

SCHOOL DISTRICT OF BOONTON TOWNSHIP

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

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Annual Comprehensive Financial Report

of the

Boonton Township School District
Board of Education

Boonton Township, New Jersey

For Fiscal Year Ended June 30, 2025

Prepared by

Boonton Township School District
Board of Education

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INTRODUCTORY SECTION
(UNAUDITED)

BOONTON TOWNSHIP BOARD OF EDUCATION

11 Valley Road
Boonton Township, New Jersey 07005

Kenneth Frattini
Superintendent/ Principal
Voice (973) 334-4162

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

October 7, 2025

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

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Boonton Township School District (the “District”) for the fiscal year ended June 30, 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 Boonton Township Board of Education (the “Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The Boonton Township Board of Education is a Type II District administered by a superintendent and business administrator. Boonton Township has only one public school, known as Rockaway Valley School, which provided learning opportunities for 390 children during the 2024/2025 school year in grades K-8 with two special education preschool programs. The District is in a sending/receiving relationship with Mountain Lakes Board of Education to provide educational services for their high school students. There were 193 Boonton Township High School students attending Mountain Lakes High School during 2024/2025.

A full range of educational services and curriculum appropriate to the elementary grade levels is available at Rockaway Valley School. Regular programs as well as special education for the special needs youngsters are readily provided. The District completed the 2024/2025 fiscal year with an average daily enrollment of 583 students (which includes the high school students) which is 12 students less than the previous year's enrollment.

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

The population of Morris County continues to grow and Boonton Township's growth has slowed a bit in comparison to the County average. Boonton Township's population in 2020 was 4,380, an increase of 2.7% from the 2010 census, which showed a population of 4,263. The County growth during the same time frame was 3.5%. The Township labor force in 2023 equals 1,984 people and 1,906 are employed. The unemployment rate was 3.9% compared to the County average of 3.7%.

3. MAJOR INITIATIVES: The Boonton Township School District faced many challenges related to the world-wide Covid-19 Pandemic beginning in March of 2020. Beginning in September of 2021, the district resumed a normal schedule of full day in person instruction. The district continued to purchase greater than normal amounts of hand sanitizer, personal protective equipment, cleaning and disinfecting supplies, HVAC filters and equipment to maintain a safe and healthy working and learning environment. A part-time custodian was hired during the pandemic and continues on the staff to disinfect high touch areas during the school day to reduce the chance for virus transmission.

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

Additional MacBooks and Chromebooks were purchased either to replace outdated units or supplement the existing inventory in order to prepare students for 21st Century learning. A wireless network and computer servers are maintained and components are replaced as needed to keep up with the daily utilization of content streaming for student instruction. The school currently maintains an inventory Promethean boards in every educational space and MacBook and Chromebook carts are available for each grade level and specialty areas. Promethean boards, computers, printers and classroom iPads with carts continue to be upgraded for staff and student use as part of the district's 5-year Technology Plan. The district's budget included an allowance to maintain a bandwidth of 1 gigabyte and to support wireless network upgrades to improve the delivery of instruction to students through mobile computing and interactive instruction and to meet the demands of the State mandated NJSLA test. Laptop computers are used in conjunction with the Promethean Boards that are installed in every classroom and Media Center. A literacy/ELA series continues to be utilized in grades K-2 and grades 3-5 in addition to an updated science series for grades 5-8 that includes grade 4. Expanded mathematics programming as well as Geometry to all 8th grade students are offered. As a result of this initiative, the district continues to purchase Geometry resources and texts to maintain the highest curricular standards. In addition, textbook companies have transitioned away from printed texts to digital licensed versions which require the district to budget for license renewals more frequently from a one to three-year cycle rather than the longer term required for traditional textbook replacements thereby putting an additional strain on financial resources. A mini STEAM Lab/Maker Space "specials" class continues to be an integral part of the Gifted and Talented program for students in grades 3 through 8.

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

Several electrical circuits and HVAC systems were either replaced or upgraded as needed. With the failure of the referendum in March, 2024, the building envelope which will included security upgrades, electrical, HVAC systems, LED lighting, and replacement of the remaining roof systems will need to be addressed in the coming years. Large sections of the roof system have been completed as part of a multi-year replacement program. Although roof replacement was put on hold during the 2024-2025 school year, continued roof replacements are planned through the use of Capital Reserve until such time as future replacements can be incorporated into a future referendum. In addition, the district completed the second year of a 5-year Strategic plan which focuses school initiatives and programs.

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

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

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

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

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

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

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

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

The Honorable President and Members
of the Board of Education
Boonton Township School District
Page 5
October 7, 2025

