

**BOROUGH OF POMPTON LAKES  
SCHOOL DISTRICT  
COUNTY OF PASSAIC, NEW JERSEY  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

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

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

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

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**of the**

**Borough of Pompton Lakes School District**

**Pompton Lakes, New Jersey**

**For The Fiscal Year Ended June 30, 2023**

**Prepared by**

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

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Not Applicable

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## **INTRODUCTORY SECTION**



# **POMPTON LAKES BOARD OF EDUCATION**

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

November 22, 2023

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

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

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, as well as special education programs and services are provided for students classified as educationally disabled from preschool, ages three to five, through senior high school (age 21), remedial support for non-classified students in need, autism, multiply-disabled and young adult/life skills programs, and enrichment activities for our gifted students. Pompton Lakes High School was designated a choice school beginning September 1, 2013.

The District completed the 2022-2023 fiscal year with an average daily enrollment of 1,733 students, which is a decrease of 0.99% students from the previous year's enrollment. The District's average daily enrollments for the past ten years are presented below:

	<b>Average Daily Enrollment</b>	
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	1,733	-0.99%
2021-2022	1,751	1.66%
2020-2021	1,722	2.56%
2019-2020	1,679	1.82%
2018-2019	1,649	0.00%
2017-2018	1,649	-0.60%
2016-2017	1,659	-1.37%
2015-2016	1,682	-1.19%
2014-2015	1,702	0.86%
2013-2014	1,688	-0.83%

**2) ECONOMIC CONDITION AND OUTLOOK:** The District experienced an increase in state aid, which helped to offset the loss in tuition revenues and increases in certain expenditures. Receiving federal stimulus CRRSA ESSER II and American Rescue Plan ESSER funds enabled us to address the impact of the COVID pandemic without significant effect on our budget.

**3) MAJOR INITIATIVES:** During 2022-2023, the District accomplished the following:

<ul style="list-style-type: none"> <li>Continued to develop the skills of our teachers in reference to the New Jersey Student Learning Standards and a deeper understanding of diversity, inclusion and early literacy.</li> </ul>
<ul style="list-style-type: none"> <li>Purchased and integrated components necessary for a structured literacy program K-5.</li> </ul>
<ul style="list-style-type: none"> <li>Continued to develop programs to identify students academically at-risk and continue to meet their needs through the purchase of dual-purpose intervention and progress monitoring systems (e.g., i-Ready, mCLASS/Dibels8, Achieve3000, Learning Ally).</li> </ul>
<ul style="list-style-type: none"> <li>Continued to restructure learning environments (math classrooms) to be more collaborative and interactive.</li> </ul>
<ul style="list-style-type: none"> <li>Expanded Amplify Science to include Grades 3 through 8.</li> </ul>
<ul style="list-style-type: none"> <li>Piloted “Big Ideas”, a new mathematics series at the high school level.</li> </ul>

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

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

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

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

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

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

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

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

The Board is a member of the Pooled Insurance program of New Jersey (PIP). PIP is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. Additional information on the PIP is included in Note 10 to the Basic Financial Statements.

9) DEBT ADMINISTRATION: At June 30, 2023, the District had \$725,000.00 in outstanding bonds.

10) OTHER INFORMATION Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wielkott & Company, LLC was selected by the Board of Education at its last organization meeting. In addition to meeting the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the single audit section of this report.

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

Respectfully submitted,

*Paul Amoroso*

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Paul Amoroso, Ed.D.  
Superintendent of Schools

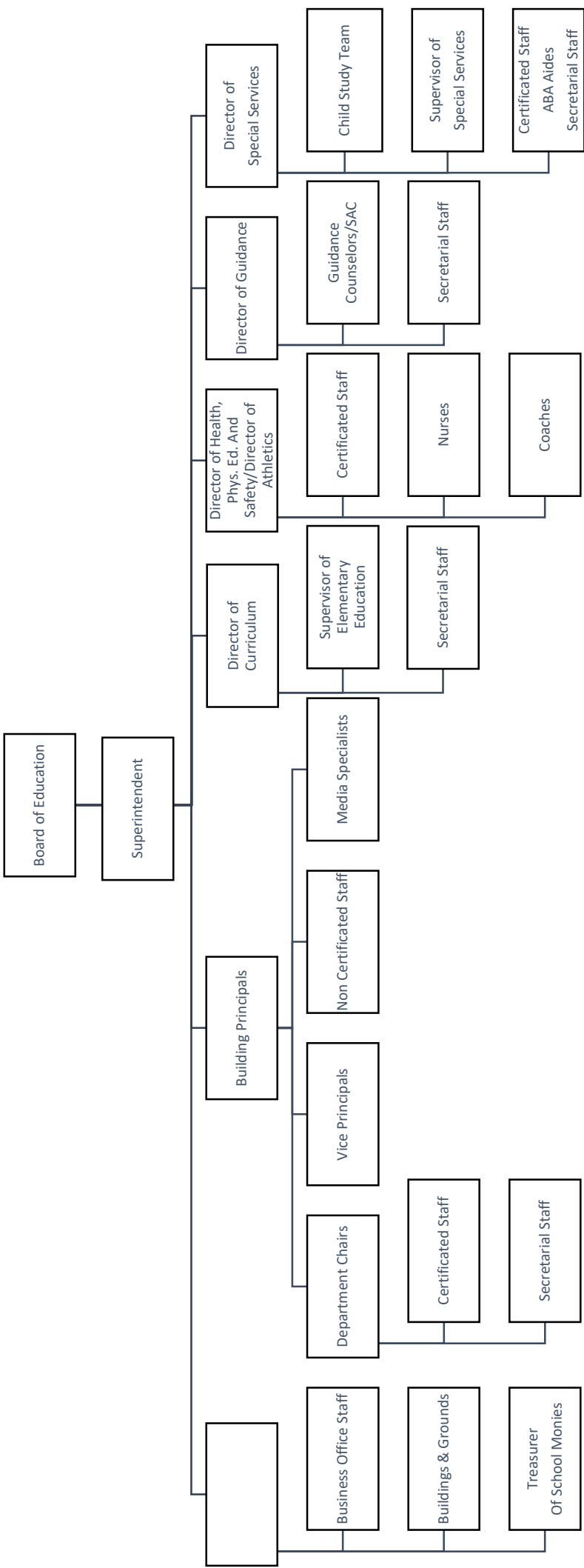
*Angela Spasevski*

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Angela Spasevski  
School Business Administrator/Board Secretary

# POMPTON LAKES SCHOOL DISTRICT

## ORGANIZATIONAL CHART



**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2023**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Traci Cioppa, President	2024
Scott SanTERS, Vice President	2024
Shaylyn Blake	2023
Michael Fasouletos	2024
Jared Luciani	2025
Susan O'Malley	2026
Carl P. Padula	2026
Anthony Rodriguez	2025
Dawn Zanetti	2025
Ann Marie Nadiroglu (Riverdale Representative)	

**Other Officials**

Paul Amoroso, Ed.D., Superintendent of Schools

Angela Spasevski, School Business Administrator/Board Secretary

Jacqueline Massaro, Treasurer of School Monies

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

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

**Attorney**

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

**Labor Attorney**

Fogarty & Hara, Esqs.  
21-00 Route 208 South  
Fairlawn, NJ 07410

**Bond Attorney**

Wilentz, Goldman & Spitzer, P.A.  
90 Woodbridge Center Drive  
Suite 900  
Woodbridge, New Jersey 07095

## **FINANCIAL SECTION**





# WIELKOTZ & COMPANY <sup>LLC</sup>

CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkottz, CPA, RMA, PSA  
Matthew B. Wielkottz, CPA, PSA  
Paul J. Cuva, CPA, RMA, PSA  
James J. Cerullo, CPA, RMA, PSA  
Kari Ferguson, CPA, RMA, CMFO, PSA  
Robert C. McNinch, CPA, CFE, PSA  
Kevin Reeves, CPA, PSA

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### ***Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Pompton Lakes School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Pompton Lakes Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Pompton Lakes Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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 Pompton Lakes Board of Education's ability to continue as a going concern for the next 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 generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pompton Lakes Board of Education'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pompton Lakes Board of Education'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.

#### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Pompton Lakes Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023 on our consideration of the Borough of Pompton Lakes Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pompton Lakes Board of Education's internal control over financial reporting and compliance.

*James Cerullo*

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

*Wielkotz & Company, LLC*

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

November 22, 2023

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

As management of the Borough of Pompton Lakes Board of Education (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of Borough of Pompton Lakes Board of Education for the fiscal year ended June 30, 2023.

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

**FINANCIAL HIGHLIGHTS**

In total, net position increased \$3,942,374.75, which represents an 40.43% increase from 2022. Net position of governmental activities increased \$3,900,840.16 while net position of business-type activity increased by \$41,534.59. These variances are primarily the result of excess miscellaneous revenues and unexpended budget appropriations, decrease in net pension liability, and changes in compensated absences in 2022-23 and increase service charges of the business-type activities.

1. General revenues accounted for \$43,225,383.71 in revenue or 93.00 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,251,958.29 or 7.00 percent of total revenues of \$46,477,342.00
2. The School District had \$41,862,103.78 in expenses related to governmental activities; only \$2,543,239.44 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$43,219,704.50 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

**District-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

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



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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

**Governmental Funds**

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

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

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

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

**Proprietary Funds**

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

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

**Fiduciary Funds**

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

**Notes to the Financial Statements**

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

**Other Information**

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

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

**DISTRICT-WIDE FINANCIAL ANALYSIS**

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

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

The School District's net positions were \$13,693,961.54 at June 30, 2023 and \$9,751,586.79 at June 30, 2022. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2023 compared to 2022 (Table 1) and change in net position (Table 2) of the School District.

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$12,091,793.43	\$10,197,495.06	\$662,512.91	\$609,289.73	\$12,754,306.34	\$10,806,784.79
Capital Assets	<u>11,409,364.80</u>	<u>10,734,243.80</u>	<u>116,958.64</u>	<u>62,317.91</u>	<u>11,526,323.44</u>	<u>10,796,561.71</u>
Total Assets	<u>23,501,158.23</u>	<u>20,931,738.86</u>	<u>779,471.55</u>	<u>671,607.64</u>	<u>24,280,629.78</u>	<u>21,603,346.50</u>
Deferred Outflows	<u>920,677.00</u>	<u>733,916.00</u>			<u>920,677.00</u>	<u>733,916.00</u>
Other Liabilities	2,084,759.07	1,733,470.15	212,295.13	145,965.81	2,297,054.20	1,879,435.96
Long Term Liabilities	<u>7,640,015.04</u>	<u>7,322,760.75</u>			<u>7,640,015.04</u>	<u>7,322,760.75</u>
Total Liabilities	<u>9,724,774.11</u>	<u>9,056,230.90</u>	<u>212,295.13</u>	<u>145,965.81</u>	<u>9,937,069.24</u>	<u>9,202,196.71</u>
Deferred Inflows	<u>1,570,276.00</u>	<u>3,383,479.00</u>			<u>1,570,276.00</u>	<u>3,383,479.00</u>
Net Position						
Invested in Capital Assets	9,850,331.76	8,578,367.05	116,958.64	62,317.91	9,967,290.40	8,640,684.96
Restricted	8,553,301.93	6,814,830.69			8,553,301.93	6,814,830.69
Unrestricted	<u>(5,276,848.57)</u>	<u>(6,167,252.78)</u>	<u>450,217.78</u>	<u>463,323.92</u>	<u>(4,826,630.79)</u>	<u>(5,703,928.86)</u>
Total Net Position	<u>\$13,126,785.12</u>	<u>\$9,225,944.96</u>	<u>\$567,176.42</u>	<u>\$525,641.83</u>	<u>\$13,693,961.54</u>	<u>\$9,751,586.79</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2023 compared to 2022.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales	\$492,408.25	\$506,325.46	\$355,231.53	\$61,800.89	\$847,639.78	\$568,126.35
Operating Grants and						
Contributions	2,050,831.19	1,933,911.71	353,487.32	808,134.74	2,404,318.51	2,742,046.45
General Revenues:						
Taxes:						
Property taxes	25,602,529.00	25,863,333.00			25,602,529.00	25,863,333.00
Federal and State Aid not						
Restricted	14,451,527.98	14,036,460.80			14,451,527.98	14,036,460.80
Other Income	<u>3,165,647.52</u>	<u>2,831,017.34</u>	<u>5,679.21</u>	<u>351.13</u>	<u>3,171,326.73</u>	<u>2,831,368.47</u>
Total Revenues and Transfers	<u>\$45,762,943.94</u>	<u>\$45,171,048.31</u>	<u>\$714,398.06</u>	<u>\$870,286.76</u>	<u>\$46,477,342.00</u>	<u>\$46,041,335.07</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

<b>Functions/Program</b>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction:						
Regular	\$14,963,382.26	\$13,751,838.00			\$14,963,382.26	\$13,751,838.00
Special	4,461,871.17	3,949,809.83			4,461,871.17	3,949,809.83
Other Special Instruction	610,768.32	461,140.12			610,768.32	461,140.12
Other Instruction	892,547.69	740,995.50			892,547.69	740,995.50
Support Services:						
Tuition	1,770,078.98	1,394,860.07			1,770,078.98	1,394,860.07
Student & Instruction						
Related Services	5,815,967.03	5,599,699.52			5,815,967.03	5,599,699.52
School Administrative						
Services	1,889,073.14	1,807,718.04			1,889,073.14	1,807,718.04
General Administrative						
Services	632,470.80	538,565.55			632,470.80	538,565.55
Central Services and						
Info. Tech.	942,759.67	873,092.94			942,759.67	873,092.94
Plant Operations and						
Maintenance	3,060,143.90	2,746,176.84			3,060,143.90	2,746,176.84
Pupil Transportation	1,712,299.38	1,117,004.89			1,712,299.38	1,117,004.89
Unallocated Benefits	4,252,644.27	6,753,121.22			4,252,644.27	6,753,121.22
Unallocated depreciation	562,998.00	516,122.00			562,998.00	516,122.00
Interest on Long-Term Debt	14,864.81	22,086.95			14,864.81	22,086.95
Capital Outlay	142,152.45	73,330.71			142,152.45	73,330.71
Special Schools	138,081.91	103,697.24			138,081.91	103,697.24
Food Service			<u>672,863.47</u>	<u>633,162.29</u>	<u>672,863.47</u>	<u>633,162.29</u>
Total Expenses and Transfers	<u>41,862,103.78</u>	<u>40,449,259.42</u>	<u>672,863.47</u>	<u>633,162.29</u>	<u>42,534,967.25</u>	<u>41,082,421.71</u>
Increase or (Decrease) in						
Net Position	<u>\$3,900,840.16</u>	<u>\$4,721,788.89</u>	<u>\$41,534.59</u>	<u>\$237,124.47</u>	<u>\$3,942,374.75</u>	<u>\$4,958,913.36</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$42,534,967.25. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$25,602,529.00 because some of the cost was paid by those who benefited from the programs \$847,639.78, by other governments and organizations who subsidized certain programs with grants and contributions \$2,404,318.51, and by miscellaneous sources \$17,622,854.71.

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

- ✓ Food service revenues exceeded expenses by \$41,534.59.
- ✓ Charges for services provided totaled \$355,231.53. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$353,487.32.

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

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

During the fiscal year ended June 30, 2023, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and/or to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$3,290,782.43 for increase in federal and local grant awards.

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)**

**General Fund**

The general fund actual revenue was \$46,023,062.19. That amount is \$9,666,390.19 above the final amended budget of \$36,356,672.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$8,656,856.47 for TPAF pension and social security reimbursements and \$1,009,533.72 for excesses in other anticipated revenues.

The actual expenditures of the general fund were \$44,250,164.50 including transfers which is \$4,792,525.15 above the final amended budget of \$39,457,639.35. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$8,656,856.47 for TPAF pension and social security reimbursements and \$3,864,331.32 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$46,023,062.19 and total expenditures of \$44,250,164.50 with an ending fund balance of \$11,140,491.95 on the budgetary basis of accounting.

**Special Revenue Fund**

The special revenue fund actual revenue was \$2,903,831.75. That amount is \$1,213,314.68 less than the final amended budget \$4,117,146.43.

The actual expenditures of the special revenue fund were \$2,872,694.18 which is \$1,244,452.25 less than the final amended budget of \$4,117,146.43.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2023 the School District had \$36,129,428.44 invested in sites, buildings and equipment. Of this amount, \$24,603,105.00 in depreciation has been taken over the years. We currently have a net book value of \$11,526,323.44. Total additions for the year were \$1,464,523.73, the majority of which was for facility improvements and various equipment. Table 3 shows fiscal year 2023 balances compared to 2022.

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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>20212</u>
Land	\$1,594,700.00	\$1,594,700.00			\$1,594,700.00	\$1,594,700.00
Construction in Progress		469,526.00			0.00	
Buildings and Improvements	8,948,366.80	8,103,735.80			8,948,366.80	8,103,735.80
Furniture, Equipment and Vehicles	866,298.00	566,282.00	\$116,958.64	\$62,317.91	983,256.64	628,599.91
	<u>\$11,409,364.80</u>	<u>\$10,734,243.80</u>	<u>\$116,958.64</u>	<u>\$62,317.91</u>	<u>\$11,526,323.44</u>	<u>\$10,796,561.71</u>

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

**Outstanding Long-Term Liabilities**

At June 30, 2023, the District had \$7,640,015.04 of long-term liabilities. Of this amount, \$380,800.00 is for compensated absences; \$725,000.00 is for serial bonds for school construction, \$834,033.04 is for financed purchases and \$5,700,182.00 is for net pension liability.

