

TOWN OF BOONTON SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Town of Boonton School District

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Town of Boonton School District

Boonton, New Jersey

For The Fiscal Year Ended June 30, 2025

Prepared by

Business Office

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INTRODUCTORY SECTION



October 16, 2025

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Town of Boonton Public Schools for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 12 for the students residing in Boonton and to grade levels 9 through 12 for

the students residing in Lincoln Park. These include regular and vocational, as well as special education for disabled youngsters. The District completed the 2024-25 fiscal year with an average daily enrollment of 1,531 students, an increase of 28 students over the previous year's enrollment.

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

<u>Fiscal Year</u>	<u>Avg Daily Enrollment</u>	<u>Percent Change</u>
2015-2016	1,353	3.4%
2016-2017	1,404	3.8%
2017-2018	1,408	0.3%
2018-2019	1,410	0.1%
2019-2020	1,438	2.1%
2020-2021	1,419	-1.3%
2021-2022	1,446	1.9%
2022-2023	1,484	2.7%
2023-2024	1,503	1.3%
2024-2025	1,531	1.9%

2) **ECONOMIC CONDITIONS AND OUTLOOK:** The School District continues to monitor the ratable base for the Town. Short term trends continue to indicate that ratables will remain flat. An increase in housing projects is in the preliminary stages of development. If these projects come to fruition, the burden on the District to provide services could increase. The District's budget for the 2025-2026 fiscal year includes a 4.0% increase in the local tax levy (2.0% plus enrollment and healthcare adjustments of 2.0%). At the close of the 2024-2025 fiscal year, the Teachers' contract will have three additional years, and the Administrators' contract will start a four-year contract.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2025.

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

6) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. A detailed Management Discussion and Analysis follows this section of the report that discussed the District's financial performance for the year ended June 30, 2025.

7) **DEBT ADMINISTRATION:** During the 2024-2025 fiscal year the District did not obtain additional debt through referendum. The District did refinance existing debt obligations to take advantage of favorable interest rates.

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

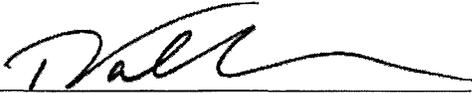
9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10) **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, Bliss, LLP, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of U.S. Uniform Guidance and New Jersey's OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

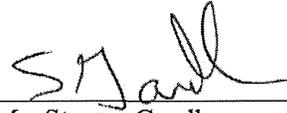
11) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Boonton Town Board of Education for their concern in providing fiscal accountability to the

citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

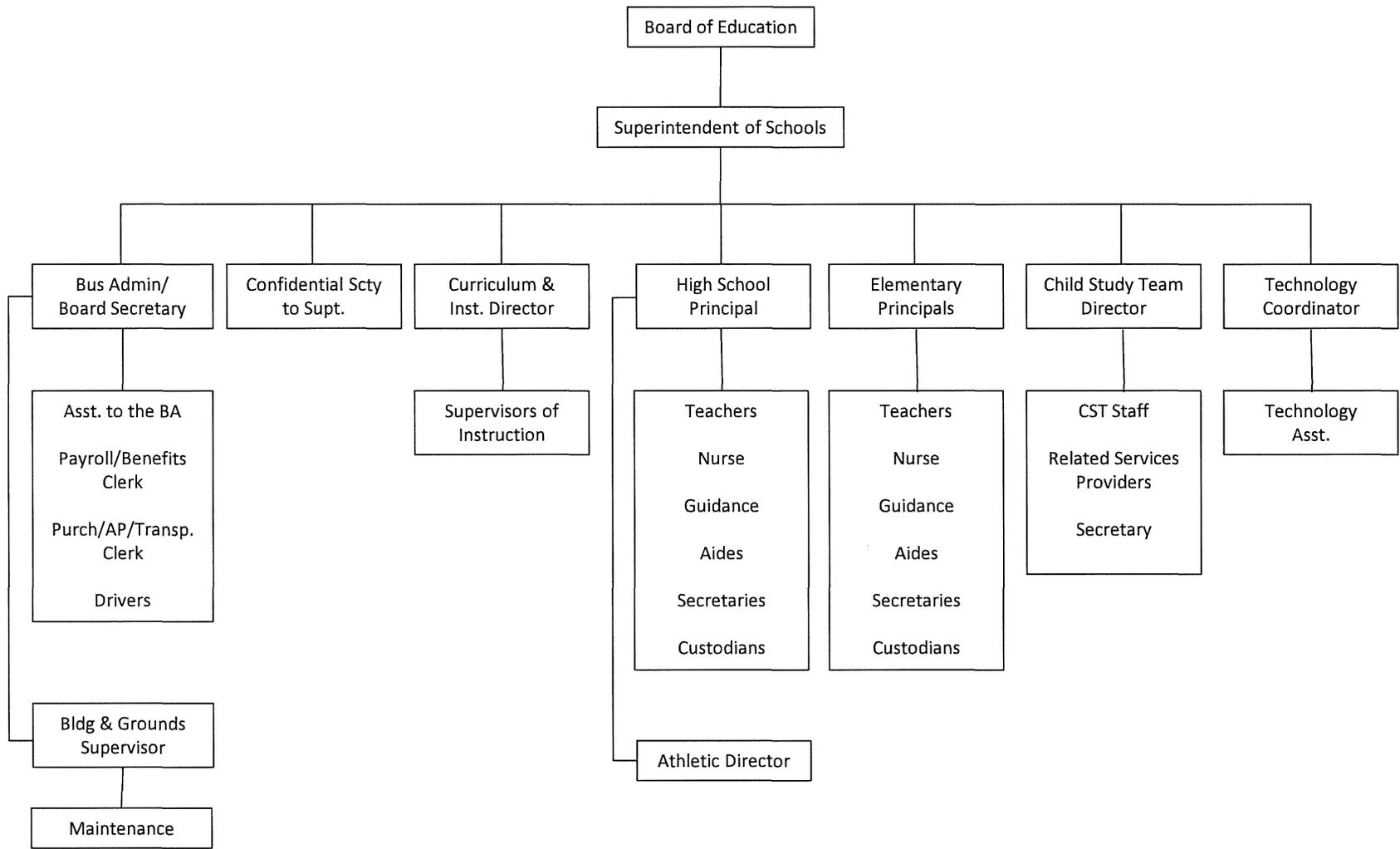
Respectfully submitted,



Mr. Thomas Valle
Superintendent of Schools



Mr. Steven Gardberg,
School Business Administrator/
Board Secretary



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

ROSTER OF OFFICIALS

JUNE 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires (December)</u>
Irene LeFebvre, President	2027
Jennifer Darling, Vice-President	2026
Christopher J. Cartelli	2025
Elaine Doherty	2025
Brianna O'Halloran	2026
Daniel Piccioni	2026
Patrick Joyce	2027
Loren Katsakos	2027
Matthew Mondino	2025

Other Officers

Thomas Valle, Superintendent of Schools

Steven Gardberg, Board Secretary/Business Administrator

BOONTON SCHOOL DISTRICT

Consultants & Advisors

June 30, 2025

District Auditor

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

Attorney

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

Official Depositories

Provident Bank
Boonton, NJ 07005

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Town of Boonton School District, as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Boonton School District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Boonton School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

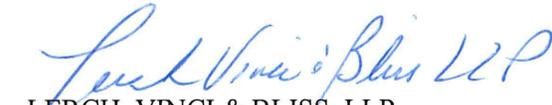
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2025 on our consideration of the Town of Boonton School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Boonton School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Boonton School District's internal control over financial reporting and compliance.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 16, 2025

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2025**

This discussion and analysis of the Town of Boonton School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2025. The intent of this analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at year end by \$5,000,918 (net position). The District's net position increased \$417,441 from the previous year.
- General revenues accounted for \$27,895,218 or 61, percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$17,642,638 or 39 percent, of total revenues of \$45,537,856.
- The School District had \$43,762,184 in expenses for governmental activities; \$16,224,059 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) were adequate to provide funding for the balance of these programs.
- Among governmental funds, the General Fund had \$42,967,609 in revenues and \$43,038,787 in expenditures and other financing uses. The General Fund's fund balance decreased \$71,178 from 2024.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2025?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets, deferred inflows of resources and liabilities and deferred outflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid, as well as the activity of capital assets and long-term liabilities.

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Reporting the District's Most Significant Funds (Continued)

Governmental Funds

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

Enterprise Fund

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

The District as a Whole

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

A comparative summary of the District's net position as of June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Assets		
Current and Other Assets	\$ 3,611,878	\$ 3,825,542
Capital Assets, net of accumulated depreciation	<u>21,129,480</u>	<u>21,806,796</u>
Total Assets	<u>24,741,358</u>	<u>25,632,338</u>
Deferred Outflows of Resources	<u>1,109,389</u>	<u>1,287,629</u>
Total Assets and Deferred Outflows of Resources	<u>25,850,747</u>	<u>26,919,967</u>
Liabilities		
Long-Term Liabilities	18,910,500	20,177,570
Other Liabilities	<u>1,538,156</u>	<u>1,709,645</u>
Total Liabilities	<u>20,448,656</u>	<u>21,887,215</u>
Deferred Inflows of Resources	<u>401,173</u>	<u>449,275</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,849,829</u>	<u>22,336,490</u>
Net Position		
Net Investment in Capital Assets	8,836,949	9,315,019
Restricted	1,562,322	1,400,349
Unrestricted	<u>(5,398,353)</u>	<u>(6,131,891)</u>
Total Net Position	<u>\$ 5,000,918</u>	<u>\$ 4,583,477</u>

A comparative schedule of the changes in net position for fiscal years ended June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 7,286,727	\$ 6,430,713
Grants and Contributions	10,355,911	11,721,199
General Revenues:		
Property Taxes	23,366,588	22,927,943
Grants and Entitlements	4,095,369	2,750,537
Other	<u>433,261</u>	<u>290,167</u>
Total Revenues	<u>45,537,856</u>	<u>44,120,559</u>
Program Expenses		
Instruction	25,886,767	25,891,586
Support Services:		
Pupils and Instructional Staff	8,410,010	8,235,473
General, School and Central Administration	3,187,103	2,822,158
Operations and Maintenance of Facilities	4,428,355	3,335,597
Pupil Transportation	1,369,429	1,351,676
Interest on Debt	480,520	513,737
Food Service	733,154	746,221
Bridges to Learning	<u>625,077</u>	<u>820,904</u>
Total Expenses	<u>45,120,415</u>	<u>43,717,352</u>
Increase in Net Position	<u>\$ 417,441</u>	<u>\$ 403,207</u>

Governmental Activities

Property taxes made up 53 percent of revenues for governmental activities for the Town of Boonton School District in fiscal year 2025. The District's total revenues from governmental activities were \$44,101,297 for the year ended June 30, 2025. Charges for services accounted for 14 percent of this total revenue. Federal, state, and local grants, contributions and entitlements accounted for 32 percent of this total revenue. The total cost of all governmental programs and services was \$43,762,184. Instruction comprises 59 percent of District governmental expenses.

Business-Type Activities

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

- Enterprise Fund expenses exceeded revenues by \$78,328.
- Charges for services represent 71 percent of revenue. This represents amounts paid for food service and tuition for the bridges to learning program. State and federal subsidies account for the remaining 29 percent.
- Federal and state reimbursements for food service amounted to \$397,851 of total Enterprise Fund revenues.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The total cost of services and the net cost of services for the years ended June 30, 2025 and 2024 are summarized below. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	<u>Total Cost of</u> <u>Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Instruction	\$ 25,886,767	\$ 25,891,586	\$ (12,289,192)	\$ 12,415,554
Support Services				
Pupils and Instructional Staff	8,410,010	8,235,473	(6,790,853)	5,953,936
General, School and Central Admin.	3,187,103	2,822,158	(2,848,209)	2,465,301
Operation and Maintenance of Facilities	4,428,355	3,335,597	(3,985,774)	2,939,318
Pupil Transportation	1,369,429	1,351,676	(1,239,867)	1,284,548
Interest on Long-Term Debt	<u>480,520</u>	<u>513,737</u>	<u>(384,230)</u>	<u>378,064</u>
Total	<u>\$ 43,762,184</u>	<u>\$ 42,150,227</u>	<u>\$ (27,538,125)</u>	<u>\$ 25,436,721</u>

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

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

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

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

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

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

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$47,824,510 and expenditures were \$48,028,359.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a comparative summary of the governmental fund revenues for the fiscal years ended June 30, 2025 and 2024.

<u>Revenue</u>	<u>Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>June 30, 2025</u>	<u>June 30, 2024</u>		
Local Sources	\$ 30,083,844	\$ 28,597,916	\$ 1,485,928	5.2%
State Sources	16,724,684	15,334,654	1,390,030	9.1%
Federal Sources	<u>1,015,982</u>	<u>1,744,407</u>	<u>(728,425)</u>	-41.8%
Total Revenues	<u>\$ 47,824,510</u>	<u>\$ 45,676,977</u>	<u>\$ 2,147,533</u>	4.7%

The following schedule represents a comparative summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal years ended June 30, 2025 and 2024.

<u>Expenditures</u>	<u>Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>June 30, 2025</u>	<u>June 30, 2024</u>		
Current				
Instruction	\$ 28,560,717	\$ 28,102,503	\$ 458,214	1.6%
Support Services	16,628,459	15,750,441	878,018	5.6%
Capital Outlay	1,185,219	572,643	612,576	107.0%
Debt Service				
Principal	1,135,555	1,056,275	79,280	7.5%
Interest and Other	<u>518,409</u>	<u>535,188</u>	<u>(16,779)</u>	-3.1%
Total Expenditures	<u>\$ 48,028,359</u>	<u>\$ 46,017,050</u>	<u>\$ 2,011,309</u>	4.4%

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of fiscal year 2025, the District had \$40,332,092 invested in land, construction in progress, buildings, furniture, equipment and vehicles. Accumulated depreciation on these assets at June 30, 2025 was \$19,202,612. The Table below compares the fiscal year 2025 balances to the 2024 balances.

Capital Assets (Net of Depreciation) at June 30

	<u>2025</u>	<u>2024</u>
Land	\$ 471,800	\$ 471,800
Building and Building Improvements	20,070,009	20,783,131
Machinery and Equipment	<u>587,671</u>	<u>551,865</u>
Total Capital Assets, Net	<u>\$ 21,129,480</u>	<u>\$ 21,806,796</u>

Debt Administration

At June 30, 2025, the District had \$18,910,500 of long-term liabilities. Of this amount, \$380,117 is for compensated absences, \$6,636,183 is for net pension liability and \$11,894,200 is for outstanding serial bonds issued to fund school construction projects (net of unamortized premium).