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

Respectfully submitted,

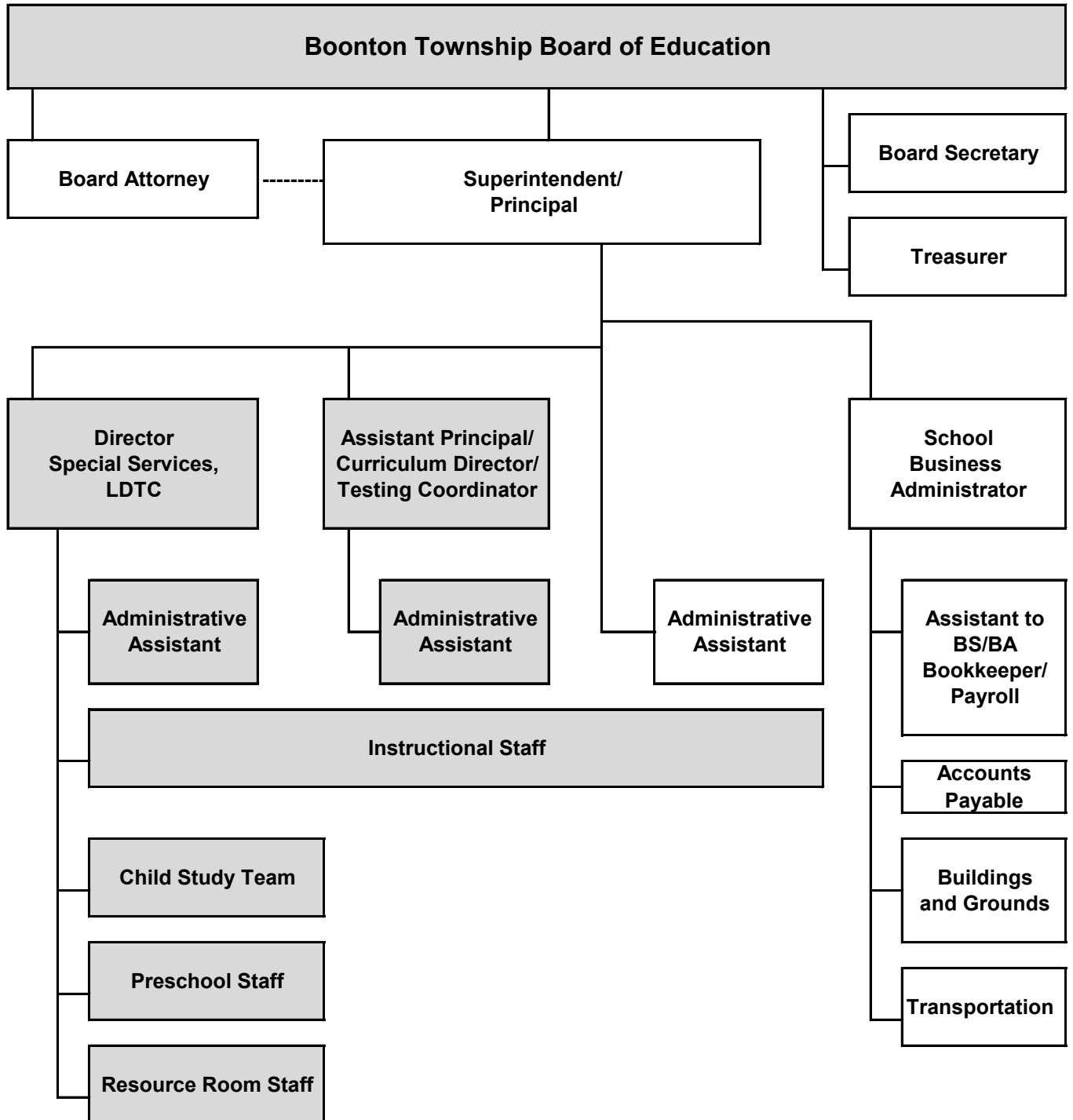


Kenneth Frattini
Superintendent/ Principal



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

Boonton Township Board of Education Organization Chart



BOONTON TOWNSHIP SCHOOL DISTRICT
ROSTER AND OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2025

Members of the Board of Education

Term Expires

Barry Brantner, President	2025
Christine Cabana, Vice President	2026
Lauren Bardach	2027
Jeffrey Chen	2027
Leigh Hermey	2025
Christopher Johnson	2027
Benjamin Mills	2026
Grace McBride	2026
Alicja Nowicka	2025

Other Officials

Title

Kenneth Frattini	Superintendent/Principal (From 9/4/24)
Dr. Lia Lendis	Assistant Principal
John T. Murray II, RSBA	School Business Administrator/Board Secretary
Victoria Wilson	Interim Director of Special Services
Norman M. Eckstein	Treasurer of School Monies
Matthew J. Giacobbe	School Board Attorney
(Cleary, Giacobbe, Alfieri, Jacobs, LLC)	

BOONTON TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors
Year Ended June 30, 2025

Audit Firm

Nisivoccia LLP
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and
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Newton, NJ 07860
and
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Architect of Record

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

Financial Advisors

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

Official Depositories

Bank of America
Powerville Road
Boonton Township, New Jersey 07005

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

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boonton Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the District implemented GASB Statement No. 101, *Compensated Absences*, during the year ended June 30, 2025. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 7, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCIA LLP

Man C Lee

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2025

This section of Boonton Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

Figure A-1

Organization of Boonton Township School District's Financial Report

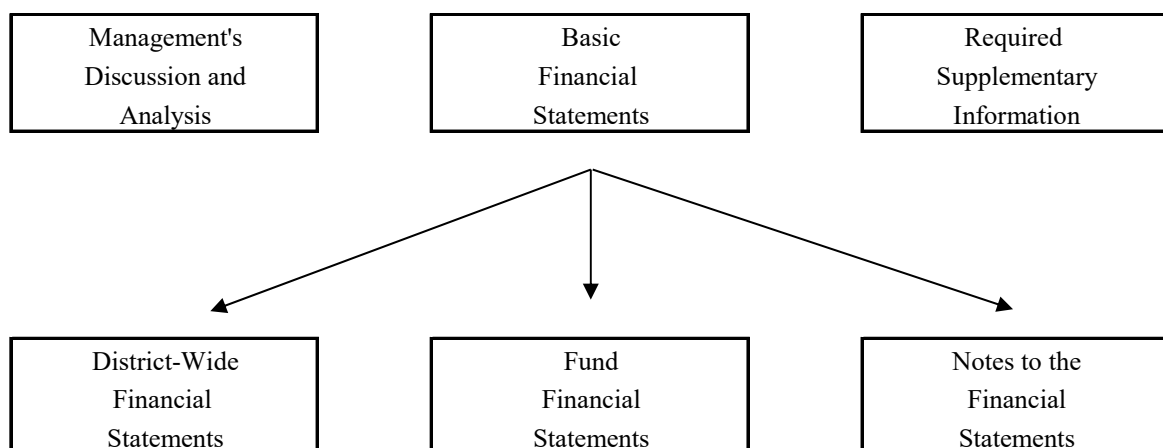


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	Fund Financial Statements		
	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services
Required Financial Statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenue, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position is \$4,490,549 on June 30, 2024, or \$688,015 more than the year before. (See Figure A-3). Net position from governmental activities increased by \$688,355 and net position from business activities decreased by \$340.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2025	(Restated) 2024	2025	2024	2025	(Restated) 2024	
Current and Other Assets	\$ 4,718,933	\$ 3,922,902	\$ 3,486	\$ 2,843	\$ 4,722,419	\$ 3,925,745	
Capital Assets, Net	1,964,319	2,113,277	6,819	7,802	1,971,138	2,121,079	
Total Assets	6,683,252	6,036,179	10,305	10,645	6,693,557	6,046,824	10.70%
Deferred Outflows of Resources	609,562	701,129			609,562	701,129	-13.06%
Other Liabilities	328,204	286,426			328,204	286,426	
Long-Term Liabilities	2,048,472	2,096,123			2,048,472	2,096,123	
Total Liabilities	2,376,676	2,382,549			2,376,676	2,382,549	-0.25%
Deferred Inflows of Resources	435,894	562,870			435,894	562,870	-22.56%
Net Position:							
Net Investment in							
in Capital Assets	1,964,319	2,113,277	6,819	7,802	1,971,138	2,121,079	
Restricted	4,061,567	3,324,834			4,061,567	3,324,834	
Unrestricted/(Deficit)	(1,545,642)	(1,646,222)	3,486	2,843	(1,542,156)	(1,643,379)	
Total Net Position	\$ 4,480,244	\$ 3,791,889	\$ 10,305	\$ 10,645	\$ 4,490,549	\$ 3,802,534	18.09%

Changes in net position. Net investment in capital assets decreased by \$149,941. The net decrease in capital assets is due to \$60,631 of capital additions offset by \$210,572 of depreciation expense; restricted net position increased by \$736,733 mainly due to an increase in the capital reserve; unrestricted net position increased by \$101,223 primarily due to the net change in net pension liability and related deferred outflows and inflows of resources.

Figure A-4**Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2024-2025
	2025	2024	2025	2024	2025	2024	
Revenue:							
Program Revenue:							
Charges for Services	\$ 123,904	\$ 155,420	\$ 3,513	\$ 4,252	\$ 127,417	\$ 159,672	
Operating Grants and Contributions	2,338,740	2,503,734			2,338,740	2,503,734	
General Revenue:							
Property Taxes	14,890,236	14,598,271			14,890,236	14,598,271	
Other	48,565	47,995			48,565	47,995	
Total Revenue	17,401,445	17,305,420	3,513	4,252	17,404,958	17,309,672	0.55%
Expenses:							
Instruction	7,019,262	6,854,776			7,019,262	6,854,776	
Tuition	4,866,848	4,705,469			4,866,848	4,705,469	
Pupil & Instruction Services	1,617,036	1,434,358			1,617,036	1,434,358	
Administrative and Business	1,175,891	1,240,710			1,175,891	1,240,710	
Maintenance & Operations	913,570	1,050,625			913,570	1,050,625	
Transportation	996,177	985,531			996,177	985,531	
Other	114,306	68,743	13,853	18,401	128,159	87,144	
Total Expenses	16,703,090	16,340,212	13,853	18,401	16,716,943	16,358,613	2.19%
Transfers	(10,000)	(13,000)	10,000	13,000			
Change in Net Position	\$ 688,355	\$ 952,208	\$ (340)	\$ (1,149)	\$ 688,015	\$ 951,059	-27.66%

Governmental Activities

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

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

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

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction	\$ 7,019,262	\$ 6,854,776	\$ 5,147,256	\$ 4,788,590
Tuition	4,866,848	4,705,469	4,866,848	4,705,469
Pupil & Instruction Services	1,617,036	1,434,358	1,428,668	1,241,016
Administrative and Business	1,175,891	1,240,710	1,053,418	1,085,393
Maintenance & Operations	913,570	1,050,625	856,656	999,868
Transportation	996,177	985,531	773,294	791,979
Other	114,306	68,743	114,306	68,743
Total	<u>\$ 16,703,090</u>	<u>\$ 16,340,212</u>	<u>\$ 14,240,446</u>	<u>\$ 13,681,058</u>

Business-Type Activities

Net position from the District's business-type activities decreased by \$340 (refer to Figure A-4).