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

	<u>2023</u>	<u>2022</u>
2017 School Refunding Bonds	<u>\$725,000.00</u>	<u>\$1,100,000.00</u>
Total	<u>\$725,000.00</u>	<u>\$1,100,000.00</u>



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

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)**

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

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

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

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	3,748,579.46	567,990.38	4,316,569.84
Receivables, net	1,639,385.90	82,694.90	1,722,080.80
Inventory		11,827.63	11,827.63
Restricted Assets:			
Cash and Cash Equivalents	6,703,828.07		6,703,828.07
Capital Assets:			
Land and Construction in Progress	1,594,700.00		1,594,700.00
Other Capital Assets, net	9,814,664.80	116,958.64	9,931,623.44
Total Assets	<u>23,501,158.23</u>	<u>779,471.55</u>	<u>24,280,629.78</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred Outflows of Resources Related to PERS - Pension	<u>920,677.00</u>		<u>920,677.00</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	1,266,709.71	141,201.86	1,407,911.57
Reserve for Unemployment Claims	36,595.17		36,595.17
Payroll Deductions and Withholdings Payable	695,246.74		695,246.74
Unearned Revenue	86,207.45	71,093.27	157,300.72
Noncurrent Liabilities:			
Due within one year	599,213.34		599,213.34
Due beyond one year	7,040,801.70		7,040,801.70
Total Liabilities	<u>9,724,774.11</u>	<u>212,295.13</u>	<u>9,937,069.24</u>
<b>DEFERRED INFLOWS</b>			
Deferred Inflows of Resources Related to PERS - Pension	<u>1,570,276.00</u>		<u>1,570,276.00</u>
<b>NET POSITION</b>			
Invested in Capital Assets	9,850,331.76	116,958.64	9,967,290.40
Restricted for:			
Debt Service	179.00		179.00
Capital Projects	4,535,525.65		4,535,525.65
Other Purposes	4,017,597.28		4,017,597.28
Unrestricted (Deficit)	(5,276,848.57)	450,217.78	(4,826,630.79)
Total Net Position	<u><u>13,126,785.12</u></u>	<u><u>567,176.42</u></u>	<u><u>13,693,961.54</u></u>

See Accompanying Notes to Financial Statements.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
Statement of Activities  
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	12,345,561.12	2,617,821.14		1,322,566.34	(13,640,815.92)		(13,640,815.92)
Special Education	3,616,283.50	845,587.67			(4,461,871.17)		(4,461,871.17)
Other Special Instruction	488,001.43	122,766.89			(610,768.32)		(610,768.32)
Other Instruction	764,701.18	127,846.51			(892,547.69)		(892,547.69)
Support services:							
Tuition	1,770,078.98	-			(1,770,078.98)		(1,770,078.98)
Student & Instruction Related Services	4,914,820.91	901,146.12	492,408.25 *	607,997.85	(4,715,560.93)		(4,715,560.93)
School Administrative Services	1,510,416.56	378,656.58			(1,889,073.14)		(1,889,073.14)
General Administrative Services	551,177.53	81,293.27			(632,470.80)		(632,470.80)
Central Services & Admin. Info. Technology	761,214.89	181,544.78			(942,759.67)		(942,759.67)
Plant Operations and Maintenance	2,731,352.55	328,791.35			(3,060,143.90)		(3,060,143.90)
Pupil Transportation	1,670,264.37	42,035.01			(1,712,299.38)		(1,712,299.38)
Unallocated Benefits	4,252,644.27	-			(4,252,644.27)		(4,252,644.27)
Special Schools	138,081.91	-			(138,081.91)		(138,081.91)
Capital Outlay - Non-depreciable	142,152.45	-			(142,152.45)		(142,152.45)
Interest on Long-term Debt	14,864.81	-		120,267.00	105,402.19		105,402.19
Unallocated Depreciation	562,998.00	-			(562,998.00)		(562,998.00)
Total Governmental Activities	36,234,614.47	5,627,489.31	492,408.25	2,050,831.19	(39,318,864.34)	-	(39,318,864.34)
Business-type Activities:							
Food Service	672,863.47		355,231.53	353,487.32		35,855.38	35,855.38
Total Business-type Activities	672,863.47		355,231.53	353,487.32		35,855.38	35,855.38
Total Primary Government	36,907,477.94		847,639.78	2,404,318.51	(39,318,864.34)	35,855.38	(39,283,008.96)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					25,330,458.00		25,330,458.00
Taxes Levied for Debt Service					272,071.00		272,071.00
Federal and State Aid not Restricted					14,451,527.98		14,451,527.98
Tuition					2,467,218.75		2,467,218.75
Rental Income					38,018.75		38,018.75
Investment Earnings					-	5,679.21	5,679.21
Miscellaneous Income					175,386.59		175,386.59
Other Restricted Miscellaneous Revenues					4,164.12		4,164.12
Federal and State Aid - Capital Outlay					480,859.31		480,859.31
Total General Revenues, Special Items, Extraordinary Items and Transfers					43,219,704.50	5,679.21	43,225,383.71
Change in Net Position					3,900,840.16	41,534.59	3,942,374.75
Net Position—Beginning					9,225,944.96	525,641.83	9,751,586.79
Net Position—Ending					13,126,785.12	567,176.42	13,693,961.54

See Accompanying Notes to Financial Statements.

\* Student activity revenue is reported as "charges for services".

## **FUND FINANCIAL STATEMENTS**

## BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	3,748,400.46		179.00	3,748,579.46
Interfund Receivables	177,721.56			177,721.56
Receivables from Other Governments	1,087,995.68	535,112.00		1,623,107.68
Other Receivables	13,048.71	3,229.51		16,278.22
Restricted Cash and Cash Equivalents	6,470,744.99	233,083.08		6,703,828.07
Total Assets	<u>11,497,911.40</u>	<u>771,424.59</u>	<u>179.00</u>	<u>12,269,514.99</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	464,407.54	275,612.50		740,020.04
Payroll Deductions and Withholdings Payable	695,246.74			695,246.74
Reserve for Unemployment Claims	36,595.17			36,595.17
Interfund Payables		177,721.56		177,721.56
Unearned Revenue	1,200.00	85,007.45		86,207.45
Total Liabilities	<u>1,197,449.45</u>	<u>538,341.51</u>		<u>1,735,790.96</u>
Fund Balances:				
Restricted for:				
Excess Surplus -- Current Year	752,645.05			752,645.05
Excess Surplus -- Designated for Subsequent Year's Expenditures	1,126,900.31			1,126,900.31
Capital Reserve Account	4,535,525.65			4,535,525.65
Maintenance Reserve Account	1,498,829.00			1,498,829.00
Unemployment Compensation	406,139.84			406,139.84
Student Activities		233,083.08		233,083.08
Debt Service			179.00	179.00
Assigned to:				
Other Purposes	1,325,657.94			1,325,657.94
Unassigned:				
General Fund	654,764.16			654,764.16
Total Fund Balances	<u>10,300,461.95</u>	<u>233,083.08</u>	<u>179.00</u>	<u>10,533,724.03</u>
Total Liabilities and Fund Balances	<u>11,497,911.40</u>	<u>771,424.59</u>	<u>179.00</u>	

Amounts reported for governmental activities in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$35,697,828.80 and the accumulated depreciation is \$24,288,464.00 11,409,364.80

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds. (4,591.67)

Accounts Payable for subsequent Pension payment is not a payable in the funds (522,098.00)

Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.

Deferred Outflows of Resources Related to PERS Pension Liability 920,677.00

Deferred Inflows of Resources Related to PERS Pension Liability (1,570,276.00)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (7,640,015.04)

Net Position of governmental activities 13,126,785.12

See Accompanying Notes to Financial Statements.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	25,330,458.00		272,071.00	25,602,529.00
Tuition Charges - Individuals	18,400.00			18,400.00
Tuition Charges - Other LEAs	2,448,818.75			2,448,818.75
Rental Income	38,018.75			38,018.75
Restricted Miscellaneous Revenues - (Unemployment Non-budgeted)	4,164.12			4,164.12
Miscellaneous	175,386.59	555,322.75 *		730,709.34
Total - Local Sources	28,015,246.21	555,322.75	272,071.00	28,842,639.96
State Sources	17,754,140.47	6,653.00	120,267.00	17,881,060.47
Federal Sources	35,962.51	2,341,856.00		2,377,818.51
Total Revenues	45,805,349.19	2,903,831.75	392,338.00	49,101,518.94
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	11,038,705.68	1,322,566.34		12,361,272.02
Special Education Instruction	3,616,283.50			3,616,283.50
Other Special Instruction	488,001.43			488,001.43
Other Instruction	764,701.18			764,701.18
Support Services and Undistributed Costs:				
Tuition	1,770,078.98			1,770,078.98
Student & Instruction Related Services	3,854,469.38	1,069,268.53 **		4,923,737.91
School Administrative Services	1,519,333.56			1,519,333.56
General Administrative Services	551,177.53			551,177.53
Central Services & Admin. Info. Technology	770,131.89			770,131.89
Plant Operations and Maintenance	2,910,734.37			2,910,734.37
Pupil Transportation	1,670,264.37			1,670,264.37
Unallocated Benefits	14,109,122.58			14,109,122.58
Special Schools	138,081.91			138,081.91
Capital Outlay	1,049,078.14	480,859.31		1,529,937.45
Debt Service:				
Principal			375,000.00	375,000.00
Interest and Other Charges			17,239.81	17,239.81
Total Expenditures	44,250,164.50	2,872,694.18	392,239.81	47,515,098.49
Excess (Deficiency) of Revenues				
Over Expenditures	1,555,184.69	31,137.57	98.19	1,586,420.45
Net Change in Fund Balances	1,555,184.69	31,137.57	98.19	1,586,420.45
Fund Balance (Deficit)—July 1	8,745,277.26	201,945.51	80.81	8,947,303.58
Fund Balance (Deficit)—June 30	10,300,461.95	233,083.08	179.00	10,533,724.03

\* Special Revenue Fund now includes revenues from student activities.

\*\* Special Revenue Fund now includes expenditures from student activities.

**See Accompanying Notes to Financial Statements.**



**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2023**

**Total net change in fund balances - governmental funds (from B-2)** 1,586,420.45

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

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

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(712,664.00)	
Depreciable Capital Outlays	<u>1,387,785.00</u>	675,121.00

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.

In the current year, these amounts consist of:

Bond Principal	375,000.00
Financed Purchases Principal	221,843.71

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

2,375.00

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

(Increase)/Decrease in Compensated Absences Payable	(53,080.00)
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	476,312.00	
Less: Pension Expense	<u>(616,848.00)</u>	
(Increase)/Decrease in Pension Expense		1,093,160.00

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

Increase/(Decrease) in On-behalf State Aid TPAF Pension	(3,967,905.00)
(Increase)/Decrease in On-behalf TPAF Pension Expense	3,967,905.00

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

Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	629,330.00
(Increase) in On-behalf State Aid TPAF Post Employment Medical Expense	(629,330.00)

<b>Change in Net Position of governmental activities</b>	<u><u>3,900,840.16</u></u>
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See Accompanying Notes to Financial Statements.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Business-Type Activities - Enterprise Fund Food Service Program</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	567,990.38
Accounts Receivable:	
State	1,735.36
Federal	80,959.54
Inventories	11,827.63
Total Current Assets	<u>662,512.91</u>
Noncurrent Assets:	
Capital Assets:	
Equipment	431,599.64
Less Accumulated Depreciation	<u>(314,641.00)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>116,958.64</u>
Total Assets	<u><u>779,471.55</u></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	141,201.86
Deferred Revenue	71,093.27
Total Current Liabilities	<u>212,295.13</u>
Total Liabilities	<u>212,295.13</u>
<b>NET POSITION</b>	
Invested in Capital Assets Net of Related Debt	116,958.64
Unrestricted	450,217.78
Total Net Position	<u><u>567,176.42</u></u>

See Accompanying Notes to Financial Statements.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<b>Business-Type Activities - Enterprise Fund Food Service Program</b>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	230,186.75
Daily Sales - Non-Reimbursable Programs	122,722.58
Miscellaneous Program Fees	2,322.20
Total Operating Revenues	<u>355,231.53</u>
Operating Expenses:	
Cost of sales-reimbursable programs	254,747.59
Cost of sales-non-reimbursable programs	60,772.23
Salaries, Benefits and Payroll Taxes	273,810.38
Supplies and Materials	8,596.98
Purchased Professional Services	11,793.50
Cleaning Repair & Maintenance	32,969.34
Purchased Services	8,075.45
Depreciation	22,098.00
Total Operating Expenses	<u>672,863.47</u>
Operating Income (Loss)	<u>(317,631.94)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	9,211.47
State School Breakfast Program	283.20
Federal Sources:	
National School Lunch Program	192,977.62
National School Breakfast Program	14,146.62
HHFKA	7,717.60
Supply Chain Assistance Grant	68,584.17
P-EBT Administrative Cost Reimbursement	653.00
Food Distribution Program	59,913.64
Interest and Investment Revenue	5,679.21
Total Nonoperating Revenues (Expenses)	<u>359,166.53</u>
Income (Loss) Before Contributions & Transfers	41,534.59
Transfers In (Out)	
Change in Net Position	<u>41,534.59</u>
Total Net Position—Beginning	<u>525,641.83</u>
Total Net Position—Ending	<u><u>567,176.42</u></u>

See Accompanying Notes to Financial Statements.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

**Business-Type  
Activities -  
Enterprise Fund**  
**Food Service  
Program**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from Customers	352,319.76
Payments to Suppliers	(8,596.98)
Payments for Miscellaneous Expenses	(35,258.34)
Payments to Food Service Management Company	(504,285.56)
Net Cash Provided by (Used for) Operating Activities	<u>(195,821.12)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State Sources	9,005.77
Federal Sources	333,202.71
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>342,208.48</u>

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES**

Purchases of Capital Assets	(76,738.73)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(76,738.73)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest and dividends	5,679.21
Net Cash Provided by (Used for) Investing Activities	<u>5,679.21</u>
Net Increase (Decrease) in Cash and Cash Equivalents	75,327.84
Balances—Beginning of Year	492,662.54
Balances—End of Year	<u><u>567,990.38</u></u>

**Reconciliation of Operating Income (Loss) to Net Cash Provided  
(Used) by Operating Activities:**

Operating Income (Loss)	(317,631.94)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation and Net Amortization	22,098.00
Food Distribution Program Donated Commodities	59,913.64
(Increase) Decrease in Inventories	(504.22)
Increase (Decrease) in Accounts Payable	43,215.17
Increase (Decrease) in Other Current Liabilities	(2,911.77)
Total Adjustments	<u>121,810.82</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>(195,821.12)</u></u>

See Accompanying Notes to Financial Statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Pompton Lakes School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

**A. Description of the School District and Reporting Entity:**

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

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

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**B. Basis of Presentation:**

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

**District-wide Financial Statements:**

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

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

**Fund Financial Statements:**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**B. Basis of Presentation: (continued)**

**GOVERNMENTAL FUNDS**

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

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

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

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

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

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

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



**Borough of Pompton Lakes School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2023**

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

**B. Basis of Presentation: (continued)**

**PROPRIETARY FUNDS**

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

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

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

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

**C. Measurement Focus:**

**District-wide Financial Statements**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**C. Measurement Focus: (continued)**

**Fund Financial Statements**

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

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

**D. Basis of Accounting:**

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

**Revenues - Exchange and Non-exchange Transactions**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**D. Basis of Accounting: (continued)**

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

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

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

**Expenses/Expenditures**

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

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

**E. Budgets/Budgetary Control:**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**E. Budgets/Budgetary Control: (continued)**

accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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

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

**F. Encumbrances:**

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

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

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**G. Cash, Cash Equivalents and Investments:**

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

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

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

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

**H. Tuition Revenues/Receivable**

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

**I. Tuition Payable:**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**J. Inventories:**

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

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

**K. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**L. Short-Term Interfund Receivables/Payables:**

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

**M. Capital Assets:**

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

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**M. Capital Assets: (continued)**

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

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

**N. Compensated Absences:**

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

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

**O. Unearned Revenue:**

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

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

**P. Accrued Liabilities and Long-term Obligations:**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

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

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

**Q. Accounting and Financial Reporting for Pensions:**

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

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

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



**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

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

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

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

**R. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**S. Fund Balances:**

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

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

**T. Net Position:**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**T. Net Position: (continued)**

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

**U. Operating Revenues and Expenses:**

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

**V. Extraordinary and Special Items:**

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

**W. Allocation of Indirect Expenses:**

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

**X. Use of Estimates:**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**Y. New Accounting Standards:**

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

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

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$0.00 of the District's bank balance of \$11,215,728.58 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**NOTE 3. RECEIVABLES:**

Receivables at June 30, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$905,901.78	\$1,735.36	\$907,637.14
Federal Aid	535,112.00	80,959.54	616,071.54
Tuition	182,093.90		182,093.90
Interfunds	177,721.56		
Other	<u>16,278.22</u>		<u>16,278.22</u>
Gross Receivables	1,817,107.46	82,694.90	1,722,080.80
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$1,817,107.46</u></u>	<u><u>\$82,694.90</u></u>	<u><u>\$1,722,080.80</u></u>

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 4. INTERFUND BALANCES AND ACTIVITY:**

Balance due to/from other funds at June 30, 2023 consist of the following:

<u>\$177,721.56</u>	Due to General Fund from Special Revenue Fund for short term loan
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It is anticipated that all interfunds will be liquidated within the fiscal year.

