	12,342,400	-	874,607,500	54,632,700	-	874,607,500	1.64	1,006,704,113

\* Revaluation of Real Property.

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

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

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

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

Year Ended December 31,	Boonton Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Boonton	Morris County	
2013	\$ 1.239	\$ 0.030	\$ 1.269	\$ 0.392	\$ 0.250	\$ 1.911
2014	* 1.425	0.033	1.458	0.446	0.278	2.182
2015	1.455	0.021	1.476	0.444	0.271	2.191
2016	1.447	0.020	1.467	0.451	0.273	2.191
2017	1.389	0.018	1.407	0.430	0.257	2.094
2018	1.498	0.018	1.516	0.461	0.276	2.253
2019	1.527	0.016	1.543	0.483	0.289	2.315
2020	1.557	-0-	1.557	0.499	0.290	2.346
2021	1.579	-0-	1.579	0.510	0.286	2.375
2022	1.636	-0-	1.636	0.511	0.295	2.442

\* Revaluation of Real Property.

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

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

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

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

Taxpayer	2022		Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
			199 Powerville Road LLC	\$ 7,901,600	0.93 %
			KIJ Mgt LLC (Shamrock Village)	4,720,300	0.56 %
			RFL Electronics	3,923,100	0.46 %
			Witman at Stonehenge	3,717,200	0.44 %
			Individual Taxpayer #1	2,543,200	0.30 %
			Johanson Associates	2,019,000	0.24 %
			Deer Lake	2,013,600	0.24 %
			Individual Taxpayer #2	1,992,500	0.23 %
			Khubani, Ashok Trustee of Ashok	1,972,500	0.23 %
			Individual Taxpayer #3	1,877,300	0.22 %
			Total	\$ 32,680,300	3.85 %

INFORMATION NOT AVAILABLE

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 12,268,709	\$ 12,268,709	100.00 %	\$ -0-
2015	12,494,077	12,494,077	100.00 %	-0-
2016	12,640,913	12,640,913	100.00 %	-0-
2017	12,880,210	12,880,210	100.00 %	-0-
2018	13,128,447	13,128,447	100.00 %	-0-
2019	13,377,963	13,377,963	100.00 %	-0-
2020	13,629,010	13,629,010	100.00 %	-0-
2021	13,756,276	13,756,276	100.00 %	-0-
2022	14,031,402	14,031,402	100.00 %	-0-
2023	14,312,030	14,312,030	100.00 %	-0-

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

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

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases			
2014	\$ 1,248,000	\$ -0-	\$ 1,248,000	0.34 %	\$ 289
2015	960,000	-0-	960,000	0.25 %	222
2016	760,000	-0-	760,000	0.19 %	176
2017	565,000	-0-	565,000	0.14 %	131
2018	370,000	-0-	370,000	0.09 %	86
2019	180,000	-0-	180,000	0.04 %	43
2020	-0-	-0-	-0-	0.00 %	-0-
2021	-0-	97,603	97,603	0.02 %	22
2022	-0-	66,335	66,335	0.01 %	15
2023	-0-	33,817	33,817	0.01 %	8

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions				
2014	\$ 1,248,000	\$ -0-		\$ 1,248,000	0.13 %	\$ 289
2015	960,000	-0-		960,000	0.11 %	222
2016	760,000	-0-		760,000	0.09 %	176
2017	565,000	-0-		565,000	0.06 %	131
2018	370,000	-0-		370,000	0.04 %	86
2019	180,000	-0-		180,000	0.02 %	43
2020	-0-	-0-		-0-	0.00 %	-0-
2021	-0-	-0-		-0-	0.00 %	-0-
2022	-0-	-0-		-0-	0.00 %	-0-
2023	-0-	-0-		-0-	0.00 %	-0-

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Boonton Township	\$ 2,329,656	100.00 %	\$ 2,329,656
Morris County General Obligation Debt	253,387,955	0.94 %	<u>2,392,024</u>
Subtotal, Overlapping Debt			4,721,680
Boonton Township School District Direct Debt			<u>-0-</u>
Total Direct and Overlapping Debt			<u>\$ 4,721,680</u>