Financial Analysis of the District's Funds

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

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

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

General Fund Budgetary Highlights

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

Capital Asset and Long-Term Liabilities Administration

Figure A-6

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total
	2025	2024	2025	2024	2025	2024	Percentage Change
Buildings & Improvements	\$ 1,694,714	\$ 1,694,713			\$ 1,694,714	\$ 1,694,713	
Furniture, Machinery and Equipment	269,605	418,564	\$ 6,819	\$ 7,802	276,424	426,366	
Total	<u>\$ 1,964,319</u>	<u>\$ 2,113,277</u>	<u>\$ 6,819</u>	<u>\$ 7,802</u>	<u>\$ 1,971,138</u>	<u>\$ 2,121,079</u>	-7.07%

During the fiscal year, the District acquired \$60,631 in capital additions and depreciated \$210,572 of its capital assets.

Long-Term Liabilities

At year-end, the District had \$2,048,472 of long-term liabilities outstanding – a decrease of \$47,651 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Total
	2025	(Restated) 2024	Percentage Change
Net Pension Liability	\$ 1,832,906	\$ 1,874,878	
Compensated Absences Payable	215,566	221,245	
Total	<u>\$ 2,048,472</u>	<u>\$ 2,096,123</u>	-2.27%

Factors Bearing on the District’s Future

At the time these financial statements were prepared and audited, the District was in a good financial position. S1701, adopted by the State of New Jersey on June 17, 2004, forced the District to cut its allowable unassigned general fund balance to 2% leaving the District with very little protection in the event of costly emergencies. This law also placed limits on the District’s ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to transfer available balance as needed and the ability to transfer available funds between appropriation accounts. The district maintains Maintenance and Capital Reserve accounts to aid in the planning for future maintenance and improvement projects. A recent demographic study update in 2022 revealed that the downward trend in student enrollment over the last few years will begin to reverse over the next few years as smaller grade levels are replaced with increased class sizes at the kindergarten level. As a small district, it is very challenging to remain within the State mandated administrative spending limits as enrollment plays a major factor in the cost calculations. A new multi-family housing project is currently under construction in the Township which may impact enrollment, class size and staffing needs in the future. Class scheduling and instructional space utilization will become more challenging in the coming years.

Contacting the District’s Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOONTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,000,066	\$ 3,486	\$ 1,003,552
Receivables from Federal Government	4,068		4,068
Receivables from State Government	214,232		214,232
Restricted Cash and Cash Equivalents	3,500,567		3,500,567
Depreciable Capital Assets, Net	1,964,319	6,819	1,971,138
Total Assets	6,683,252	10,305	6,693,557
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	609,562		609,562
Total Deferred Outflows of Resources	609,562		609,562
<u>LIABILITIES</u>			
Accounts Payable	328,204		328,204
Noncurrent Liabilities:			
Due Beyond One Year	2,048,472		2,048,472
Total Liabilities	2,376,676		2,376,676
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	435,894		435,894
Total Deferred Outflows of Resources	435,894		435,894
<u>NET POSITION</u>			
Net Investment in Capital Assets	1,964,319	6,819	1,971,138
Restricted for:			
Capital Projects	3,042,363		3,042,363
Maintenance	350,750		350,750
Excess Surplus	561,000		561,000
Unemployment Compensation	67,888		67,888
Student Activities	39,566		39,566
Unrestricted/(Deficit)	(1,545,642)	3,486	(1,542,156)
Total Net Position	\$ 4,480,244	\$ 10,305	\$ 4,490,549

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

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

Functions/Programs	Program Revenue			Net Expense and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 5,228,073	\$ 54,333	\$ 685,838	\$ (4,487,902)		\$ (4,487,902)
Special Education	1,543,722		1,098,688	(445,034)		(445,034)
Other Special Instruction	125,036		17,179	(107,857)		(107,857)
School Sponsored/Other Instruction	122,431		15,968	(106,463)		(106,463)
Support Services:						
Tuition	4,866,848			(4,866,848)		(4,866,848)
Student & Instruction Related Services	1,617,036	69,173	119,195	(1,428,668)		(1,428,668)
General Administrative Services	472,232		37,026	(435,206)		(435,206)
School Administrative Services	342,855		40,579	(302,276)		(302,276)
Central Services	353,273		44,868	(308,405)		(308,405)
Administration Information Technology	7,531			(7,531)		(7,531)
Plant Operations and Maintenance	913,570		56,914	(856,656)		(856,656)
Pupil Transportation	996,177	398	222,485	(773,294)		(773,294)
Transfer of Funds to Charter Schools	114,306			(114,306)		(114,306)
Total Governmental Activities	16,703,090	123,904	2,338,740	(14,240,446)		(14,240,446)
Business-Type Activities:						
Food Service	13,853	3,513			\$ (10,340)	(10,340)
Total Business-Type Activities	13,853	3,513			(10,340)	(10,340)
Total Primary Government	\$ 16,716,943	\$ 127,417	\$ 2,338,740	\$ (14,240,446)	\$ (10,340)	\$ (14,250,786)
General Revenues and Transfers:						
Taxes:						
Property Taxes, Levied for General Purposes, Net						
Miscellaneous Income						
Transfers						
Total General Revenue and Transfers						
Change in Net Position						
Net Position - Beginning (Restated)						
Net Position - Ending						

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

FUND FINANCIAL STATEMENTS

BOONTON TOWNSHIP SCHOOL DISTRICTBALANCE SHEET
GOVERNMENTAL FUNDSJUNE 30, 2025

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,000,066		\$ 1,000,066
Interfund Receivable	4,068		4,068
Receivables From Federal Government		\$ 4,068	4,068
Receivables From State Government	214,232		214,232
Restricted Cash and Cash Equivalents	3,461,001	39,566	3,500,567
Total Assets	<u>\$ 4,679,367</u>	<u>\$ 43,634</u>	<u>\$ 4,723,001</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable - Vendors	\$ 138,204		\$ 138,204
Interfund Payable - General Fund		\$ 4,068	4,068
Total Liabilities	<u>138,204</u>	<u>4,068</u>	<u>142,272</u>
Fund Balances:			
Restricted:			
Capital Reserve	3,042,363		3,042,363
Maintenance Reserve	350,750		350,750
Excess Surplus - 2025-2026	280,000		280,000
Excess Surplus - 2026-2027	281,000		281,000
Unemployment Compensation	67,888		67,888
Student Activities		39,566	39,566
Assigned:			
Other Purposes	104,481		104,481
Designated for Subsequent Year's Expenditures	1,000		1,000
Unassigned	413,681		413,681
Total Fund Balances	<u>4,541,163</u>	<u>39,566</u>	<u>4,580,729</u>
Total Liabilities and Fund Balances	<u>\$ 4,679,367</u>	<u>\$ 43,634</u>	<u>\$ 4,723,001</u>

BOONTON TOWNSHIP SCHOOL DISTRICTBALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2025

(Continued)