**NOTE 5. CAPITAL ASSETS:**

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

	<u>Balance</u> <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/23</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$1,594,700.00	\$	\$	\$1,594,700.00
Construction in Progress	<u>469,526.00</u>	<u>          </u>	<u>(469,526.00)</u>	<u>0.00</u>
Total Capital Assets, Not Being Depreciated	<u>2,064,226.00</u>	<u>0.00</u>	<u>(469,526.00)</u>	<u>1,594,700.00</u>
Capital Assets Being Depreciated				
Buildings and Building Improvements	29,859,157.80	898,818.00	455,873.00	31,213,848.80
Machinery and Equipment	<u>2,423,052.00</u>	<u>488,967.00</u>	<u>(22,739.00)</u>	<u>2,889,280.00</u>
Totals at Historical Cost	<u>32,282,209.80</u>	<u>1,387,785.00</u>	<u>433,134.00</u>	<u>34,103,128.80</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(21,755,422.00)	(510,060.00)		(22,265,482.00)
Equipment	<u>(1,856,770.00)</u>	<u>(202,604.00)</u>	<u>36,392.00</u>	<u>(2,022,982.00)</u>
Total Accumulated Depreciation	<u>(23,612,192.00)</u>	<u>(712,664.00)</u>	<u>36,392.00</u>	<u>(24,288,464.00)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,670,017.80</u>	<u>675,121.00</u>	<u>469,526.00</u>	<u>9,814,664.80</u>
Governmental Activities Capital Assets, Net	<u>\$10,734,243.80</u>	<u>\$675,121.00</u>	<u>\$0.00</u>	<u>\$11,409,364.80</u>

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 5. CAPITAL ASSETS: (continued)**

	Balance 6/30/22	Additions	Deductions	Balance 6/30/23
<b>Business-Type Activities</b>				
Equipment	\$378,397.91	\$76,738.73	\$(23,537.00)	\$431,599.64
Less Accumulated Depreciation:				
Equipment	(316,080.00)	(22,098.00)	23,537.00	(314,641.00)
<u>Business-Type Activities Capital Assets, Net</u>	<u>\$62,317.91</u>	<u>\$54,640.73</u>	<u>\$0.00</u>	<u>\$116,958.64</u>

Depreciation expense was charged governmental functions as follows:

Instruction - Regular	\$43,644.00
Student & Instruction Related Services	33,762.00
General Administrative Services	300.00
School Administrative Services	2,702.00
Transportation	18,996.00
Plant Operations and Maintenance	50,262.00
Unallocated Depreciation	<u>562,998.00</u>
Total Depreciation Expense	<u>\$712,664.00</u>

**NOTE 6. LONG-TERM OBLIGATION ACTIVITY:**

Changes in long-term obligations for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	\$1,100,000.00	\$	(\$375,000.00)	\$725,000.00	\$370,000.00
Total Bonds Payable	<u>1,100,000.00</u>		<u>(375,000.00)</u>	<u>725,000.00</u>	<u>370,000.00</u>
Other Liabilities:					
Compensated Absences Payable	327,720.00	140,580.00	(87,500.00)	380,800.00	
Financed Purchases Payable	1,055,876.75		(221,843.71)	834,033.04	229,213.34
Net Pension Liability	<u>4,839,164.00</u>	<u>861,018.00</u>		<u>5,700,182.00</u>	
Total Other Liabilities	<u>6,222,760.75</u>	<u>1,001,598.00</u>	<u>(309,343.71)</u>	<u>6,915,015.04</u>	<u>229,213.34</u>
<b>Total Governmental Activities</b>	<u>\$7,322,760.75</u>	<u>\$1,001,598.00</u>	<u>(\$684,343.71)</u>	<u>\$7,640,015.04</u>	<u>\$599,213.34</u>

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**A. Bonds Payable**

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

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

Outstanding bonds payable at June 30, 2023 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2023</u>
\$2,235,000.00 Refunding School Bonds, Series 2017	10/20/2017	1.90%	9/1/2024	<u>\$725,000.00</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$370,000.00	\$10,260.00	\$380,260.00
2025	<u>355,000.00</u>	<u>3,372.50</u>	<u>358,372.50</u>
	<u>\$725,000.00</u>	<u>\$13,632.50</u>	<u>\$738,632.50</u>

**B. Bonds Authorized But Not Issued**

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



**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

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

**C. Financed Purchases Payable**

The District has financed purchases agreements for school energy improvements, copiers and a dump truck. The following is a schedule of the future minimum financed purchases payments under the financed purchases agreements and the net minimum financed purchases payments at June 30, 2023:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$229,213.34	\$21,830.85	\$251,044.19
2025	116,738.50	14,705.42	131,443.92
2026	112,223.50	11,708.42	123,931.92
2027	115,268.22	8,663.70	123,931.92
2028	118,395.51	5,336.41	123,731.92
2029-2030	<u>142,193.97</u>	<u>2,393.27</u>	<u>144,587.24</u>
	<u>\$834,033.04</u>	<u>\$64,638.07</u>	<u>\$898,671.11</u>

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

**NOTE 7. PENSION PLANS:**

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

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

**Benefits Provided**

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

The following represents the membership tiers for TPAF:

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

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

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

**Benefits Provided**

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

The following represents the membership tiers for PERS:

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

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

**Defined Contribution Retirement Program**

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or 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.

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

Defined Contribution Retirement Program, (continued)

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

Contributions Requirements Fund Based Statements

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

Year		
<u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/23	\$476,312.00	\$29,797.04
6/30/22	478,388.00	35,844.53
6/30/21	439,564.00	44,167.84

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

Year	Pension	Post-Retirement Medical	NCGI	LTD
<u>Ending</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Premium</u>	<u>Liability</u>
6/30/23	\$5,797,792.00	\$1,544,197.00	\$80,438.00	\$2,116.00
6/30/22	5,663,573.00	1,341,909.00	79,905.00	1,884.00
6/30/21	4,009,888.00	1,280,545.00	76,293.00	1,939.00

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,232,313.47 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

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

**Public Employees Retirement System (PERS)**

At June 30, 2023, the District had a liability of \$5,700,182.00 for its proportionate share of the PERS 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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was .0377711230 percent, which was a decrease of .0030777688 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of \$(616,848.00). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$17,661.00	\$853,543.00
Difference in actual and expected experience	41,141.00	36,281.00
Net difference between projected and actual earnings on pension plan investments	235,925.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	103,852.00	680,452.00
District contributions subsequent to the measurement date	<u>522,098.00</u>	<u>                    </u>
Total	<u>\$920,677.00</u>	<u>\$1,570,276.00</u>

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

The \$522,098.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	(\$488,956)
2024	(249,107)
2025	(121,484)
2026	265,033
2027	(582)
	<u>(\$595,096)</u>

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2022, 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,846,499,172
District's Proportion	.0377711230%	.0408488918%

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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'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 Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%



**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

**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 on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2022</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$7,323,065	\$5,700,182	\$4,319,044

**Pension Plan Fiduciary Net Position**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

**Teachers Pensions and Annuity Fund (TPAF)**

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>70,982,052</u> <u>\$70,982,052</u>

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 June 30, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was 0.1375770049%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$1,910,325 for contributions provided by the State in the District-Wide Financial Statements.

**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%

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

**Mortality Rates**

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 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 Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 7. PENSION PLANS: (continued)**

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

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

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

**NOTE 8. POST-RETIREMENT BENEFITS:**

**General Information about the OPEB Plan**

**State Health Benefit State Retired Employees Plan**

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Required OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Required OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premium or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

**Total OPEB Liability**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>59,578,904</u>
	<u>\$59,578,904</u>

**Actual Assumptions and Other Imputes**

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

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

**(a) *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 trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**(b) *Discount Rate***

The discount rate for June 30, 2022 as 354 This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

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

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

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,173,527 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:*  
(continued)

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

**NOTE 9. DEFERRED COMPENSATION:**

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

Met Life  
AXA Equitable  
Lincoln Investments  
Vanguard  
Edward Jones  
TDS

**NOTE 10. RISK MANAGEMENT:**

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

**Property and Liability Insurance**

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

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



**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 10. RISK MANAGEMENT: (continued)**

**Property and Liability Insurance, (continued)**

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

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

PIP

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

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$4,164.12	\$36,491.08	\$38,868.32	\$442,735.01
2021-2022	451.33	34,077.74	1,317.00	440,948.13
2020-2021	569.00	44,477.87	38,266.20	407,736.06

**NOTE 11. CAPITAL RESERVE ACCOUNT:**

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 11. CAPITAL RESERVE ACCOUNT: (continued)**

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

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

Beginning balance, July 1, 2022	\$2,891,691.15
Deposit - Board Resolution June 13, 2023	<u>2,500,000.00</u>
	5,391,691.15
Budgeted Withdrawal	<u>856,165.50</u>
Ending balance, June 30, 2023	<u><u>\$4,535,525.65</u></u>

The balance in the capital reserve account at June 30, 2023 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

**NOTE 12. MAINTENANCE RESERVE ACCOUNT:**

A maintenance reserve account was established by Board of Education resolution adopted June 30, 2012. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (*N.J.S.A. 18A:7G-9*). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$1,498,829.00
Deposit - Board Resolution June 13, 2023	<u>123,932.00</u>
	1,622,761.00
Budgeted Withdrawal	<u>123,932.00</u>
Ending balance, June 30, 2023	<u><u>\$1,498,829.00</u></u>

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 13. FUND BALANCE APPROPRIATED:**

**General Fund [Exhibit B-1]** - Of the \$10,300,461.95 General Fund fund balance at June 30, 2023, \$1,325,657.94 is reserved for encumbrances; \$1,879,545.36 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7. Of this amount, \$1,126,900.31 has been appropriated and included as anticipated revenue for the year ended June 30, 2024; \$4,535,525.65 has been reserved in the Capital Reserve Account; \$1,498,829.00 has been reserved in the Maintenance Reserve Account; \$406,139.84 has been reserved for unemployment compensation; and \$654,764.16 is unreserved and undesignated.

**Special Revenue Fund** - Of the \$233,083.08 Special Revenue Fund fund balance at June 30, 2023, \$203,083.08 is reserved for student activities.

**Debt Service Fund** - Of the \$179.00 Debt Service Fund fund balance at June 30, 2023, \$179.00 is restricted for the payment of Debt Service.

**NOTE 14. CALCULATION OF EXCESS SURPLUS:**

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$1,879,545.36. Of this amount, \$752,645.05 is the result of the current year's operations and \$1,126,900.31 is the result of prior year operations.

**NOTE 15. INVENTORY:**

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$5,459.44
Supplies	<u>6,368.19</u>
	<u>\$11,827.63</u>

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

**Borough of Pompton Lakes School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2023**

**NOTE 16. CONTINGENT LIABILITIES:**

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

**Litigation** - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. The District estimates that any potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**NOTE 17. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 22, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	25,330,458.00		25,330,458.00	25,330,458.00	
Tuition Charges - Individuals	23,000.00		23,000.00	18,400.00	(4,600.00)
Tuition Charges - Other LEAs	2,400,000.00		2,400,000.00	2,448,818.75	48,818.75
Rental Income	23,575.00		23,575.00	38,018.75	14,443.75
Interest Earned on Capital Reserve Funds	7,750.00		7,750.00		(7,750.00)
Interest Earned on Maintenance Reserve Funds	3,875.00		3,875.00		(3,875.00)
Restricted Miscellaneous Revenues - (Unemployment Non-budgeted)				4,164.12	4,164.12
Miscellaneous	12,500.00		12,500.00	175,386.59	162,886.59
Total - Local Sources	27,801,158.00		27,801,158.00	28,015,246.21	214,088.21
State Sources:					
Categorical Special Education Aid	953,729.00		953,729.00	953,729.00	
Equalization Aid	7,250,807.00		7,250,807.00	7,250,807.00	
Categorical Security Aid	43,115.00		43,115.00	43,115.00	
School Choice Aid	108,380.00		108,380.00	108,380.00	
Categorical Transportation Aid	176,038.00		176,038.00	176,038.00	
Extraordinary Aid				782,928.00	782,928.00
On-behalf TPAF Pension (non-budgeted)				5,797,792.00	5,797,792.00
On-behalf TPAF NCGI Premium (non-budgeted)				80,438.00	80,438.00
On-behalf TPAF Post Retirement Medical (non-budgeted)				1,544,197.00	1,544,197.00
On-behalf TPAF - LTDI				2,116.00	2,116.00
TPAF Social Security (Reimbursed - Non-Budgeted)				1,232,313.47	1,232,313.47
Total - State Sources	8,532,069.00		8,532,069.00	17,971,853.47	9,439,784.47
Federal Sources:					
FFCRA/SEMI				389.85	389.85
Medicaid Reimbursement	23,445.00		23,445.00	35,572.66	12,127.66
Total - Federal Sources	23,445.00		23,445.00	35,962.51	12,517.51
<b>TOTAL REVENUES</b>	<b>36,356,672.00</b>		<b>36,356,672.00</b>	<b>46,023,062.19</b>	<b>9,666,390.19</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	419,413.00	(84,543.89)	334,869.11	330,504.11	4,365.00
Grades 1-5 - Salaries of Teachers	3,383,008.00	279,524.75	3,662,532.75	3,646,546.13	15,986.62
Grades 6-8 - Salaries of Teachers	2,271,504.00	(88,399.19)	2,183,104.81	2,131,692.81	51,412.00
Grades 9-12 - Salaries of Teachers	4,246,083.00	(46,582.72)	4,199,500.28	4,123,024.88	76,475.40
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	10,000.00		10,000.00	650.00	9,350.00
Purchased Professional-Educational Services	52,355.12		52,355.12	47,492.90	4,862.22
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	35,244.00	(10,304.00)	24,940.00	24,453.00	487.00
Purchased Technical Services	298,200.86	(128,196.11)	170,004.75	167,017.26	2,987.49
Other Purchased Services (400-500 series)	20,155.00	(1,078.02)	19,076.98	13,306.55	5,770.43
General Supplies	859,172.09	161,448.83	1,020,620.92	518,389.19	502,231.73
Textbooks	41,778.00	(3,307.46)	38,470.54	35,550.83	2,919.71
Other Objects		78.02	78.02	78.02	
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>11,636,913.07</b>	<b>78,640.21</b>	<b>11,715,553.28</b>	<b>11,038,705.68</b>	<b>676,847.60</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	286,320.00	(26,300.10)	260,019.90	221,670.92	38,348.98
Other Salaries for Instruction	58,627.00	11,299.78	69,926.78	69,050.44	876.34
General Supplies	1,950.00		1,950.00	1,950.00	
<b>Total Learning and/or Language Disabilities</b>	<b>346,897.00</b>	<b>(15,000.32)</b>	<b>331,896.68</b>	<b>292,671.36</b>	<b>39,225.32</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	87,531.00	5,265.20	92,796.20	92,796.20	
Other Salaries for Instruction	66,115.00	(18,066.19)	48,048.81	8,684.02	39,364.79
Purchased Professional-Educational Services	25,000.00	(20,890.00)	4,110.00		4,110.00
<b>Total Multiple Disabilities</b>	<b>178,646.00</b>	<b>(33,690.99)</b>	<b>144,955.01</b>	<b>101,480.22</b>	<b>43,474.79</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,293,957.00	123,853.81	1,417,810.81	1,417,810.81	
Other Salaries for Instruction	666,783.00	28,034.15	694,817.15	694,682.50	134.65
General Supplies	1,577.00		1,577.00	1,552.00	25.00
<b>Total Resource Room/Resource Center</b>	<b>1,962,317.00</b>	<b>151,887.96</b>	<b>2,114,204.96</b>	<b>2,114,045.31</b>	<b>159.65</b>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Autism:</b>					
Salaries of Teachers	677,878.00	69,464.42	747,342.42	732,874.30	14,468.12
Other Salaries for Instruction	21,918.36	(0.08)	21,918.28	18,949.92	2,968.36
Purchased Professional-Educational Services	259,245.00	(68,065.00)	191,180.00	140,271.50	50,908.50
Other Purchased Services (400-500 series)	500.00		500.00	322.06	177.94
General Supplies	21,200.00		21,200.00	20,920.09	279.91
<b>Total Autism</b>	<b>980,741.36</b>	<b>1,399.34</b>	<b>982,140.70</b>	<b>913,337.87</b>	<b>68,802.83</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	99,423.00	73.67	99,496.67	99,496.67	
Other Salaries for Instruction	24,755.00	(18,171.94)	6,583.06	5,216.15	1,366.91
General Supplies	2,900.00		2,900.00	2,900.00	
<b>Total Preschool Disabilities - Part-Time</b>	<b>127,078.00</b>	<b>(18,098.27)</b>	<b>108,979.73</b>	<b>107,612.82</b>	<b>1,366.91</b>
<b>Home Instruction:</b>					
Purchased Professional-Educational Services	85,025.00	19,890.00	104,915.00	87,135.92	17,779.08
<b>Total Home Instruction</b>	<b>85,025.00</b>	<b>19,890.00</b>	<b>104,915.00</b>	<b>87,135.92</b>	<b>17,779.08</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>3,680,704.36</b>	<b>106,387.72</b>	<b>3,787,092.08</b>	<b>3,616,283.50</b>	<b>170,808.58</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	277,100.00	(0.20)	277,099.80	234,096.78	43,003.02
<b>Total Basic Skills/Remedial - Instruction</b>	<b>277,100.00</b>	<b>(0.20)</b>	<b>277,099.80</b>	<b>234,096.78</b>	<b>43,003.02</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	246,065.00	7,839.65	253,904.65	253,904.65	
General Supplies	500.00		500.00		500.00
<b>Total Bilingual Education - Instruction</b>	<b>246,565.00</b>	<b>7,839.65</b>	<b>254,404.65</b>	<b>253,904.65</b>	<b>500.00</b>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	149,726.00	4,346.93	154,072.93	154,072.20	0.73
Supplies and Materials	64,502.00	(3,219.02)	61,282.98	61,282.26	0.72
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>214,228.00</b>	<b>1,127.91</b>	<b>215,355.91</b>	<b>215,354.46</b>	<b>1.45</b>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	360,458.00		360,458.00	354,120.85	6,337.15
Purchased Services (300-500 series)	82,439.00	535.00	82,974.00	82,496.70	477.30
Supplies and Materials	85,765.42	5,784.51	91,549.93	88,257.93	3,292.00
Other Objects	37,910.00	(2,729.51)	35,180.49	24,471.24	10,709.25
<b>Total School-Sponsored Athletics - Instruction</b>	<b>566,572.42</b>	<b>3,590.00</b>	<b>570,162.42</b>	<b>549,346.72</b>	<b>20,815.70</b>
<b>TOTAL INSTRUCTION</b>	<b>16,622,082.85</b>	<b>197,585.29</b>	<b>16,819,668.14</b>	<b>15,907,691.79</b>	<b>911,976.35</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to County Vocational School District - Regular	718,679.00		718,679.00	718,400.00	279.00
Tuition to County Vocational School District - Special	17,138.00	(0.50)	17,137.50		17,137.50
Tuition to Private Schools for the Disabled - Within State	1,551,467.00	(228,951.29)	1,322,515.71	1,047,178.98	275,336.73
Tuition - State Facilities	4,500.00		4,500.00	4,500.00	
<b>Total Undistributed Expenditures - Instruction:</b>	<b>2,291,784.00</b>	<b>(228,951.79)</b>	<b>2,062,832.21</b>	<b>1,770,078.98</b>	<b>292,753.23</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	65,200.00	(0.05)	65,199.95	55,253.74	9,946.21
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>65,200.00</b>	<b>(0.05)</b>	<b>65,199.95</b>	<b>55,253.74</b>	<b>9,946.21</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	461,684.00	0.60	461,684.60	425,608.91	36,075.69
Purchased Professional and Technical Services	72,000.00		72,000.00	42,953.45	29,046.55
Supplies and Materials	7,771.90	(32.40)	7,739.50	6,768.21	971.29
<b>Total Undistributed Expenditures - Health Services</b>	<b>541,455.90</b>	<b>(31.80)</b>	<b>541,424.10</b>	<b>475,330.57</b>	<b>66,093.53</b>
<b>Undist. Expend. - Speech, OT, PT, &amp; Related Services</b>					
Salaries	339,750.00	(2,447.80)	337,302.20	327,446.83	9,855.37
Purchased Professional - Educational Services	112,700.00	(13,679.16)	99,020.84	95,007.85	4,012.99
Supplies and Materials	1,093.00	121.25	1,214.25	1,214.25	
<b>Total Undist. Expend. - Speech, OT, PT, &amp; Related Services</b>	<b>453,543.00</b>	<b>(16,005.71)</b>	<b>437,537.29</b>	<b>423,668.93</b>	<b>13,868.36</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.</b>					
Salaries	1,083,895.00	(30,447.93)	1,053,447.07	846,479.36	206,967.71
Purchased Professional - Educational Services	75,270.00	(3,480.00)	71,790.00	56,349.50	15,440.50
Supplies and Materials		3,927.91	3,927.91	3,927.91	
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>	<b>1,159,165.00</b>	<b>(30,000.02)</b>	<b>1,129,164.98</b>	<b>906,756.77</b>	<b>222,408.21</b>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	589,381.00	63.94	589,444.94	527,930.55	61,514.39
Salaries of Secretarial and Clerical Assistants	49,882.00	0.10	49,882.10	49,882.08	0.02
Purchased Professional - Educational Services	44,272.00		44,272.00	33,136.86	11,135.14
Other Purchased Services (400-500 series)	4,920.00		4,920.00	4,920.00	
Supplies and Materials	1,266.00	0.57	1,266.57	796.73	469.84
<b>Total Undist. Expend. - Guidance</b>	<b>689,721.00</b>	<b>64.61</b>	<b>689,785.61</b>	<b>616,666.22</b>	<b>73,119.39</b>