For the Future

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWN OF BOONTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,938,085	\$ 362,579	\$ 3,300,664
Receivables, Net:			
Receivables from Other Governments	247,598	25,591	273,189
Other		36,606	36,606
Internal Balances	(93,028)	93,028	
Inventory		1,419	1,419
Capital Assets:			
Not Being Depreciated	471,800		471,800
Being Depreciated, Net	<u>20,425,518</u>	<u>232,162</u>	<u>20,657,680</u>
Total Assets	<u>23,989,973</u>	<u>751,385</u>	<u>24,741,358</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	398,331		398,331
Deferred Amount on Net Pension Liability	<u>711,058</u>	<u>-</u>	<u>711,058</u>
Total Deferred Outflows of Resources	<u>1,109,389</u>	<u>-</u>	<u>1,109,389</u>
Total Assets and Deferred Outflows of Resources	<u>25,099,362</u>	<u>751,385</u>	<u>25,850,747</u>
LIABILITIES			
Accounts Payable and Other Liabilities	255,394	19,607	275,001
Payable to Other Governments	106,937		106,937
Deposits Payable	932,979		932,979
Unearned Revenue	15,942	10,076	26,018
Accrued Interest	197,221		197,221
Noncurrent Liabilities			
Due Within One Year	1,015,266		1,015,266
Due Beyond One Year	<u>17,895,234</u>	<u>-</u>	<u>17,895,234</u>
Total Liabilities	<u>20,418,973</u>	<u>29,683</u>	<u>20,448,656</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	400,874		400,874
Deferred Government Commodities	<u>-</u>	<u>299</u>	<u>299</u>
Total Deferred Inflows of Resources	<u>400,874</u>	<u>299</u>	<u>401,173</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,819,847</u>	<u>29,982</u>	<u>20,849,829</u>
NET POSITION			
Net Investment in Capital Assets	8,604,787	232,162	8,836,949
Restricted for:			
Capital Projects	1,088,903		1,088,903
Other Purposes	473,419		473,419
Unrestricted	<u>(5,887,594)</u>	<u>489,241</u>	<u>(5,398,353)</u>
Total Net Position	<u>\$ 4,279,515</u>	<u>\$ 721,403</u>	<u>\$ 5,000,918</u>

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

**TOWN OF BOONTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction:							
Regular	\$ 15,462,233	\$ 5,401,048	\$ 3,911,857		\$ (6,149,328)		\$ (6,149,328)
Special Education	7,632,645	700,054	3,104,417		(3,828,174)		(3,828,174)
Other Instruction	1,430,738		245,770		(1,184,968)		(1,184,968)
School Sponsored Activities and Athletics	1,361,151	156,429	78,000		(1,126,722)		(1,126,722)
Support Services							
Student and Instruction Related Services	8,410,010		1,619,157		(6,790,853)		(6,790,853)
General Administrative Services	905,561		37,288		(868,273)		(868,273)
School Administrative Services	1,637,137		215,873		(1,421,264)		(1,421,264)
Central and Other Support Services	644,405		85,733		(558,672)		(558,672)
Plant Operations and Maintenance	4,428,355		420,226	\$ 22,355	(3,985,774)		(3,985,774)
Pupil Transportation	1,369,429	8,468	121,094		(1,239,867)		(1,239,867)
Interest on Long-Term Debt	480,520	-	96,290	-	(384,230)	-	(384,230)
Total Governmental Activities	<u>43,762,184</u>	<u>6,265,999</u>	<u>9,935,705</u>	<u>22,355</u>	<u>(27,538,125)</u>	<u>-</u>	<u>(27,538,125)</u>
Business-Type Activities							
Food Service	733,154	318,700	397,851			\$ (16,603)	(16,603)
Bridges to Learning	625,077	702,028	-	-	-	76,951	76,951
Total Business-Type Activities	<u>1,358,231</u>	<u>1,020,728</u>	<u>397,851</u>	<u>-</u>	<u>-</u>	<u>60,348</u>	<u>60,348</u>
Total Primary Government	<u>\$ 45,120,415</u>	<u>\$ 7,286,727</u>	<u>\$ 10,333,556</u>	<u>\$ 22,355</u>	<u>(27,538,125)</u>	<u>60,348</u>	<u>(27,477,777)</u>
General Revenues:							
Property Taxes:							
Levied for General Purposes					22,266,465		22,266,465
Levied for Debt Service					1,100,123		1,100,123
Federal and State Aid, Unrestricted					3,813,582		3,813,582
State Aid Restricted for Debt Service					281,787		281,787
Investment Earnings					120,339	7,704	128,043
Miscellaneous Income					305,218		305,218
Transfers					(10,276)	10,276	-
Total General Revenues and Transfers					<u>27,877,238</u>	<u>17,980</u>	<u>27,895,218</u>
Change in Net Position					339,113	78,328	417,441
Net Position, Beginning of Year					<u>3,940,402</u>	<u>643,075</u>	<u>4,583,477</u>
Net Position, End of Year					<u>\$ 4,279,515</u>	<u>\$ 721,403</u>	<u>\$ 5,000,918</u>

FUND FINANCIAL STATEMENTS

**TOWN OF BOONTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2025**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,527,218	\$ 361,590	\$ 49,277	\$ 2,938,085
Receivables, Net				
Federal Government		190,865		190,865
State Government	56,733			56,733
Due from Other Funds	288,042	-	-	288,042
	<u>288,042</u>	<u>-</u>	<u>-</u>	<u>288,042</u>
Total Assets	<u>\$ 2,871,993</u>	<u>\$ 552,455</u>	<u>49,277</u>	<u>\$ 3,473,725</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 144,046	\$ 33,735		\$ 177,781
Due to Other Funds	93,028	288,042		381,070
Payable to Federal Government		23,925		23,925
Payable to State Government	40,268	42,744		83,012
Payroll Deductions and Withholdings	51,617			51,617
Accrued Salaries and Wages	25,996			25,996
Deposits Payable	932,979			932,979
Unearned Revenue	444	15,498	-	15,942
	<u>444</u>	<u>15,498</u>	<u>-</u>	<u>15,942</u>
Total Liabilities	<u>1,288,378</u>	<u>403,944</u>	<u>-</u>	<u>1,692,322</u>
Fund Balances (Deficits)				
Restricted				
Capital Reserve	828,903			828,903
Capital Reserve, Designated for Subsequent Year's Expenditures	260,000			260,000
Maintenance Reserve	50,000			50,000
Excess Surplus	352,028			352,028
Excess Surplus, Designated for Subsequent Year's Expenditures	387,424			387,424
Debt Service			\$ 49,277	49,277
Unemployment Compensation	28,515			28,515
Scholarships		231,440		231,440
Student Activities		114,187		114,187
Committed				
Year-End Encumbrances	86,179			86,179
Assigned				
Year-End Encumbrances	42,450			42,450
Designated for Subsequent Year's Expenditures	224,000			224,000
Unassigned				
General Fund (Deficit)	(675,884)			(675,884)
Special Revenue Fund (Deficit)	-	(197,116)	-	(197,116)
	<u>(675,884)</u>	<u>(197,116)</u>	<u>-</u>	<u>(872,000)</u>
Total Fund Balances (Deficits)	<u>1,583,615</u>	<u>148,511</u>	<u>49,277</u>	<u>1,781,403</u>
Total Liabilities and Fund Balances	<u>\$ 2,871,993</u>	<u>\$ 552,455</u>	<u>49,277</u>	<u>\$ 3,473,725</u>

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

**TOWN OF BOONTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2025**

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 1,781,403

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 \$39,830,389 and the accumulated depreciation is \$18,933,071. 20,897,318

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 398,331

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

	\$	711,058	
Deferred Outflow of Resources		711,058	
Deferred Inflow of Resources		(400,874)	
			310,184

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

	(11,894,200)		
Serial Bonds	(11,894,200)		
Net Pension Liability	(6,636,183)		
Compensated Absences	(380,117)		
			(18,910,500)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (197,221)

Net Position of Governmental Activities (Exhibit A-1) \$ 4,279,515

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

TOWN OF BOONTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES				
Local Sources				
Property Tax Levy	\$ 22,266,465		\$ 1,100,123	\$ 23,366,588
Tuition	6,101,102			6,101,102
Transportation	8,468			8,468
Interest	120,339			120,339
Miscellaneous	305,218	\$ 182,129	-	487,347
Total - Local Sources	28,801,592	182,129	1,100,123	30,083,844
State Sources	14,124,431	2,222,176	378,077	16,724,684
Federal Sources	41,586	974,396	-	1,015,982
Total Revenues	42,967,609	3,378,701	1,478,200	47,824,510
EXPENDITURES				
Instruction				
Regular	15,016,718	2,360,882		17,377,600
Special Education	7,592,920	567,161		8,160,081
Other Instruction	1,641,466	17,000		1,658,466
School Sponsored Co-Curricular Activities	1,201,671	162,899		1,364,570
Support Services				
Student and Instruction Related Services	8,670,085	675,708		9,345,793
General Administrative Services	886,252			886,252
School Administrative Services	1,802,351			1,802,351
Central and Other Support Services	730,652			730,652
Plant Operations and Maintenance	2,525,499	8,455		2,533,954
Pupil Transportation	1,329,457			1,329,457
Debt Service				
Principal	70,555		1,065,000	1,135,555
Interest and Other Charges	1,196		517,213	518,409
Capital Outlay	1,162,864	22,355	-	1,185,219
Total Expenditures	42,631,686	3,814,460	1,582,213	48,028,359
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	335,923	(435,759)	(104,013)	(203,849)
OTHER FINANCING SOURCES (USES)				
Operating Transfer In		396,825		396,825
Operating Transfer Out	(407,101)	-	-	(407,101)
Refunding Bond Proceeds			11,190,000	11,190,000
Premium on Refunding Bonds Issued			503,008	503,008
Payment to Refunded Bond Escrow Agent	-	-	(11,539,718)	(11,539,718)
Total Other Financing Sources (Uses)	(407,101)	396,825	153,290	143,014
Net Change in Fund Balances	(71,178)	(38,934)	49,277	(60,835)
Fund Balance Beginning of Year	1,654,793	187,445	-	1,842,238
Fund Balance End of Year	\$ 1,583,615	\$ 148,511	\$ 49,277	\$ 1,781,403

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

**TOWN OF BOONTON SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (60,835)

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

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

Capital Outlay	\$ 1,185,219	
Depreciation Expense	<u>(1,944,820)</u>	(759,601)

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

Compensated Absences	(3,525)	
Accrued Interest	24,246	
Pension Expense	<u>142,920</u>	163,641

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

Debt Issued or Incurred		
Refunding Bonds Issued	(11,190,000)	
Premium on Issuance of Refunding Bonds	(503,008)	
Payment to Refunded Bond Escrow Agent	11,539,718	(153,290)
Principal Repayments		
Serial Bonds	1,065,000	
Capital Financing Agreements	<u>70,555</u>	1,135,555
Amortization of Refunding Bond Items		
Original Issue Premium	99,186	
Deferred Amount on Refunding	<u>(85,543)</u>	13,643

Change in net position of governmental activities (Exhibit A-2) \$ 339,113

**TOWN OF BOONTON SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2025**

	Enterprise Funds		
	Food Service	Bridges to Learning Program	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 109,020	\$ 253,559	\$ 362,579
Receivables			
Intergovernmental	25,591		25,591
Accounts	36,606		36,606
Due from Other Funds	93,028		93,028
Inventories	1,419	-	1,419
Total Current Assets	265,664	253,559	519,223
Capital Assets			
Furniture, Machinery and Equipment	405,133	96,570	501,703
Less Accumulated Depreciation	(269,541)	-	(269,541)
Total Capital Assets, Net	135,592	96,570	232,162
Total Assets	401,256	350,129	751,385
LIABILITIES			
Current Liabilities			
Accounts Payable	18,995	612	19,607
Unearned Revenue	10,076	-	10,076
Total Current Liabilities	29,071	612	29,683
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	299	-	299
Total Deferred Inflows of Resources	299	-	299
Total Liabilities and Deferred Inflows of Resources	29,370	612	29,982
NET POSITION			
Investment in Capital Assets	135,592	96,570	232,162
Unrestricted	236,294	252,947	489,241
Total Net Position	\$ 371,886	\$ 349,517	\$ 721,403

**TOWN OF BOONTON SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Enterprise Funds		<u>Total</u>
	<u>Food Service</u>	<u>Bridges to Learning Program</u>	
OPERATING REVENUES			
Local Sources			
Daily Sales			
Reimbursable Programs	\$ 195,436		\$ 195,436
Non-Reimbursable Programs	123,264		123,264
Program Fees	-	\$ 702,028	702,028
 Total Operating Revenues	 318,700	 702,028	 1,020,728
OPERATING EXPENSES			
Salaries and Wages	257,523	499,479	757,002
Employee Benefits	18,459	27,974	46,433
Other Purchased Services		27,583	27,583
Repairs and Maintenance	8,797		8,797
Management Fee	37,179		37,179
Rent		50,000	50,000
Other Expenses	29,545		29,545
Supplies and Materials	10,660	20,041	30,701
Insurance	31,794		31,794
Cost of Sales			
Reimbursable Programs	208,860		208,860
USDA Commodities	53,228		53,228
Non-Reimbursable Programs	47,922		47,922
Depreciation	18,911	-	18,911
 Total Operating Expenses	 722,878	 625,077	 1,347,955
 Operating Income (Loss)	 (404,178)	 76,951	 (327,227)
Nonoperating Revenues (Expenses)			
State Sources			
School Lunch Program	11,017		11,017
Federal Sources			
School Breakfast Program	20,612		20,612
U.S.D.A. Commodities	53,228		53,228
School Lunch Program	307,087		307,087
COVID 19 Equipment Grant	4,016		4,016
Local Food for Schools (LFS) Cooperative Program	1,569		1,569
Summer EBT Program	322		322
Bad Debt Expense	(10,276)		(10,276)
Interest Income	7,704	-	7,704
 Total Nonoperating Revenues	 395,279	 -	 395,279
 Income (Loss) Before Transfers	 (8,899)	 76,951	 68,052
 Transfer In	 10,276	 -	 10,276
 Change in Net Position	 1,377	 76,951	 78,328
 Net Position, Beginning of Year	 370,509	 272,566	 643,075
 Net Position, End of Year	 \$ 371,886	 \$ 349,517	 \$ 721,403

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

**TOWN OF BOONTON SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Enterprise Funds</u>		
	<u>Food Service</u>	<u>Bridges to Learning Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 302,693	\$ 702,028	\$ 1,004,721
Cash Payments for Employees Salaries & Benefits	(275,982)	(527,453)	(803,435)
Cash Payments to Suppliers for Goods and Services	(375,118)	(97,428)	(472,546)
Net Cash Provided by (Used for) Operating Activities	<u>(348,407)</u>	<u>77,147</u>	<u>(271,260)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from (Payments to) Other Funds	(67,063)		(67,063)
Cash Received from Other Governments	376,213	-	376,213
Net Cash Provided by Noncapital Financing Activities	<u>309,150</u>	<u>-</u>	<u>309,150</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(4,626)	(96,570)	(101,196)
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,626)</u>	<u>(96,570)</u>	<u>(101,196)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings	7,704	-	7,704
Net Cash Provided by Investing Activities	<u>7,704</u>	<u>-</u>	<u>7,704</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(36,179)	(19,423)	(55,602)
Cash and Cash Equivalents, Beginning of Year	145,199	272,982	418,181
Cash and Cash Equivalents, End of Year	<u>\$ 109,020</u>	<u>\$ 253,559</u>	<u>\$ 362,579</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (404,178)	\$ 76,951	\$ (327,227)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	18,911		18,911
Non-Cash Federal Assistance - Food Distribution Program	53,228		53,228
Change in Assets, Deferred Inflows of Resources and Liabilities (Increase)/Decrease in Accounts Receivable	(17,103)		(17,103)
(Increase)/Decrease in Inventory	1,987		1,987
Increase/(Decrease) in Accounts Payable	(719)	196	(523)
Increase/(Decrease) in Deferred Inflows of Resources	(1,629)		(1,629)
Increase/(Decrease) in Unearned Revenue	1,096	-	1,096
Total Adjustments	<u>55,771</u>	<u>196</u>	<u>55,967</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (348,407)</u>	<u>\$ 77,147</u>	<u>\$ (271,260)</u>
Non-Cash Investing, Capital and Financing Activities: Value Received - Food Distribution Program	\$ 51,599		\$ 51,599

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

NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2025, the District adopted the following GASB statements:

- GASB Statement No. 101, *Compensated Absences*, was effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.
- GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Reclassifications

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

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

1. Cash, Cash Equivalents and Investments

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Receivables

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

3. Inventories

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

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

4. Capital Assets

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

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

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

7. Pensions

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Financing Agreements

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

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

9. Long-Term Obligations

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

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

10. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2025/2026 original budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2E).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2025 audited excess surplus that is required to be appropriated in the 2026/2027 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that was appropriated in the 2025/2026 original budget certified for taxes.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

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

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

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

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the 2025/2026 original budget certified for taxes.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance (Continued)*

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

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

11. *Fund Balance Policies*

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2023/2024 and 2024/2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *On-Behalf Payments*

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system, including on-behalf payments for post-retirement medical contributions for District employees enrolled in the Public Employees Retirement System (PERS).

Revenues and expenses of governmental activities include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system, including the on-behalf actuarial determined post-retirement medical benefit amounts attributable to the District for District employees enrolled in the PERS retirement system.

5. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2024/2025. Also, during 2024/2025 the Board increased the original budget of the general fund by \$131,298 and the special revenue fund by \$360,699. The increase in the general fund was funded by additional restricted local revenue and the reappropriation of prior year encumbrances. The increase in the special revenue fund was funded by grant awards.

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

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

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Undistributed Expenditures			
Instruction (Tuition)			
Tuition to County Voc.			
School District-Special	\$2,606	\$4,450	\$1,844
Unallocated Benefits			
Health Benefits	2,912,283	2,956,869	44,586

The above variances were the result of audit adjustments and were offset with other available resources.

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$675,884 in the General Fund and \$197,116 in the Special Revenue Fund as of June 30, 2025 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2024/2025 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity (Continued)

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficits in the GAAP (fund) financial statements of \$675,884 in the General Fund and \$197,116 in the Special Revenue Fund are less than the delayed state aid payments at June 30, 2025.

D. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	\$ 963,903
Increased by:	
Deposits Approved by Board Resolution	<u>125,000</u>
Balance, June 30, 2025	<u>\$ 1,088,903</u>

The June 30, 2025 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$50,909,217. \$260,000 of the capital reserve balance has been appropriated for use in the 2025/2026 budget.

E. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	<u>\$ 50,000</u>
Balance, June 30, 2025	<u>\$ 50,000</u>

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,427,952.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

F. Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2025 is \$739,452. Of this amount, \$387,424 was designated and appropriated in the 2025/2026 original budget certified for taxes and the remaining amount of \$352,028 is required to be appropriated in the 2026/2027 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2025, the book value of the Board's deposits was \$3,300,664 and bank and brokerage firm balances of the Board’s deposits amounted to \$3,886,849. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

Depository Account

Insured	\$ 2,825,864
Uninsured and Collateralized	<u>1,060,985</u>
	<u>\$ 3,886,849</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2025, the Board’s bank balances of \$1,060,985 were exposed to custodial credit risk as follows:

Uninsured and Collateralized:

Collateral held by pledging financial institutions' trust department but not in the Board's name	<u>\$ 1,060,985</u>
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**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2025, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

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

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

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

B. Receivables

Receivables as of June 30, 2025 for the District’s individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts			\$ 36,606	\$ 36,606
Intergovernmental				
Federal		\$ 190,865	24,806	215,671
State	\$ 56,733	-	785	57,518
Gross Receivables	56,733	190,865	62,197	309,795
Less: Allowance for				
Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 56,733</u>	<u>\$ 190,865</u>	<u>\$ 62,197</u>	<u>\$ 309,795</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Total</u>
General Fund	
Prepaid Tuition/Fees	\$ 444
Special Revenue Fund	
Unencumbered Grant Draw Downs	285
Grant Draw Downs Reserved for Encumbrances	<u>15,213</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 15,942</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	<u>Balance, July 1, 2024</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Balance, June 30, 2025</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 471,800	-	-	\$ 471,800
Total Capital Assets, Not Being Depreciated	<u>471,800</u>	<u>-</u>	<u>-</u>	<u>471,800</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	34,729,704	\$ 855,570		35,585,274
Machinery and Equipment	3,749,491	329,649	\$ (305,825)	3,773,315
Total Capital Assets Being Depreciated	<u>38,479,195</u>	<u>1,185,219</u>	<u>(305,825)</u>	<u>39,358,589</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(13,946,573)	(1,568,692)		(15,515,265)
Machinery and Equipment	(3,347,503)	(376,128)	305,825	(3,417,806)
Total Accumulated Depreciation	<u>(17,294,076)</u>	<u>(1,944,820)</u>	<u>305,825</u>	<u>(18,933,071)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,185,119</u>	<u>(759,601)</u>	<u>-</u>	<u>20,425,518</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,656,919</u>	<u>\$ (759,601)</u>	<u>\$ -</u>	<u>\$ 20,897,318</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2025</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 400,507	\$ 101,196	-	\$ 501,703
Total Capital Assets Being Depreciated	<u>400,507</u>	<u>101,196</u>	<u>-</u>	<u>501,703</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(250,630)	(18,911)	-	(269,541)
Total Accumulated Depreciation	<u>(250,630)</u>	<u>(18,911)</u>	<u>-</u>	<u>(269,541)</u>
Total Capital Assets, Being Depreciated, Net	<u>149,877</u>	<u>82,285</u>	<u>-</u>	<u>232,162</u>
Business-Type Activities Capital Assets, Net	<u>\$ 149,877</u>	<u>\$ 82,285</u>	<u>\$ -</u>	<u>\$ 232,162</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 34,093
Total Instruction	<u>34,093</u>
Support Services	
Support Services-Students	15,993
School Administration	14,284
Operations and Maintenance	1,846,898
Transportation	33,552
Total Support Services	<u>1,910,727</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,944,820</u>
Business-Type Activities:	
Food Service Fund	\$ 18,911
Total Depreciation Expense-Business-Type Activities	<u>\$ 18,911</u>

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 288,042
Food Service Enterprise Fund	General Fund	<u>93,028</u>
		<u>\$ 381,070</u>

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

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

Interfund transfers

	<u>Transfer In:</u>		<u>Total</u>
	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	
<u>Transfer Out:</u>			
General Fund	<u>\$ 396,825</u>	<u>\$ 10,276</u>	<u>\$ 407,101</u>
Total Transfers	<u>\$ 396,825</u>	<u>\$ 10,276</u>	<u>\$ 407,101</u>

The above transfers were the result of revenues earned in one fund to finance expenditures in another fund.

F. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2025 are comprised of the following issues:

\$11,190,000, 2024 Refunding Bonds, due in annual installments of \$995,000 to \$1,450,000 through January 15, 2034, interest at 3.00% to 4.00%

\$11,120,000

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

General Obligation Bonds

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 995,000	\$ 430,300	\$ 1,425,300
2027	1,035,000	390,500	1,425,500
2028	1,160,000	349,100	1,509,100
2029	1,205,000	302,700	1,507,700
2030	1,245,000	254,500	1,499,500
2031-2034	<u>5,480,000</u>	<u>500,200</u>	<u>5,980,200</u>
	<u>\$ 11,120,000</u>	<u>\$ 2,227,300</u>	<u>\$ 13,347,300</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 61,009,464
Less: Net Debt Issued and Authorized but not Issued	<u>(11,120,000)</u>
Remaining Borrowing Power	<u>\$ 49,889,464</u>

Current Refunding of Debt

On October 24, 2024, the District issued \$11,190,000 in School District Refunding Bonds having an interest rate of 3.0% to 4.0%. These Bonds were issued in order to currently refund certain principal maturities of various school district bonds. The total principal currently refunded was \$11,450,000. The reacquisition price exceeded the net carrying amount of the old debt by \$89,718. This amount has been reported as Deferred Outflows of Resources on the financial statements and will be amortized over the new debt's life, which is shorter than the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next ten years by \$483,478 and resulted in an economic gain of \$426,646.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance, <u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2025</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 12,445,000	\$ 11,190,000	\$ (12,515,000)	\$ 11,120,000	\$ 995,000
Add: Premium	<u>370,378</u>	<u>503,008</u>	<u>(99,186)</u>	<u>774,200</u>	<u>-</u>
Total Bonds Payable	12,815,378	11,693,008	(12,614,186)	11,894,200	995,000
Capital and Other Financing Agreements	70,555		(70,555)	-	
Net Pension Liability	6,915,045	385,699	(664,561)	6,636,183	
Compensated Absences	<u>376,592</u>	<u>42,305</u>	<u>(38,780)</u>	<u>380,117</u>	<u>20,266</u>
Governmental Activity Long-Term Liabilities	<u>\$ 20,177,570</u>	<u>\$ 12,121,012</u>	<u>\$ (13,388,082)</u>	<u>\$ 18,910,500</u>	<u>\$ 1,015,266</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the New Jersey Schools Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims. NJSIG also provides insured coverage (multi-peril) to its member school districts.

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Interest <u>Earned</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2025	None	\$ 42,110	\$ 1,316	\$ 43,085	\$ 28,515
2024	None	36,790	1,392	8,912	27,199
2023	None	38,238	182	66,093	34,719

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2025, the District has not estimated its arbitrage earnings due to the IRS, if any.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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:

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

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 is \$13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is \$49.5 billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2024.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2025 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2025, 2024 and 2023 were equal to the required contributions.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the fiscal years ended June 30, 2025, 2024 and 2023 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2025	\$ 664,561	\$ 5,279,600	\$ 8,298
2024	638,079	5,522,870	7,641
2023	600,739	5,015,320	12,267

In addition for fiscal years 2025, 2024 and 2023 the State contributed \$2,428, \$2,224 and \$1,948, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,170,050 during the fiscal year ended June 30, 2024 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer’s prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2023 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2024 are based on the ratio of each employer’s contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of \$6,636,183 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The District’s proportionate share of the net pension liability was based on the ratio of the District’s share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2024. At June 30, 2024, the District’s proportionate share was .04883 percent, which was an increase of .00109 percent from its proportionate share measured as of June 30, 2023 of .04774 percent.

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$521,641 for PERS. The pension contribution made by the District during the current 2024/2025 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2025 with a measurement date of the prior fiscal year end of June 30, 2024. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 132,935	\$ 17,667
Changes of Assumptions	8,244	75,505
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	307,702
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>569,879</u>	<u>-</u>
Total	<u>\$ 711,058</u>	<u>\$ 400,874</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2025, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2026	\$ 38,765
2027	375,649
2028	(72,271)
2029	(36,514)
2030	4,555
Thereafter	<u>-</u>
	<u>\$ 310,184</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS’s target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

The following presents the District’s proportionate share of the PERS net pension liability as of the June 30, 2024 measurement date calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,817,856</u>	<u>\$ 6,636,183</u>	<u>\$ 4,779,592</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2024. A sensitivity analysis specific to the District’s net pension liability at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2023 through June 30, 2024. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2024, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense (benefit) of \$(231,035) for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the net pension liability attributable to the District is \$63,334,746. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2024. At June 30, 2024, the state's share of the net pension liability attributable to the District was .12814 percent, which was an increase of .00714 percent from its proportionate share measured as of June 30, 2023 of .12100 percent.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF’s target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 7.00%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 75,282,312</u>	<u>\$ 63,334,746</u>	<u>\$ 53,272,637</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Description and Benefits Provided

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

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2024:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>153,556</u>
Total	<u>372,741</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2024 is \$59.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2024 were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.50 billion to the OPEB plan in fiscal year 2024.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2025, 2024 and 2023 were \$1,542,703, \$1,503,123 and \$1,317,513, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer’s prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2023 through June 30, 2024. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,340,401. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025, the State’s proportionate share of the OPEB liability attributable to the District is \$64,212,503. The State’s proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state’s share of the OPEB liability attributable to the District was .10765 percent, which was an increase of .00074 percent from its proportionate share measured as of June 30, 2023 of .10691 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 5.65% Based on Years of Service

Mortality Rates

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2023 Measurement Date	\$ <u>55,981,251</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,616,280
Interest on the Total OPEB Liability	2,113,723
Differences Between Expected and Actual Experience	256,310
Changes of Assumptions	4,803,949
Gross Benefit Payments	(1,614,285)
Contributions from the Member	55,275
Net Changes	\$ <u>8,231,252</u>
Balance, June 30, 2024 Measurement Date	\$ <u><u>64,212,503</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2024.

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 75,206,593</u>	<u>\$ 64,212,503</u>	<u>\$ 55,370,973</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 53,489,482</u>	<u>\$ 64,212,503</u>	<u>\$ 78,179,945</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

F. Tax Abatements

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

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 22,266,465		\$ 22,266,465	\$ 22,266,465	
Tuition from Other LEA's within the State	6,116,744		6,116,744	6,101,102	\$ (15,642)
Transportation Fees from Other LEA's within the State				8,468	8,468
Interest on Investments				119,023	119,023
Interest Earned on Unemployment				1,316	1,316
Rents and Royalties	50,000		50,000	59,994	9,994
Unrestricted Miscellaneous Revenues	80,000	\$ 4,800	84,800	245,224	160,424
Total Local Sources	28,513,209	4,800	28,518,009	28,801,592	283,583
State Sources					
Transportation Aid	114,513		114,513	114,513	
Extraordinary Aid	800,000		800,000	850,767	50,767
Special Education Aid	1,350,406		1,350,406	1,350,406	-
Equalization Aid	3,959,943		3,959,943	3,959,943	-
TPAF Pension System Contribution (On-Behalf - Non-Budgeted)				5,215,000	5,215,000
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				64,600	64,600
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,542,703	1,542,703
TPAF Long-Term Disability Contributions (Non-Budgeted)				2,428	2,428
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,170,050	1,170,050
Total State Sources	6,554,936	-	6,554,936	14,600,484	8,045,548
Medicaid Reimbursement	81,698	-	81,698	41,586	(40,112)
Total Federal Sources	81,698	-	81,698	41,586	(40,112)
Total Revenues	35,149,843	4,800	35,154,643	43,443,662	8,289,019
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	432,371	9,076	441,447	441,447	
Grades 1-5	2,337,695	6,488	2,344,183	2,344,183	
Grades 6-8	1,492,739	18,151	1,510,890	1,510,890	
Grades 9-12	4,052,825	139,374	4,192,199	4,192,199	
Regular Programs - Home Instruction					
Salaries of Teachers	5,000	5,650	10,650	10,650	
Purchased Professional-Educational Services	52,500	(29,173)	23,327	17,051	6,276
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	39,337	311	39,648	39,648	
Purchased Professional-Educational Services		7,496	7,496	7,496	
Purchased Technical Services	77,678	(47,316)	30,362	15,184	15,178
Other Purchased Services	120,046	(19,538)	100,508	92,768	7,740
General Supplies	392,736	(61,475)	331,261	321,365	9,896
Textbooks	237,500	64,721	302,221	302,221	-
Other Objects	21,018	(13,822)	7,196	7,196	-
Total Regular Programs - Instruction	9,261,445	79,943	9,341,388	9,302,298	39,090
Special Education					
Learning and/or Language Disabilities - Mild/Moderate					
Salaries of Teachers	366,351	34,395	400,746	400,171	575
Other Salaries for Instruction	307,768	(228,739)	79,029	79,029	
Other Purchased Services (400-500 series)	200		200		200
General Supplies	3,000	(289)	2,711	2,700	11
Total Learning and/or Language Disabilities - Mild/Moderate	677,319	(194,633)	482,686	481,900	786

TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 114,054	\$ 26,982	\$ 141,036	\$ 140,279	\$ 757
Other Salaries for Instruction	84,174	3,229	87,403	87,403	
Other Purchased Services (400-500 series)	200	(200)			
General Supplies	1,000	(171)	829	811	18
Total Multiple Disabilities	199,428	29,840	229,268	228,493	775
Resource Room/Resource Center					
Salaries of Teachers	1,835,921	(112,343)	1,723,578	1,723,578	
Other Salaries for Instruction	607,878	(217,180)	390,698	390,698	
Other Purchased Services (400-500 series)	880	(742)	138	89	49
General Supplies	5,500	(699)	4,801	4,735	66
Total Resource Room/Resource Center	2,450,179	(330,964)	2,119,215	2,119,100	115
Preschool Disabilities - Full Time					
Salaries of Teachers	110,694	(6,209)	104,485	104,440	45
Other Salaries for Instruction	92,584	(5,423)	87,161	87,161	
General Supplies	500	(351)	149	137	12
Total Preschool Disabilities - Full-Time	203,778	(11,983)	191,795	191,738	57
Home Instruction					
Salaries of Teachers	10,000	39,778	49,778	49,778	
Purchased Professional Educational Services	23,000	(4,452)	18,548	17,880	668
Other Purchased Services (400-500 series)	40	-	40	-	40
Total Home Instruction	33,040	35,326	68,366	67,658	708
Total Special Education - Instruction	3,563,744	(472,414)	3,091,330	3,088,889	2,441
Basic Skills/Remedial - Instruction					
Salaries of Teachers	456,734	141,604	598,338	598,338	
Other Salaries for Instruction		23,014	23,014	18,406	4,608
Other Purchased Services (400-500 series)	200	(74)	126	126	
General Supplies	3,632	(532)	3,100	3,100	-
Total Basic Skills/Remedial - Instruction	460,566	164,012	624,578	619,970	4,608
Bilingual Education - Instruction					
Salaries of Teachers	389,609	5,794	395,403	395,403	
Other Purchased Services (400-500 series)	280	15	295		295
General Supplies	10,810	(2,227)	8,583	1,106	7,477
Total Bilingual Education - Instruction	400,699	3,582	404,281	396,509	7,772
School Sponsored Co-Curricular Activities - Instruction					
Salaries	124,065	1,735	125,800	125,758	42
Purchased Services (300-500 series)	7,500	(1,735)	5,765	5,593	172
Supplies and Materials	3,635	1,000	4,635	-	4,635
Total School Sponsored Co-Curricular Activities - Instruction	135,200	1,000	136,200	131,351	4,849
School Sponsored Athletics - Instruction					
Salaries	626,339	(49,777)	576,562	571,887	4,675
Purchased Services (300-500 series)	130,203	10,522	140,725	137,055	3,670
Supplies and Materials	87,000	(11,414)	75,586	72,399	3,187
Other Objects	13,225	1,562	14,787	12,605	2,182
Total School Sponsored Athletics - Instruction	856,767	(49,107)	807,660	793,946	13,714
Other Instructional Programs - Instruction					
Supplies and Materials	1,000	(1,000)	-	-	-
Total Other Instructional Programs - Instruction	1,000	(1,000)	-	-	-
Total Instruction	14,679,421	(273,984)	14,405,437	14,332,963	72,474