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

Total Fund Balances (Above)	\$ 4,580,729
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	1,964,319
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,832,906)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	609,562
Deferred Inflows	(435,894)
District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the Statement of Net Position.	(190,000)
Long-term liabilities, including financed purchases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(215,566)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 4,480,244</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUE:			
Local Sources:			
Local Tax Levy	\$ 14,890,236		\$ 14,890,236
Tuition	54,333		54,333
Transportation Fees from Individuals	398		398
Restricted Miscellaneous Revenue	9,349	\$ 69,173	78,522
Unrestricted Miscellaneous Revenue	39,216		39,216
Total - Local Sources	14,993,532	69,173	15,062,705
State Sources	3,364,669	26,942	3,391,611
Federal Sources		165,905	165,905
Total Revenue	18,358,201	262,020	18,620,221
EXPENDITURES:			
Current:			
Regular Instruction	3,469,383	22,933	3,492,316
Special Education Instruction	968,608	119,539	1,088,147
Other Special Instruction	80,582		80,582
School Sponsored/Other Instruction	83,659		83,659
Support Services and Undistributed Costs:			
Tuition	4,866,848		4,866,848
Student & Instruction Related Services	1,174,153	126,517	1,300,670
General Administrative Services	374,302		374,302
School Administrative Services	242,050		242,050
Central Services	239,340		239,340
Administration Information Technology	7,304		7,304
Plant Operations and Maintenance	773,135		773,135
Pupil Transportation	933,788		933,788
Unallocated Benefits	4,203,252		4,203,252
Capital Outlay	61,499		61,499
Transfer of Funds to Charter Schools	114,306		114,306
Total Expenditures	17,592,209	268,989	17,861,198
Excess/(Deficit) of Revenue Over/(Under) Expenditures	765,992	(6,969)	759,023
Other Financing Sources/(Uses):			
Transfers	(10,000)		(10,000)
Total Other Financing Sources/(Uses)	(10,000)		(10,000)
Net Change in Fund Balances	755,992	(6,969)	749,023
Fund Balance - July 1	3,785,171	46,535	3,831,706
Fund Balance - June 30	\$ 4,541,163	\$ 39,566	\$ 4,580,729

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

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

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 749,023

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

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

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

Depreciation Expense	\$ (209,589)	
Capital Asset Additions	<u>60,631</u>	
		(148,958)

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

Change in Net Pension Liability		41,972
Change in Deferred Outflows		(86,337)
Change in Deferred Inflows		126,976

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

		<u>5,679</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	\$	<u><u>688,355</u></u>

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

BOONTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities - Enterprise Funds <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,486
Total Current Assets	<u>3,486</u>
Non-Current Assets:	
Capital Assets	27,068
Less: Accumulated Depreciation	<u>(20,249)</u>
Total Non-Current Assets	<u>6,819</u>
Total Assets	<u>10,305</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	6,819
Unrestricted	<u>3,486</u>
Total Net Position	<u><u>\$ 10,305</u></u>

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

BOONTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales:	
Non-Reimbursable Programs	\$ 3,513
Total Operating Revenue	3,513
Operating Expenses:	
Cost of Sales:	
Non-Reimbursable Programs	12,870
Depreciation Expense	983
Total Operating Expenses	13,853
Operating Loss	(10,340)
Transfers:	
Transfer from General Fund - Board Contribution	10,000
Change in Net Position	(340)
Net Position - Beginning of Year	10,645
Net Position - End of Year	\$ 10,305

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

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

	Business-type Activities - Enterprise Funds <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 3,513
Payments to Suppliers	<u>(12,870)</u>
Net Cash Used for Operating Activities	<u>(9,357)</u>
Cash Flows from Noncapital Financing Activities:	
Board Contribution from General Fund	<u>10,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>10,000</u>
Net Increase in Cash and Cash Equivalents	643
Cash and Cash Equivalents, July 1	<u>2,843</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 3,486</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (10,340)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	<u>983</u>
Net Cash Used for Operating Activities	<u><u>\$ (9,357)</u></u>

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements: (Cont'd)

The District reports the following governmental funds: (Cont'd)

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

D. Budgets/Budgetary Control:

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 18,364,949	\$ 262,020
Differences - Budget to GAAP:		
Prior Year State Aid Payment Recognized for GAAP Statements, not Recognized for Budgetary Statements	85,019	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(91,767)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 18,358,201</u>	<u>\$ 262,020</u>

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

(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,592,209	\$ 268,989
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 17,592,209</u>	<u>\$ 268,989</u>

E. Cash and Cash Equivalents, and Investments:

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

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

K. Capital Assets:

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

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

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

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

L. Lease Assets:

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

M. Subscription Assets

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

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2025.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

P. Compensated Absences:

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

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

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

Q. Lease Payable:

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

R. Subscription Payable

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

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$4,541,163 General Fund balance at June 30, 2025, \$104,481 is assigned for year end encumbrances; \$3,042,363 is restricted in the capital reserve account; \$350,750 is restricted in the maintenance reserve account; \$281,000 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2027; \$280,000 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2026; \$67,888 is restricted for unemployment compensation; \$1,000 is assigned for subsequent year's expenditures and \$413,681 is unassigned which is \$91,767 more than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2026.

Special Revenue Fund: The Special Revenue fund balance at June 30, 2025 of \$39,566 is restricted for student activities.

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

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

U. Deficit Net Position:

The District has a \$1,545,642 deficit in its governmental activities as of June 30, 2025, primarily due to compensated absences payable and net pension liability and the related deferred inflows and outflows of resources. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2025 related to pensions.

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

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment or resources. The District has no committed resources at June 30, 2025.

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

The process is not a restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for subsequent year's expenditures at June 30, 2025.

X. Revenue - Exchange and Nonexchange Transactions:

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		Total
	Unrestricted	Restricted	
Checking & Savings Accounts	\$ 745,513	\$ 3,493,629	\$ 4,239,142
NJ Cash Management Fund	258,039	6,938	264,977
	<u>\$ 1,003,552</u>	<u>\$ 3,500,567</u>	<u>\$ 4,504,119</u>

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$4,504,119 and the bank balance was \$4,872,061. The \$264,977 in the NJ Cash Management Fund is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

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

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Balance at June 30, 2024	\$ 2,025,152
Increases: Board Resolution - June 18, 2025	677,515
Budgeted Increase	<u>339,696</u>
Balance at June 30, 2025	<u>\$ 3,042,363</u>

The Long Range Facilities Plan balance of local support costs of uncompleted projects exceeds the balance in the capital reserve account at June 30, 2025.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Balance 6/30/2024	Increases	Adjustments/ Decreases	Balance 6/30/2025
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 3,561,904			\$ 3,561,904
Machinery and Equipment	1,722,966	\$ 60,631		1,783,597
Total Capital Assets Being Depreciated	5,284,870	60,631		5,345,501
Governmental Activities Capital Assets	5,284,870	60,631		5,345,501
Less Accumulated Depreciated for:				
Buildings and Building Improvements	(1,867,191)			(1,867,191)
Machinery and Equipment	(1,304,402)	(209,589)		(1,513,991)
Total Accumulated Depreciation	(3,171,593)	(209,589)		(3,381,182)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,113,277</u>	<u>\$ (148,958)</u>	<u>\$ -0-</u>	<u>\$ 1,964,319</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 27,068			\$ 27,068
Less Accumulated Depreciation	(19,266)	\$ (983)		(20,249)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,802</u>	<u>\$ (983)</u>	<u>\$ -0-</u>	<u>\$ 6,819</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 72,497
Special Education Instruction	23,662
Other Special Instruction	1,138
Student & Instructional Related Services	25,427
General Administration	8,028
School Administration	6,136
Central Services	4,988
Administrative Information Technology	227
Operations and Maintenance of Plant	25,761
Transportation	41,725
	<u>\$ 209,589</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2025, the District transferred \$8,616 to the capital outlay accounts for equipment which did not require approval of the County Superintendent.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 06/30/24	Accrued	Retired	Balance 06/30/25	Due within One Year
Net Pension Liability	\$ 1,874,878		\$ 41,972	\$ 1,832,906	
Compensated Absences Payable	221,245		5,679	215,566	
	<u>\$ 2,096,123</u>	<u>\$ -0-</u>	<u>\$ 47,651</u>	<u>\$ 2,048,472</u>	<u>\$ -0-</u>

A. Bonds Payable:

As of June 30, 2025, the District has no bonds payable outstanding.