**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	506,599.00	2,398.27	508,997.27	503,626.51	5,370.76
Salaries of Secretarial and Clerical Assistants	86,048.00	0.16	86,048.16	86,048.16	
Purchased Professional and Technical Services	18,874.00	13,735.05	32,609.05	30,099.55	2,509.50
Other Purchased Services (400-500 series)	11,435.00	(703.32)	10,731.68	9,225.99	1,505.69
Supplies and Materials	12,455.00		12,455.00	12,639.13	(184.13)
<b>Total Undist. Expend. - Child Study Teams</b>	<b>635,411.00</b>	<b>15,430.16</b>	<b>650,841.16</b>	<b>641,639.34</b>	<b>9,201.82</b>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisor of Instruction	379,867.00		379,867.00	378,630.24	1,236.76
Salaries of Secretarial and Clerical Assistants	61,090.00	49.98	61,139.98	61,139.98	
Purchased Professional - Educational Service	1,000.00		1,000.00		1,000.00
Other Purch Services (400-500)	580.00	318.00	898.00	757.90	140.10
Supplies and Materials	1,500.00	(68.00)	1,432.00		1,432.00
Other Objects	25,100.00	(636.00)	24,464.00	23,372.75	1,091.25
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<b>469,137.00</b>	<b>(336.02)</b>	<b>468,800.98</b>	<b>463,900.87</b>	<b>4,900.11</b>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	197,450.00	(5,699.31)	191,750.69	185,827.00	5,923.69
Other Purchased Services (400-500 series)	33,614.00	12,512.50	46,126.50	43,286.12	2,840.38
Supplies and Materials	37,621.22	773.03	38,394.25	38,038.32	355.93
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>268,685.22</b>	<b>7,586.22</b>	<b>276,271.44</b>	<b>267,151.44</b>	<b>9,120.00</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	10,650.00	1,071.00	11,721.00	4,101.50	7,619.50
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>10,650.00</b>	<b>1,071.00</b>	<b>11,721.00</b>	<b>4,101.50</b>	<b>7,619.50</b>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	312,377.00	25.24	312,402.24	312,402.24	
Legal Services	35,606.50	(3,453.59)	32,152.91	29,073.00	3,079.91
Audit Fees	30,189.00	(1,588.70)	28,600.30	28,600.00	0.30
Architectural/Engineering Services	10,000.00	59,724.96	69,724.96	48,148.26	21,576.70
Other Purchased Professional Services	44,310.00	3,230.19	47,540.19	47,473.52	66.67
Communications/Telephone	32,559.00	4,602.76	37,161.76	36,954.94	206.82
BOE Other Purchased Services	2,278.00	(0.22)	2,277.78	2,105.94	171.84
Miscellaneous Purchased Services (400-500 series)	5,000.00	(3,780.00)	1,220.00	1,216.18	3.82
General Supplies	17,566.00	(1,906.61)	15,659.39	15,359.41	299.98
Miscellaneous Expenditures	20,000.00	(6,233.24)	13,766.76	13,676.24	90.52
BOE Membership Dues and Fees	15,500.00	667.80	16,167.80	16,167.80	
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>525,385.50</b>	<b>51,288.59</b>	<b>576,674.09</b>	<b>551,177.53</b>	<b>25,496.56</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals/Program Directors	1,268,896.00	35,297.32	1,304,193.32	1,250,242.69	53,950.63
Salaries of Secretarial and Clerical Assistants	251,298.00	2,703.15	254,001.15	253,734.08	267.07
Other Purchased Services (400-500 series)	8,277.00	0.34	8,277.34	8,277.34	
Supplies and Materials	12,275.24	(2,181.47)	10,093.77	7,079.45	3,014.32
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>1,540,746.24</b>	<b>35,819.34</b>	<b>1,576,565.58</b>	<b>1,519,333.56</b>	<b>57,232.02</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	393,664.00	32,718.61	426,382.61	396,382.61	30,000.00
Purchased Technical Services	22,523.00	(6,194.14)	16,328.86	16,328.86	
Miscellaneous Purchased Services (400-500 series)	15,500.00	(2,298.68)	13,201.32	13,126.20	75.12
Supplies and Materials	4,900.00	(0.16)	4,899.84	4,896.96	2.88
Interest on Lease Purchase Agreement	6,222.00	(0.05)	6,221.95	6,221.95	
Miscellaneous Expenditures	12,228.50	(4,141.93)	8,086.57	7,397.92	688.65
<b>Total Undist. Expend. - Central Services</b>	<b>455,037.50</b>	<b>20,083.65</b>	<b>475,121.15</b>	<b>444,354.50</b>	<b>30,766.65</b>
<b>Undist. Expend. - Admin. Information Technology</b>					
Salaries	313,596.00	51,666.39	365,262.39	325,262.39	40,000.00
Other Purchased Services (400-500 series)	500.00	15.00	515.00	515.00	
<b>Total Undist. Expend. - Admin. Information Technology</b>	<b>314,096.00</b>	<b>51,681.39</b>	<b>365,777.39</b>	<b>325,777.39</b>	<b>40,000.00</b>
<b>Undist. Expend. - Required Maint. for School Facilities</b>					
Salaries	187,603.00	0.10	187,603.10	152,820.56	34,782.54
Cleaning, Repair and Maintenance Services	805,078.94	(31,678.15)	773,400.79	656,117.07	117,283.72
General Supplies	84,793.07	(46,370.94)	38,422.13	1,850.00	36,572.13
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>1,077,475.01</b>	<b>(78,048.99)</b>	<b>999,426.02</b>	<b>810,787.63</b>	<b>188,638.39</b>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	881,356.00	19,038.46	900,394.46	880,095.16	20,299.30
Salaries of Non-Instructional Aides	93,400.00	(15,174.42)	78,225.58	74,245.36	3,980.22
Lease Purchase Pymts. Energy Savings Program	123,932.00	(0.08)	123,931.92	123,931.92	
Other Purchased Property Services	47,477.13	(9,718.13)	37,759.00	32,758.48	5,000.52
Insurance	411,260.00	36,588.18	447,848.18	447,848.00	0.18
General Supplies	115,518.72	(5,399.45)	110,119.27	106,976.29	3,142.98
Energy (Electricity)	349,059.41	28,026.82	377,086.23	376,588.90	497.33
Other Objects	6,900.00	(2,435.00)	4,465.00	4,448.00	17.00
<b>Total Undist. Expend. - Custodial Services</b>	<b>2,028,903.26</b>	<b>50,926.38</b>	<b>2,079,829.64</b>	<b>2,046,892.11</b>	<b>32,937.53</b>
<b>Undist. Expend. - Care and Upkeep of Grounds</b>					
Cleaning, Repair and Maintenance Services	85,410.00	(25,909.13)	59,500.87	53,054.63	6,446.24
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>85,410.00</b>	<b>(25,909.13)</b>	<b>59,500.87</b>	<b>53,054.63</b>	<b>6,446.24</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<b>3,191,788.27</b>	<b>(53,031.74)</b>	<b>3,138,756.53</b>	<b>2,910,734.37</b>	<b>228,022.16</b>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries for Pupil Trans (Between Home and School)-Regular	29,400.00	571.44	29,971.44	29,971.44	
Salaries for Pupil Trans (Between Home and School)-Special Ed.	87,931.00	(15,932.81)	71,998.19	61,609.20	10,388.99
Management Fee - ESC & CTSA Trans. Program	32,521.44	15,475.94	47,997.38	46,437.04	1,560.34
Contracted Services (Other than Bet. Home and School)-Vendors	220,495.86	(10,071.00)	210,424.86	184,611.36	25,813.50
Contracted Services (Between Home and School)-Joint Agreements	112,550.00	55,634.00	168,184.00	167,091.00	1,093.00
Contracted Services (Special Ed. Students)-Joint Agreements	1,028,654.03	147,047.00	1,175,701.03	1,173,522.51	2,178.52
Supplies and Materials	23,000.00	(12,481.00)	10,519.00	7,021.82	3,497.18
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>1,534,552.33</b>	<b>180,243.57</b>	<b>1,714,795.90</b>	<b>1,670,264.37</b>	<b>44,531.53</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	460,000.00		460,000.00	435,966.99	24,033.01
Other Retirement Contributions - PERS	490,000.00		490,000.00	476,641.69	13,358.31
Other Retirement Contributions - DCRP	50,000.00		50,000.00	29,797.04	20,202.96
Unemployment Compensation	1,950.00		1,950.00		1,950.00
Workmen's Compensation	187,299.00		187,299.00	149,038.00	38,261.00
Health Benefits	4,274,928.00	185,790.35	4,460,718.35	4,280,625.74	180,092.61
Tuition Reimbursement	50,539.96		50,539.96	28,222.91	22,317.05
Other Employee Benefits	178,885.00		178,885.00	51,973.74	126,911.26
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>5,693,601.96</b>	<b>185,790.35</b>	<b>5,879,392.31</b>	<b>5,452,266.11</b>	<b>427,126.20</b>
On-behalf TPAF Pension (non-budgeted)				5,797,792.00	(5,797,792.00)
On-behalf TPAF NCGI Premium (non-budgeted)				80,438.00	(80,438.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)				1,544,197.00	(1,544,197.00)
On-behalf TPAF - LTDI				2,116.00	(2,116.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,232,313.47	(1,232,313.47)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>8,656,856.47</b>	<b>(8,656,856.47)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>5,693,601.96</b>	<b>185,790.35</b>	<b>5,879,392.31</b>	<b>14,109,122.58</b>	<b>(8,229,730.27)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>19,839,959.92</b>	<b>220,701.75</b>	<b>20,060,661.67</b>	<b>27,155,312.66</b>	<b>(7,094,650.99)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>36,462,042.77</b>	<b>418,287.04</b>	<b>36,880,329.81</b>	<b>43,063,004.45</b>	<b>(6,182,674.64)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
School-Sponsored and Other Instructional Program		40,550.00	40,550.00	15,707.62	24,842.38
<b>Support Services:</b>					
Undistributed Expenditures - Instruction	72,032.78	5,771.05	77,803.83	77,659.65	144.18
Undistributed Expenditures - Operation and Maintenance of Plant	216,687.08	53,418.91	270,105.99	260,581.41	9,524.58
Undistributed Expenditures - Required Maint for School Fac.	68,286.00	(25,542.00)	42,744.00	18,220.90	24,523.10
Undistributed Expenditures - School Buses	126,751.20	6,585.00	133,336.20	126,751.20	6,585.00
<b>Total Equipment</b>	<b>483,757.06</b>	<b>80,782.96</b>	<b>564,540.02</b>	<b>498,920.78</b>	<b>65,619.24</b>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	2,285,891.04	(705,401.00)	1,580,490.04	359,486.43	1,221,003.61
Architectural/Engineering Services	438,283.98	(265,252.50)	173,031.48	99,014.61	74,016.87
Other Purchased Professional and Technical Services		15,500.00	15,500.00	15,393.00	107.00
Lease Purchase Agreements - Principal	75,818.00	1.00	75,819.00	75,818.32	0.68
Assessment for Debt Service on SDA Funding	445.00		445.00	445.00	
<b>Total Facilities Acquisition and Construction Services</b>	<b>2,800,438.02</b>	<b>(955,152.50)</b>	<b>1,845,285.52</b>	<b>550,157.36</b>	<b>1,295,128.16</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>3,284,195.08</b>	<b>(874,369.54)</b>	<b>2,409,825.54</b>	<b>1,049,078.14</b>	<b>1,360,747.40</b>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>SPECIAL SCHOOLS</b>					
<b>Accred. Even./Adult H.S./Post-Grad.-Instruction</b>					
Salaries of Teachers	108,694.00	810.00	109,504.00	109,403.81	100.19
Other Salaries for Instruction	37,670.00	(6,301.84)	31,368.16	2,106.00	29,262.16
Purchased Professional and Technical Services		500.00	500.00	500.00	
General Supplies		200.00	200.00	160.26	39.74
<b>Total Accred. Even./Adult H.S./Post-Grad.-Instruction</b>	<u>146,364.00</u>	<u>(4,791.84)</u>	<u>141,572.16</u>	<u>112,170.07</u>	<u>29,402.09</u>
<b>Accred. Even./Adult H.S./Post-Grad.-Supp. Service</b>					
Personal Services - Employee Benefits	21,120.00	4,791.84	25,911.84	25,911.84	
<b>Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service</b>	<u>21,120.00</u>	<u>4,791.84</u>	<u>25,911.84</u>	<u>25,911.84</u>	
<b>Total Accred. Even./Adult H.S./Post-Grad.</b>	<u>167,484.00</u>		<u>167,484.00</u>	<u>138,081.91</u>	<u>29,402.09</u>
<b>TOTAL SPECIAL SCHOOLS</b>	<u>167,484.00</u>		<u>167,484.00</u>	<u>138,081.91</u>	<u>29,402.09</u>
<b>TOTAL EXPENDITURES</b>	<u>39,913,721.85</u>	<u>(456,082.50)</u>	<u>39,457,639.35</u>	<u>44,250,164.50</u>	<u>(4,792,525.15)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,557,049.85)</u>	<u>456,082.50</u>	<u>(3,100,967.35)</u>	<u>1,772,897.69</u>	<u>4,873,865.04</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(3,557,049.85)</u>	<u>456,082.50</u>	<u>(3,100,967.35)</u>	<u>1,772,897.69</u>	<u>4,873,865.04</u>
<b>Fund Balance, July 1</b>	<u>9,367,594.26</u>		<u>9,367,594.26</u>	<u>9,367,594.26</u>	
<b>Fund Balance, June 30</b>	<u>5,810,544.41</u>	<u>456,082.50</u>	<u>6,266,626.91</u>	<u>11,140,491.95</u>	<u>4,873,865.04</u>
<b>Recapitulation of excess (deficiency) of revenues under expenditures</b>					
Adjustment for Prior Year Encumbrances	(888,016.85)		(888,016.85)	(888,016.85)	
Increase in Capital Reserve:					
Principal				2,500,000.00	2,500,000.00
Interest	7,750.00		7,750.00		(7,750.00)
Increase in Maintenance Reserve					
Principal				123,932.00	123,932.00
Interest	3,875.00		3,875.00		(3,875.00)
Withdrawal from Capital Reserve	(1,863,318.00)	1,007,152.50	(856,165.50)	(856,165.50)	
Withdrawal from Maintenance Reserve	(123,932.00)		(123,932.00)	(123,932.00)	
Increase in Unemployment Compensation				4,164.12	4,164.12
Budgeted Fund Balance	<u>(693,408.00)</u>	<u>(551,070.00)</u>	<u>(1,244,478.00)</u>	<u>1,012,915.92</u>	<u>2,257,393.92</u>
	<u>(3,557,049.85)</u>	<u>456,082.50</u>	<u>(3,100,967.35)</u>	<u>1,772,897.69</u>	<u>4,873,865.04</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				4,535,525.65	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				1,126,900.31	
Reserve for Excess Surplus - Current Year				752,645.05	
Unemployment Compensation				406,139.84	
Maintenance Reserve				1,498,829.00	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				1,325,657.94	
<b>Unassigned Fund Balance</b>				<u>1,494,794.16</u>	
				<u>11,140,491.95</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(840,030.00)	
Fund Balance per Governmental Funds (GAAP)				<u>10,300,461.95</u>	

audsum line # 90062

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		109,861.43	109,861.43	555,322.75	445,461.32
State Sources		6,653.00	6,653.00	6,653.00	
Federal Sources	826,364.00	3,174,268.00	4,000,632.00	2,341,856.00	(1,658,776.00)
<b>Total Revenues</b>	<u>826,364.00</u>	<u>3,290,782.43</u>	<u>4,117,146.43</u>	<u>2,903,831.75</u>	<u>(1,213,314.68)</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	86,809.00	998,795.01	1,085,604.01	482,392.01	603,212.00
Purchased Professional and Technical Services	546.00	6,454.00	7,000.00	2,800.00	4,200.00
Other Purchased Services (400-500 series)	346,462.00	154,973.00	501,435.00	500,630.00	805.00
General Supplies	220,209.00	346,201.11	566,410.11	336,744.33	229,665.78
<b>Total Instruction</b>	<u>654,026.00</u>	<u>1,506,423.12</u>	<u>2,160,449.12</u>	<u>1,322,566.34</u>	<u>837,882.78</u>
<b>Support Services:</b>					
Other Salaries	50,000.00	344,286.00	394,286.00	211,570.00	182,716.00
Personal Services - Employee Benefits		400,995.00	400,995.00	224,078.50	176,916.50
Purchased Professional & Technical Services	15,085.00	210,990.00	226,075.00	110,683.00	115,392.00
Other Purchased Services (400-500 series)	73,824.00	(31,288.00)	42,536.00	25,675.35	16,860.65
Supplies & Materials	33,241.00	119,759.00	153,000.00	35,991.00	117,009.00
Other Objects	188.00	(188.00)			
Student Activities				461,270.68	(461,270.68) note 1
<b>Total Support Services</b>	<u>172,338.00</u>	<u>1,044,554.00</u>	<u>1,216,892.00</u>	<u>1,069,268.53</u>	<u>147,623.47</u>
<b>Facilities Acquisition and Const. Serv.:</b>					
Building		699,742.00	699,742.00	440,805.00	258,937.00
Noninstructional Equipment		9.00	9.00		9.00
Instructional Equipment		40,054.31	40,054.31	40,054.31	
<b>Total Facilities Acquisition and Const. Serv.</b>		<u>739,805.31</u>	<u>739,805.31</u>	<u>480,859.31</u>	<u>258,946.00</u>
Total Expenditures	<u>826,364.00</u>	<u>3,290,782.43</u>	<u>4,117,146.43</u>	<u>2,872,694.18</u>	<u>1,244,452.25</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>					
<b>Fund Balance, July 1</b>				31,137.57	31,137.57
<b>Fund Balance, June 30</b>				201,945.51	
<b>Recapitulation:</b>				233,083.08	
Restricted:					
Student Activities				233,083.08	
Total Fund Balance				<u>233,083.08</u>	

note 1 - Not Required to budget for these funds.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**For the Year Ended June 30, 2023**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	46,023,062.19	2,903,831.75
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			
Less Current Year Encumbrances			
 The last State aid payment is recognized as revenue for budgetary purposes in the General Fund, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(840,030.00)	
 State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		622,317.00	
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>45,805,349.19</u>	<u>2,903,831.75</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	44,250,164.50	2,872,694.18
Differences - budget to GAAP			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		N/A	
Add Prior Year Encumbrances			
Less Current Year Encumbrances			
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>44,250,164.50</u>	<u>2,872,694.18</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