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction (Tuition)					
Tuition to Other LEAs w/ State -Regular		\$ 45,834	\$ 45,834	\$ 45,834	
Tuition to Other LEAs w/ State - Special	\$ 413,414	(146,892)	266,522	265,600	\$ 922
Tuition to County Voc. School Dist.-Regular	273,155	22,055	295,210	292,796	2,414
Tuition to County Voc. School Dist.- Special	1,723	883	2,606	4,450	(1,844)
Tuition to CSSD and Regional Day Schools	155,656	(149,639)	6,017	484	5,533
Tuition to Priv. Sch. Disabled Within State	1,525,758	(5,258)	1,520,500	1,415,001	105,499
Total Undistributed Expenditures - Instruction (Tuition)	2,369,706	(233,017)	2,136,689	2,024,165	112,524
Attendance and Social Work					
Salaries	20,825	1,007	21,832	20,962	870
Purchased Professional and Technical Services	8,770		8,770	8,770	
Supplies and Materials	500	-	500	-	500
Total Attendance and Social Work	30,095	1,007	31,102	29,732	1,370
Health Services					
Salaries	292,825	(5,248)	287,577	287,576	1
Purchased Professional and Technical Services	27,300	715	28,015	26,695	1,320
Other Purchased Services (400-500 series)	1,120	(863)	257	257	
Supplies and Materials	11,695	(1,746)	9,949	9,649	300
Total Health Services	332,940	(7,142)	325,798	324,177	1,621
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	591,945	(78,207)	513,738	513,737	1
Purchased Professional/Educational Services	454,940	(20,880)	434,060	415,724	18,336
Supplies and Materials	3,500	-	3,500	2,594	906
Total Other Supp.Serv. Student- Speech, OT, PT, & Related Serv.	1,050,385	(99,087)	951,298	932,055	19,243
Other Support Services - Students - Extra Serv.					
Salaries	477,316	466,928	944,244	944,244	
Purchased Professional/Educational Services	436,919	(8,593)	428,326	388,948	39,378
Total Other Supp.Serv. Student - Extra Serv.	914,235	458,335	1,372,570	1,333,192	39,378
Guidance					
Salaries of Other Professional Staff	749,679	(2,514)	747,165	745,832	1,333
Salaries of Secretarial & Clerical Assistants	63,140		63,140	62,770	370
Other Salaries	7,550		7,550	7,530	20
Purchased Professional/Educational Services	16,402		16,402	16,402	
Other Purchased Professional and Technical Svcs.	17,388		17,388	11,307	6,081
Other Purchased Services	5,350	150	5,500	3,866	1,634
Supplies and Materials	12,993		12,993	9,688	3,305
Other Objects	1,064	-	1,064	467	597
Total Guidance	873,566	(2,364)	871,202	857,862	13,340
Child Study Teams					
Salaries of Other Professional Staff	999,379	86,241	1,085,620	1,082,200	3,420
Salaries of Secretarial & Clerical Assistants	61,705	(3,250)	58,455	58,175	280
Other Salaries	20,850	4,229	25,079	23,405	1,674
Purchased Professional-Educational Services	19,460	83,075	102,535	90,400	12,135
Other Purchased Professional and Technical Services	10,913	(37)	10,876	7,043	3,833
Other Purchased Services (400-500 Series)	7,009	87	7,096	4,392	2,704
Supplies and Materials	28,350	4,412	32,762	25,571	7,191
Other Objects	2,115	-	2,115	1,880	235
Total Child Study Teams	1,149,781	174,757	1,324,538	1,293,066	31,472
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	503,336	(276,261)	227,075	227,075	
Salaries Other Prof Staff	2,625		2,625		2,625
Salaries of Secretarial & Clerical Assistants	65,405	254	65,659	65,659	
Other Salaries	3,500	(254)	3,246		3,246
Salaries of Facilitators, Math and Literacy Coaches	5,000	-	5,000	2,500	2,500
Purchased Professional/Educational Services	11,376	(393)	10,983	8,998	1,985
Other Purchased Professional and Technical Services	13,368	333	13,701	13,701	
Other Purchased Services (400-500)	10,000	(581)	9,419	2,162	7,257
Supplies and Materials	5,129	(174)	4,955	1,934	3,021
Other Objects	2,706	174	2,880	2,880	-
Total Improvement of Instruction Services	622,445	(276,902)	345,543	324,909	20,634

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Educational Media/School Library					
Salaries	\$ 259,994		\$ 259,994	\$ 259,646	\$ 348
Salaries of Technology Coordinators	130,661		130,661	121,914	8,747
Purchased Professional and Technical Services	4,529		4,529	4,404	125
Other Purchased Services (400-500 Series)	800		800	19	781
Supplies and Materials	16,695		16,695	12,839	3,856
Other Objects	80	-	80	80	-
Total Educational Media/School Library	412,759	-	412,759	398,902	13,857
Instructional Staff Training Services					
Other Salaries	2,750		2,750	2,395	355
Purchased Professional Educational Services	15,500	\$ (12,500)	3,000		3,000
Other Purchased Services (400-500 Series)	39,730	(20,140)	19,590	7,783	11,807
Other Objects	-	60	60	60	-
Total Instructional Staff Training Services	57,980	(32,580)	25,400	10,238	15,162
Support Services General Administration					
Salaries	432,613	378	432,991	432,991	
Legal Services	135,000	(19,078)	115,922	96,065	19,857
Audit Fees	33,060	1,440	34,500	34,500	
Architectural/Engineering Services	10,000	(9,872)	128		128
Other Purchased Professional Services	2,483	332	2,815	2,815	
Purchased Technical Services	18,067	11,484	29,551	29,179	372
Communications/Telephone	94,033	15,589	109,622	74,859	34,763
BOE Other Purchased Services	4,605	(1,101)	3,504	3,504	
Miscellaneous Purchased Services	20,955	884	21,839	21,451	388
General Supplies	10,157	5,406	15,563	15,328	235
Judgements Against the School District	2,500	(662)	1,838		1,838
Miscellaneous Expenditures	6,338	1,162	7,500	7,500	
BOE Membership Dues and Fees	13,386	(140)	13,246	13,246	-
Total Support Services General Administration	783,197	5,822	789,019	731,438	57,581
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	504,534	216,262	720,796	711,801	8,995
Salaries of Other Professional Staff	124,328		124,328	124,328	
Salaries of Secretarial and Clerical Assistants	284,328	2,720	287,048	287,046	2
Purchased Professional and Technical Services	2,992	(1,567)	1,425	1,425	
Other Purchased Services (400-500 Series)	8,123	4,618	12,741	12,435	306
Supplies and Materials	34,139	587	34,726	34,683	43
Other Objects	8,742	(909)	7,833	7,833	-
Total Support Services School Administration	967,186	221,711	1,188,897	1,179,551	9,346
Undistributed Expenditures - Central Services					
Salaries	373,766	5,573	379,339	375,008	4,331
Purchased Professional Services	17,520	7,772	25,292	25,292	
Purchased Professional Services - Public Relation Costs	4,000	(3,595)	405		405
Purchased Technical Services	13,418	680	14,098	13,818	280
Misc. Purchased Services	3,075	3,508	6,583	5,597	986
Supplies and Materials	7,000	(539)	6,461	6,266	195
Miscellaneous Expenditures	2,493	-	2,493	2,224	269
Total Undistributed Expenditures - Central Services	421,272	13,399	434,671	428,205	6,466
Undistributed Expenditures - Admin. Info. Tech.					
Purchased Technical Services	50,923	(3,677)	47,246	45,626	1,620
Supplies and Materials	3,000	21,113	24,113	23,376	737
Total Undistributed Expenditures - Admin. Info. Tech.	53,923	17,436	71,359	69,002	2,357
Required Maintenance for School Facilities					
Salaries	269,721	16,863	286,584	286,583	1
Cleaning, Repair and Maintenance Services	103,972	(8,912)	95,060	84,001	11,059
General Supplies	13,500	15,528	29,028	28,803	225
Total Required Maintenance for School Facilities	387,193	23,479	410,672	399,387	11,285

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 597,483	\$ 6,658	\$ 604,141	\$ 604,098	\$ 43
Salaries of Non-Instructional Aides	164,962	9,567	174,529	174,529	
Purchased Professional and Technical Services	1,472		1,472	1,336	136
Cleaning, Repair and Maintenance Services	164,519	(112,945)	51,574	48,019	3,555
Other Purchased Property Services	28,856	3,078	31,934	30,884	1,050
Insurance	345,118	(30,116)	315,002	311,111	3,891
General Supplies	55,000	24,271	79,271	77,271	2,000
Energy (Natural Gas)	165,000	27,531	192,531	192,531	
Energy (Electricity)	252,590	(10,273)	242,317	242,317	
Energy (Oil)	2,162	(201)	1,961	1,451	510
Total Custodial Services	1,777,162	(82,430)	1,694,732	1,683,547	11,185
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	4,500	(4,500)			
Cleaning, Repair and Maintenance Services	9,500	36,591	46,091	45,022	1,069
General Supplies	8,000	(926)	7,074	7,074	-
Total Care and Upkeep of Grounds	22,000	31,165	53,165	52,096	1,069
Security					
Purchased Professional and Technical Services	56,575	(29,019)	27,556	6,471	21,085
Cleaning, Repair and Maintenance Services	6,686	12,240	18,926	7,650	11,276
General Supplies	4,060	4,694	8,754	8,739	15
Total Security	67,321	(12,085)	55,236	22,860	32,376
Student Transportation Services					
Salaries of Non- Instructional Aides	20,963	2,189	23,152	22,712	440
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	80,567	1,955	82,522	82,522	
Salaries for Pupil Transportation (Other Than Between Home and School)	49,400	(2,862)	46,538	38,749	7,789
Cleaning, Repair and Maintenance Services	20,000	11,865	31,865	31,765	100
Rental Payments - School Buses	3,000	(3,000)			
Lease Purchase Payments - School Buses	38,871		38,871	38,871	
Contracted Services - Aid in Lieu Payments - Charter School	1,000		1,000		1,000
Contracted Services - Aid in Lieu Payments - Choice School	1,000	177	1,177	1,177	
Contracted Services (Between Home and School) - Vendors	231,000	18,915	249,915	228,009	21,906
Contracted Services (Other Than Between Home and School) - Vendors	109,585	51,844	161,429	136,468	24,961
Contracted Services (Between Home and School) - Joint Agreements		83,336	83,336	66,242	17,094
Contracted Services (Special Ed Students) - Vendors	757,350	(167,462)	589,888	589,888	
Transportation Supplies	25,000	8,682	33,682	12,625	21,057
Other Objects	1,200	-	1,200	538	662
Total Student Transportation Services	1,338,936	5,639	1,344,575	1,249,566	95,009
Allocated Benefits					
Special Programs - Instruction					
Social Security Contributions	93,430	(20,584)	72,846	72,846	
Pension Contributions	17,615	144,899	162,514	162,514	
Worker's Compensation	18,888	2,094	20,982	20,982	
Health Benefits	945,587	(152,688)	792,899	792,899	-
Other Employee Benefits	52,000	(11,290)	40,710	40,710	-
Total Allocated Benefits - Special Programs - Instruction	1,127,520	(37,569)	1,089,951	1,089,951	-

TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Other Support Services - Students - Extra Serv.					
Social Security Contributions	\$ 29,362	\$ 43,285	\$ 72,647	\$ 72,647	
Pension Contributions		45,825	45,825	45,825	
Worker's Compensation	1,992	463	2,455	2,455	
Health Benefits	195,248	150,924	346,172	342,456	\$ 3,716
Other Employee Benefits	10,000	5,000	15,000	15,000	-
Total Allocated Benefits - Other Support Services - Students - Extra S	<u>236,602</u>	<u>245,497</u>	<u>482,099</u>	<u>478,383</u>	<u>3,716</u>
Support Services - General Administration					
Tuition Reimbursement	5,500	(5,500)	-	-	-
Total Allocated Benefits - Support Services - General Administration	<u>5,500</u>	<u>(5,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services - School Administration					
Tuition Reimbursement	5,000	500	5,500	5,500	-
Total Allocated Benefits - Support Services - School Administration	<u>5,000</u>	<u>500</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>
Support Services - Student Transportation Services					
Social Security Contributions	11,583	(276)	11,307	11,307	
Pension Contributions	7,245	6,037	13,282	13,282	
Worker's Compensation	4,122	324	4,446	4,446	
Health Benefits	45,045	(4,450)	40,595	39,856	739
Total Allocated Benefits - Student Transportation Services	<u>67,995</u>	<u>1,635</u>	<u>69,630</u>	<u>68,891</u>	<u>739</u>
Total Allocated Benefits	<u>1,442,617</u>	<u>204,563</u>	<u>1,647,180</u>	<u>1,642,725</u>	<u>4,455</u>
Unallocated Benefits					
Group Insurance	6,683	(1,386)	5,297	5,297	
Social Security Contributions	285,747	11,438	297,185	297,185	
Other Retirement Contributions - PERS	530,972	(200,090)	330,882	330,882	
Other Retirement Contributions - Regular	12,000	(3,702)	8,298	8,298	
Workmen's Compensation	128,389	12,412	140,801	140,801	
Health Benefits	2,979,433	(67,150)	2,912,283	2,956,869	(44,586)
Tuition Reimbursement	55,000	(1,963)	53,037	53,037	
Other Employee Benefits	199,500	19,066	218,566	218,386	180
Unused Sick Payment to Terminated/Retired Staff	21,650	17,130	38,780	38,780	-
Total Unallocated Benefits	<u>4,219,374</u>	<u>(214,245)</u>	<u>4,005,129</u>	<u>4,049,535</u>	<u>(44,406)</u>

**TOWN OF BOONTON SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (Continued)					
On-Behalf (Non-Budget)					
TPAF Pension System Contribution (On-Behalf - Non-Budgeted)				\$ 5,215,000	\$ (5,215,000)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				64,600	(64,600)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,542,703	(1,542,703)
TPAF Long-Term Disability Contributions (Non-Budgeted)				2,428	(2,428)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,170,050	(1,170,050)
Total On-Behalf	-	-	-	7,994,781	(7,994,781)
Total Undistributed Expenditures	\$ 19,294,073	\$ 197,461	\$ 19,491,534	27,030,991	(7,539,457)
Total Current Expenditures	33,973,494	(76,523)	33,896,971	41,363,954	(7,466,983)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	10,000	16,798	26,798	26,288	510
Grades 6-8		11,300	11,300	10,789	511
Grades 9-12		11,250	11,250	11,250	
School Sponsored and Other Instructional Programs		75,734	75,734	75,734	
Undistributed Expenditures - Admin Info		135,400	135,400	110,519	24,881
Undistributed Expenditures - Care and Upkeep of Grounds		5,998	5,998	5,998	
Undistributed Expenditures - Security		4,837	4,837	4,837	
School Buses - Special	60,000	1,879	61,879	61,879	-
Total Equipment	70,000	263,196	333,196	307,294	25,902
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	70,800	47,669	118,469	102,248	16,221
Construction Services	945,200	(120,228)	824,972	753,323	71,649
Lease Purchase Agreements- Principal	3,752	(164)	3,588	3,587	1
Other Objects	64	163	227	227	
Assessment for Debt Service on SDA Funding	5,733	-	5,733	5,733	-
Total Facilities Acquisition and Construction Services	1,025,549	(72,560)	952,989	865,118	87,871
Total Capital Outlay	1,095,549	190,636	1,286,185	1,172,412	113,773
Transfer of Funds to Charter School	88,411	6,909	95,320	95,320	-
Total General Fund	35,157,454	121,022	35,278,476	42,631,686	(7,353,210)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(7,611)	(116,222)	(123,833)	811,976	935,809
Other Financing Sources (Uses)					
Local Contribution - Preschool - Transfer to Special Revenue Fund	(396,825)		(396,825)	(396,825)	
Transfer to Food Service Enterprise Fund	-	(10,276)	(10,276)	(10,276)	-
Total Other Financing Sources	(396,825)	(10,276)	(407,101)	(407,101)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)					
	(404,436)	(126,498)	(530,934)	404,875	935,809
Fund Balance, Beginning of Year	2,606,066	-	2,606,066	2,606,066	-
Fund Balance, End of Year	\$ 2,201,630	\$ (126,498)	2,075,132	3,010,941	\$ 935,809
Reconciliation of Governmental Funds Statements (GAAP)					
Restricted					
Capital Reserve				\$ 828,903	
Capital Reserve, Designated for Subsequent Year's Expenditures				260,000	
Maintenance Reserve				50,000	
Unemployment Compensation				28,515	
Excess Surplus				352,028	
Excess Surplus, Designated for Subsequent Year's Expenditures				387,424	
Committed					
Year End Encumbrances				86,179	
Assigned					
Designated for Subsequent Year's Expenditures				224,000	
Year End Encumbrances				42,450	
Unassigned				751,442	
Fund Balance- Budgetary Basis				3,010,941	
Less: State Aid Revenue not recognized on GAAP basis				(1,427,326)	
Fund Balance per Governmental Funds Statements (GAAP)				\$ 1,583,615	

**TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Local	\$ 45,000	\$ 139,785	\$ 184,785	\$ 170,879	\$ (13,906)
State	2,320,031	12,424	2,332,455	2,239,035	(93,420)
Federal	843,000	208,490	1,051,490	982,922	(68,568)
Total Revenues	<u>3,208,031</u>	<u>360,699</u>	<u>3,568,730</u>	<u>3,392,836</u>	<u>(175,894)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	952,057	(178,838)	773,219	772,991	228
Other Salaries for Instruction	446,701	(14,696)	432,005	432,005	
Purchased Professional/Technical Services	282,245	92,782	375,027	338,826	36,201
Tuition	450,000	(44,089)	405,911	405,911	
General Supplies	172,810	127,887	300,697	282,835	17,862
Textbooks	17,169	1,037	18,206	18,112	94
Student Activities	26,000	136,899	162,899	162,899	-
Total Instruction	<u>2,346,982</u>	<u>120,982</u>	<u>2,467,964</u>	<u>2,413,579</u>	<u>54,385</u>
Support Services					
Salaries of Supervisors of Instruction	23,400	-	23,400	23,400	
Salaries of Program Directors	82,072	13,729	95,801	95,800	1
Salary of Other Professional Staff	100,185	539	100,724	100,722	2
Salaries of Secretarial and Clerical Assistants	40,269	662	40,931	40,931	
Other Salaries	53,685	50,925	104,610	98,499	6,111
Salaries of Community Parent Involvement Spec.	6,000	(500)	5,500	5,500	
Salaries of Master Teachers	99,844	(574)	99,270	99,270	
Personal Services - Employee Benefits	705,419	20,067	725,486	680,052	45,434
Purchased Professional and Technical Services	15,000	52,337	67,337	34,335	33,002
Cleaning, Repair and Maintenance Services	60,000	(23,500)	36,500	36,500	
Other Purchased Services	10,000	50,390	60,390	49,891	10,499
Contract Services-Transportation (Field Trips)	5,000	(4,830)	170	163	7
Travel	3,000	44,336	47,336	46,507	829
Miscellaneous Purchased Services	10,000	(8,817)	1,183	1,183	
Supplies and Materials	25,000	28,598	53,598	41,594	12,004
Scholarship Awards	19,000	(6,000)	13,000	13,000	-
Total Support Services	<u>1,257,874</u>	<u>217,362</u>	<u>1,475,236</u>	<u>1,367,347</u>	<u>107,889</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	-	10,169	10,169	10,169	-
Construction Services	-	12,186	12,186	12,186	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>22,355</u>	<u>22,355</u>	<u>22,355</u>	<u>-</u>
Total Expenditures	<u>3,604,856</u>	<u>360,699</u>	<u>3,965,555</u>	<u>3,803,281</u>	<u>162,274</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(396,825)</u>	<u>-</u>	<u>(396,825)</u>	<u>(410,445)</u>	<u>(13,620)</u>
Other Financing Sources (Uses)					
Operating Transfers Out				-	-
Operating Transfers In	396,825	-	396,825	396,825	-
Total Other Financing Sources	<u>396,825</u>	<u>-</u>	<u>396,825</u>	<u>396,825</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,620)</u>	<u>(13,620)</u>
Fund Balances, Beginning of Year	359,247	-	359,247	359,247	-
Fund Balances, End of Year	<u>\$ 359,247</u>	<u>\$ -</u>	<u>\$ 359,247</u>	<u>\$ 345,627</u>	<u>\$ (13,620)</u>
Reconciliation of Governmental Funds Statements (GAAP)					
Restricted					
Student Activities				\$ 114,187	
Scholarships				<u>231,440</u>	
Fund Balance- Budgetary Basis				345,627	
Less: State Aid Revenue not recognized on GAAP basis				<u>(197,116)</u>	
Fund Balance per Governmental Funds Statements (GAAP)				<u>\$ 148,511</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 43,443,662	\$ 3,392,836
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Encumbrances, June 30, 2025		(15,213)
Encumbrances, June 30, 2024		26,392
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	951,273	171,802
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(1,427,326)</u>	<u>(197,116)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 42,967,609</u>	<u>\$ 3,378,701</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 42,631,686	\$ 3,803,281
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2025		(15,213)
Encumbrances, June 30, 2024	<u>-</u>	<u>26,392</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 42,631,686</u>	<u>\$ 3,814,460</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportion of the Net Position Liability (Asset)	0.04883%	0.04774%	0.04763%	0.04428%	0.04101%	0.03952%	0.03841%	0.03969%	0.03748%	0.03452%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,636,183	\$ 6,915,045	\$ 7,189,241	\$ 5,246,366	\$ 6,688,408	\$ 7,121,123	\$ 7,564,016	\$ 9,240,543	\$11,101,169	\$ 7,751,074
District's Covered Payroll	\$ 3,888,430	\$ 3,703,670	\$ 3,415,782	\$ 3,336,193	\$ 3,142,626	\$ 2,841,045	\$ 2,667,647	\$ 2,692,375	\$ 2,635,509	\$ 2,413,304
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	171%	187%	210%	157%	213%	251%	284%	343%	421%	321%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.59%	48.10%	40.14%	47.92%

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

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

Public Employees Retirement System

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 664,551	\$ 638,077	\$ 600,739	\$ 518,643	\$ 448,680	\$ 384,425	\$ 382,120	\$ 367,739	\$ 332,987	\$ 296,857
Contributions in Relation to the Contractually Required Contribution	<u>664,551</u>	<u>638,077</u>	<u>600,739</u>	<u>518,643</u>	<u>448,680</u>	<u>384,425</u>	<u>382,120</u>	<u>367,739</u>	<u>332,987</u>	<u>296,857</u>
Contribution Deficiency (Excess)	<u>\$ -</u>									
District's Covered Payroll	\$ 3,919,831	\$ 3,888,430	\$ 3,703,670	\$ 3,415,782	\$ 3,336,193	\$ 3,142,626	\$ 2,841,045	\$ 2,667,647	\$ 2,692,375	\$ 2,635,509
Contributions as a Percentage of Covered Payroll	16.95%	16.41%	16.22%	15.18%	13.45%	12.23%	13.45%	13.79%	12.63%	9.04%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>63,334,746</u>	<u>61,751,243</u>	<u>61,196,032</u>	<u>56,222,755</u>	<u>75,141,142</u>	<u>69,813,017</u>	<u>71,224,092</u>	<u>73,100,319</u>	<u>82,265,151</u>	<u>63,946,677</u>
Total	<u>\$ 63,334,746</u>	<u>\$ 61,751,243</u>	<u>\$ 61,196,032</u>	<u>\$ 56,222,755</u>	<u>\$ 75,141,142</u>	<u>\$ 69,813,017</u>	<u>\$ 71,224,092</u>	<u>\$ 73,100,319</u>	<u>\$ 82,265,151</u>	<u>\$ 63,946,677</u>
District's Covered Payroll	\$ 15,627,999	\$ 15,012,827	\$ 14,326,851	\$ 13,919,341	\$ 13,192,027	\$ 12,456,853	\$ 11,937,455	\$ 11,714,471	\$ 11,137,027	\$ 10,483,171
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.74%

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

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Change of Benefit Terms: None.

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

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

**Postemployment Health Benefit Plan
Last Eight Fiscal Years***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability								
Service Cost	\$ 2,616,280	\$ 2,496,159	\$ 3,261,593	\$ 3,615,305	\$ 1,981,020	\$ 1,823,408	\$ 2,003,820	\$ 2,433,262
Interest on Total OPEB Liability	2,113,723	1,971,591	1,388,838	1,631,510	1,542,820	1,818,605	1,865,216	1,599,938
Changes of Benefit Terms				(66,942)				
Differences Between Expected and Actual Experience	256,310	480,236	253,513	(10,422,634)	11,622,031	(6,126,055)	(2,315,657)	
Changes of Assumptions	4,803,949	112,835	(14,058,592)	62,049	12,661,864	636,356	(5,255,618)	(6,695,977)
Gross Benefit Payments	(1,614,285)	(1,536,887)	(1,375,685)	(1,285,173)	(1,206,755)	(1,310,137)	(1,224,638)	(1,141,786)
Contribution from the Member	<u>55,275</u>	<u>50,525</u>	<u>44,133</u>	<u>41,710</u>	<u>36,577</u>	<u>38,836</u>	<u>42,325</u>	<u>42,043</u>
Net Change in Total OPEB Liability	8,231,252	3,574,459	(10,486,200)	(6,424,175)	26,637,557	(3,118,987)	(4,884,552)	(3,762,520)
Total OPEB Liability - Beginning	<u>55,981,251</u>	<u>52,406,792</u>	<u>62,892,992</u>	<u>69,317,167</u>	<u>42,679,610</u>	<u>45,798,597</u>	<u>50,683,149</u>	<u>54,445,669</u>
Total OPEB Liability - Ending	<u>\$ 64,212,503</u>	<u>\$ 55,981,251</u>	<u>\$ 52,406,792</u>	<u>\$ 62,892,992</u>	<u>\$ 69,317,167</u>	<u>\$ 42,679,610</u>	<u>\$ 45,798,597</u>	<u>\$ 50,683,149</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>64,212,503</u>	<u>55,981,251</u>	<u>52,406,792</u>	<u>62,892,992</u>	<u>69,317,167</u>	<u>42,679,610</u>	<u>45,798,597</u>	<u>50,683,149</u>
Total OPEB Liability - Ending	<u>\$ 64,212,503</u>	<u>\$ 55,981,251</u>	<u>\$ 52,406,792</u>	<u>\$ 62,892,992</u>	<u>\$ 69,317,167</u>	<u>\$ 42,679,610</u>	<u>\$ 45,798,597</u>	<u>\$ 50,683,149</u>
District's Covered Payroll	<u>\$ 19,815,458</u>	<u>\$ 19,516,429</u>	<u>\$ 17,742,633</u>	<u>\$ 172,555,434</u>	<u>\$ 16,334,653</u>	<u>\$ 16,334,653</u>	<u>\$ 15,297,898</u>	<u>\$ 14,605,102</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%

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

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

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

**TOWN OF BOONTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUES	Every Student Succeeds Act (ESSA)					IDEA		Local Grants	Sub-Total Page 2	Sub-Total Page 3	Total
	Title I	Title II-A	Title III	Title III Immigrant	Title IV	Part B, Basic	Preschool				
Intergovernmental									\$ 2,239,035		\$ 2,239,035
State									136,109	\$ 73,693	982,922
Federal	\$ 225,505	\$ 37,579	\$ 38,388	\$ 671	\$ 14,553	\$ 442,133	\$ 14,291			\$ 162,279	170,879
Local Sources	-	-	-	-	-	-	-	\$ 8,600	-	-	-
Total Revenues	225,505	37,579	38,388	671	14,553	442,133	14,291	8,600	2,375,144	235,972	3,392,836
EXPENDITURES											
Instruction											
Salaries of Teachers									772,991		772,991
Other Salaries for Instruction									432,005		432,005
Purchased Professional & Technical Services	65,462		8,765		14,553	9,450			240,596		338,826
Tuition						396,834	9,077				405,911
General Supplies	114,744		11,842	172		11,126	4,565	2,000	136,664	1,722	282,835
Textbooks									18,112		18,112
Student Activities	-	-	-	-	-	-	-	-	-	162,899	162,899
Total Instruction	180,206	-	20,607	172	14,553	417,410	13,642	2,000	1,600,368	164,621	2,413,579
Support Services											
Salaries of Supervisors of Instruction									23,400		23,400
Salaries of Program Directors									95,800		95,800
Salary of Other Professional Staff									100,722		100,722
Salaries of Secretarial and Clerical Assistants									40,931		40,931
Other Salaries	23,262	5,500	5,090						49,329	15,318	98,499
Salaries of Community Parent Involvement Spec.									5,500		5,500
Salaries of Master Teachers									99,270		99,270
Personal Services Employee-Benefits	1,478	397	501						676,702	974	680,052
Purchased Professional and Technical Services	4,100	3,700	8,700	499		17,336					34,335
Cleaning, Repair and Maintenance Services									8,600	27,900	36,500
Other Purchased Services	16,330	9,687	-						21,195	2,679	49,891
Contract Services-Transportation (Field Trips)									163		163
Travel		18,295	3,490			5,661			129	18,932	46,507
Miscellaneous Purchased Services									1,183		1,183
Supplies and Materials	129					1,726	649	6,600	26,322	6,168	41,594
Scholarship Awards	-	-	-	-	-	-	-	-	-	13,000	13,000
Total Support Services	45,299	37,579	17,781	499	-	24,723	649	6,600	1,149,246	84,971	1,367,347
Facilities Acquisition and Construction Services											
Instructional Equipment									10,169		10,169
Non Instructional Equipment	-	-	-	-	-	-	-	-	12,186	-	12,186
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	22,355	-	22,355
Total Expenditures	225,505	37,579	38,388	671	14,553	442,133	14,291	8,600	2,771,969	249,592	3,803,281
Other Financing Sources (Uses)											
Transfer from General Fund - Preschool	-	-	-	-	-	-	-	-	396,825	-	396,825
Total Other Financing Sources	-	-	-	-	-	-	-	-	396,825	-	396,825
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	(13,620)	(13,620)
Fund Balances, Beginning of Year (Restated)	-	-	-	-	-	-	-	-	-	359,247	359,247
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,627	\$ 345,627

TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUES	ASCERS	Nonpublic Auxiliary Services		Nonpublic Handicapped Services			New Jersey Nonpublic Aid				Preschool Education Aid	Total Page 2
		Compensatory Education	Home Instruction	Examination & Classification	Corrective Speech	Supplemental Instruction	Nursing	Technology	Security	Textbooks		
Intergovernmental												
State		\$ 31,559	\$ -	\$ 28,446	\$ 14,043	\$ 21,063	\$ 44,596	\$ 16,980	\$ 73,185	\$ 18,112	\$ 1,991,051	\$ 2,239,035
Federal	\$ 136,109	-	-	-	-	-	-	-	-	-	-	136,109
Total Revenues	136,109	31,559	-	28,446	14,043	21,063	44,596	16,980	73,185	18,112	1,991,051	2,375,144
EXPENDITURES												
Instruction												
Salaries of Teachers	\$ 45,868										727,123	772,991
Other Salaries for Instruction											432,005	432,005
Purchased Professional/Educational Services	90,241	31,559		28,446	14,043	21,063	44,596				10,648	240,596
General Supplies											46,499	136,664
Textbooks	-	-	-	-	-	-	-	-	-	18,112	-	18,112
Total Instruction	136,109	31,559	-	28,446	14,043	21,063	44,596	16,980	73,185	18,112	1,216,275	1,600,368
Support Services												
Salaries of Supervisors of Instruction											23,400	23,400
Salaries of Program Directors											95,800	95,800
Salary of Other Professional Staff											100,722	100,722
Salaries of Secretarial and Clerical Assistants											40,931	40,931
Other Salaries											49,329	49,329
Salaries of Community Parent Involvement Spec.											5,500	5,500
Salaries of Master Teachers											99,270	99,270
Personal Services Employee-Benefits											676,702	676,702
Other Purchased Services											21,195	21,195
Cleaning, Repair and Maintenance Services											8,600	8,600
Contract Services-Transportation (Field Trips)											163	163
Travel											129	129
Miscellaneous Purchased Services											1,183	1,183
Supplies and Materials	-	-	-	-	-	-	-	-	-	-	26,322	26,322
Total Support Services	-	-	-	-	-	-	-	-	-	-	1,149,246	1,149,246
Facilities Acquisition and Construction Services												
Instructional Equipment											10,169	10,169
Non Instructional Equipment	-	-	-	-	-	-	-	-	-	-	12,186	12,186
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	-	22,355	22,355
Total Expenditures	136,109	31,559	-	28,446	14,043	21,063	44,596	16,980	73,185	18,112	2,387,876	2,771,969
Other Financing Sources (Uses)												
Transfer from General Fund - Preschool	-	-	-	-	-	-	-	-	-	-	396,825	396,825
Total Other Financing Sources	-	-	-	-	-	-	-	-	-	-	396,825	396,825
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ESSER III					Total Page 3
	ARP	Beyond the School Day	Mental Health Summer	Student Activities	Scholarship	
REVENUES						
Intergovernmental						
Federal	\$ 56,023	\$ 1,831	\$ 15,839			\$ 73,693
Local Sources	-	-	-	\$ 156,429	\$ 5,850	162,279
Total Revenues	<u>56,023</u>	<u>1,831</u>	<u>15,839</u>	<u>156,429</u>	<u>5,850</u>	<u>235,972</u>
EXPENDITURES						
Instruction						
General Supplies	344	535	843			1,722
Student Activities	-	-	-	162,899	-	162,899
Total Instruction	<u>344</u>	<u>535</u>	<u>843</u>	<u>162,899</u>	<u>-</u>	<u>164,621</u>
Support Services						
Other Salaries		1,296	14,022			15,318
Personal Services Employee-Benefits			974			974
Cleaning, Repair and Maintenance Services	27,900					27,900
Other Purchased Services	2,679					2,679
Travel	18,932					18,932
Supplies and Materials	6,168					6,168
Scholarship Awards	-	-	-	-	13,000	13,000
Total Support Services	<u>55,679</u>	<u>1,296</u>	<u>14,996</u>	<u>-</u>	<u>13,000</u>	<u>84,971</u>
Total Expenditures	<u>56,023</u>	<u>1,831</u>	<u>15,839</u>	<u>162,899</u>	<u>13,000</u>	<u>249,592</u>
Other Financing Sources (Uses)						
Transfer to Food Service Fund						-
Transfer from General Fund - Preschool	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures	-	-	-	(6,470)	(7,150)	(13,620)
Fund Balances, Beginning of Year	-	-	-	120,657	238,590	359,247
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,187</u>	<u>\$ 231,440</u>	<u>\$ 345,627</u>