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

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

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



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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis	
2022	\$ 1,045,930,997
2021	1,010,732,483
2020	969,162,332
	\$ 3,025,825,812
Average Equalized Valuation of Taxable Property	\$ 1,008,608,604
Debt Limit <sup>a</sup> (3% of Average Equalization Value)	30,258,258
Net Bonded School Debt as of June 30, 2023	-0-
Legal Debt Margin	\$ 30,258,258

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 27,990,172	\$ 28,615,774	\$ 35,486,502	\$ 29,533,983	\$ 30,258,258
Total Net Debt Applicable to Limit	180,000	-0-	-0-	-0-	-0-
Legal Debt Margin	\$ 27,810,172	\$ 28,615,774	\$ 28,615,774	\$ 29,533,983	\$ 30,258,258
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.64 %	0.00 %	0.00 %	0.00 %	0.00 %

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 29,850,070	\$ 28,566,544	\$ 27,931,425	\$ 27,603,377	\$ 27,473,394
Total Net Debt Applicable to Limit	1,248,000	960,000	760,000	565,000	370,000
Legal Debt Margin	\$ 28,602,070	\$ 27,606,544	\$ 30,323,142	\$ 27,038,377	\$ 27,103,394
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.18 %	3.36 %	2.72 %	2.05 %	1.35 %

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

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

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

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Morris County Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2014	4,320	\$ 364,119,840	\$ 84,287	5.20%
2015	4,321	381,535,658	88,298	5.20%
2016	4,324	394,573,648	91,252	4.50%
2017	4,302	402,426,288	93,544	4.00%
2018	4,288	416,982,272	97,244	4.00%
2019	4,235	419,857,900	99,140	3.40%
2020	4,220	431,397,940	102,227	3.10%
2021	4,380	472,019,460	107,767	6.30%
2022	4,328	466,415,576 ***	107,767 *	3.40%
2023	4,328 **	466,415,576 ***	107,767 *	N/A

\* - Latest Morris County per capita personal income available (2021) was used for calculation purposes.

\*\* - Latest population data available (2022) was used for calculation purposes.

\*\*\* - Latest available population data (2022) and latest available Morris County per capita personal income (2021) was used for calculation purposes.

N/A - Information Unavailable.

Source:

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

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

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

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

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

	2022		2013		
	Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
	Atlantic Health System	10,552	4.05%	6,200	N/A
	Norvartis Corporation	6,500	2.49%	5,841	N/A
	U.S Army Armament Research and Development	6,000	2.30%	5,576	N/A
	Barclays	3,374	1.29%	1,947	N/A
	Bayer Healthcare, LLC	2,713	1.04%	1,838	N/A
	Automatic Data Processing, Inc.	2,400	0.92%	1,546	N/A
	Accenture	2,344	0.90%	1,500	N/A
	PricewaterhouseCoopers	2,095	0.80%	1,498	N/A
	Cigna	1,686	0.65%	1,440	N/A
	Deloitte & Touche	1,646	0.63%	1,336	N/A
	<b>Total</b>	<b>39,310</b>	<b>15.09%</b>	<b>28,722</b>	<b>0.00%</b>
	<b>Total Employment</b>	<b>260,558</b>	<b>Total Employment</b>	<b>257,024</b>	