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

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payroll -PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.0474013630%	\$ 8,874,832	\$ 3,083,126	287.85%	52.08%
2016	0.0453195983%	10,173,342	2,914,666	349.04%	47.93%
2017	0.0437692764%	12,963,204	2,967,296	436.87%	59.86%
2018	0.0420438103%	9,787,127	2,997,115	326.55%	48.10%
2019	0.0426391700%	8,395,440	2,934,314	286.11%	53.60%
2020	0.0421481144%	7,594,451	2,940,928	258.23%	56.27%
2021	0.0401813772%	6,552,532	2,752,007	238.10%	58.32%
2022	0.0408488918%	4,839,164	2,887,431	167.59%	70.33%
2023	0.0377711230%	5,700,182	3,020,482	188.72%	62.91%

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

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

<u>Fiscal Year Ending June30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's PERS Covered- Employee Payroll</u>	<u>Contributions as a Percentage of PERS Covered- Employee Payroll</u>
2015	\$ 390,770	\$ 390,770	\$ -	\$3,083,126	12.67%
2016	389,627	389,627	-	2,914,666	13.37%
2017	388,840	388,840	-	2,967,296	13.10%
2018	389,491	389,491	-	2,997,115	13.00%
2019	424,122	424,122	-	2,934,314	14.45%
2020	409,977	409,977	-	2,940,928	13.94%
2021	439,564	439,564	-	2,752,007	15.97%
2022	478,388	478,388	-	2,887,431	16.57%
2023	476,312	476,312	-	3,020,482	15.77%

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



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

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll -TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.1358058855%	\$ -	\$ 72,583,826	\$ 14,731,063	0.00%	33.64%
2016	0.1360512771%	\$ -	85,990,217	14,639,950	0.00%	28.71%
2017	0.1430677467%	\$ -	112,546,199	14,966,072	0.00%	22.33%
2018	0.1432543176%	\$ -	96,587,226	15,629,042	0.00%	25.41%
2019	0.1417314924%	\$ -	90,166,531	15,187,941	0.00%	26.49%
2020	0.1433615560%	\$ -	87,982,340	15,592,579	0.00%	26.95%
2021	0.1448855658%	\$ -	95,405,402	15,841,470	0.00%	24.60%
2022	0.1379447634%	\$ -	66,317,205	16,384,810	0.00%	35.52%
2023	0.1375770049%	\$ -	70,982,052	16,986,487	0.00%	32.29%

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

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Note to Required Schedules of Supplementary Information - Part III**  
**For the fiscal year ended June 30, 2023**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

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

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service Costs	\$ 3,196,467	\$ 3,616,415	\$ 2,014,908	\$ 1,923,185	\$ 2,119,396	\$ 2,557,290
Interest on Total OPEB Liability	1,578,907	1,790,474	1,702,679	2,074,252	2,214,551	1,905,824
Changes in Terms of Benefits		(73,464)				
Difference between Actual & Expected Experiences	3,279,037	(11,990,665)	13,218,653	(8,389,389)	(5,009,067)	
Changes in Assumptions	(15,982,576)	68,094	14,060,617	704,907	(6,010,006)	(7,688,630)
Gross Benefit Payments	(1,563,954.00)	(1,410,392.00)	(1,340,065.00)	(1,451,269.00)	(1,400,422.00)	(1,399,216)
Contribution from the Member	50,172	45,774	40,617	43,020	48,401	51,523
<b>Net Changes in total Share of OPEB Liability</b>	<b>(9,441,947)</b>	<b>(7,953,764)</b>	<b>29,697,409</b>	<b>(5,095,294)</b>	<b>(8,037,147)</b>	<b>(4,573,209)</b>
<b>Total OPEB Liability - Beginning</b>	<b>69,020,851</b>	<b>76,974,615</b>	<b>47,277,206</b>	<b>52,372,500</b>	<b>60,409,647</b>	<b>64,982,856</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 59,578,904</b>	<b>\$ 69,020,851</b>	<b>\$ 76,974,615</b>	<b>\$ 47,277,206</b>	<b>\$ 52,372,500</b>	<b>\$ 60,409,647</b>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	59,578,904	69,020,851	76,974,615	47,277,206	52,372,500	60,409,647
Total OPEB Liability - Ending	\$ 59,578,904	\$ 69,020,851	\$ 76,974,615	\$ 47,277,206	\$ 52,372,500	\$ 60,409,647
District's Covered Employee Payroll	\$ 20,006,969	\$ 19,272,241	\$ 18,593,477	\$ 18,533,507	\$ 18,122,255	\$ 18,626,157
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

**Notes to Schedule:**

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

Change in benefit terms                      Decrease in liability due to employers adopting provisions of Ch. 44.

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

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

**Supplementary Schedules**

**SPECIAL REVENUE FUND**

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2023**

	Total Brought Forward (Ex. E-1a)	Title I Part - A Improving Basic Programs	Title II Part - A Teacher/ Principal Training & Recruiting	Title III English Language Acquisition and Enhancement	Title IV Student Support and Academic Enrichment	ARP IDEA Preschool Consolidated	Totals 2023
<b>REVENUES</b>							
Local Sources	555,322.75						555,322.75
State Sources	6,653.00						6,653.00
Federal Sources	1,576,684.00	612,628.00	60,483.00	5,971.00	19,528.00	7,019.00	2,341,856.00
<b>Total Revenues</b>	<u>2,138,659.75</u>	<u>612,628.00</u>	<u>60,483.00</u>	<u>5,971.00</u>	<u>19,528.00</u>	<u>7,019.00</u>	<u>2,903,831.75</u>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	206,512.01	270,499.00	2,800.00	3,999.00	1,382.00		482,392.01
Purchased Professional and Technical Services							2,800.00
Other Purchased Services (400-500 series)	449,774.00						500,630.00
General Supplies	218,873.33	102,391.00		1,169.00	14,311.00		336,744.33
<b>Total Instruction</b>	<u>875,159.34</u>	<u>372,890.00</u>	<u>2,800.00</u>	<u>5,168.00</u>	<u>15,693.00</u>		<u>1,322,566.34</u>
<b>Support Services:</b>							
Other Salaries	79,362.00	114,669.00	17,539.00				211,570.00
Personal Services - Employee Benefits	101,291.50	121,013.00	1,342.00	326.00	106.00		224,078.50
Purchased Professional & Technical Services	76,497.00	3,250.00	12,600.00		2,630.00	7,019.00	110,683.00
Other Purchased Services (400-500 series)	6,073.35		19,602.00				25,675.35
Supplies & Materials	27,009.00	806.00	6,600.00	477.00	1,099.00		35,991.00
Student Activities	461,270.68						461,270.68
<b>Total Support Services</b>	<u>751,503.53</u>	<u>239,738.00</u>	<u>57,683.00</u>	<u>803.00</u>	<u>3,835.00</u>	<u>7,019.00</u>	<u>1,069,268.53</u>
<b>Facilities Acquisition and Const. Serv.:</b>							
Building	440,805.00						440,805.00
Instructional Equipment	40,054.31						40,054.31
<b>Total Facilities Acquisition and Const. Serv.</b>							<u>480,859.31</u>
<b>Total Expenditures</b>	<u>2,107,522.18</u>	<u>612,628.00</u>	<u>60,483.00</u>	<u>5,971.00</u>	<u>19,528.00</u>	<u>7,019.00</u>	<u>2,872,694.18</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	31,137.57						31,137.57
<b>Fund Balance, July 1</b>	201,945.51						201,945.51
<b>Fund Balance, June 30</b>	<u>233,083.08</u>						<u>233,083.08</u>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2023**

	<b>Total Brought Forward (Ex. E-1b)</b>	<b>I.D.E.A. Part B</b>		<b>CRRSA ESSER II</b>	<b>CRRSA Learning Accel.</b>	<b>ARP ESSER</b>	<b>ARP Beyond School Day</b>	<b>ARP Mental Health</b>	<b>Total Carried Forward</b>
		<b>Basic</b>	<b>Preschool</b>						
<b>REVENUES</b>									
Local Sources	555,322.75	448,244.00	11,680.00	330,756.00	12,416.00	718,600.00	11,188.00	43,800.00	555,322.75
Federal Sources		448,244.00	11,680.00	330,756.00	12,416.00	718,600.00	11,188.00	43,800.00	1,576,684.00
<b>Total Revenues</b>	<b>561,975.75</b>	<b>448,244.00</b>	<b>11,680.00</b>	<b>330,756.00</b>	<b>12,416.00</b>	<b>718,600.00</b>	<b>11,188.00</b>	<b>43,800.00</b>	<b>2,138,659.75</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of Teachers	10,248.01			50,970.00		134,900.00	10,394.00		206,512.01
Purchased Professional and Technical Services									
Other Purchased Services (400-500 series)	1,530.00	448,244.00		168,120.00	1,500.00	31,342.00			449,774.00
General Supplies	17,911.33								218,873.33
<b>Total Instruction</b>	<b>29,689.34</b>	<b>448,244.00</b>		<b>219,090.00</b>	<b>1,500.00</b>	<b>166,242.00</b>	<b>10,394.00</b>		<b>875,159.34</b>
<b>Support services:</b>									
Other Salaries	229.50			69,222.00	10,140.00				79,362.00
Personal Services - Employee Benefits				29,318.00	776.00	70,174.00	794.00		101,291.50
Purchased Professional & Technical Services	1,595.00		9,320.00			21,782.00		43,800.00	76,497.00
Other Purchased Services (400-500 series)	6,073.35								6,073.35
Supplies & Materials			2,360.00	13,126.00		11,523.00			27,009.00
Student Activities	461,270.68								461,270.68
<b>Total Support Services</b>	<b>469,168.53</b>		<b>11,680.00</b>	<b>111,666.00</b>	<b>10,916.00</b>	<b>103,479.00</b>	<b>794.00</b>	<b>43,800.00</b>	<b>751,503.53</b>
<b>Facilities Acquisition and Const. Serv.:</b>									
Building						440,805.00			440,805.00
Instructional Equipment	31,980.31					8,074.00			40,054.31
<b>Total Facilities Acquisition and Const. Serv.</b>	<b>31,980.31</b>					<b>448,879.00</b>			<b>480,859.31</b>
<b>Total Expenditures</b>	<b>530,838.18</b>	<b>448,244.00</b>	<b>11,680.00</b>	<b>330,756.00</b>	<b>12,416.00</b>	<b>718,600.00</b>	<b>11,188.00</b>	<b>43,800.00</b>	<b>2,107,522.18</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>31,137.57</b>								<b>31,137.57</b>
<b>Fund Balance, July 1</b>	<b>201,945.51</b>								<b>201,945.51</b>
<b>Fund Balance, June 30</b>	<b>233,083.08</b>								<b>233,083.08</b>

## BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

## Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2023

	School Climate Change	Local Grants	Student Activity	Total Carried Forward
<b>REVENUES</b>				
Local Sources		62,914.50	492,408.25	555,322.75
State Sources	6,653.00			6,653.00
Federal Sources				
<b>Total Revenues</b>	<u>6,653.00</u>	<u>62,914.50</u>	<u>492,408.25</u>	<u>561,975.75</u>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers		10,248.01		10,248.01
Purchased Professional and Technical Services				
Other Purchased Services (400-500 series)		1,530.00		1,530.00
General Supplies	1,553.00	16,358.33		17,911.33
<b>Total Instruction</b>	<u>1,553.00</u>	<u>28,136.34</u>		<u>29,689.34</u>
<b>Support Services:</b>				
Other Salaries				
Personal Services - Employee Benefits		229.50		229.50
Purchased Professional & Technical Services		1,595.00		1,595.00
Other Purchased Services (400-500 series)		973.35		6,073.35
Supplies & Materials	5,100.00			
Student Activities			461,270.68	461,270.68
<b>Total Support Services</b>	<u>5,100.00</u>	<u>2,797.85</u>	<u>461,270.68</u>	<u>469,168.53</u>
<b>Facilities Acquisition and Const. Serv.:</b>				
Building				
Instructional Equipment		31,980.31		31,980.31
<b>Total Facilities Acquisition and Const. Serv.</b>		<u>31,980.31</u>		<u>31,980.31</u>
<b>Total Expenditures</b>	<u>6,653.00</u>	<u>62,914.50</u>	<u>461,270.68</u>	<u>530,838.18</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources (Uses)</b>			31,137.57	31,137.57
<b>Fund Balance, July 1</b>			201,945.51	201,945.51
<b>Fund Balance, June 30</b>			<u>233,083.08</u>	<u>233,083.08</u>



<b>PROPRIETARY FUNDS</b>
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**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2023**

	<b><u>Food Service Program</u></b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	567,990.38
Accounts Receivable:	
State	1,735.36
Federal	80,959.54
Inventories	11,827.63
Total Current Assets	<u>662,512.91</u>
Noncurrent Assets:	
Capital Assets:	
Equipment	431,599.64
Less Accumulated Depreciation	<u>(314,641.00)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>116,958.64</u>
Total Assets	<u><u>779,471.55</u></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	141,201.86
Deferred Revenue	71,093.27
Total Current Liabilities	<u>212,295.13</u>
Total Liabilities	<u>212,295.13</u>
<b>NET POSITION</b>	
Invested in Capital Assets Net of Related Debt	116,958.64
Unrestricted	450,217.78
Total Net Position	<u><u>567,176.42</u></u>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**For the Year Ended June 30, 2023**

	<b>Food Service Program</b>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	230,186.75
Daily Sales - Non-Reimbursable Programs	122,722.58
Other Income	2,322.20
Total Operating Revenues	<u>355,231.53</u>
Operating Expenses:	
Cost of sales-reimbursable programs	254,747.59
Cost of sales-non-reimbursable programs	60,772.23
Salaries, Benefits and Payroll Taxes	273,810.38
Supplies and Materials	8,596.98
Purchased Professional Services	11,793.50
Cleaning Repair & Maintenance	32,969.34
Purchased Services	8,075.45
Depreciation	22,098.00
Total Operating Expenses	<u>672,863.47</u>
Operating Income (Loss)	<u>(317,631.94)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	9,211.47
State School Breakfast Program	283.20
Federal Sources:	
National School Lunch Program	192,977.62
National School Breakfast Program	14,146.62
HHFKA	7,717.60
Supply Chain Assistance Grant	68,584.17
P-EBT Administrative Cost Reimbursement	653.00
Food Distribution Program	59,913.64
Interest and Investment Revenue	5,679.21
Total Nonoperating Revenues (Expenses)	<u>359,166.53</u>
Income (Loss) Before Contributions & Transfers	<u>41,534.59</u>
Transfers In (Out)	
Change in Net Position	<u>41,534.59</u>
Total Net Position—Beginning	<u>525,641.83</u>
Total Net Position—Ending	<u><u>567,176.42</u></u>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended June 30, 2023**

	<b>Food Service Program</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	352,319.76
Payments to Suppliers	(8,596.98)
Payments for Miscellaneous Expenses	(35,258.34)
Payments to Food Service Management Company	(504,285.56)
Net Cash Provided by (Used for) Operating Activities	<u>(195,821.12)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	9,005.77
Federal Sources	333,202.71
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>342,208.48</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of Capital Assets	(76,738.73)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(76,738.73)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	5,679.21
Net Cash Provided by (Used for) Investing Activities	<u>5,679.21</u>
Net Increase (Decrease) in Cash and Cash Equivalents	75,327.84
Balances—Beginning of Year	492,662.54
Balances—End of Year	<u><u>567,990.38</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	(317,631.94)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation and Net Amortization	22,098.00
Food Distribution Program Donated Commodities	59,913.64
(Increase) Decrease in Inventories	(504.22)
Increase (Decrease) in Accounts Payable	43,215.17
Increase (Decrease) in Other Current Liabilities	(2,911.77)
Total Adjustments	<u>121,810.82</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>(195,821.12)</u></u>

<b>LONG-TERM DEBT</b>
-----------------------

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT  
General Long Term Debt Account Group  
Statement of Serial Bonds  
June 30, 2023

ISSUE	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Refunded/ Retired	Balance June 30, 2023
			Date	Amount				
Improvements to Pompton Lakes High School Refunding Bonds	10/20/2017	2,235,000.00	09/01/2023	370,000.00	1.900%			
			09/01/2024	355,000.00	1.900%	1,100,000.00	375,000.00	725,000.00
						1,100,000.00	375,000.00	725,000.00

**Exhibit I-2**

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT  
General Long Term Debt Account Group  
Statement of Obligations under Financed Purchases  
June 30, 2023

Purpose	Date of Lease	Term of Lease	Amount of Original Issue		Interest Rate	Balance	
			Principal	Interest		July 1, 2022	June 30, 2023
Lighting	8/13/2018	5 Years	365,000.00	45,201.35	3.95%	154,686.28	78,867.96
Copier	7/6/2021	3 Years	128,182.05	7,033.95	3.50%	93,913.31	51,451.42
ESIP	8/22/2014	15 Years	1,529,363.00	329,615.80	2.68%	807,277.16	703,713.66
						<u>1,055,876.75</u>	<u>834,033.04</u>