**TOWN OF BOONTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 702,057	\$ 25,294	\$ 727,351	\$ 727,123	\$ 228
Other Salaries for Instruction	446,701	(14,696)	432,005	432,005	
Purchased Professional-Educational Services	5,000	5,648	10,648	10,648	
General Supplies	<u>60,000</u>	<u>(13,384)</u>	<u>46,616</u>	<u>46,499</u>	<u>117</u>
Total Instruction	<u>1,213,758</u>	<u>2,862</u>	<u>1,216,620</u>	<u>1,216,275</u>	<u>345</u>
Support Services					
Salaries of Supervisors of Instruction	23,400		23,400	23,400	
Salaries of Program Directors	82,072	13,729	95,801	95,800	1
Salaries of Other Professional Staff	100,185	539	100,724	100,722	2
Salaries of Secretarial and Clerical Assistants	40,269	663	40,932	40,931	1
Other Salaries	53,685	(1,085)	52,600	49,329	3,271
Salaries of Community Parent Involvement Spec.	6,000	(500)	5,500	5,500	
Salaries of Master Teachers	99,844	(574)	99,270	99,270	
Personal Services - Employee Benefits	705,419	16,942	722,361	676,702	45,659
Other Purchased Professional Services	10,000	11,195	21,195	21,195	
Cleaning, Repair and Maintenance Services	60,000	(51,400)	8,600	8,600	
Contract Services-Transportation (Field Trips)	5,000	(4,829)	171	163	8
Travel	3,000	(2,871)	129	129	
Misellaneous Purchased Services	10,000	(8,817)	1,183	1,183	
Supplies and Materials	<u>25,000</u>	<u>1,791</u>	<u>26,791</u>	<u>26,322</u>	<u>469</u>
Total Support Services	<u>1,223,874</u>	<u>(25,217)</u>	<u>1,198,657</u>	<u>1,149,246</u>	<u>49,411</u>
Facilities Acquisition and Construction Services					
Instructional Equipment		10,169	10,169	10,169	
Non Instructional Equipment	<u>-</u>	<u>12,186</u>	<u>12,186</u>	<u>12,186</u>	<u>-</u>
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>22,355</u>	<u>22,355</u>	<u>22,355</u>	<u>-</u>
Total Expenditures	<u>\$ 2,437,632</u>	<u>\$ -</u>	<u>\$ 2,437,632</u>	<u>\$ 2,387,876</u>	<u>\$ 49,756</u>

Calculation of Budget Carryover

Total 2024-2025 Preschool Education Aid Allocation	\$ 1,984,125
Add:	
Actual PEA Carryover (June 30, 2024)	8,222
Budgeted Transfer from the General Fund 2024-2025	<u>396,825</u>
Total Preschool Education Aid Funds Available for 2024-2025 Budget	2,389,172
Less: 2024-2025 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>2,437,632</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2025	(48,460)
Add: June 30, 2025 Unexpended Preschool Education Aid	<u>49,756</u>
2024-2025 Carryover - Preschool Education Aid Programs	<u>\$ 1,296</u>
2024-2025 Preschool Education Aid Carryover Budgeted in 2025-26	<u>\$ 8,222</u>

CAPITAL PROJECTS FUND

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Not Applicable

**TOWN OF BOONTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Not Applicable

PROPRIETARY FUNDS

EXHIBIT G-1

**TOWN OF BOONTON SCHOOL DISTRICT
ENTERPRISE FUNDS - NONMAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

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

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

FIDUCIARY FUNDS
(Not Applicable)

LONG-TERM DEBT

**TOWN OF BOONTON SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2024</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance, June 30, 2025</u>
			<u>Date</u>	<u>Amount</u>					
2014 Refunding Bonds	9/25/14	\$ 9,305,000				\$ 3,115,000		\$ 3,115,000	
2015 Refunding Bonds	4/14/15	9,475,000				9,330,000		9,330,000	
2024 Refunding Bonds	10/24/2024	11,190,000	1/15/2026	\$ 995,000	4.00%				
			1/15/2027	1,035,000	4.00%				
			1/15/2028	1,160,000	4.00%				
			1/15/2029	1,205,000	4.00%				
			1/15/2030	1,245,000	4.00%				
			1/15/2031	1,295,000	4.00%				
			1/15/2032	1,345,000	4.00%				
			1/15/2033	1,390,000	4.00%				
			1/15/2034	1,450,000	3.00%	-	\$ 11,190,000	70,000	\$ 11,120,000
						<u>\$ 12,445,000</u>	<u>\$ 11,190,000</u>	<u>\$ 12,515,000</u>	<u>\$ 11,120,000</u>
								\$ 11,450,000	
								<u>1,065,000</u>	
								<u>\$ 12,515,000</u>	

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

	<u>Original Amount Issued</u>	<u>Date</u>	<u>Balance, July 1, 2024</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2025</u>
Buses and Technology	340,000	6/2020	\$ 70,555	-	\$ 70,555	-
			<u>\$ 70,555</u>	<u>\$ -</u>	<u>\$ 70,555</u>	<u>\$ -</u>

**TOWN OF BOONTON SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 1,100,123		\$ 1,100,123	\$ 1,100,123	
State Sources					
Debt Service State Aid	<u>378,077</u>	<u>-</u>	<u>378,077</u>	<u>378,077</u>	<u>-</u>
Total Revenues	<u>1,478,200</u>	<u>-</u>	<u>1,478,200</u>	<u>1,478,200</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	995,000	\$ 70,000	1,065,000	1,065,000	
Interest and Other Charges	<u>483,200</u>	<u>(70,000)</u>	<u>413,200</u>	<u>363,923</u>	<u>\$ 49,277</u>
Total Expenditures	<u>1,478,200</u>	<u>-</u>	<u>1,478,200</u>	<u>1,428,923</u>	<u>49,277</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,277</u>	<u>(49,277)</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,277</u>	<u>\$ (49,277)</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 4,280,074	\$ 4,885,119	\$ 5,148,477	\$ 4,995,033	\$ 6,340,229	\$ 7,156,254	\$ 8,034,758	\$ 8,670,969	\$ 9,165,142	\$ 8,604,787
Restricted	729	27,946	79,175	246,203	1,092,000	1,551,579	1,033,205	691,112	1,400,349	1,562,322
Unrestricted	<u>(5,796,140)</u>	<u>(7,812,844)</u>	<u>(8,291,092)</u>	<u>(8,047,390)</u>	<u>(9,289,283)</u>	<u>(8,735,474)</u>	<u>(6,816,271)</u>	<u>(5,929,628)</u>	<u>(6,625,089)</u>	<u>(5,887,594)</u>
Total Governmental Activities Net Position	<u>\$ (1,515,337)</u>	<u>\$ (2,899,779)</u>	<u>\$ (3,063,440)</u>	<u>\$ (2,806,154)</u>	<u>\$ (1,857,054)</u>	<u>\$ (27,641)</u>	<u>\$ 2,251,692</u>	<u>\$ 3,432,453</u>	<u>\$ 3,940,402</u>	<u>\$ 4,279,515</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 34,277	\$ 21,873	\$ 111,266	\$ 109,814	\$ 97,164	\$ 117,060	\$ 113,660	\$ 126,391	\$ 149,877	\$ 232,162
Unrestricted	39,890	(1,742)	24,488	(21,234)	20,952	6,287	179,350	621,426	493,198	489,241
Total Business-Type Activities Net Position	<u>\$ 74,167</u>	<u>\$ 20,131</u>	<u>\$ 135,754</u>	<u>\$ 88,580</u>	<u>\$ 118,116</u>	<u>\$ 123,347</u>	<u>\$ 293,010</u>	<u>\$ 747,817</u>	<u>\$ 643,075</u>	<u>\$ 721,403</u>
District-Wide										
Net Investment in Capital Assets	\$ 4,314,351	\$ 4,906,992	\$ 5,259,743	\$ 5,104,847	\$ 6,437,393	\$ 7,273,314	\$ 8,148,418	\$ 8,797,360	\$ 9,315,019	\$ 8,836,949
Restricted	729	27,946	79,175	246,203	1,092,000	1,551,579	1,033,205	691,112	1,400,349	1,562,322
Unrestricted	<u>(5,756,250)</u>	<u>(7,814,586)</u>	<u>(8,266,604)</u>	<u>(8,068,624)</u>	<u>(9,268,331)</u>	<u>(8,729,187)</u>	<u>(6,636,921)</u>	<u>(5,308,202)</u>	<u>(6,131,891)</u>	<u>(5,398,353)</u>
Total District Net Position	<u>\$ (1,441,170)</u>	<u>\$ (2,879,648)</u>	<u>\$ (2,927,686)</u>	<u>\$ (2,717,574)</u>	<u>\$ (1,738,938)</u>	<u>\$ 95,706</u>	<u>\$ 2,544,702</u>	<u>\$ 4,180,270</u>	<u>\$ 4,583,477</u>	<u>\$ 5,000,918</u>

Source: District Financial Statements

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 13,919,626	\$ 15,323,333	\$ 15,328,351	\$ 14,140,403	\$ 14,666,546	\$ 16,632,391	\$ 15,271,596	\$ 15,307,619	\$ 15,563,027	\$ 15,462,233
Special Education	6,022,009	6,620,997	6,513,612	5,476,555	5,997,015	6,652,235	6,981,646	7,665,541	8,003,805	7,632,645
Other Instruction	251,937	512,679	928,254	902,477	946,862	1,089,880	1,082,685	1,030,930	1,051,171	1,430,738
School Sponsored Co-Curricular Activities	1,138,102	1,161,382	1,488,731	1,318,873	1,177,195	1,276,485	1,263,474	1,218,851	1,273,583	1,361,151
Support Services:										
Student & Instruction Related Services	5,091,560	5,836,059	6,840,779	7,294,308	7,472,422	8,651,433	8,279,488	8,217,227	8,235,473	8,410,010
General Administration Services	778,712	721,474	677,356	830,173	760,984	833,099	712,124	717,461	852,059	905,561
School Administrative Services	1,273,827	1,639,793	1,620,581	1,582,687	1,577,390	1,632,105	1,393,436	1,285,799	1,328,363	1,637,137
Central Services	733,676	788,336	977,181	992,346	708,064	717,126	652,001	638,400	641,736	644,405
Plant Operations and Maintenance	2,608,249	3,189,183	3,204,216	3,181,743	2,976,314	3,180,040	3,090,406	3,083,307	3,335,597	4,428,355
Pupil Transportation	480,238	563,831	500,522	576,919	751,504	777,435	930,130	1,295,414	1,351,676	1,369,429
Unallocated Benefits										
Interest On Long-Term Debt	756,194	722,693	704,792	708,046	667,645	644,197	599,211	557,393	513,737	480,520
Total Governmental Activities Expenses	33,054,130	37,079,760	38,784,375	37,004,530	37,701,941	42,086,426	40,256,197	41,017,942	42,150,227	43,762,184
Business-Type Activities:										
Food Service	565,946	604,478	602,316	596,008	508,531	314,091	762,891	754,009	746,221	733,154
Bridges to Learning	608,396	492,315	212,316	471,066	388,071	137,073	584,337	846,401	820,904	625,077
Academy School										
Total Business-Type Activities Expense	1,174,342	1,096,793	814,632	1,067,074	896,602	451,164	1,347,228	1,600,410	1,567,125	1,358,231
Total District Expenses	\$ 34,228,472	\$ 38,176,553	\$ 39,599,007	\$ 38,071,604	\$ 38,598,543	\$ 42,537,590	\$ 41,603,425	\$ 42,618,352	\$ 43,717,352	\$ 45,120,415
Program Revenues										
Governmental Activities:										
Charges For Services:										
Tuition	\$ 6,136,381	\$ 6,118,081	\$ 6,933,030	\$ 5,145,557	\$ 5,720,412	\$ 6,181,636	\$ 6,640,115	\$ 6,154,398	\$ 5,226,058	\$ 6,101,102
School Sponsored Activities							99,155	147,424	138,335	156,429
Transportation						40,832		114,445	1,424	8,468
Operating Grants And Contributions	7,531,561	9,774,107	11,022,395	10,351,842	10,543,567	14,617,038	12,055,234	11,272,274	11,347,689	9,935,705
Capital Grants and Contributions	25,644	14,572	61,750	197,685	36,508	15,056	57,689	-	-	22,355
Total Governmental Activities Program Revenues	13,693,586	15,906,760	18,017,175	15,695,084	16,300,487	20,854,562	18,852,193	17,688,541	16,713,506	16,224,059
Business-Type Activities:										
Charges For Services										
Food Service	\$ 295,172	\$ 328,939	\$ 337,605	\$ 318,589	\$ 242,576	\$ 9,327	\$ 95,928	\$ 421,409	\$ 319,956	\$ 318,700
Bridges to Learning	392,877	434,997	316,576	445,392	437,020	94,764	511,792	679,936	744,940	702,028
Operating Grants And Contributions	262,526	278,597	275,829	255,855	246,480	352,244	909,003	918,858	373,510	397,851
Total Business Type Activities Program Revenues	950,575	1,042,533	930,010	1,019,836	926,076	456,335	1,516,723	2,020,203	1,438,406	1,418,579
Total District Program Revenues	\$ 14,644,161	\$ 16,949,293	\$ 18,947,185	\$ 16,714,920	\$ 17,226,563	\$ 21,310,897	\$ 20,368,916	\$ 19,708,744	\$ 18,151,912	\$ 17,642,638
Net (Expense)/Revenue										
Governmental Activities	\$ (19,360,544)	\$ (21,173,000)	\$ (20,767,200)	\$ (21,309,446)	\$ (21,401,454)	\$ (21,231,864)	\$ (21,404,004)	\$ (23,329,401)	\$ (25,436,721)	\$ (27,538,125)
Business-Type Activities	(223,767)	(54,260)	115,378	(47,238)	29,474	5,171	169,495	419,793	(128,719)	60,348
Total District-Wide Net Expense	\$ (19,584,311)	\$ (21,227,260)	\$ (20,651,822)	\$ (21,356,684)	\$ (21,371,980)	\$ (21,226,693)	\$ (21,234,509)	\$ (22,909,608)	\$ (25,565,440)	\$ (27,477,777)
General Revenues And Other Changes In Net Assets										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 17,288,395	\$ 17,807,046	\$ 18,428,513	\$ 19,164,365	\$ 19,738,335	\$ 20,133,102	\$ 20,535,765	\$ 20,946,479	\$ 21,829,868	\$ 22,266,465
Taxes Levied For Debt Service	1,176,377	1,081,846	1,087,216	1,106,783	1,104,997	1,106,038	1,101,387	1,100,011	1,098,075	1,100,123
Federal and State Aid - Unrestricted	522,765	514,522	649,103	727,498	1,027,831	1,004,628	1,688,350	2,096,167	2,508,835	3,813,582
State Aid - Restricted for Debt Service Principal	220,714	190,708	200,779	207,173	214,846	223,798	228,914	235,307	241,702	281,787
Investment Earnings	3,168	2,201	3,910	5,610	7,209	7,543	5,446	5,247	56,774	120,339
Miscellaneous Income	541,652	192,235	234,018	355,303	257,336	146,571	123,475	126,951	231,769	305,218
Total Governmental Activities	19,753,071	19,788,558	20,603,539	21,566,732	22,350,554	22,621,680	23,683,337	24,510,162	25,967,023	27,877,238
Business-Type Activities:										
Investment Earnings	477	224	245	64	62	60	168	377	1,624	7,704
Miscellaneous Income								34,637	-	-
Total Business-Type Activities	477	224	245	64	62	60	168	35,014	(8,652)	17,980
Total District-Wide	\$ 19,753,548	\$ 19,788,782	\$ 20,603,784	\$ 21,566,796	\$ 22,350,616	\$ 22,621,740	\$ 23,683,505	\$ 24,545,176	\$ 25,958,371	\$ 27,895,218
Change In Net Position										
Governmental Activities	\$ 392,527	\$ (1,384,442)	\$ (163,661)	\$ 257,286	\$ 949,100	\$ 1,389,816	\$ 2,279,333	\$ 1,180,761	\$ 507,949	\$ 339,113
Business-Type Activities	(223,290)	(54,036)	115,623	(47,174)	29,536	5,231	169,663	454,807	104,742	78,328
Total District	\$ 169,237	\$ (1,438,478)	\$ (48,038)	\$ 210,112	\$ 978,636	\$ 1,395,047	\$ 2,448,996	\$ 1,635,568	\$ 612,691	\$ 417,441

Source: District Financial Statements

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ 729	\$ 730	\$ 732	\$ 9,462	\$ 1,092,000	\$ 1,169,107	\$ 258,272	\$ 543,415	\$ 1,728,526	\$ 1,906,870
Committed				23,599		-	33,230	22,230	23,677	86,179
Assigned	238,887	116,911	418,662	612,914	247,410	39,538	916,527	1,295,021	207,257	266,450
Unassigned	276,503	(197,946)	(292,149)	(635,878)	(315,503)	449,628	569,756	19,217	(304,667)	(675,884)
Total General Fund	<u>\$ 516,119</u>	<u>\$ (80,305)</u>	<u>\$ 127,245</u>	<u>\$ 10,097</u>	<u>\$ 1,023,907</u>	<u>\$ 1,658,273</u>	<u>\$ 1,777,785</u>	<u>\$ 1,879,883</u>	<u>\$ 1,654,793</u>	<u>\$ 1,583,615</u>
All Other Governmental Funds										
Restricted	\$ 123,511	\$ (427,785)	\$ 143,658	\$ 284,436	\$ 379,081	\$ 409,408	\$ 775,274	\$ 448,018	\$ 359,247	\$ 394,904
Unassigned	-	-	-	(47,567)	(107,039)	(134,910)	(101,370)	(123,237)	(171,802)	(197,116)
Total All Other Governmental Funds	<u>\$ 123,511</u>	<u>\$ (427,785)</u>	<u>\$ 143,658</u>	<u>\$ 236,869</u>	<u>\$ 272,042</u>	<u>\$ 274,498</u>	<u>\$ 673,904</u>	<u>\$ 324,781</u>	<u>\$ 187,445</u>	<u>\$ 197,788</u>
Total Governmental Funds										
Restricted	\$ 124,240	\$ (427,055)	\$ 144,390	\$ 293,898	\$ 1,471,081	\$ 1,578,515	\$ 1,033,546	\$ 991,433	\$ 2,087,773	\$ 2,301,774
Assigned	238,887	116,911	418,662	612,914	247,410	39,538	916,527	1,295,021	207,257	266,450
Committed				23,599		-	33,230	22,230	23,677	86,179
Unassigned	276,503	(197,946)	(292,149)	(683,445)	(422,542)	314,718	468,386	(104,020)	(476,469)	(873,000)
Total Governmental Funds	<u>\$ 639,630</u>	<u>\$ (508,090)</u>	<u>\$ 270,903</u>	<u>\$ 246,966</u>	<u>\$ 1,295,949</u>	<u>\$ 1,932,771</u>	<u>\$ 2,451,689</u>	<u>\$ 2,204,664</u>	<u>\$ 1,842,238</u>	<u>\$ 1,781,403</u>