Note - Information is for Morris County

Source: Morris County Economic Development Corporation

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

<u>Function/Program</u> <u>Instruction:</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Regular	53.00	52.12	54.00	54.00	55.00	55.00	53.00	55.50	55.50	55.00
Support Services:										
Student and Instruction Related Services	7.60	8.60	8.60	8.80	8.80	8.80	8.80	8.80	8.80	9.80
School Administrative Services	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
General Administrative Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Plant Operations and Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Pupil Transportation	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Business and Other Support Services	2.20	2.20	2.20	2.60	2.60	2.60	2.60	2.60	2.60	2.60
<b>Total</b>	<b>74.80</b>	<b>74.92</b>	<b>76.80</b>	<b>77.40</b>	<b>78.40</b>	<b>78.40</b>	<b>76.40</b>	<b>78.90</b>	<b>78.90</b>	<b>79.40</b>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff <sup>d</sup>	Elementary				% Change in Average Daily Enrollment	Student Attendance Percentage
						Pupil/Teacher Ratio	Average Daily Enrollment (ADE) <sup>e</sup>	Average Daily Attendance (ADA) <sup>e</sup>	Average Daily Enrollment		
2014	728	\$ 13,338,380	\$ 18,322	2.36%	50	1:9.50	475	461	461	-1.45 %	97.06 %
2015	713	13,627,625	19,126	4.39%	49	1:9.50	454	439	439	-4.52 %	97.06 %
2016	724	14,094,894	19,468	1.79%	51	1:9.50	451	437	437	-0.56 %	97.05 %
2017	709	14,726,892	20,771	6.69%	51	1:9.50	448	432	432	-0.63 %	96.47 %
2018	692	14,950,880	21,605	4.01%	52	1:9.50	430	413	413	-4.06 %	96.22 %
2019	670	15,625,949	23,322	7.95%	52	1:9.50	408	391	391	-5.12 %	96.22 %
2020	651	15,676,000	24,080	3.25%	51	1:9.50	401	391	391	-1.72 %	97.42 %
2021	632	15,725,984	24,883	3.33%	51	1:9.50	394	384	384	-1.75 %	97.56 %
2022	628	16,859,449	26,846	7.89%	51	1:9.50	391	375	375	-0.76 %	95.91 %
2023	593	16,745,686	28,239	5.19%	52	1:9.50	386	367	367	-1.28 %	95.08 %

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

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

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

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

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

Note: Enrollment based on annual October district count.

Source: Boonton Township School District records

BOONTON TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
Rockaway Valley School										
Square Feet	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320
Capacity (Students)	537	537	537	537	537	537	537	537	537	537
Enrollment	475	451	451	444	428	410	400	394	391	386

Number of Schools at June 30, 2023  
 Elementary = 1

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

Source: Boonton Township School District Facilities Office

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

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

School Facility	Project #	June 30,									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Rockaway Valley School	N/A	\$ 194,113	\$ 221,321	\$ 168,482	\$ 180,440	\$ 313,791	\$ 192,733	\$ 187,178	\$ 178,145	\$ 181,772	\$ 143,154
		\$ 194,113	\$ 221,321	\$ 168,482	\$ 180,440	\$ 313,791	\$ 192,733	\$ 187,178	\$ 178,145	\$ 181,772	\$ 143,154

N/A - Not Applicable

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

Source: Boonton Township School District records

BOONTON TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
UNAUDITED

	Coverage	Deductible
<b>Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)</b>		
Real & Personal Property (per occurrence)	\$ 500,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Paper & Records	10,000,000	5,000
Demolition & Increased Cost of Construction	25,000,000	
Limited Builders Risk	10,000,000	
Fire Dept. Service Charge	10,000	
Arson Reward	10,000	
Pollution Cleanup & Removal	250,000	
<b>Flood/Earthquake:</b>		
Flood Zone A & V	25,000,000	500,000
All Other Flood Zones	75,000,000	10,000
Earthquake	50,000,000	5,000
Terrorism	1,000,000	
<b>Electronic Data Processing:</b>		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris Removal	200,000	1,000
Flood (Deductible for Zone A & Z)		500,000
(Deductible All Other Flood Zones)		10,000
<b>Equipment Breakdown</b>		
Combined Single Limit/Accident for Property Damage & Business Income	100,000,000	5,000
Property Damage	Included	
Off Premises Property Damage	1,000,000	5,000
Extra Expense	10,000,000	5,000
Service Interruption	10,000,000	5,000
Perishable Goods	1,000,000	5,000
Data Restoration	1,000,000	5,000
Demolition	1,000,000	5,000
Ordinance or Law	1,000,000	5,000
Expediting Expense	1,000,000	5,000
Hazardous Substances	1,000,000	5,000
Newly Acquired Locations - 120 Days Notice	1,000,000	5,000
<b>Crime Coverage:</b>		
Public Employee Dishonesty	50,000	500
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	25,000	500
Forgery or Alteration	25,000	500
Computer Fraud	25,000	500
<b>Public Officials Bond</b>		
Business Administrator - J Murray (Selective Ins. Co.)	185,000	
Treasurer - N Eckstein (Selective Ins. Co.)	185,000	
<b>General Liability:</b>		
Bodily Injury & Property Damage	11,000,000	
Products & Completed Operations	11,000,000	
Sexual Abuse	11,000,000	
Personal Injury & Advertising Injury	11,000,000	
Employee Benefits Liability	11,000,000	1,000
Employee Benefits Liability	11,000,000	1,000