BOROUGH OF POMPTON LAKES SCHOOL DISTRICT  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	272,071.00		272,071.00	272,071.00	
Total Local Sources	272,071.00		272,071.00	272,071.00	
State Sources:					
Debt Service Aid Type II	120,267.00		120,267.00	120,267.00	
Total - State Sources	120,267.00		120,267.00	120,267.00	
<b>Total Revenues</b>	392,338.00		392,338.00	392,338.00	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	17,338.00		17,338.00	17,239.81	98.19
Redemption of Principal	375,000.00		375,000.00	375,000.00	
Total Regular Debt Service	392,338.00		392,338.00	392,239.81	98.19
<b>Total expenditures</b>	392,338.00		392,338.00	392,239.81	98.19
Excess (Deficiency) of Revenues Over (Under) Expenditures				98.19	98.19
Fund Balance, July 1	80.81		80.81	80.81	
Fund Balance, June 30	80.81		80.81	179.00	98.19



## STATISTICAL SECTION

## **STATISTICAL SECTION (UNAUDITED)**

### **Introduction to the Statistical Section**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

## **STATISTICAL SECTION (UNAUDITED)**

### **Introduction to the Statistical Section**

#### **Financial Trends**

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## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Invested in Capital Assets	4,768,512.04	5,228,409.92	5,670,311.51	5,509,356.34	5,801,216.91	7,124,862.38	7,364,427.45	7,627,700.34	8,578,367.05	9,850,331.76
Restricted	2,938,656.35	3,118,787.43	3,233,362.68	3,317,140.44	3,127,702.69	2,232,206.24	3,033,856.97	4,779,551.27	6,814,830.69	8,553,301.93
Unrestricted	(214,185.07)	(8,861,980.50)	(9,268,124.12)	(10,018,360.56)	(9,745,818.19)	(9,452,012.50)	(9,410,786.55)	(7,903,095.54)	(6,167,252.78)	(5,276,848.57)
Total Governmental Activities Net Position	7,492,983.32	(514,783.15)	(364,449.93)	(1,191,863.78)	(816,898.59)	(94,943.88)	987,497.87	4,504,156.07	9,225,944.96	13,126,785.12
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	145,705.43	126,478.43	101,695.43	116,094.63	111,622.63	108,003.31	91,253.66	77,309.66	62,317.91	116,958.64
Unrestricted	122,155.12	153,346.37	157,479.55	143,218.90	138,067.07	149,832.58	115,332.38	211,207.69	463,323.92	450,217.78
Total Business-type Activities Net Position	267,860.55	279,824.80	259,174.98	259,313.53	249,689.70	257,835.89	206,586.04	288,517.35	525,641.83	567,176.42
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	4,914,217.47	5,354,888.35	5,772,006.94	5,625,450.97	5,912,839.54	7,232,865.69	7,455,681.11	7,705,010.00	8,640,684.96	9,967,290.40
Restricted	2,938,656.35	3,118,787.43	3,233,362.68	3,317,140.44	3,127,702.69	2,232,206.24	3,033,856.97	4,779,551.27	6,814,830.69	8,553,301.93
Unrestricted	(92,029.95)	(8,708,634.13)	(9,110,644.57)	(9,875,141.66)	(9,607,751.12)	(9,302,179.92)	(9,295,454.17)	(7,691,887.85)	(5,703,928.86)	(4,826,630.79)
Total District Net Position	7,760,843.87	(234,958.35)	(105,274.95)	(932,550.25)	(567,208.89)	162,892.01	1,194,083.91	4,792,673.42	9,751,586.79	13,693,961.54

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	11,541,320.31	11,963,259.26	12,325,393.34	12,958,296.59	13,254,053.01	13,495,928.08	13,297,845.86	13,511,717.26	13,751,838.00	14,963,382.26
Special Education	4,138,463.70	4,246,790.39	4,529,837.51	4,830,087.21	5,034,304.41	5,333,482.28	5,744,181.64	4,174,165.94	3,949,809.83	4,461,871.17
Other Special Instruction	758,137.69	795,337.70	763,986.65	720,609.79	729,739.22	752,546.36	863,040.01	529,876.94	461,140.12	610,768.32
Other Instruction	677,561.46	703,484.46	733,361.60	769,639.77	777,576.25	758,611.08	774,922.56	690,148.98	740,995.50	892,547.69
Support Services:										
Tuition	992,049.03	1,353,908.22	1,103,464.80	1,449,344.20	1,467,884.22	1,566,531.86	1,701,847.96	1,671,290.66	1,394,860.07	1,770,076.98
Student & Instruction Related Services	3,458,747.60	3,603,121.91	3,702,995.94	3,656,586.15	3,813,011.70	3,818,114.83	3,606,328.62	5,280,344.48	5,599,699.52	5,815,967.03
General Administrative Services	567,093.14	536,497.68	524,759.47	553,758.62	566,762.26	496,136.97	518,481.55	534,638.25	538,565.55	632,470.80
School Administrative Services	2,072,353.61	2,151,119.22	2,201,373.24	2,323,962.72	2,146,499.30	2,088,389.95	1,964,999.38	1,881,226.67	1,807,718.04	1,889,073.14
Central Services & Admin. Info. Technology	600,636.79	675,938.19	730,231.24	870,309.82	846,562.28	826,154.13	875,408.90	853,887.46	873,092.94	942,759.67
Plant Operations and Maintenance	3,445,392.43	3,282,746.98	3,458,355.93	3,202,032.38	2,916,406.16	3,013,828.55	2,836,676.35	2,516,636.65	2,746,176.84	3,060,143.90
Pupil Transportation	506,689.54	534,634.78	638,002.25	823,550.99	859,715.62	925,668.82	864,005.27	791,941.36	1,117,004.89	1,712,299.38
Unallocated Benefits	2,610,917.51	6,194,494.20	7,685,505.92	9,464,827.49	11,329,216.34	8,722,249.12	7,507,552.04	10,901,929.94	6,753,121.22	4,252,644.27
Special Schools								93,020.31	103,697.24	138,081.91
Interest on Long-term Debt	138,200.06	125,055.60	112,039.83	103,446.00	70,056.92	43,675.92	36,195.00	29,117.45	22,086.95	14,864.81
Capital Outlay - Non-depreciable	445.16	12,164.21	445.49	444.51	445.87	444.84	67,804.08	70,513.85	73,330.71	142,152.45
Unallocated Depreciation	353,083.97	415,594.26	427,488.77	494,293.00	467,645.00	488,572.00	492,635.00	493,921.00	516,122.00	562,998.00
Total Governmental Activities Expenses	31,861,092.00	36,594,147.06	38,937,241.98	42,221,189.24	44,279,878.56	42,310,334.79	41,151,924.22	44,024,377.20	40,449,259.42	41,862,103.78
Business-type Activities:										
Food Service	410,317.83	405,812.60	433,625.51	431,887.27	453,627.37	447,760.20	443,398.45	311,975.18	633,162.28	672,863.47
Total Business-type Activities Expenses	410,317.83	405,812.60	433,625.51	431,887.27	453,627.37	447,760.20	443,398.45	311,975.18	633,162.28	672,863.47
Total District Expenses	32,271,409.83	36,999,959.66	39,370,867.49	42,653,076.51	44,733,505.93	42,758,094.99	41,595,322.67	44,336,352.38	41,082,421.70	42,534,967.25
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
Operating Grants and Contributions	854,250.58	871,848.20	986,434.31	941,461.47	1,108,375.23	1,110,450.38	1,154,763.83	271,062.24	506,325.46	492,408.25
Total Governmental Activities Program Revenues	854,250.58	871,848.20	986,434.31	941,461.47	1,108,375.23	1,110,450.38	1,154,763.83	1,244,376.17	1,933,911.71	2,050,831.19
Business-type Activities:										
Charges for Services:										
Food Service	247,120.87	252,551.11	247,703.78	255,396.19	253,883.37	274,310.19	201,739.81	1,241.74	61,800.89	355,231.53
Operating Grants and Contributions	163,231.98	165,196.85	165,215.13	176,287.37	189,063.66	178,580.27	188,398.16	392,490.82	808,134.74	353,487.32
Total Business-type Activities Program Revenues	410,352.85	417,747.96	412,918.91	431,683.56	442,947.03	452,890.46	390,137.97	393,732.56	869,935.63	708,718.85
Total District Program Revenues	1,264,603.43	1,289,596.16	1,399,353.22	1,373,145.03	1,551,322.26	1,563,340.84	1,544,901.80	1,909,170.97	3,310,172.80	3,251,958.29
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(31,006,841.42)	(35,722,298.86)	(37,950,807.67)	(41,279,727.77)	(43,171,503.33)	(41,199,884.41)	(39,997,160.39)	(42,508,938.79)	(38,009,022.25)	(39,318,864.34)
Business-type Activities	35.02	11,935.36	(20,706.60)	(203.71)	(10,680.34)	5,130.26	(53,260.48)	81,757.38	236,773.35	35,855.38
Total District-wide Net Expense	(31,006,806.40)	(35,710,363.50)	(37,971,514.27)	(41,279,931.48)	(43,182,183.67)	(41,194,754.15)	(40,050,420.87)	(42,427,181.41)	(37,772,248.90)	(39,283,008.96)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	22,688,756.00	22,768,756.00	23,224,131.00	23,478,614.00	23,948,186.00	24,403,202.00	24,836,266.00	25,332,991.00	25,586,321.00	25,330,458.00
Taxes Levied for Debt Service	352,480.00	332,413.00	331,928.00	264,345.00	265,331.13	269,593.00	265,260.00	278,450.00	277,012.00	272,071.00
Unrestricted Federal and State Aid	6,813,371.19	10,399,255.57	11,898,527.19	13,861,673.49	15,927,245.34	13,435,810.12	12,100,065.04	16,783,802.99	13,665,636.80	14,451,527.98
Federal and State Aid - Capital Outlay	84,937.17	69,615.21	315,291.86	4,035.84		17,095.00	25,630.80	9,498.00	370,824.00	480,859.31
Tuition Received	2,099,366.43	2,450,894.60	2,790,838.42	2,676,767.31	3,366,625.70	3,624,753.97	3,688,679.42	2,938,217.74	2,645,224.00	2,467,218.75
Investment Earnings	3,916.64	3,930.78	5,224.40	8,337.16	29,693.97	102,110.92	60,217.37	33,123.00	30,952.50	38,018.75
Rental Income	23,342.50	22,270.00	26,237.50	26,515.00	20,235.00	31,066.25	21,031.60	76,988.32	154,389.51	175,386.59
Miscellaneous Income	102,183.74	74,769.23	124,505.07	132,026.12	73,151.38	38,207.86	82,551.91	569.00	451.33	4,164.12
Other Restricted Miscellaneous Revenues								(30,098.24)		
Cancelled Intergovernmental Accounts Receivable										
Extraordinary Item Loss on Refunding of Debt										
<b>Total Governmental Activities</b>	<b>32,168,353.67</b>	<b>36,121,904.39</b>	<b>38,716,883.44</b>	<b>40,452,313.92</b>	<b>43,546,468.52</b>	<b>41,921,839.12</b>	<b>41,079,602.14</b>	<b>45,423,541.81</b>	<b>42,730,811.14</b>	<b>43,219,704.50</b>
Business-type Activities:										
Investment Earnings	25.59	28.89	56.78	342.26	1,056.51	3,015.93	2,010.62	173.94	351.13	5,679.21
<b>Total Business-type Activities</b>	<b>25.59</b>	<b>28.89</b>	<b>56.78</b>	<b>342.26</b>	<b>1,056.51</b>	<b>3,015.93</b>	<b>2,010.62</b>	<b>173.94</b>	<b>351.13</b>	<b>5,679.21</b>
<b>Total District-wide</b>	<b>32,168,379.26</b>	<b>36,121,933.28</b>	<b>38,716,740.22</b>	<b>40,452,656.18</b>	<b>43,547,525.03</b>	<b>41,924,855.05</b>	<b>41,081,612.76</b>	<b>45,423,715.75</b>	<b>42,731,162.27</b>	<b>43,225,383.71</b>
<b>Change in Net Position</b>										
Governmental Activities	1,161,512.25	399,605.53	765,875.77	(827,413.85)	374,965.19	721,954.71	1,082,441.75	2,914,603.02	4,721,788.89	3,900,840.16
Business-type Activities	60.61	11,964.25	(20,649.82)	136.55	(9,623.83)	8,146.19	(51,249.86)	81,931.32	237,124.48	41,534.59
<b>Total District</b>	<b>1,161,572.86</b>	<b>411,569.78</b>	<b>745,225.95</b>	<b>(827,275.30)</b>	<b>365,341.36</b>	<b>730,100.90</b>	<b>1,031,191.89</b>	<b>2,996,534.34</b>	<b>4,958,913.37</b>	<b>3,942,374.75</b>

Source: ACFR Schedule A-2

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

	2014	2015	2016	2017	Fiscal Year Ending June 30,		2020	2021	2022	2023
<b>General Fund</b>										
Restricted	1,856,620.42	2,565,072.87	2,826,861.19	3,253,262.57	2,925,416.03	2,221,136.70	3,033,854.43	4,597,346.46	6,612,804.37	8,320,039.85
Assigned	429,517.56	105,619.27	325,959.71	63,877.87	517,624.20	472,716.86	536,134.82	128,591.25	888,016.85	1,325,657.94
Unassigned	307,259.51	288,716.42	219,303.63	225,138.19	249,588.81	345,795.64	210,107.63	1,591,662.88	1,244,456.04	654,764.16
Total General Fund	2,593,397.49	2,959,408.56	3,372,124.53	3,542,278.63	3,692,629.04	3,039,649.20	3,780,096.88	6,317,600.59	8,745,277.26	10,300,461.95
<b>All Other Governmental Funds</b>										
Restricted for:										
Capital Projects Fund	647,051.24	542,628.42	80,541.78					181,556.05	201,945.51	233,083.08
Special Revenue Fund					11,067.46	11,069.54	2.54	79.76	80.81	179.00
Debt Service	5,467.13	5,466.87								
Total All Other Governmental Funds	652,518.37	548,095.29	80,541.78	0.00	11,067.46	11,069.54	2.54	181,635.81	202,026.32	233,262.08

Source: ACFR Schedule B-1



## BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

Changes in Fund Balances Governmental Funds  
Last Ten Fiscal Years  
(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	23,041,236.00	23,101,169.00	23,556,059.00	23,742,959.00	24,213,517.13	24,672,795.00	25,101,526.00	25,611,441.00	25,863,333.00	25,602,529.00
Tuition Charges	2,099,366.43	2,450,894.60	2,790,838.42	2,676,767.31	3,366,625.70	3,624,753.97	3,688,679.42	2,938,217.74	2,645,224.00	2,467,218.75
Rental Income	23,342.50	22,270.00	26,237.50	26,515.00	20,235.00	31,066.25	21,031.60	33,123.00	30,952.50	38,018.75
Other Local Government Units - Restricted										
Interest Earned on Capital Reserve Funds						15,331.86	7,750.00			
Interest Earned on Maintenance Reserve Funds						200.00	3,875.00			
Interest Earnings	3,916.64	3,930.78	5,224.40	8,337.16	29,693.97	86,579.06	48,592.37			
Miscellaneous	144,371.72	94,275.25	184,251.07	145,099.59	130,006.61	92,361.84	180,320.54	359,281.73	686,270.01	734,873.46
State Sources	7,101,363.64	7,532,003.59	8,321,318.09	8,596,805.33	9,313,226.34	10,229,472.52	10,410,633.04	12,493,468.50	15,298,590.35	17,881,060.47
Federal Sources	609,007.32	619,061.37	714,168.27	671,730.00	844,807.00	849,404.00	853,045.00	1,126,948.49	2,168,860.45	2,377,818.51
<b>Total Revenues</b>	<b>33,022,604.25</b>	<b>33,823,604.59</b>	<b>35,598,096.75</b>	<b>35,868,213.39</b>	<b>37,918,111.75</b>	<b>39,601,964.50</b>	<b>40,315,452.97</b>	<b>42,562,480.46</b>	<b>46,693,230.31</b>	<b>49,101,518.94</b>
<b>Expenditures</b>										
Instruction:										
Regular	9,608,767.82	9,953,132.56	10,117,694.74	10,489,078.02	10,898,762.16	11,147,294.23	10,893,843.42	11,194,496.47	11,912,097.61	12,361,272.02
Special	3,356,361.08	3,451,056.48	3,624,079.71	3,820,807.18	4,043,468.67	4,300,775.36	4,597,218.10	3,402,762.94	3,382,036.90	3,616,283.50
Other Special Instruction	612,184.45	642,363.21	607,866.02	566,204.44	582,602.32	601,372.90	686,598.70	427,157.30	390,834.51	488,001.43
Other Instruction	575,899.93	601,801.11	619,070.50	644,788.80	657,825.15	639,779.73	652,764.43	589,651.47	653,367.10	764,701.18
Support Services:										
Instruction - Tuition	992,049.03	1,353,908.22	1,103,464.80	1,449,344.20	1,467,884.22	1,566,531.86	1,701,847.96	1,671,290.66	1,394,860.07	1,770,078.98
Student & Instruction Related Services	2,861,420.40	3,000,239.74	3,035,262.43	2,960,715.72	3,114,130.44	3,125,443.39	2,947,632.74	4,407,104.59	4,966,138.11	4,923,737.91
School Administration	1,675,138.44	1,734,150.39	1,741,250.05	1,805,938.04	1,727,703.32	1,688,234.39	1,590,051.05	1,537,189.02	1,541,831.49	1,519,333.56
General Administration	502,980.61	467,031.61	454,320.98	477,624.08	492,830.41	427,387.34	448,038.54	466,142.70	484,760.90	551,177.53
Central Services & Admin. Info. Technology	503,071.15	565,749.35	597,152.94	694,947.66	688,385.49	675,177.98	714,193.98	707,529.35	753,426.42	770,131.89
Operations and Maintenance	3,087,471.67	2,967,752.53	3,119,624.42	2,759,407.41	2,631,629.28	2,742,664.97	2,649,644.33	2,411,786.68	2,688,824.28	2,910,734.37
Student Transportation	506,689.54	534,634.78	638,002.25	823,550.99	859,715.62	921,894.83	860,800.87	781,545.70	1,092,669.76	1,670,264.37
Employee Benefits	7,052,486.37	7,435,367.12	8,351,759.93	8,775,577.43	9,671,232.26	10,642,292.82	11,152,299.09	12,021,204.60	13,438,279.13	14,109,122.58
Special Schools								93,020.31	103,697.24	138,081.91
Transfer to Charter Schools										
Capital Outlay	581,768.09	1,592,759.47	1,553,626.86	165,143.60	548,973.87	1,603,418.84	642,664.08	302,388.85	1,171,628.71	1,529,937.45
Debt Service:										
Principal	332,243.59	325,000.00	347,000.00	275,000.00	285,000.00	330,000.00	360,000.00	370,000.00	375,000.00	375,000.00
Interest and Other Charges	142,616.73	129,722.26	116,884.00	106,196.00	86,550.67	47,240.92	38,475.00	31,460.78	24,461.95	17,239.81
<b>Total Governmental Fund Expenditures</b>	<b>32,391,148.90</b>	<b>34,754,439.83</b>	<b>36,027,059.63</b>	<b>35,814,323.57</b>	<b>37,756,693.88</b>	<b>40,459,510.10</b>	<b>39,936,072.29</b>	<b>40,414,731.42</b>	<b>44,373,914.18</b>	<b>47,515,098.49</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	631,455.35	(930,835.24)	(428,962.88)	53,889.82	161,417.87	(857,545.60)	379,380.68	2,147,749.04	2,319,316.13	1,586,420.45
<b>Other Financing Sources (Uses)</b>										
Operating Transfers In										
Operating Transfers Out	779,923.68	779,923.68		105,838.03						
Cancellation of Accounts Receivable	(779,923.68)	(779,923.68)		(105,838.03)						
Cancellation of Accounts/Contracts Payable				(17,400.00)						
Capital Leases (non-budgeted)				43,500.00						
Capital Leases				9,822.50						
Total Other Financing Sources (Uses)				35,722.50						
<b>Net Changes in Fund Balance</b>	<b>631,455.35</b>	<b>161,587.99</b>	<b>45,162.46</b>	<b>89,612.32</b>	<b>161,417.87</b>	<b>(652,977.76)</b>	<b>729,380.68</b>	<b>2,117,650.80</b>	<b>2,447,498.18</b>	<b>1,586,420.45</b>
Debt Service as a percentage of noncapital expenditures	1.49%	1.37%	1.35%	1.07%	1.00%	0.97%	1.01%	1.00%	0.92%	0.85%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT****General Fund Other Local Revenue by Source  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Tuition</b>	<b>Interest on Investments</b>	<b>Tech Consultant</b>	<b>Other Misc.</b>	<b>Rental</b>	<b>Total</b>
2014	2,099,366.43	3,916.64		102,183.74	23,342.50	2,228,809.31
2015	2,450,894.60	3,930.78		74,769.23	22,270.00	2,551,864.61
2016	2,790,838.42	5,224.40		124,504.94	26,237.50	2,946,805.26
2017	2,676,767.31	8,337.16		105,926.12	26,515.00	2,817,545.59
2018	3,366,625.70	29,693.97		73,151.38	20,235.00	3,489,706.05
2019	3,624,753.97	102,110.92		38,207.86	31,066.25	3,796,139.00
2020	3,688,679.42	60,217.37		82,551.91	21,031.60	3,852,480.30
2021	2,938,217.74	9,049.56		67,938.76	33,123.00	3,048,329.06
2022	2,645,224.00	9,390.19	15,000.00	130,450.65	30,952.50	2,831,017.34
2023	2,467,218.75	109,081.03		66,305.56	38,018.75	2,680,624.09