Source: District Financial Statements

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property Tax Levy	\$ 18,464,772	\$ 18,888,892	\$ 19,515,729	\$ 20,271,148	\$ 20,843,332	\$ 21,239,140	\$ 21,637,152	\$ 22,046,490	\$ 22,927,943	\$ 23,366,588
Tuition Charges	6,136,381	6,118,081	6,933,030	5,145,557	5,720,412	6,181,636	6,640,115	6,154,398	5,226,058	6,101,102
Transportation						40,832	-	114,445	1,424	8,468
Interest Earnings	3,168	2,201	3,910	5,610	7,209	7,543	5,446	5,247	56,774	120,339
Miscellaneous	541,652	193,593	243,313	388,461	270,266	158,976	236,666	315,046	385,717	487,347
State Sources	4,502,206	4,855,080	5,590,402	7,315,763	8,796,427	10,892,400	12,899,674	13,856,465	15,334,654	16,724,684
Federal Sources	731,224	675,896	718,437	832,203	783,181	757,271	1,414,940	1,752,428	1,744,407	1,015,982
Total Revenue	30,379,403	30,733,743	33,004,821	33,958,742	36,420,827	39,277,798	42,833,993	44,244,519	45,676,977	47,824,510
Expenditures										
Instruction										
Regular Instruction	11,726,395	11,945,778	12,372,690	12,494,192	13,323,269	14,692,995	15,590,553	16,360,479	17,088,831	17,377,600
Special Education Instruction	5,481,312	5,811,445	5,562,691	5,017,365	5,638,048	6,008,640	7,184,446	8,150,898	8,501,267	8,160,081
Other Instruction	212,762	396,983	732,982	799,720	861,592	943,342	1,119,380	1,130,765	1,189,609	1,658,466
School Sponsored Co-Curricular Activ.	1,091,241	1,033,061	1,252,174	1,220,522	1,119,413	1,157,411	1,320,615	1,325,393	1,322,796	1,364,570
Support Services										
Student & Instruction Related Services	4,673,111	4,960,014	5,519,763	6,575,960	6,974,770	7,688,353	8,502,054	8,795,388	8,985,945	9,345,793
General Administration Services	690,160	614,649	601,318	792,834	742,052	783,623	737,989	759,954	871,167	886,252
School Administrative Services	1,070,429	1,194,220	1,188,012	1,281,096	1,333,725	1,425,056	1,438,950	1,401,276	1,450,964	1,802,351
Central Services	722,784	729,019	841,794	917,184	655,318	630,103	671,539	691,607	715,183	730,652
Plant Operations And Maintenance	2,180,225	2,303,878	2,127,589	2,201,836	2,046,585	2,131,744	2,266,889	2,276,897	2,402,383	2,533,954
Pupil Transportation	427,348	537,720	464,085	552,374	712,506	729,256	912,891	1,289,499	1,324,799	1,329,457
Unallocated Expenditures										
Capital Outlay	546,254	639,079	1,084,769	1,240,208	197,684	710,016	407,731	444,793	572,643	1,185,219
Debt Service:										
Principal	1,176,289	1,065,929	1,383,040	1,343,434	1,412,273	1,523,523	1,547,007	1,292,872	1,056,275	1,135,555
Interest And Other Charges	702,940	747,379	724,921	730,622	694,609	656,511	615,031	571,723	535,188	518,409
Total Expenditures	30,701,250	31,979,154	33,855,828	35,167,347	35,711,844	39,080,573	42,315,075	44,491,544	46,017,050	48,028,359
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(321,847)	(1,245,411)	(851,007)	(1,208,605)	708,983	197,225	518,918	(247,025)	(340,073)	(203,849)
Other Financing Sources (Uses)										
Bond Proceeds										
Refunding Bond Proceeds										11,190,000
Premium on Refunding Bonds Issued										503,008
Payment to Refunded Bond Escrow Agent										(11,539,718)
Capital Lease Proceeds	96,490	97,691	1,630,000	1,184,668	340,000	-	-	-	-	-
Transfers In	245,002	5	177	254,302	198,971	90,442	817,180	372,032	415,576	396,825
Transfers Out	(245,002)	(5)	(177)	(254,302)	(198,971)	(90,442)	(817,180)	(372,032)	(437,929)	(407,101)
Total Other Financing Sources (Uses)	96,490	97,691	1,630,000	1,184,668	340,000	-	-	-	(22,353)	143,014
Net Change In Fund Balances	\$ (225,357)	\$ (1,147,720)	\$ 778,993	\$ (23,937)	\$ 1,048,983	\$ 197,225	\$ 518,918	\$ (247,025)	\$ (362,426)	\$ (60,835)
Debt Service As A Percentage Of Noncapital Expenditures										
	6.23%	5.79%	6.43%	6.11%	5.93%	5.68%	5.16%	4.23%	3.50%	3.53%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Statements

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Cancelled Prior Year Accounts Payable</u>	<u>E-Rate</u>	<u>Private Contribution</u>	<u>Transportation</u>	<u>Other</u>	<u>Total</u>
2016	\$ 3,166	\$ 6,136,381	\$ 225,382	\$ 24,259	\$ 142,648				\$ 149,363	\$ 6,681,199
2017	2,196	6,118,081	182,456						9,779	6,312,512
2018	3,733	6,933,030	155,468				\$ 54,827		23,723	7,170,781
2019	4,469	5,145,557	230,000			\$ 94,179			31,124	5,505,329
2020	6,753	5,720,412	160,000	74,065					23,271	5,984,501
2021	7,355	6,181,636		58,480			\$ 40,832		88,091	6,376,394
2022	5,446	6,640,115	4,328	84,028					35,119	6,769,036
2023	5,247	6,154,398	53,952	12,400				114,445	60,599	6,401,041
2024	56,774	5,226,058	135,108	40,530				1,424	56,131	5,516,025
2025	120,339	6,101,102	59,994	136,109				8,468	109,115	6,535,127

Source: District Financial Records

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

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
2016	\$ 6,347,700	\$ 856,010,200	\$ 252,500	\$ 2,200	\$ 159,532,600	\$ 63,665,300	\$ 20,512,200	\$ 1,106,322,700	\$ 100	\$ 1,106,322,800	\$ 1,129,427,791	1.685
2017	6,535,800	856,830,700	252,500	2,200	150,673,900	63,665,300	28,032,200	1,105,992,600	100	1,105,992,700	1,156,775,024	1.730
2018	6,535,800	857,360,700	252,500	2,000	151,249,100	63,594,600	19,532,200	1,098,526,900		1,098,526,900	1,160,624,884	1.840
2019	6,897,500	858,197,500	252,500	2,000	151,126,100	62,710,100	19,532,200	1,098,717,900		1,098,717,900	1,158,862,884	1.877
2020	6,920,800	859,969,900	252,500	2,000	151,491,100	61,593,200	22,112,200	1,102,341,700		1,102,341,700	1,210,417,758	1.832
2021	7,515,500	859,890,500	252,500	1,900	147,128,400	62,166,100	22,112,200	1,099,067,100		1,099,067,100	1,203,085,777	1.946
2022	7,138,900	861,394,300	252,500	1,900	146,192,500	62,166,100	24,105,900	1,101,252,100		1,101,252,100	1,302,924,929	1.978
2023	6,605,300	861,946,300	252,500	1,900	145,365,900	62,166,100	24,105,900	1,100,443,900		1,100,443,900	1,438,331,635	2.038
2024	6,920,700	860,816,100	252,500	2,100	145,627,700	62,772,100	24,105,900	1,100,497,100		1,100,497,100	1,535,126,582	2.099
2025	6,974,100	864,568,900	252,500	2,100	144,156,400	63,554,100	29,518,400	1,109,026,500		1,109,026,500	1,651,922,998	2.167

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

<u>Year Ended December 31,</u>	<u>Total Direct School Rate</u>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
		<u>Town of Boonton</u>	<u>Morris County</u>	
2016	\$ 1.685	\$ 0.807	\$ 0.260	\$ 2.752
2017	1.730	0.830	0.266	2.826
2018	1.840	0.833	0.276	2.949
2019	1.877	0.846	0.280	3.003
2020	1.832	0.871	0.287	2.990
2021	1.946	0.888	0.285	3.119
2022	1.978	0.902	0.304	3.184
2023	2.038	0.919	0.334	3.291
2024	2.099	0.937	0.344	3.380
2025	2.167	0.955	0.356	3.478

Source: Municipal Tax Assessor

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

2025			2016		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
BOONTON INVESTORS, LLC	\$ 21,955,300	1.98%			
UB BOONTON I, LLC	12,487,200	1.13%			INFORMATION
128 MONROE AMG LLC/128 BOONTON LLC	10,268,100	0.93%			
JB DELS 19 LLC	8,367,200	0.75%			NOT
APARTMENTS AT CHERRY HILL ASSOC.LLC	5,400,000	0.49%			
MCP IV FULTON LLC	5,232,400	0.47%			AVAILABLE
KAPALUA, LLC	4,747,400	0.43%			
SUPOR PROPERTIES BOONTON LLC	4,481,600	0.40%			
300 MYRTLE BOONTON LLC	4,040,300	0.36%			
SUBRO REALTY LLC	<u>3,500,000</u>	<u>0.32%</u>			
	<u>\$ 80,479,500</u>	<u>7.26%</u>			

Source: Municipal Tax Assessor

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

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 18,464,772	\$ 18,464,772	100.00%	N/A
2017	18,888,892	18,888,892	100.00%	N/A
2018	19,515,729	19,515,729	100.00%	N/A
2019	20,271,148	20,271,148	100.00%	N/A
2020	20,843,332	21,239,140	101.90%	N/A
2021	21,239,140	21,239,140	100.00%	N/A
2022	21,637,152	21,637,152	100.00%	N/A
2023	22,046,490	22,046,490	100.00%	N/A
2024	22,927,943	22,927,943	100.00%	N/A
2025	23,366,588	23,366,588	100.00%	N/A

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Financing Agreements			
2016	\$ 19,270,000	\$ 617,549	\$ 19,887,549	8,303	\$ 2,395
2017	18,515,000	404,311	18,919,311	8,255	2,292
2018	17,730,000	1,436,271	19,166,271	8,191	2,340
2019	16,920,000	2,087,505	19,007,505	8,911	2,133
2020	16,080,000	1,855,232	17,935,232	8,878	2,020
2021	15,205,000	1,206,709	16,411,709	8,802	1,865
2022	14,310,000	554,702	14,864,702	8,815	1,686
2023	13,390,000	181,830	13,571,830	8,821	1,539
2024	12,445,000	70,555	12,515,555	8,894	1,407
2024	11,120,000	-	11,120,000	8,894 *	1,250

Source: District Records

* - Estimate

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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2016	\$ 19,270,000		\$ 19,270,000	1.74%	\$ 2,321
2017	18,515,000		18,515,000	1.67%	2,243
2018	17,730,000		17,730,000	1.61%	2,165
2019	16,920,000		16,920,000	1.54%	1,899
2020	16,080,000		16,080,000	1.46%	1,811
2021	15,205,000		15,205,000	1.38%	1,727
2022	14,310,000		14,310,000	1.30%	1,623
2023	13,390,000		13,390,000	1.22%	1,518
2024	12,445,000		12,445,000	1.13%	1,399
2025	11,120,000		11,120,000	1.00%	1,250

Source: District Records

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

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data

**TOWN OF BOONTON SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
(UNAUDITED)**

	<u>Gross Debt</u>
Municipal Debt (1)	
Town of Boonton	\$ 28,508,024
Town of Boonton School District	<u>12,445,000</u>
	40,953,024
Overlapping Debt Apportioned to the Municipality	
County of Morris (2)	<u>5,544,503</u>
Total Direct and Overlapping Debt	<u><u>\$ 46,497,527</u></u>

Source:

- (1) Town of Boonton's 2024 Annual Debt Statement

- (2) The debt for this entity was apportioned to the Town of Boonton School District by dividing the municipality's 2024 equalized value by the total 2024 equalized value for Morris County.

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

Equalized valuation basis	
2024	\$ 1,626,029,994
2023	1,522,262,969
2022	1,427,416,850
	<u>\$ 4,575,709,813</u>
	<u>\$ 1,525,236,604</u>
average equalization	\$ 61,009,464
Total Net Debt Applicable to Limit	-
Legal debt margin	<u>\$ 61,009,464</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>	<u>2024</u>	<u>2025</u>
Debt limit	\$44,529,596	\$ 45,487,326	\$ 45,720,341	\$ 46,295,918	\$ 46,803,221	\$ 47,315,336	\$ 49,054,211	\$ 52,150,863	\$ 39,329,064	\$ 61,009,464
Total net debt applicable to limit	<u>19,270,325</u>	<u>18,515,325</u>	<u>17,730,325</u>	<u>16,920,325</u>	<u>16,080,325</u>	<u>15,205,325</u>	<u>(14,310,325)</u>	<u>(13,390,325)</u>	<u>(12,445,000)</u>	<u>(11,120,000)</u>
Legal debt margin	<u>\$25,259,271</u>	<u>\$ 26,972,001</u>	<u>\$ 27,990,016</u>	<u>\$ 29,375,593</u>	<u>\$ 30,722,896</u>	<u>\$ 32,110,011</u>	<u>\$ 34,743,886</u>	<u>\$ 38,760,538</u>	<u>\$ 26,884,064</u>	<u>\$ 49,889,464</u>
Total net debt applicable to the limit as a percentage of debt limit	43.28%	40.70%	38.78%	36.55%	34.36%	32.14%	29.17%	-25.68%	-31.64%	-18.23%

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

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

Year Ended December 31,	Population	County Per Capita Personal Income	Unemployment Rate
2016	8,303	87,984	4.6%
2017	8,255	90,256	4.3%
2018	8,191	93,695	3.8%
2019	8,911	96,774	3.1%
2020	8,878	98,875	8.8%
2021	8,802	107,135	6.2%
2022	8,815	109,057	3.3%
2023	8,821	115,850	4.1%
2024	8,894	N/A	4.1%
2025	8,894 (E)	N/A	N/A

Source:

United States Bureau of Census, Population Division estimates

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

E - Estimate

N/A - Not Available

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

Employer	2025		2016	
	Employees	% of Total Municipal Employment	Employees	% of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	91.00	94.00	111.00	108.00	116.30	117.70	116.00	113.30	118.00	114.62
Special education	55.00	58.00	58.00	75.00	60.80	57.20	66.60	71.90	65.00	65.98
Support Services:										
Student & instruction related service:	44.60	41.00	36.00	47.00	53.90	56.90	34.50	29.90	45.00	44.40
General administrative services	3.00	3.00	3.00	2.00	2.00	2.00	6.00	6.00	6.00	7.00
School administrative services	8.00	8.00	8.00	9.00	9.80	10.30	13.00	14.00	14.00	14.00
Business administrative services	4.10	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Plant operations and maintenance	18.00	16.00	18.00	21.00	19.00	19.00	18.00	18.00	18.00	18.00
Lunchroom/Playground Aides	4.00	4.00	6.00	2.00	5.70	7.00	6.00	8.00	9.00	9.60
Pupil Transportation	1.00	1.00	2.00	1.00	1.00	3.00	4.00	3.00	2.00	2.00
Total	<u>228.70</u>	<u>229.00</u>	<u>246.00</u>	<u>269.00</u>	<u>272.50</u>	<u>277.10</u>	<u>269.10</u>	<u>269.10</u>	<u>282.00</u>	<u>280.60</u>

N/A - Not Available

Source: District Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment a	Operating Expenditures b	Cost Per Pupil c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2016	1,303	28,275,767	21,701	5.77%	116	1:12	1:09	1:10	1,353	1,251	4.64%	92.46%
2017	1,405	29,526,767	21,015	-3.16%	116	1:12	1:09	1:10	1,404	1,251	3.77%	89.10%
2018	1,443	30,663,098	21,250	1.11%	169	1:12	1:09	1:10	1,408	1,346	0.28%	95.60%
2019	1,373	31,853,083	20,263	-4.64%	183	1:10	1:08	1:09	1,410	1,344	0.14%	95.32%
2020	1,430	33,407,278	23,362	15.29%	177	1:08	1:08	1:09	1,438	1,389	1.99%	96.59%
2021	1,461	36,190,523	24,771	6.03%	175	1:08	1:09	1:09	1,419	1,375	-1.32%	96.90%
2022	1,477	39,745,306	26,909	8.63%	183	1:07	1:07	1:10	1,446	1,342	1.90%	92.81%
2023	1,511	42,182,156	27,917	3.74%	185	1:08	1:07	1:09	1,484	1,378	2.63%	92.86%
2024	1,511	43,852,944	29,022	3.96%	184	1:08	1:09	1:08	1,503	1,402	1.28%	93.28%
2025	1,556	45,189,176	29,042	0.07%	181	1:09	1:08	1:09	1,531	1,439	1.86%	93.99%