BOONTON TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
UNAUDITED

	Coverage	Deductible
<b>General Liability:</b>		
Premises Medical Payments	\$10,000 per accident \$5,000 per person	
Terrorism	1,000,000	
<b>Automotive Coverage:</b>		
Bodily Injury and Property Damage Comined Single Limit	11,000,000	\$ 1,000
Personal Injury Protection	250,000	1,000
Medical Payments	10,000	
Underinsured	1,000,000	
Terrorism	1,000,000	
Garagekeepers	Included	
<b>School Leaders Errors &amp; Omissions</b>		
Coverage A - protection againsts "loss"/Wrongful Acts	11,000,000	5,000
Coverage B - defense costs for specific administrative actions	\$100,000/claim \$300,000/agg	5,000 5,000
Retro Date	7/1/1986	
<b>Workers' Compensation</b>		
Part One	Statutory	
Part Two		
Bodily Injury by Accident	2,000,000	
Bodily Injury by Disease	2,000,000	

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boonton Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

October 6, 2023  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

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

Report on Compliance For Each Major State Program;  
Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

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

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

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

We have audited the Boonton Township School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on the District's major state program for the fiscal year ended June 30, 2023. The District's major state program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 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 the major state program. Our audit does not provide a legal determination of the 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, regulations, rules and provisions of contracts or grant agreements applicable to the District's state program.

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

### ***Auditors' 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 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's 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 omissions, misrepresentations, 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 District's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment 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 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 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 Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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 a 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 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.

The Honorable President and Members  
of the Board of Education  
Boonton Township School District  
Page 3

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.

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 the Uniform Guidance or New Jersey’s OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

October 6, 2023  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

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

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

Federal Grantor Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Balance at June 30, 2023		
					Budgetary Accounts Receivable	Cash Received	Budgetary Accounts Receivable	Cancellation of Prior Year Encumbrances	Budgetary Accounts Receivable
<b>Special Revenue Fund:</b>									
U.S. Department of Education -									
Passed-through State Department of Education:									
Education Stabilization Fund:									
CRRSA:									
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	\$ 34,075	\$ (23,656)	\$ 29,243	\$ (12,944)	\$ 7,357	\$ (3,350)
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	(2,753)	2,753	(3,350)		
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(20,975)	21,844	(5,894)	5,025	
Total CRRSA					(47,384)	53,840	(22,188)	12,382	(3,350)
ARP:									
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	76,582		76,582	(76,582)		(750)
Accelerated Learning Coaching and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	50,000		50,000	(50,000)		
Evidence-Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000		40,000	(40,000)		
Evidence-Based Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000		33,394	(33,394)		
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000		44,250	(45,000)		
Total ARP					244,226	(244,976)	(750)		
Total Education Stabilization Fund					(47,384)	298,066	(267,164)	12,382	(4,100)
Elementary and Secondary Education Act:									
Title I - Part A	84.010	ESEA-0460-23	7/1/22-9/30/23	18,238		18,238	(18,238)		
Title II - Part A	84.367A	ESEA-0460-22	7/1/21-9/30/22	8,102	(3,353)	3,353			
Title II - Part A	84.367A	ESEA-0460-23	7/1/22-9/30/23	9,969		7,157	(9,969)		(2,812)
Total Title II					(3,353)	10,510	(9,969)		(2,812)
Title IV	84.186A	ESEA-0460-22	7/1/21-9/30/22	10,000	(3,083)	3,083	(13)	13	
Title IV	84.186A	ESEA-0460-23	7/1/22-9/30/23	10,000		10,000	(10,000)		
Total Title IV					(3,083)	13,083	(10,013)	13	
Total Elementary and Secondary Education Act					(6,436)	41,831	(38,220)	13	(2,812)
Special Education Cluster:									
IDEA Part B, Basic	84.027	IDEA-0460-23	7/1/22-9/30/23	113,476		113,476	(113,476)		
IDEA Part B, Preschool	84.173	IDEA-0460-23	7/1/22-9/30/23	5,423		5,423	(5,423)		
Total Special Education Cluster						118,899	(118,899)		
Total U.S. Department of Education / Special Revenue Fund					(53,820)	458,796	(424,283)	12,395	(6,912)
Total Federal Financial Awards				\$ (53,820)	\$ 458,796	\$ (424,283)	\$ 12,395	\$ (6,912)	\$ -0-