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the District has no bonds authorized but not issued.

C. Compensated Absences Payable:

The compensated absences balance of the governmental funds as of June 30, 2025 is \$215,566. \$-0- represents the current portion and \$215,566 is the long-term portion. The General Fund will be used to liquidate compensated absences payable. There is no liability for compensated absences in the District's Enterprise Fund.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is \$-0- and the long-term portion is \$1,832,906. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

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

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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

District contributions to PERS amounted to \$183,551 for fiscal year 2025. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$5,909 to PERS for normal pension benefits on behalf of the District.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of \$1,832,906 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.0135% for PERS, which was an increase of 0.0005% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized a pension expense of \$100,936 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of \$5,909 and the District recognized pension expense and revenue for \$5,909 in the fiscal year ended June 30, 2025 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2025, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2020	5.16		\$ (13,320)
	2021	5.13	\$ 2,277	
	2022	5.04		(7,534)
			<u>2,277</u>	<u>(20,854)</u>
Difference Between Expected and Actual Experience	2020	5.16	742	
	2021	5.13		(1,811)
	2022	5.04		(3,069)
	2023	5.08	9,428	
	2024	5.08	26,546	
			<u>36,716</u>	<u>(4,880)</u>
Net Difference Between Projected and Actual	2021	5.00		(125,817)
Investment Earnings on Pension Plan Investments	2022	5.00		199,589
	2023	5.00		(51,757)
	2024	5.00		(107,002)
				<u>(84,987)</u>
Changes in Proportion	2020	5.16		(1,828)
	2021	5.13	14,537	
	2022	5.04	299,576	
	2023	5.08		(323,345)
	2024	5.08	66,456	
			<u>380,569</u>	<u>(325,173)</u>
District Contribution Subsequent to the Measurement Date	2024	1.00	190,000	
			<u>\$ 609,562</u>	<u>\$ (435,894)</u>

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

<u>Fiscal Year End June 30,</u>	<u>Total</u>
2025	\$ (8,630)
2026	120,046
2027	(117,461)
2028	(12,109)
2029	1,822
	<u>\$ (16,332)</u>

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

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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:

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%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2024 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2024</u>		
	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the Net Pension Liability	\$ 2,435,481	\$ 1,832,906	\$ 1,320,118

Pension Plan Fiduciary Net Position

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

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

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

Contributions

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Special Funding Situation

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

During the fiscal year ended 2025, the State of New Jersey contributed \$1,465,011 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of (\$62,535).

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

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

At June 30, 2025, the District report a liability of \$17,142,879 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.0347%, which was an increase of 0.0004% as of June 30, 2023.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>17,142,879</u>
Total	<u><u>\$ 17,142,879</u></u>

For the fiscal year ended June 30, 2024, the State recognized pension benefit on behalf of the District in the amount of \$62,535 and the District recognized pension benefit and revenue for the same amount in the fiscal year ended June 30, 2025 financial statements.

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

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
				<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	<u>\$ (9,436,989,313)</u>

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%

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

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

Discount Rate – TPAF

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 20,376,739	\$ 17,142,879	\$ 14,419,358

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$3,828 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$5,327 for the fiscal year ended June 30, 2025.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

Actuarial Assumptions and Other Inputs

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 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 rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2023	\$ 17,444,219
Service Cost	702,213
Interest on the Total OPEB Liability	673,321
Difference Between Expected and Actual Experience	601,296
Changes of Assumptions	1,530,285
Member Contributions	17,608
Gross Benefit Payments by the State	(514,226)
Net Changes	3,010,497
Balance at June 30, 2024	\$ 20,454,716

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	\$ 23,956,853	\$ 20,454,716	\$ 17,607,409

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

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

(Continued)

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

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

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate (Cont'd)

June 30, 2024			
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 17,038,927	\$ 20,454,716	\$ 24,904,006

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$742,150 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation. In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2024, the State had deferred outflows and inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 392,273
	2018	9.51		478,902
	2019	9.29	\$ 75,556	
	2020	9.24	1,949,049	
	2021	9.24	11,513	
	2022	9.13		3,128,034
	2023	9.30	28,408	
	2024	9.33	1,366,267	
			<u>3,430,793</u>	<u>3,999,209</u>
Differences Between Expected and Actual Experience	2018	9.51		452,711
	2019	9.29		889,316
	2020	9.24	1,816,590	
	2021	9.24		2,213,979
	2022	9.13	322,143	
	2023	9.30		263,896
	2024	9.33	48,659	
			<u>2,187,391</u>	<u>3,819,902</u>
Changes in Proportion	N/A	N/A	1,249,312	700,744
			<u>\$ 6,867,496</u>	<u>\$ 8,519,855</u>

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2025	\$ (725,554)
2026	(608,380)
2027	(288,961)
2028	75,944
2029	(527,299)
Thereafter	(126,677)
	<u>\$ (2,200,927)</u>

NOTE 10. DEFERRED COMPENSATION

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

Ameriprise
AXA Equitable
Lincoln Investment
MetLife

NOTE 11. RISK MANAGEMENT

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

Property, Liability and Health Benefits

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

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

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

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

The June 30, 2025 audit report is not available as of the date of this report. Selected financial information for the NJSIG as of June 30, 2024 is as follows:

Total Assets	\$ 452,862,436
Net Position	\$ 208,313,945
Total Revenue	\$ 187,698,949
Total Expenses	\$ 178,093,729
Change in Net Position	\$ 9,605,220
Members Dividends	\$ 2,600,000

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

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

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024/2025	\$ -0-	\$ 11,367	\$ 2,017	\$ 67,888
2023/2024	-0-	10,751	8,784	58,538
2022/2023	-0-	9,991	1,517	56,571

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. TAX CALENDAR

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

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2025, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

General Fund	Special Revenue Fund	Total Governmental Funds
<u>\$ 104,481</u>	<u>\$ -0-</u>	<u>\$ 104,481</u>

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 15. MAINTENANCE RESERVE ACCOUNT

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

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

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

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Balance at June 30, 2024	<u>\$ 350,750</u>
Balance at June 30, 2025	<u><u>\$ 350,750</u></u>

NOTE 16. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Funds as of June 30, 2025 consisted of the following:

	<u>Governmental Funds</u>		<u>District</u>	
	<u>General</u>	<u>Special</u>	<u>Contribution</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Subsequent to the</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Measurement Date</u>	<u>Activities</u>
Vendors	\$ 83,630			\$ 83,630
Payroll Deductions and Withholdings	54,574			54,574
State of New Jersey			\$ 190,000	190,000
	<u>\$ 138,204</u>	<u>\$ -0-</u>	<u>\$ 190,000</u>	<u>\$ 328,204</u>

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 17. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements to the compensated absences payable as of June 30, 2024 as a result of implementing GASB Statement No. 101, *Compensated Absences*.