Source: District Records.

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

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2013	3,045,500	535,507,000	53,881,800	18,568,500	10,243,400	621,246,200		621,246,200	1,173,080,283	3.6820
2014	2,855,000	533,280,700	53,433,400	18,568,500	10,243,400	618,381,000		618,381,000	1,123,307,902	3.7310
2015	2,855,000	531,432,200	52,952,600	18,568,500	10,243,400	616,051,700		616,051,700	1,118,061,162	3.7870
2016	2,845,700	529,368,100	52,720,700	18,568,500	10,243,400	613,746,400		613,746,400	1,111,388,901	3.8530
2017	2,606,000	528,040,600	53,398,900	18,568,500	10,243,400	612,857,400		612,857,400	1,125,987,876	3.9130
2018	3,961,100	1,022,664,900	126,669,100	37,418,100	25,978,200	1,216,691,400		1,216,691,400	1,179,575,268	2.0100
2019	3,961,100	1,021,299,700	114,091,600	37,418,100	25,978,200	1,202,748,700		1,202,748,700	1,214,545,374	2.0700
2020	4,220,300	1,019,610,500	111,238,900	37,418,100	25,978,200	1,198,466,000		1,198,466,000	1,271,506,047	2.1400
2021	4,006,000	1,018,905,000	103,982,400	37,418,100	25,978,200	1,190,289,700		1,190,289,700	1,277,996,679	2.1460
2022	4,136,000	1,018,770,900	105,140,600	36,576,100	25,478,200	1,190,101,800		1,190,101,800	1,371,497,733	2.1630

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

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

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

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

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

## BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

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

Assessment Year	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Local School District	<u>Overlapping Rates</u>		Total Direct and overlapping Tax Rate
				Municipality <sup>c</sup>	County	
2013	3.6257	0.0563	3.6820	1.5690	1.2720	6.5230
2014	3.6773	0.0537	3.7310	1.6150	1.2880	6.6340
2015	3.7332	0.0538	3.7870	1.6580	1.3870	6.8320
2016	3.8102	0.0428	3.8530	1.6670	1.3580	6.8780
2017	3.8700	0.0430	3.9130	1.6820	1.3590	6.9540
2018	1.9880	0.0220	2.0100	0.8800	0.7150	3.6050
2019	2.0481	0.0219	2.0700	0.8890	0.7100	3.6690
2020	2.1167	0.0233	2.1400	0.9000	0.7170	3.7570
2021	2.1230	0.0230	2.1460	0.9100	0.7100	3.7660
2022	2.1400	0.0230	2.1630	0.9200	0.7230	3.8060

Source: District Records and Municipal Tax Collector.

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

**a** The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

**b** Rates for debt service are based on each year's requirements.

**c** Includes Library tax rate and Municipal Open Space tax rate .

## BOROUGH OF POMPTON LAKES SCHOOL DISTRICT

## Schedule of Principal Taxpayers

## Current and Nine Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Chemours Company FC, LLC	30,857,500	1	2.59%			
UB Pompton Lake I, LLC	10,800,000	2	0.91%			
Aldrich 9 Apt. LLC & Park36 Apt. LLC	9,774,200	3	0.82%	4,000,000	3	0.64%
Ocean Lake Realty, LLC	5,613,800	4	0.47%			
K & A Associates, LLC	4,948,400	5	0.42%	2,100,000	6	0.34%
Cape Realty, LLC	4,384,900	6	0.37%			
Tresenfeld	3,210,900	7	0.27%	1,500,000	8	0.24%
Valbruna Stainless Inc.	2,850,000	8	0.24%	1,400,000	10	0.23%
Landolina Investment Co. LLP	2,595,800	9	0.22%	1,525,700	7	0.25%
YS Wanaque, LLC	2,250,700	10	0.19%			
E.I. Dupont, Denemours & Co				15,063,900	1	2.42%
Pompton Center Associates				9,645,400	2	1.55%
Higgins & Peragallo				2,871,600	4	0.46%
Alrose Pompton, LLC				2,450,000	5	0.39%
Walsh Industrial Condominium				1,423,100	9	0.23%
	<u>77,286,200</u>		<u>6.49%</u>	<u>41,979,700</u>		<u>6.75%</u>

Source: Municipal Tax Assessor's Office.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT****School Tax Levies and Collections  
Last Ten Years**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy<sup>a</sup></b>		<b>Collections in Subsequent Years</b>
		<b>Amount</b>	<b>Percentage of Levy</b>	
2014	23,041,236.00	23,041,236.00	100.00%	
2015	23,101,169.00	23,101,169.00	100.00%	
2016	23,556,059.00	23,556,059.00	100.00%	
2017	23,742,959.00	23,742,959.00	100.00%	
2018	24,213,517.13	24,213,517.13	100.00%	
2019	24,672,795.00	24,672,795.00	100.00%	
2020	25,101,526.00	25,101,526.00	100.00%	
2021	25,611,441.00	23,533,691.00	91.89%	2,077,750.00
2022	25,863,333.00	25,863,333.00	100.00%	
2023	25,602,529.00	25,602,529.00	100.00%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Economic Development Authority Loans	Capital Leases/Financed Purchase	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2014	3,683,000.00		156,920.62			3,839,920.62	0.83%	346
2015	3,358,000.00		1,506,817.51			4,864,817.51	1.03%	439
2016	3,011,000.00		1,491,038.41			4,502,038.41	0.91%	407
2017	2,736,000.00		1,342,864.46			4,078,864.46	0.80%	369
2018	2,535,000.00		1,194,888.89			3,729,888.89	0.73%	338
2019	2,205,000.00		1,245,385.42			3,450,385.42	0.66%	313
2020	1,845,000.00		1,386,083.35			3,231,083.35	0.60%	294
2021	1,475,000.00		1,153,802.66			2,628,802.66	0.47%	240
2022	1,100,000.00		1,055,876.75			2,155,876.75	0.35%	196
2023	725,000.00		834,033.04			1,559,033.04	0.24%	143

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds and EDA Loans	Deductions	Net General Bonded Debt Outstanding		
2014	3,683,000.00	-	3,683,000.00	0.59%	332
2015	3,358,000.00	-	3,358,000.00	0.54%	303
2016	3,011,000.00	-	3,011,000.00	0.49%	272
2017	2,736,000.00	-	2,736,000.00	0.45%	248
2018	2,535,000.00	-	2,535,000.00	0.41%	230
2019	2,205,000.00	-	2,205,000.00	0.18%	200
2020	1,845,000.00	-	1,845,000.00	0.15%	168
2021	1,475,000.00	-	1,475,000.00	0.12%	135
2022	1,100,000.00	-	1,100,000.00	0.09%	100
2023	725,000.00	-	725,000.00	0.06%	66

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

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

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

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.
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**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2023**

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Pompton Lakes	\$ 10,740,000	100.000%	\$ 10,740,000
Other debt			
Passaic County General Obligation Debt	287,453,895	2.3931%	6,878,994
Passaic County Utility Authority	37,305,000	2.3931%	892,738
Pompton Lakes Municipal Utilities Authority	3,213,333	100.000%	3,213,333
Subtotal, overlapping debt			21,725,065
<b>Pompton Lakes School District Direct Debt</b>			<u>725,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 22,450,065</u></u>

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

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

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

**(1)** Debt Information as of December 31, 2022

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

Legal Debt Margin Calculation for Fiscal Year 2022

Average equalized valuation of taxable property		Equalized valuation basis	
		2022	\$ 1,536,011,616
		2021	1,357,538,435
		2020	1,278,091,074
		[A]	\$ 4,171,641,125
		[A/3]	\$ 1,390,547,042
Debt limit (4 % of average equalization value)		[B]	55,621,882
Total Net Debt Applicable to Limit		[C]	725,000
Legal debt margin		[B-C]	\$ 54,896,882

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 47,497,674	\$ 45,648,960	\$ 44,789,421	\$ 44,683,768	\$ 45,341,086	\$ 46,836,979	\$ 48,801,394	\$ 50,221,442	\$ 52,047,324	\$ 55,621,882
Total net debt applicable to limit	3,683,000	3,358,000	3,011,000	2,736,000	2,535,000	2,205,000	1,845,000	1,475,000	1,100,000	725,000
Legal debt margin	\$ 43,814,674	\$ 42,290,960	\$ 41,778,421	\$ 41,947,768	\$ 42,806,086	\$ 44,631,979	\$ 46,956,394	\$ 48,746,442	\$ 50,947,324	\$ 54,896,882
Total net debt applicable to the limit as a percentage of debt limit	7.75%	7.36%	6.72%	6.12%	5.59%	4.71%	3.78%	2.94%	2.11%	1.30%

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

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT****Demographic and Economic Statistics  
Last Ten Years**

<b>Year Ended June 30,</b>	<b>School District Population (1)</b>	<b>Personal Income in Thousands \$ (2)</b>	<b>Per Capita Income (3)</b>	<b>Unemployment Rate (4)</b>
2014	11,103	465,293,421	41,907	9.90%
2015	11,085	471,522,645	42,537	5.80%
2016	11,063	496,817,204	44,908	4.80%
2017	11,042	508,428,890	46,045	4.30%
2018	11,033	514,325,361	46,617	4.30%
2019	11,014	519,761,674	47,191	3.90%
2020	10,991	540,394,497	49,167	3.00%
2021	10,931	559,699,993	51,203	8.80%
2022	10,980	612,409,500	55,775	5.80%
2023	10,907	649,610,013	59,559	3.10%

Source: (1) U.S. Bureau of the Census, Population Division,  
(Estimates April 1, 2011 to July 1, 2021)  
(2) Personal income of the District is Based on the County Information.  
(3) U.S. Department of Commerce, County Information 2011-2020.  
(4) N.J. Department of Labor.

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**

**Schedule of Principal Employers**

**Current and Nine Years Ago**

**2023**

**2014**

**INFORMATION IS NOT AVAILABLE**

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	117.0	130.0	123.0	125.0	120.0	120.0	127.0	127.0	122.0	121.0
Special education	40.0	36.0	31.0	32.0	30.0	32.0	36.0	38.0	36.0	37.0
Support Services:										
Student & instruction related services	61.0	61.0	61.0	62.0	75.0	75.0	74.0	74.0	70.0	73.8
General administrative services	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
School administrative services	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	25.0	26.0
Plant operations and maintenance	24.0	22.0	21.0	21.0	21.0	21.0	19.0	19.0	20.0	19.0
Total	<u>271.0</u>	<u>278.0</u>	<u>265.0</u>	<u>269.0</u>	<u>275.0</u>	<u>277.0</u>	<u>285.0</u>	<u>287.0</u>	<u>281.0</u>	<u>284.8</u>

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

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Teacher/Pupil Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior High School	High School				
2013	1,702	31,292,241	\$ 18,386	2.08%	154	1:11	1:12	1:12	1,702.0	1,629.0	3.03%	95.71%
2014	1,727	31,334,520	\$ 18,144	-1.31%	157	1:11	1:12	1:12	1,687.8	1,620.0	-0.83%	95.98%
2015	1,722	32,706,958	\$ 18,994	4.68%	166	1:11	1:11	1:11	1,702.3	1,635.2	0.86%	96.06%
2016	1,706	34,009,549	\$ 19,935	4.96%	170	1:11	1:11	1:11	1,682.0	1,615.0	-1.19%	96.02%
2017	1,665	35,267,984	\$ 21,182	6.25%	179	1:11	1:10	1:11	1,659.0	1,633.0	-1.37%	98.43%
2018	1,655	36,836,169	\$ 22,258	5.08%	179	1:11	1:10	1:11	1,649.0	1,602.0	-0.60%	97.15%
2019	1,679	38,478,850	\$ 22,918	2.97%	174	1:11	1:10	1:11	1,649.0	1,602.0	0.00%	97.15%
2020	1,713	38,894,933	\$ 22,706	-0.92%	170	1:11	1:11	1:12	1,679.0	1,627.0	1.82%	96.90%
2021	1,737	39,710,882	\$ 22,862	0.69%	171	1:10	1:11	1:11	1,722.0	1,633.0	2.56%	94.83%
2022	1,771	42,802,824	\$ 24,169	5.72%	162	1:10	1:12	1:11	1,750.5	1,647.7	1.66%	94.13%
2023	1,757	45,592,921	\$ 25,949	7.37%	160	1:11	1:11	1:11	1,733.3	1,633.7	-0.98%	94.25%

**Sources:** District records and ASSA

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures J-4 less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

<u>District Building</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2022</u>
<u><b>Lincoln Elementary School</b></u>										
Square Feet	38,195	38,195	38,195	38,195	38,195	38,195	38,195	38,195	38,195	38,195
Capacity (students)	360	360	360	360	360	360	360	360	360	360
Enrollment	337	338	321	321	325	316	324	324	324	358
<u><b>Lenox Elementary School</b></u>										
Square Feet	46,681	46,681	46,681	46,681	46,681	46,681	46,681	46,681	46,681	46,681
Capacity (students)	419	419	419	419	419	419	419	419	419	419
Enrollment	337	342	339	361	333	357	357	353	353	335
<u><b>Lakeside Middle School</b></u>										
Square Feet	70,550	70,550	70,550	70,550	70,550	70,550	70,550	70,550	70,550	70,550
Capacity (students)	366	366	366	366	366	366	366	366	366	366
Enrollment	361	362	376	354	384	363	393	380	380	391
<u><b>Pompton Lakes High School</b></u>										
Square Feet	98,685	98,685	98,685	98,685	98,685	98,685	98,685	98,685	98,685	98,685
Capacity (students) unadjusted	886	886	886	886	886	886	886	886	886	886
Enrollment	658	670	646	629	629	643	639	684	684	687
<u><b>Administration Office Building</b></u>										
Square Feet	3072	3072	3072	3072	3072	3072	3072	3072	3072	3072
<u><b>District Administration Storage</b></u>										
Square Feet	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
<u><b>High School Storage Building</b></u>										
Square Feet	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
<u><b>High School Storage Garage</b></u>										
Square Feet	950	950	950	950	950	950	950	950	950	950

Number of Schools at June 30, 2023

Elementary = 2

Middle School = 1

High School = 1

**Source:** District records, ASSA, LRFPP

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

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

* School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Pompton Lakes High School	N/A	297,366.00	260,076.00	205,434.00	303,215.00	308,430.00	363,615.00	359,784.00	454,179.00	358,323.00	469,337.00
Lakeside Middle School	N/A	156,669.00	187,886.00	132,011.00	229,075.00	216,735.00	134,127.00	252,821.00	319,153.00	256,563.00	247,602.00
Lenox Elem. School	N/A	174,773.00	122,307.00	87,723.00	152,782.00	150,047.00	130,985.00	175,030.00	220,952.00	160,143.00	266,913.00
Lincoln Elem School	N/A	170,626.00	104,102.00	82,550.00	118,196.00	125,039.00	155,155.00	145,858.00	184,127.00	158,043.00	233,625.00
Administration Offices	N/A	4,403.00	3,836.00	3,800.00	7,084.00	8,336.00	10,528.00	9,723.00	12,274.00	6,942.00	7,594.00
District Administration Storage	N/A	3,440.00	2,997.00	2,969.00	5,313.00	8,336.00	10,528.00	9,725.00	12,274.00	6,942.00	7,594.00
High School Storage Building	N/A	2,150.00	1,873.00	1,855.00	2,573.00	8,336.00	10,528.00	9,725.00	12,275.00	6,942.00	7,593.00
High School Storage Garage	N/A	1,361.00	1,186.00	1,175.00	3,542.00	8,336.00	10,528.00	9,723.00	12,278.00	6,941.00	7,593.00
Total School Facilities		810,788.00	684,263.00	517,517.00	821,780.00	833,595.00	825,994.00	972,389.00	1,227,512.00	960,839.00	1,247,851.00

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



**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT****Insurance Schedule  
June 30, 2023**

	<u>Coverage</u>	<u>Deductible</u>
Comprehensive Package Policy -		
American Alternative Insurance Corporation		
Property - Blanket Building and Contents	\$62,145,894	\$5,000
Comprehensive General Liability ea. Occurrence	1,000,000	
Comprehensive Automobile Liability ea. Occurrence	1,000,000	
Comprehensive/Collision Auto Deductible		1,000
Blanket Employee Dishonesty	500,000	5,000
Boiler and Machinery	100,000,000	1,000
Excess Liability -		
Fireman's Fund Ins. Co.:		
Per Occurrence	25,000,000	
Aggregate	25,000,000	
Excess Policy -		
American Alternative Insurance Corporation		
Per Occurrence	9,000,000	
Aggregate	9,000,000	
Environmental Impairment Liability -		
Evanston Insurance Company		
Per Occurrence	1,000,000	25,000
Aggregate	10,000,000	
Fungi or Legionella		50,000
School Board Legal Liability -		
Greenwich Insurance Company		
Errors & Omissions	1,000,000	7,500
Employment Practices	1,000,000	15,000
Travel Accident Insurance -		
Gerber Life Insurance Co.:		
Limit	100,000	
Cyber Liability -		
Indian Harbor Insurance		
Combined Policy Aggregate Limit of Liability	1,000,000	10,000
Surety Bonds -		
CNA Western Surety:		
Treasurer of School Monies	300,000	
Board Secretary / Business Administrator	236,000	

Source: District records.