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



**BOONTON TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at		Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrances	Balance at		Memo	
				June 30, 2022 Budgetary Accounts Receivable	June 30, 2023 GAAP (Accounts Receivable)				Budgetary Receivable	Cumulative Total Expenditures		
<b>State Department of Education:</b>												
<b>General Fund:</b>												
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	\$ 138,307	\$ 124,680	\$ (138,307)	\$	\$ (13,627)		\$	\$ 138,307		
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	138,307	13,598						138,307		
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	642,576	579,267	(642,576)		(63,309)			642,576		
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	555,524	54,620						555,524		
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	23,245	20,955	(23,245)		(2,290)			23,245		
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	13,027	1,281						13,027		
Extraordinary Special Education Aid	23-495-034-5120-044	7/1/22-6/30/23	154,227	174,183	(154,227)		(13,104)		\$ (154,227)	154,227		
Extraordinary Special Education Aid	22-495-034-5120-044	7/1/21-6/30/22	174,183	(174,183)						174,183		
Nonpublic Transportation	23-495-034-5120-014	7/1/22-6/30/23	13,104		(13,104)					13,104		
Nonpublic Transportation	22-495-034-5120-014	7/1/21-6/30/22	12,470	(12,470)						12,470		
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	291,748	263,022	(291,748)		(28,726)			291,748		
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	286,141	14,265						286,141		
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	373,609	373,609	(373,609)					373,609		
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	1,402,739	1,402,739	(1,402,739)					1,402,739		
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	19,461	19,461	(19,461)					19,461		
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	539	539	(539)					539		
<b>Total General Fund State Aid</b>				<u>(270,417)</u>	<u>3,054,689</u>		<u>(3,059,555)</u>		<u>(196,057)</u>	<u>(275,283)</u>	<u>4,239,207</u>	
<b>Special Revenue Fund:</b>												
N.J. Nonpublic Teach STEM	Not Available	7/1/21-6/30/22	10,471	(5,674)		\$ 812					9,659	
<b>Total Special Revenue</b>				<u>(5,674)</u>	<u>4,862</u>					<u>812</u>	<u>9,659</u>	
<b>Total State Department of Education / Awards Subject to Single Audit Determination</b>				<u>\$ (276,091)</u>	<u>\$ 3,059,551</u>		<u>\$ (3,059,555)</u>		<u>\$ (196,057)</u>	<u>\$ (275,283)</u>	<u>\$ 4,248,866</u>	
<b>Less: State Awards Not Subject to Single Audit Major Program Determination</b>												
<b>On-Behalf TPAF Pension System Contributions:</b>												
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(373,609)							373,609		
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(1,402,739)							1,402,739		
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(19,461)							19,461		
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(539)							539		
<b>Total State Awards Subject to Single Audit Major Program Determination</b>										<u>\$ (1,263,207)</u>		

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

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Boonton Township School District Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$9,727) for the General Fund and \$12,307 for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds, respectively.

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

(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,049,828	\$ 3,049,828
Special Revenue Fund	\$ 436,590		436,590
Total Financial Awards	<u>\$ 436,590</u>	<u>\$ 3,049,828</u>	<u>\$ 3,486,418</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

Boonton Township School District had no loan balances outstanding at June 30, 2023.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in *the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by NJ OMB 15-08*.
- The auditor's report on compliance for the major state program for the District expresses an unmodified opinion on the major state program.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2023 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as a major state program for the current fiscal year consisted of the following state aid:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State Aid - Public</u>				
Special Education Aid	23-495-034-5120-089	7/1/22 - 6/30/23	\$ 642,576	\$ 642,576
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	23,245	23,245

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District was determined not to be a "low-risk" auditee for state programs.

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

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

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

(Continued)

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

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

Status of Prior Year Findings:

There were no findings or questioned costs for the year ended June 30, 2022.