	Balance at June 30, 2024 as Previously Reported	Change in Accounting Principle	Balance at June 30, 2024 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Noncurrent Liabilities:			
Due Beyond One Year	\$ 2,124,171	\$ (28,048)	\$ 2,096,123
Total Liabilities	2,410,597	(28,048)	2,382,549
Net Position:			
Unrestricted/(Deficit)	(1,674,270)	28,048	(1,646,222)
Total Net Position	3,763,841	28,048	3,791,889

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0113230660%	0.0117048258%	0.0120232965%	0.0120589910%	0.0122121246%	0.0119502767%	0.0122528402%	0.0161439530%	0.0129441430%	0.0134891040%
District's proportionate share of the net pension liability	\$ 2,541,801	\$ 3,466,634	\$ 2,798,831	\$ 2,374,355	\$ 2,200,440	\$ 1,948,778	\$ 1,451,533	\$ 2,436,345	\$ 1,874,878	\$ 1,832,906
District's covered employee payroll	\$ 799,336	\$ 820,322	\$ 805,456	\$ 858,725	\$ 858,463	\$ 879,326	\$ 1,041,661	\$ 883,111	\$ 1,055,006	\$ 1,108,399
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	317.99%	422.59%	347.48%	276.50%	256.32%	221.62%	139.35%	275.88%	177.71%	165.37%
Plan fiduciary net position as a percentage of the total pension liability for the local group	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 97,348	\$ 104,691	\$ 114,642	\$ 120,323	\$ 119,089	\$ 130,730	\$ 143,495	\$ 203,583	\$ 173,002	\$ 183,551
Contributions in relation to the contractually required contribution	(97,348)	(104,691)	(114,642)	(120,323)	(119,089)	(130,730)	(143,495)	(203,583)	(173,002)	(183,551)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 820,322	\$ 805,456	\$ 858,725	\$ 858,463	\$ 879,326	\$ 1,041,661	\$ 883,111	\$ 1,055,006	\$ 1,108,399	\$ 1,078,155
Contributions as a percentage of covered employee payroll	11.87%	13.00%	13.35%	14.02%	13.54%	12.55%	16.25%	19.30%	15.61%	17.02%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.0361999168%	0.0356519581%	0.0334630139%	0.0367784558%	0.0346821008%	0.0345879016%	0.0341640622%	0.0335628280%	0.0343130544%	0.0346845559%
State's proportionate share of the net pension liability attributable to the District	\$ 22,879,884	\$ 28,046,100	\$ 22,561,971	\$ 23,397,664	\$ 21,284,733	\$ 22,775,717	\$ 16,424,437	\$ 17,316,550	\$ 17,510,868	\$ 17,142,879
District's covered employee payroll	\$ 3,453,257	\$ 3,653,694	\$ 3,657,373	\$ 3,810,206	\$ 3,762,618	\$ 3,809,200	\$ 3,833,687	\$ 4,122,830	\$ 4,202,879	\$ 4,421,721
State's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	662.56%	767.61%	616.89%	614.08%	565.69%	597.91%	428.42%	420.02%	416.64%	387.70%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.23%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 1,397,023	\$ 2,107,274	\$ 1,562,978	\$ 1,364,002	\$ 1,255,430	\$ 1,416,291	\$ 386,474	\$ 466,037	\$ 430,191	\$ (62,535)
Contributions in relation to the contractually required contribution	(285,443)	(363,232)	(541,617)	(682,114)	(758,645)	(993,108)	(1,381,667)	(1,402,739)	(1,478,025)	(1,465,011)
Contribution deficiency/(excess)	\$ 1,111,580	\$ 1,744,042	\$ 1,021,361	\$ 681,888	\$ 496,785	\$ 423,183	\$ (995,193)	\$ (936,702)	\$ (1,047,834)	\$ (1,527,546)
District's covered employee payroll	\$ 3,653,694	\$ 3,657,373	\$ 3,810,206	\$ 3,762,618	\$ 3,809,200	\$ 3,833,687	\$ 4,122,830	\$ 4,202,879	\$ 4,421,721	\$ 4,477,466
Contributions as a percentage of covered employee payroll	7.81%	9.93%	14.21%	18.13%	19.92%	25.90%	33.51%	33.38%	33.43%	32.72%

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

	Fiscal Years Ending June 30,					
	2017	2018	2019	2020	2021	2022 2023 2024
Total OPEB Liability						
Service Cost	\$ 815,318	\$ 676,143	\$ 564,405	\$ 574,460	\$ 1,035,178	\$ 929,153 \$ 747,657 \$ 702,213
Interest Cost	560,489	648,472	611,817	491,709	523,091	461,067 614,364 673,321
Changes of Benefit Terms					(21,463)	
Difference Between Expected and Actual Experience		(1,342,126)	(2,755,153)	4,192,388	(3,676,680)	952,420 (887,830) 601,296
Changes in Assumptions	(2,393,447)	(1,772,552)	203,734	4,143,455	19,894	(4,667,178) 35,160 1,530,285
Member Contributions	15,041	14,275	12,434	11,969	13,373	14,651 15,744 17,608
Gross Benefit Payments	(408,469)	(413,031)	(419,450)	(394,897)	(412,050)	(456,701) (478,907) (514,226)
Net Change in Total OPEB Liability	(1,411,068)	(2,188,819)	(1,782,213)	9,019,084	(2,518,657)	(2,766,588) 46,188 3,010,497
Total OPEB Liability - Beginning	19,046,292	17,635,224	15,446,405	13,664,192	22,683,276	20,164,619 17,398,031 17,444,219
Total OPEB Liability - Ending	\$ 17,635,224	\$ 15,446,405	\$ 13,664,192	\$ 22,683,276	\$ 20,164,619	\$ 17,398,031 \$ 17,444,219 \$ 20,454,716
District's Covered Employee Payroll *	\$ 4,474,016	\$ 4,462,829	\$ 4,668,931	\$ 4,621,081	\$ 4,688,526	\$ 4,875,348 \$ 5,005,941 \$ 5,257,885
Total OPEB Liability as a Percentage of Covered Employee Payroll	394%	346%	293%	491%	430%	357% 348% 389%

* Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the June 30, 2016 through 2023 census data.

Note: The NJ Division of Pensions and Benefits has not released the June 30, 2024 GASB No. 75 report as of the date of this report.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

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 rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues from Local Sources:					
Local Tax Levy	\$ 14,890,236		\$ 14,890,236	\$ 14,890,236	\$ (8,667)
Tuition From Individuals	63,000		63,000	54,333	398
Transportation Fees From Individuals				39,216	39,216
Unrestricted Miscellaneous Revenues				9,349	649
Other Restricted Miscellaneous Revenues	8,700		8,700		
Total Revenues from Local Sources	<u>14,961,936</u>		<u>14,961,936</u>	<u>14,993,532</u>	<u>31,596</u>
Revenues from State Sources:					
Categorical Transportation Aid	202,852		202,852	202,852	
Extraordinary Aid				175,785	175,785
Categorical Special Education Aid	682,623		682,623	682,623	
Categorical Security Aid	57,259		57,259	57,259	
Nonpublic Transportation Aid				22,416	22,416
State Reimbursements for Menstrual Products				604	604
TPAF Post Retirement Contributions (Non-Budgeted)				433,380	433,380
TPAF Pension Contributions (Non-Budgeted)				1,465,011	1,465,011
TPAF Non-Contributory Insurance (Non-Budgeted)				18,148	18,148
TPAF Long-Term Disability Insurance (Non-Budgeted)				664	664
Reimbursed TPAF Social Security Contributions				312,675	312,675
Total Revenues from State Sources	<u>942,734</u>		<u>942,734</u>	<u>3,371,417</u>	<u>2,428,683</u>
TOTAL REVENUE	<u>15,904,670</u>		<u>15,904,670</u>	<u>18,364,949</u>	<u>2,460,279</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 173,161	\$ 1,205	\$ 174,366	\$ 163,693	\$ 10,673
Kindergarten - Salaries of Teachers	258,745	1,690	260,435	260,435	
Grades 1-5 - Salaries of Teachers	1,475,941	(552)	1,475,389	1,421,808	53,581
Grades 6-8 - Salaries of Teachers	1,291,563	(21,109)	1,270,454	1,238,158	32,296
Regular Programs - Home Instruction:					
Salaries of Teachers	700	6,628	7,328	7,042	286
Purchased Professional-Educational Services	4,225	(4,225)			
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	155,594		155,594	155,594	
Purchased Professional-Educational Services	6,720	992	7,712	7,712	
Other Purchased Services (400-500 series)	33,730	3,153	36,883	30,338	6,545
General Supplies	119,262	33,897	153,159	140,164	12,995
Textbooks	64,320	(617)	63,703	44,304	19,399
Other Objects	500		500	135	365
Total Regular Programs - Instruction	3,584,461	21,062	3,605,523	3,469,383	136,140
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	182,506	9,220	191,726	191,726	
Other Salaries for Instruction	114,335	(25,787)	88,548	76,890	11,658
General Supplies	1,350	550	1,900	1,865	35
Total Multiple Disabilities	298,191	(16,017)	282,174	270,481	11,693
Resource Room/Resource Center:					
Salaries of Teachers	343,371	5,580	348,951	343,751	5,200
Other Salaries for Instruction	304,460		304,460	304,148	312
General Supplies	6,000		6,000	5,806	194
Total Resource Room/Resource Center	653,831	5,580	659,411	653,705	5,706