Source: District records

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

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

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
School Street School (Grades K-3)										
Square Feet	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Capacity (Students)	299	299	299	299	299	262	262	299	299	299
Enrollment	122	141	141	273	277	277	274	304	305	305
John Hill School, Including Annex Building (Grades 4-8)										
Square Feet	90,076	90,076	90,076	90,076	90,076	90,076	90,076	90,076	90,076	90,076
Capacity (Students)	800	800	800	800	800	800	800	800	800	800
Enrollment	595	645	645	476	538	537	510	539	553	553
Boonton High School (Grades 9-12)										
Square Feet	111,741	111,741	111,741	111,741	111,741	111,741	111,741	111,741	111,741	111,741
Capacity (Students)	501	501	501	501	501	501	501	501	501	501
Enrollment	607	618	618	624	631	620	661	664	659	659
Administration Building										
Square Feet	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120
Administration Annex Building										
Square Feet	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
Child Study Team										
Square Feet	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299
Maintenance/Transportation Building										
Square Feet	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995	11,995
Number of Schools at June 30, 2024										
Elementary = 1										
Middle School = 1										
High School = 1										

Source: District records

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

<u>School Facilities</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Boonton High School	\$ 74,464	\$ 192,268	\$ 191,662	\$ 31,753	\$ 20,069	\$ 62,946	\$ 30,645	\$ 22,437	\$ 25,593	\$ 29,324
John Hill School	91,256	94,976	95,164	37,916	21,523	21,903	21,586	22,102	25,210	28,885
School Street School	13,867	52,281	65,455	53,901	6,421	16,323	24,335	12,496	14,253	16,331
Other Facilities	<u>263,638</u>	<u>-</u>	<u>-</u>	<u>261,758</u>	<u>249,574</u>	<u>245,108</u>	<u>263,902</u>	<u>248,557</u>	<u>283,515</u>	<u>324,847</u>
Total School Facilities	\$ 443,225	\$ 339,525	\$ 352,281	\$ 385,328	\$ 297,587	\$ 346,280	\$ 340,468	\$ 305,592	\$ 348,571	\$ 399,387

**TOWN OF BOONTON SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2025
(Unaudited)**

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group		
Property		
Limits	\$ 350,000,000	\$ 5,000
Extensions:		
Limited Builders Risk Coverage	10,000,000	
Property in Transit	1,000,000	
Pollutant Cleanup and Removal	250,000	
Earthquake	50,000,000	
Special Flood Hazard Areas	25,000,000	500,000
All Other Flood Zones	75,000,000	
Extra Expense	50,000,000	
Valuable Papers	10,000,000	
Newly Acquired Property	25,000,000	
Terrorism	100,000,000	
Cyber Liability		
Aggregate Pool Limit of Liability	10,000,000	
Aggregate Limit of Liability per Schedules Insured Member	2,000,000	
Electronic Data Processing	350,000,000	1,000
Equipment Breakdown	100,000,000	
Crime	31,000,000	
Automobile	31,000,000	
School Leaders Errors & Omissions	31,000,000	
Workers Compensation:		
Part 1	Statutory	
Part 2		
Bodily Injury by Accident	3,000,000	
Bodily Injury by Disease - each employee	3,000,000	
Bodily Injury by Disease - policy aggregate	3,000,000	
Surety Bonds		
Hanover Insurance Group		
Treasurer	267,000	
Business Administrator	260,000	

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Town of Boonton School District as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Town of Boonton School District's basic financial statements and have issued our report thereon dated October 16, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

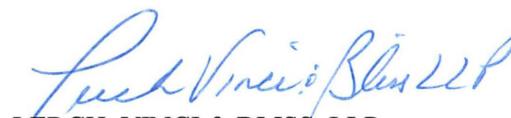
Report on Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Town of Boonton School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 16, 2025.

Purpose of this Report

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



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 16, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Town of Boonton School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Town of Boonton School District's major federal and state programs for the fiscal year ended June 30, 2025. The Town of Boonton School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Boonton School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

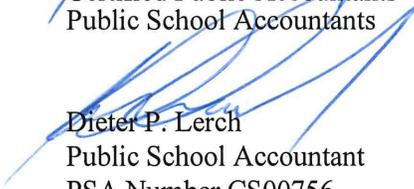
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Town of Boonton School District as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated October 16, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 16, 2025

TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2024	Carryover Amount		Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2025		Due to Grantor	Memo GAAP Receivable
						Unearned Revenue	Accounts Receivable					Unearned/ Revenue/			
U.S. Department of Agriculture															
Passed-Through State Department of Agriculture:															
Enterprise Fund:															
National School Breakfast Program	10.553	251NJ304N1199	7/1/24-6/30/25	\$ 20,612				\$ 18,644	\$ 20,612			\$ (1,968)			\$ 1,968
National School Breakfast Program	10.553	241NJ304N1199	7/1/23-6/30/24	17,526	(3,706)			3,706							
Local Food for Schools (LFS) Cooperative Program	10.185		7/1/24-6/30/25	1,569				1,569	1,569						
Summer EBT Program for Children	10-646		7/1/24-6/30/25	322				322	322						
National School Lunch Program	10.555														
COVID 19 - NSLP Equipment Grant		251NJ304N1199	7/1/24-6/30/25	4,016				4,016	4,016						
Cash Assistance		251NJ304N1199	7/1/24-6/30/25	307,075				284,249	307,087			(22,838)			22,838
Cash Assistance		241NJ344N8903	7/1/23-6/30/24	273,422	(50,563)			50,563							
Non-Cash Assistance		251NJ304N1199	7/1/24-6/30/25	51,599				51,599	51,300			\$ 299			
Non-Cash Assistance		241NJ344N8903	7/1/23-6/30/24	40,035	1,928				1,928						
Child Nutrition Cluster Total					(52,341)			414,668	386,834			(24,806)	299		24,806
Total Enterprise Funds					(52,341)			414,668	386,834			(24,806)	299		24,806
U.S. Department of Health and Human Services															
General Fund															
Medical Assistance Program	93.778	2005NJ5MAP	7/1/24-6/30/25	41,586	-	-	-	41,586	41,586	-	-	-	-	-	-
Total General Fund					-	-	-	41,586	41,586	-	-	-	-	-	-
U.S. Department of Education															
Passed Through State Department of Education															
Special Revenue Fund															
IDEA															
Part B, Basic	84.027A	H027A250100	7/1/24-9/30/25	456,383		\$ 13,678	\$ (13,678)	306,976	442,133			(163,085)	27,928		135,157
Part B, Basic	84.027A	H027A240100	7/1/23-9/30/24	451,864	(33,094)	(13,678)	13,678	33,094							
Preschool	84.173A	H173A250114	7/1/24-9/30/25	14,291				5,183	14,291			(9,108)			9,108
Preschool	84.173A	H173A240114	7/1/23-9/30/24	14,774	(23,814)			23,814							
Special Education Cluster Total					(56,908)			369,067	456,424			(172,193)	27,928		144,265
ESEA/NCLB															
Title I	84.010	S010A250030	7/1/24-9/30/25	217,663		17,094	(17,094)	216,508	225,505			(18,249)	9,252		8,997
Title I	84.010	S010A240030	7/1/23-9/30/24	216,936	(70,432)	(17,094)	17,094	70,432							
Title II-A	84.367A	S367A250029	7/1/24-9/30/25	32,720		23,663	(23,663)	24,632	37,579			(31,751)	18,804		12,947
Title II-A	84.367A	S367A240029	7/1/23-9/30/24	34,453	(1,999)	(23,663)	23,663	1,999							
Title III	84.365	S365A250030	7/1/24-9/30/25	20,272		22,244	(22,244)	28,785	38,388			(13,731)	4,128		9,603
Title III	84.365	S365A240030	7/1/23-9/30/24	22,244	(2,642)	(22,244)	22,244	2,160		\$ 482					
Title III - Immigrant	84.365A	S365A250030	7/1/24-9/30/25	5,423				172	671			(5,251)	4,752		499
Title III - Immigrant	84.365A	S365A240030	7/1/23-9/30/24	-	(556)			556							
Title IV	84.424A	S424A250031	7/1/24-9/30/25	15,392		2,904	(2,904)		14,553			(18,296)	3,743		14,553
Title IV	84.424A	S424A240031	7/1/23-9/30/24	13,626	(13,250)	(2,904)	2,904	13,250							
Elementary and Secondary School Emergency Relief (ESSER II)															
American Rescue Plan (ESSER III)															
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,468,264	(92,917)			168,989	56,023				\$ 20,049		-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	101,121	(1,280)			1,280							-
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(4,386)			20,225	15,839						-
Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(7,045)			8,876	1,831						-
Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	-			3,876						3,876	-
ESSER Cluster Total					(105,628)			203,246	73,693					23,925	-
U.S. Department of Treasury															
Passed-Through State Department of Education															
Additional Compensatory Special Education and Related Services (ASCERS)															
	21.027	SLFRFDOEDISES	7/1/24-6/30/25	273,891	-	-	-	136,109	136,109	-	-	-	-	-	-
Total Special Revenue Fund					(251,415)			1,066,916	982,922	482		(259,471)	68,607	23,925	190,864
Total Federal Awards					\$ (303,756)	\$ -	\$ -	\$ 1,523,170	\$ 1,411,342	\$ 482	\$ -	\$ (284,277)	\$ 68,906	\$ 23,925	\$ 215,670

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

TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2024				June 30, 2025				MEMO			
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	General Fund Contribution	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund															
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	\$ 1,350,406				\$ 1,215,115	\$ 1,350,406				\$ (135,291)		\$ 1,350,406	
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	993,567	(95,783)			95,783								
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	3,959,943				3,563,216	3,959,943				(396,727)		3,959,943	
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	2,581,950	(248,908)			248,908								
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	330,074				297,005	330,074				(33,069)		330,074	
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	238,909	(23,032)			23,032								
School Choice Aid	24-495-034-5120-068	7/1/23-6/30/24	15,122	(1,458)			1,458								
State Aid - Public Cluster Total				(369,181)			5,444,517	5,640,423				(565,087)		5,640,423	
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	114,513				103,041	114,513				(11,472)		114,513	
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	58,651	(5,654)			5,654								
Extraordinary Aid	25-100-034-5120-044	7/1/24-6/30/25	850,767				850,767					(850,767)		850,767	
Extraordinary Aid	24-100-034-5120-044	7/1/23-6/30/24	576,438	(576,438)			576,438								
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	5,215,000				5,215,000	5,215,000						5,215,000	
On-Behalf TPAF Non Contributory Insurance Contributions	25-495-034-5094-004	7/1/24-6/30/25	64,600				64,600	64,600						64,600	
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	1,542,703				1,542,703	1,542,703						1,542,703	
On-Behalf TPAF Long Term Disability Insurance Contributions	25-495-034-5094-004	7/1/24-6/30/25	2,428				2,428	2,428						2,428	
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	1,170,050				1,113,317	1,170,050				(56,733)	\$ 56,733	1,170,050	
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	1,133,386	(55,496)			55,496								
Total General Fund				(1,006,769)			14,123,194	14,600,484				(1,484,059)		14,600,484	
Special Revenue Fund															
NJ Nonpublic Aid															
Auxiliary Services															
Compensatory Education	25-100-034-5120-067	7/1/24-6/30/25	53,752				53,752	31,559					\$ 22,193	31,559	
Home Instruction	25-100-034-5120-067	7/1/24-6/30/24	1,024	(1,024)			1,024								
Nonpublic Auxiliary Services (Chapter 192) Cluster Total				(1,024)			54,776	31,559						22,193	
Handicapped Services															
Examination and Classification	25-100-034-5120-066	7/1/24-6/30/25	36,613				36,613	28,446						8,167	
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	28,059		\$ 1,756					\$ 1,756					
Corrective Speech	25-100-034-5120-066	7/1/24-6/30/25	22,320				22,320	14,043						8,277	
Corrective Speech	24-100-034-5120-066	7/1/21-6/30/23	20,088		930						930				
Supplemental Instruction	25-100-034-5120-066	7/1/24-6/30/25	22,798				22,798	21,063						1,735	
Supplemental Instruction	24-100-034-5120-066	7/1/24-6/30/25	20,650		661						661				
Nonpublic Handicapped Services (Chapter 193) Cluster Total					3,347		81,731	63,552				3,347		18,179	
Textbook Aid	25-100-034-5120-064	7/1/24-6/30/25	18,206				18,206	18,112						94	
Nursing Aid	25-100-034-5120-070	7/1/24-6/30/25	46,410				46,410	44,596						1,814	
Technology Aid	25-100-034-5120-373	7/1/24-6/30/25	17,444				17,444	16,980						464	
Technology Aid	24-100-034-5120-373	7/1/23-6/30/24	14,553		21						21				
Security Aid	25-100-034-5120-509	7/1/24-6/30/25	73,185				73,185	73,185						73,185	
Security Aid	24-100-034-5120-509	7/1/23-6/30/24	60,885		1,458						1,458				
Preschool Education Expansion Aid	24-495-034-5120-086	7/1/22-6/30/24	1,984,125			\$ 8,222	1,785,713	2,387,876	\$ 396,825			(198,412)	\$ 1,296	2,387,876	
Preschool Education Expansion Aid	23-495-034-5120-086	7/1/23-6/30/24	1,800,240	(171,802)		(8,222)	180,024								
Total Special Revenue Fund				(172,826)			4,826	2,257,489	2,635,860	396,825		4,826	(198,412)	1,296	
Total Debt Service Fund									378,077					378,077	
Enterprise Fund															
Food Service															
State School Lunch Program															
School Breakfast and Lunch State Aid	25-100-010-3350-023	7/1/24-6/30/25	8,881				1,636	1,649				(13)		13	
School Breakfast and Lunch State Aid	24-100-010-3350-023	7/1/23-6/30/24	3,113	(608)			608								
School Lunch - State Aid	25-100-010-3350-023	7/1/24-6/30/25	7,232				6,598	7,232				(634)	634	7,232	
School Lunch - State Aid	24-100-010-3350-023	7/1/24-6/30/25	7,061	(1,318)			1,318								
EBT Management and Administrative Services	7/1/24-6/30/25		322				322	322						322	
Working Class Families State Supplement	25-100-010-3350-023	7/1/24-6/30/25	1,814				1,676	1,814				(138)	138	1,814	
Working Class Families State Supplement	24-100-010-3350-023	7/1/23-6/30/24	4,600	(986)			986								
Total Enterprise Fund				(2,912)			13,144	11,017				(785)		785	
Total State Awards				\$ (1,182,507)	\$ 4,826	\$ -	16,771,904	17,625,438	\$ 396,825	\$ 4,826	\$ (1,683,256)	\$ 1,296	\$ 42,744	\$ 57,518	\$ 17,625,438
Less:															
On-Behalf Assistance Not Included in Single Audit and Major Program Determination															
TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	5,215,000				(5,215,000)	(5,215,000)							
TPAF Non Contributory Insurance Contributions	25-495-034-5094-004	7/1/24-6/30/25	64,600				(64,600)	(64,600)							
TPAF Post Retirement Medical Contributions	25-495-034-5094-001	7/1/24-6/30/25	1,542,703				(1,542,703)	(1,542,703)							
TPAF Long Term Disability Insurance Contributions	25-495-034-5094-004	7/1/24-6/30/25	2,428				(2,428)	(2,428)							
Total State Financial Assistance Subject to Single Audit and Major Program Determination Calculation							\$ 9,947,173	\$ 10,800,707							

**TOWN OF BOONTON SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$476,053 for the general fund and a decrease of \$14,135 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 41,586	\$ 14,124,431	\$ 14,166,017
Special Revenue Fund	974,396	2,222,176	3,196,572
Debt Service Fund		378,077	378,077
Food Service Fund	386,834	11,017	397,851
	<u> </u>	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 1,402,816</u>	<u>\$ 16,735,701</u>	<u>\$ 18,138,517</u>

**TOWN OF BOONTON SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,170,050 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2025. The amount reported as TPAF Pension System Contributions in the amount of \$5,279,600, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,542,703 and TPAF Long-Term Disability Insurance in the amount of \$2,428 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	H027A240100	IDEA - Part B- Basic
84.173A	H173A240114	IDEA Preschool

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

Auditee qualified as low-risk auditee? x yes no

TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Part I – Summary of Auditor’s Results

State Awards Section

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

\$ 750,000

Auditee qualified as low-risk auditee?

x yes no

Internal control over major programs:

1) Material weakness(es) identified?

 yes x no

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

 yes x none reported

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

Unmodified

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

 yes x no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-086	Preschool Education Expansion Aid

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

TOWN OF BOONTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

CURRENT YEAR STATE AWARDS

There are none.