**SINGLE AUDIT SECTION**



# WIELKOTZ & COMPANY <sup>LLC</sup>

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Pompton Lakes School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 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 November 22, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Borough of Pompton Lakes Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Pompton Lakes Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Pompton Lakes Board of Education's internal control.



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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough of Pompton Lakes Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Pompton Lakes Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 22, 2023.

### ***Purpose of this Report***

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

*James Cerullo*

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

*Wielkotz & Company, LLC*

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

November 22, 2023



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE  
AND NEW JERSEY OMB CIRCULAR 15-08**

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

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

***Opinion on Each Major Federal and State Program***

We have audited the Board of Education of the Borough of Pompton Lakes School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Pompton Lakes Board of Education's major federal and state programs for the year ended June 30, 2023. The Borough of Pompton Lakes Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Pompton Lakes Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. 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 Borough of Pompton Lakes Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Borough of Pompton Lakes Board of Education'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 Borough of Pompton Lakes Board of Education's federal and state programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Borough of Pompton Lakes Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. 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 Borough of Pompton Lakes Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. 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 Borough of Pompton Lakes Board of Education'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 Borough of Pompton Lakes Board of Education'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 N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Pompton Lakes Board of Education'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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Honorable President and  
Members of the Board of Education

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

*James Cerullo*

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

*Wielkotz & Company, LLC*

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

November 22, 2023



**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year Ended June 30, 2023

Federal Grant/Pass-Through Grantor Program Title	Assistance Listing Numbers	Federal FYN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Carryover/ Adjustments	Cash Received	Budgetary Expenditures	Adjustment/ Repayment of Prior Year's Balance	Balance at June 30, 2023		MEMO Cumulative Total Expenditures	
											Accounts Receivable	Deferred Revenue		
<b>U.S. Department of Education:</b>														
<b>General Fund:</b>														
PFCKA/SEMI	93.778	200SNJ5MAP	N/A	07/01/22-06/30/23	389.85			389.85	(389.85)				*	389.85
Medical Assistance Program (SEM)	93.778	200SNJ5MAP	N/A	07/01/22-06/30/23	35,572.66			35,572.66	(35,572.66)				*	35,572.66
								35,962.51	(35,962.51)				*	35,962.51
Total General Fund								35,962.51	(35,962.51)				*	35,962.51
<b>U.S. Department of Education Passed-Through State Department of Education:</b>														
<b>Special Revenue Fund:</b>														
Title I - Improving Basic Programs	84.010	S010A220030	ESSA4230-23	07/01/22-09/30/23	82,197.00			413,213.00	(612,628.00)		(199,415.00)		*	612,628.00
Title I - Improving Basic Programs	84.010	S010A210030	ESSA4230-22	07/01/21-09/30/22	452,291.00	(153,140.00)		153,140.00	(612,628.00)		(199,415.00)		*	612,628.00
						(153,140.00)		566,353.00					*	
Title II-A - Teacher & Principal Training/Recruiting	84.367A	S367A220029	ESSA4230-23	07/01/22-09/30/23	78,562.00	(10,204.00)		44,637.00	(60,483.00)		(15,846.00)		*	60,483.00
Title II-A - Teacher & Principal Training/Recruiting	84.367A	S367A210029	ESSA4230-22	07/01/21-09/30/22	107,645.00	(10,204.00)		10,204.00	(60,483.00)		(15,846.00)		*	60,483.00
						(10,204.00)		54,841.00					*	
Title III - Part A English Language Enhancements	84.365	S365A220030	ESSA4230-23	07/01/22-09/30/23	24,712.00	(8,852.00)		5,930.00	(5,971.00)		(41.00)		*	5,971.00
Title III - Part A English Language Enhancements	84.365	S365A210030	ESSA4230-22	07/01/21-09/30/22	36,500.00	(8,852.00)		8,852.00	(5,971.00)		(41.00)		*	5,971.00
						(8,852.00)		14,782.00					*	
Title IV - Student Support and Academic Enrich.	84.424	S424A220031	ESSA4230-23	07/01/22-09/30/23	34,676.00	(9,609.00)		14,518.00	(19,528.00)		(5,010.00)		*	19,528.00
Title IV - Student Support and Academic Enrich.	84.424	S424A210031	ESSA4230-22	07/01/21-09/30/22	29,724.00	(9,609.00)		9,609.00	(19,528.00)		(5,010.00)		*	19,528.00
						(9,609.00)		24,127.00					*	
ID E.A. Part B - Basic Regular	84.027A	H027A220100	IDEA4230-23	07/01/22-09/30/23	448,244.00			356,988.00	(448,244.00)		(91,286.00)		*	448,244.00
ID E.A. Part B - Basic Regular	84.027A	H027A210100	IDEA4230-22	07/01/21-09/30/22	432,918.00	(65,864.00)		65,864.00					*	
ID E.A. ARP Basic	84.027X	H027X210100	IDEA4230-22	07/01/21-09/30/22	82,536.00	(22,813.00)		75,358.00	(59,543.00)		(6,998.00)		*	82,356.00
ID E.A. Part B - Preschool	84.173A	H173A220114	IDEA4230-23	07/01/22-09/30/23	15,087.00	(11,116.00)		10,035.00	(11,680.00)		(1,645.00)		*	11,680.00
ID E.A. Part B - Preschool	84.173A	H173A210114	IDEA4230-22	07/01/21-09/30/22	13,467.00			11,116.00					*	
ID E.A. ARP Preschool	84.173X	H173X210114	IDEA4230-22	07/01/21-09/30/22	7,019.00	(99,793.00)		519,331.00	(526,486.00)		(106,948.00)		*	546,299.00
													*	
Coronavirus Aid Relief and Economic Security Act	84.425D	S425D200027		03/13/20-09/30/22	264,350.00	(2,694.00)		2,694.00					*	262,455.00
CRSA-ESSER II	84.425D	S425D210027		03/13/20-09/30/23	1,025,743.00	(1,717.00)		236,456.00	(330,756.00)		(96,037.00)		*	721,926.00
CRSA-Learning Acceleration	84.425D	S425D210027		03/13/20-09/30/23	65,827.00	(3,868.00)		8,680.00			(7,604.00)		*	38,699.00
CRSA-Mental Health	84.425D	S425D210027		03/13/20-09/30/23	45,000.00	(4,250.00)		4,250.00					*	40,500.00
ARP-ESSER	84.425U	S425U210027		03/13/20-09/30/24	2,305,990.00	(367,536.00)		1,002,034.00	(718,600.00)		(84,102.00)		*	1,451,489.00
ARP-Accelerated Learning Coach & Educator Support	84.425U	S425U210027		03/13/20-09/30/24	141,929.00								*	
ARP-Evidence Based Summer Learning & Enrichment	84.425U	S425U210027		03/13/20-09/30/24	40,000.00	(4,941.00)		9,160.00	(11,188.00)		(6,969.00)		*	29,004.00
ARP-Evidence Based Camp, Beyond the School Day	84.425U	S425U210027		03/13/20-09/30/24	40,000.00			30,660.00	(43,800.00)		(13,140.00)		*	43,800.00
ARP-NITSS Mental Health Support Staffing	84.425U	S425U210027		03/13/20-09/30/24	45,000.00	(385,006.00)		1,293,914.00	(1,115,560.00)		(207,852.00)		*	2,567,873.00
													*	
ARP - Homeless II	84.425W	S425W210031		04/22/21-09/30/23	10,881.00								*	
Total Special Revenue Fund						(666,604.00)		2,473,348.00	(2,341,856.00)		(535,112.00)		*	3,815,782.00
<b>U.S. Department of Agriculture Passed-Through State Department of Education:</b>														
<b>Enterprise Fund:</b>														
<b>Non-Cash Assistance</b>														
Food Distribution Program	10.555	23INJ304N1099	N/A	07/01/22-06/30/23	59,913.64		7,564.64	59,913.64	(59,715.18)			7,763.10	*	59,715.18
Food Distribution Program	10.555	22INJ304N1099	N/A	07/01/21-06/30/22	42,091.60	7,564.64	(7,564.64)						*	
<b>Cash Assistance</b>														
Equipment Assistance Grant	10.579	23INJ354N8103	N/A	03/31/23-08/30/23	40,000.00						(40,000.00)		*	
Supply Chain Assistance Funding	10.555	22INJ344N8903	N/A	07/01/21-06/30/23	38,926.22	(38,926.22)		38,926.22	(38,926.22)				*	38,926.22
Supply Chain Assistance Funding	10.555	22INJ344N8903	N/A	07/01/21-06/30/23	35,743.47			35,743.47	(29,657.95)			6,085.52	*	29,657.95
Supply Chain Assistance Funding	10.555	23INJ344N8903	N/A	07/01/21-06/30/23	18,866.62	(22,813.00)		18,866.62				18,866.62	*	
School Breakfast Program	10.553	23INJ304N1099	N/A	07/01/22-06/30/23	14,146.62	(10,969.66)		10,969.66	(14,146.62)		(3,248.42)		*	14,146.62
School Breakfast Program - SSO	10.553	23INJ304N1099	N/A	07/01/21-06/30/22	97,371.48	(10,969.66)		10,969.66					*	
National School Lunch Program	10.555	23INJ304N1099	N/A	07/01/22-06/30/23	200,695.22	(54,161.44)		163,637.10	(200,695.22)		(37,058.12)		*	200,695.22
National School Lunch Program - SSO	10.555	22INJ304N1099	N/A	07/01/21-06/30/22	653,180.97	(96,492.68)		54,161.44			(80,306.54)	72,715.24	*	343,141.19
						(96,492.68)		393,116.35	(343,141.19)				*	
P-EBT Administrative Cost	10.649	202225890941		07/01/22-06/30/23	653.00				(653.00)				*	653.00
													*	
Total Enterprise Fund						(96,492.68)		393,116.35	(343,141.19)		(80,959.54)	72,715.24	*	343,794.19
TOTAL FEDERAL FINANCIAL AWARDS						(763,096.68)		2,902,426.86	(2,721,612.70)		(616,071.54)	72,715.24	*	4,195,538.70

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

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT**  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year Ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Due To Grantor	Cash Received	Budgetary Expenditures	Year's Balance	Balance at June 30, 2023		MEMO	
				Deferred Revenue/ (Acts, Receivable)						Accounts Receivable	Budgetary Receivable		Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Equalization Aid	23-495-034-5120-078	07/01/22-06/30/23	7,250,807.00				6,536,924.00	(7,250,807.00)			*	(713,883.00)	7,250,807.00
Special Education Categorical Aid	23-495-034-5120-089	07/01/22-06/30/23	953,729.00				859,829.00	(953,729.00)			*	(93,900.00)	953,729.00
School Choice Aid	23-495-034-5120-068	07/01/22-06/30/23	108,380.00				97,709.00	(108,380.00)			*	(10,671.00)	108,380.00
Security Categorical Aid	23-495-034-5120-084	07/01/22-06/30/23	43,115.00				38,871.00	(43,115.00)			*	(4,244.00)	43,115.00
Total State Aid Public													
Transportation Aid	23-495-034-5120-014	07/01/21-06/30/22	176,038.00				7,533,333.00	(8,356,031.00)			*	(822,698.00)	8,356,031.00
Extraordinary Special Education Aid	23-495-034-5120-044	07/01/22-06/30/23	782,928.00				158,706.00	(176,038.00)			*	(17,332.00)	176,038.00
Extraordinary Special Education Aid	22-495-034-5120-044	07/01/21-06/30/22	691,070.00	(691,070.00)			691,070.00	(782,928.00)			*		782,928.00
On-Behalf/TPAF Post Retirement Medical	23-495-034-5094-001	07/01/22-06/30/23	1,544,197.00				1,544,197.00	(1,544,197.00)			*		1,544,197.00
On-Behalf/TPAF - Pension Contributions	23-495-034-5094-002	07/01/22-06/30/23	5,797,792.00				5,797,792.00	(5,797,792.00)			*		5,797,792.00
On-Behalf/TPAF - Non-contributory Insurance	23-495-034-5094-004	07/01/22-06/30/23	80,438.00				80,438.00	(80,438.00)			*		80,438.00
On-Behalf/TPAF - LTDI	23-495-034-5094-004	07/01/22-06/30/23	2,116.00				2,116.00	(2,116.00)			*		2,116.00
Reimbursed TPAF - Social Security	23-495-034-5094-003	07/01/22-06/30/23	1,232,313.47				1,109,339.69	(1,232,313.47)			*	(122,973.78)	1,232,313.47
Reimbursed TPAF - Social Security	22-495-034-5094-003	07/01/21-06/30/22	1,198,202.35	(60,270.60)			60,270.60	(17,971,853.47)			*	(840,030.00)	17,971,853.47
Total General Fund													
Special Revenue Fund:													
School Climate Change Pilot	23EB00149	04/01/23-06/30/23	6,653.00				6,653.00	(6,653.00)			*		6,653.00
Debt Service Fund:													
Debt Service Aid Type II	23-495-034-5120-075	07/01/21-06/30/22	120,267.00				120,267.00	(120,267.00)			*		120,267.00
State Department of Agriculture:													
Enterprise Fund:													
School Breakfast Program (State Share)	23-100-010-3350-023	07/01/22-06/30/23	283.20				215.40	(283.20)			*	(67.80)	283.20
National School Lunch Program (State Share)	23-100-010-3350-023	07/01/22-06/30/23	9,211.47				7,543.91	(9,211.47)			*	(1,667.56)	9,211.47
National School Lunch Program (State Share)	22-100-010-3350-023	07/01/21-06/30/22	15,328.86	(1,246.46)			1,246.46				*		
Total Enterprise Fund				(1,246.46)			9,005.77	(9,494.67)			*	(1,735.36)	9,494.67
TOTAL STATE FINANCIAL ASSISTANCE													
				(752,587.06)			17,113,188.06	(18,108,268.14)			*	(840,030.00)	18,108,268.14
Less On-Behalf/TPAF Pension and Annuity Aid													
On-Behalf/TPAF Post Retirement Medical	23-495-034-5094-001	07/01/22-06/30/23	1,544,197.00				1,544,197.00	(1,544,197.00)			*		1,544,197.00
On-Behalf/TPAF - Pension Contributions	23-495-034-5094-002	07/01/22-06/30/23	5,797,792.00				5,797,792.00	(5,797,792.00)			*		5,797,792.00
On-Behalf/TPAF - Non-contributory Insurance	23-495-034-5094-004	07/01/22-06/30/23	80,438.00				80,438.00	(80,438.00)			*		80,438.00
On-Behalf/TPAF - LTDI	23-495-034-5094-004	07/01/22-06/30/23	2,116.00				2,116.00	(2,116.00)			*		2,116.00
TOTAL FOR STATE FINANCIAL ASSISTANCE MAJOR PROGRAM DETERMINATION													
				(752,587.06)			9,688,645.06	(10,683,725.14)			*	(840,030.00)	10,683,725.14

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

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(217,713.00) for the general fund and \$0.00 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$35,962.51	\$17,754,140.47	\$17,790,102.98
Special Revenue Fund	2,341,856.00	6,653.00	2,348,509.00
Debt Service Fund		120,267.00	120,267.00
Food Service Fund	<u>343,992.65</u>	<u>9,494.67</u>	<u>353,487.32</u>
Total Awards and Financial	<u>\$2,721,811.16</u>	<u>\$17,890,555.14</u>	<u>\$20,612,366.30</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2022. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

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

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

**NOTE 7. INDIRECT COST RATE**

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

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

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$612,628.00
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	60,483.00
Title III: <i>English Language Acquisition State Grants</i>	5,971.00
Title IV: <i>Student Support and Academic Enrichment</i>	<u>19,528.00</u>
Total	<u><u>\$698,610.00</u></u>

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?	_____ yes	_____ <u>X</u> no
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**Federal Awards**

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance?	_____ yes	_____ <u>X</u> no
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Identification of major programs:

**Assistance Listing**

<u>Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D, 84.425U	S425D210027 S425U210027	Coronavirus Relief & Economic Security Act American Rescue Plan Consolidated

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

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

## Section I - Summary of Auditor's Results, (continued)

## State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee?	X	yes	no
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Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

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

Any audit findings disclosed that are required to be reported  
in accordance with NJ OMB Circular Letter 15-08? \_\_\_\_\_ yes \_\_\_\_\_ X no

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

**Cluster: State Aid - Public**

23-495-034-5120-078

## Equalization Aid

23-495-034-5120-089

Special Education Categorical Aid

23-495-034-5120-068

School Choice Aid

23-495-034-5120-084

Security Categorical Aid

**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

***Section II - Financial Statement Findings***

None

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

No matters were reported.



**BOROUGH OF POMPTON LAKES SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Status of Prior Year Findings**

There were no prior year audit findings.