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 47,925	\$ (1,555)	\$ 46,370	\$ 44,422	\$ 1,948
Total Preschool Disabilities - Full-Time	47,925	(1,555)	46,370	44,422	1,948
TOTAL SPECIAL EDUCATION - INSTRUCTION	999,947	(11,992)	987,955	968,608	19,347
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	77,867	2,419	80,286	80,106	180
General Supplies	914		914	476	438
Total Basic Skills/Remedial - Instruction	78,781	2,419	81,200	80,582	618
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	34,434		34,434	30,208	4,226
Other Objects	700		700	400	300
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	35,134		35,134	30,608	4,526
School-Sponsored Athletics - Instruction:					
Salaries	47,486		47,486	44,249	3,237
Supplies and Materials	4,150		4,150	2,651	1,499
Other Objects	1,475	200	1,675	1,590	85
Transfers to Cover Deficit (Agency Funds)	9,638	(200)	9,438	4,561	4,877
Total School-Sponsored Athletics - Instruction	62,749		62,749	53,051	9,698
TOTAL INSTRUCTION	4,761,072	11,489	4,772,561	4,602,232	170,329
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	2,919,385	37,556	2,956,941	2,956,941	
Tuition to Other LEAs Within the State - Special	1,201,597	(139,341)	1,062,256	1,054,241	8,015
Tuition to County Voc. School Dist. - Regular	93,684	44,677	138,361	133,477	4,884
Tuition to Priv. Sch. for the Handicap. W/I State	1,187,519	(276,563)	910,956	722,189	188,767
Total Undistributed Expenditures - Instruction	5,402,185	(333,671)	5,068,514	4,866,848	201,666

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	\$ 100,380	\$ 5,900	\$ 106,280	\$ 105,290	\$ 990
Purchased Professional and Technical Services	8,750	(500)	8,250	7,072	1,178
Supplies and Materials	14,646	(700)	13,946	13,788	158
Other Objects	800	1,200	2,000	1,672	328
Total Undist. Expenditures - Health Services	124,576	5,900	130,476	127,822	2,654
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	59,208		59,208	59,208	
Purchased Professional - Educational Services	72,050	24,200	96,250	56,831	39,419
Supplies and Materials	1,710	1,833	3,543	3,542	1
Total Undist. Expend. - Speech, OT, PT, Related Svcs	132,968	26,033	159,001	119,581	39,420
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Purchased Professional - Educational Services	79,607	82,000	161,607	119,914	41,693
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	79,607	82,000	161,607	119,914	41,693
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	110,542	(217)	110,325	109,825	500
Other Purchased Services (400-500 series)	15,022		15,022	13,714	1,308
Supplies and Materials	3,000		3,000	1,544	1,456
Other Objects	750		750		750
Total Undist Expend. - Guidance	129,314	(217)	129,097	125,083	4,014
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	222,645		222,645	205,406	17,239
Salaries of Secretarial and Clerical Assistants	39,601	25,076	64,677	64,677	
Purchased Professional - Educational Services	35,093	96,900	131,993	104,742	27,251
Other Purchased Prof. and Tech. Services	15,200	3,800	19,000	18,305	695
Other Purchased Services (400-500 series)	500		500		500

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team: (Cont'd)					
Supplies and Materials	\$ 3,713	\$ 957	\$ 4,670	\$ 4,520	\$ 150
Other Objects	1,500	970	2,470	2,445	25
Total Undist Expend. - Child Study Team	318,252	127,703	445,955	400,095	45,860
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	3,200	1,600	4,800	4,800	
Purchased Professional - Educational Services	12,700		12,700	7,111	5,589
Total Undist. Expend.-Improv. of Inst. Serv.	15,900	1,600	17,500	11,911	5,589
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	135,332	21,037	156,369	153,594	2,775
Other Purchased Services (400-500 series)	46,687	3,500	50,187	41,703	8,484
Supplies and Materials	10,580	350	10,930	9,192	1,738
Other Objects	711		711		711
Total Undist Expend-Edu. Media Serv./Sch. Library	193,310	24,887	218,197	204,489	13,708
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Other Professional Staff	40,866	(2,500)	38,366	33,078	5,288
Other Purchased Services (400-500 series)	31,500	2,500	34,000	32,130	1,870
Supplies and Materials	2,600		2,600		2,600
Other Objects	800		800	50	750
Total Undist.Expend.-Instructional Staff Training Services	75,766		75,766	65,258	10,508
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	178,969	(5,521)	173,448	172,647	801
Legal Services	15,000	82,016	97,016	24,014	73,002
Audit Fees	24,045	1,218	25,263	25,263	
Architectural/Engineering Services	2,000	6,330	8,330	8,330	
Other Purchased Professional Services	3,500	(3,500)			
Purchased Technical Services	2,500	5,830	8,330	8,330	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin. (Cont'd):					
Communications / Telephone	\$ 18,265	\$ 5,900	\$ 24,165	\$ 22,983	\$ 1,182
BOE Other Purchased Services	2,500	1,600	4,100	3,646	454
Other Purch. Serv. (400-500 series other than 530 & 585)	35,200	17,433	52,633	52,273	360
General Supplies	10,000	(8,374)	1,626	1,509	117
BOE In-house training/ Meeting Supplies	2,000	315	2,315	2,315	
Judgments Against The School District	42,718		42,718	42,718	
Miscellaneous Expenditures	5,209	(625)	4,584	3,360	1,224
BOE Membership Dues and Fees	7,000	(86)	6,914	6,914	
Total Undist. Expend.-Support Serv.-Gen. Admin.	348,906	102,536	451,442	374,302	77,140
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	194,224	(5,000)	189,224	189,224	
Salaries of Other Professional Staff	13,547		13,547	5,924	7,623
Salaries of Secretarial and Clerical Assistants	70,892	(25,000)	45,892	40,290	5,602
Other Purchased Services (400-500 series)	4,400		4,400	3,641	759
Supplies and Materials	3,065	1,200	4,265	2,681	1,584
Other Objects	2,900	(1,500)	1,400	290	1,110
Total Undist. Expend.-Support Serv.-School Adm.	289,028	(30,300)	258,728	242,050	16,678
Undist. Expend. - Central Services:					
Salaries	206,073	3,146	209,219	209,218	1
Miscellaneous Purchased Services (400-500 series other than 594)	15,792	8,549	24,341	23,650	691
Supplies and Materials	3,600	395	3,995	3,713	282
Other Objects	2,250	900	3,150	2,759	391
Total Undist. Expend. - Central Services	227,715	12,990	240,705	239,340	1,365
Undist. Expend. - Admin. Info. Technology:					
Purchased Technical Services	2,000		2,000	1,545	455
Other Purchased Services (400-500 series)	6,800	(1,000)	5,800	5,279	521

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin. Info. Technology:					
Supplies and Materials	\$ 3,500		\$ 3,500	\$ 480	\$ 3,020
Other Objects	2,000		2,000		2,000
Total Undist. Expend. - Admin. Info. Technology	14,300	\$ (1,000)	13,300	7,304	5,996
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	69,009		69,009	69,009	
Cleaning, Repair, and Maintenance Services	100,218	16,985	117,203	98,517	18,686
General Supplies	18,712		18,712	7,870	10,842
Total Undist. Expend.- Required Maint. for School Facilities	187,939	16,985	204,924	175,396	29,528
Undist. Expend.-Custodial Services:					
Salaries	331,279	(318)	330,961	295,147	35,814
Purchased Professional and Technical Services	9,000		9,000	6,543	2,457
Cleaning, Repair, and Maintenance Services	73,640	(7,500)	66,140	39,727	26,413
Other Purchased Property Services	5,500	500	6,000	5,863	137
Insurance	53,425	(500)	52,925	47,626	5,299
Miscellaneous Purchased Services	450		450	66	384
General Supplies	22,600	6,818	29,418	28,308	1,110
Energy (Natural Gas)	68,442	(10,818)	57,624	52,576	5,048
Energy (Electricity)	68,684	(11,060)	57,624	52,576	5,048
Other Objects	700		700		700
Total Undist. Expend.-Custodial Services	633,720	(22,878)	610,842	528,432	82,410
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	23,300		23,300	21,049	2,251
Total Care And Upkeep Of Grounds	23,300		23,300	21,049	2,251
Security:					
Purchased Professional and Technical Services	54,352		54,352	48,258	6,094
Total Security	54,352		54,352	48,258	6,094

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Undist. Expend.- Oper. And Maint. Of Plant Serv.	\$ 899,311	\$ (5,893)	\$ 893,418	\$ 773,135	\$ 120,283
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch) - Regular	58,060	26,941	85,001	66,236	18,765
Sal. for Pupil Trans. (Bet. Home and Sch) - Special Ed.	5,563		5,563		5,563
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	12,000		12,000	6,815	5,185
Cleanings, Repair, and Maint. Services	7,500		7,500	3,582	3,918
Contract. Serv. - Aid in Lieu of Payments - Nonpublic Students	47,300	13,323	60,623	60,623	
Contract. Serv.(Oth. than Bet. Home & Sch.) -Vendors	7,400	8,300	15,700	14,920	780
Contract. Serv.(Spl. Ed. Students) - Vendors	13,200	200	13,400	13,400	
Contract. Serv.(Reg. Students) - ESCs & CTSAAs	425,109	109,439	534,548	534,548	
Contract. Serv.(Spl. Ed. Students) - ESCs & CTSAAs	330,000	(53,267)	276,733	232,095	44,638
Misc. Purchased Serv. - Transportation	4,000		4,000	1,290	2,710
General Supplies	7,200		7,200	179	7,021
Other Objects	800		800	100	700
Total Undist. Expend.-Student Trans. Serv.	918,132	104,936	1,023,068	933,788	89,280
UNALLOCATED BENEFITS					
Social Security Contributions	110,000	21,000	131,000	130,571	429
Other Retirement Contributions - PERS	195,230		195,230	183,551	11,679
Other Retirement Contributions - Regular	4,145		4,145	3,828	317
Unemployment Compensation	9,000	(9,000)			
Workers Compensation	52,337	10	52,347	52,347	
Health Benefits	1,686,543	(19,610)	1,666,933	1,521,912	145,021
Tuition Reimbursement	30,000	(3,540)	26,460	6,414	20,046
Other Employee Benefits	57,100	23,140	80,240	74,751	5,489
TOTAL UNALLOCATED BENEFITS	2,144,355	12,000	2,156,355	1,973,374	182,981

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				\$ 433,380	\$ (433,380)
TPAF Pension Contributions (Non-Budgeted)				1,465,011	(1,465,011)
TPAF Non-Contributory Insurance (Non-Budgeted)				18,148	(18,148)
TPAF Long-Term Disability Insurance (Non-Budgeted)				664	(664)
Reimbursed TPAF Social Security Contributions				312,675	(312,675)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				2,229,878	(2,229,878)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 2,144,355	\$ 12,000	\$ 2,156,355	4,203,252	(2,046,897)
TOTAL UNDISTRIBUTED EXPENDITURES	11,313,625	129,504	11,443,129	12,814,172	(1,371,043)
TOTAL GENERAL CURRENT EXPENSE	16,074,697	140,993	16,215,690	17,416,404	(1,200,714)
CAPITAL OUTLAY					
Undistributed:					
Undistributed Expenditures - Instruction		5,328	5,328	2,537	2,791
Undistributed Expenditures - General Admin.		2,502	2,502	2,502	
Undist. Expend. - Required Maint for School Fac.	55,000	786	55,786	55,592	194
Total Equipment	55,000	8,616	63,616	60,631	2,985
Facilities Acquisition and Construction Serv.:					
Other Objects	868		868	868	
Total Facilities Acquisition and Const. Serv.	868		868	868	
TOTAL CAPITAL OUTLAY	55,868	8,616	64,484	61,499	2,985
Transfer of Funds to Charter Schools	67,834	46,472	114,306	114,306	
TOTAL EXPENDITURES	16,198,399	196,081	16,394,480	17,592,209	(1,197,729)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (293,729)	\$ (196,081)	\$ (489,810)	\$ 772,740	\$ 1,262,550
Other Financing Sources/(Uses):					
Transfers to Cover Deficit (Enterprise Fund)		(10,000)	(10,000)	(10,000)	
Other Financing Sources/(Uses)		(10,000)	(10,000)	(10,000)	
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(293,729)	(206,081)	(499,810)	762,740	1,262,550
Fund Balance, July 1	3,870,190		3,870,190	3,870,190	
Fund Balance, June 30	<u>\$ 3,576,461</u>	<u>\$ (206,081)</u>	<u>\$ 3,370,380</u>	<u>\$ 4,632,930</u>	<u>\$ 1,262,550</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2026-2027				\$ 281,000	
Excess Surplus - Restricted For 2025-2026				280,000	
Capital Reserve				3,042,363	
Maintenance Reserve				350,750	
Unemployment Compensation				67,888	
Assigned Fund Balance:					
Year End Encumbrances				104,481	
Designated for Subsequent Year's Expenditures				1,000	
Unassigned Fund Balance				<u>505,448</u>	
				<u>4,632,930</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>(91,767)</u>	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,541,163</u>	

BOONTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 76,142	\$ 76,142	\$ 69,173	\$ (6,969)
State Sources		26,942	26,942	26,942	
Federal Sources	\$ 131,925	33,980	165,905	165,905	
Total Revenues	131,925	137,064	268,989	262,020	(6,969)
EXPENDITURES:					
Instruction:					
Other Purchased Services	16,913	(16,913)			
Tuition	94,634	24,905	119,539	119,539	
General Supplies		22,933	22,933	22,933	
Total Instruction	111,547	30,925	142,472	142,472	
Support Services:					
Salaries of Other Professional Staff	12,439		12,439	12,439	
Personal Services - Employee Benefits	952	1	953	953	
Purchased Professional and Technical Services	2,671	1,959	4,630	4,630	
Purchased Professional and Educational Services	4,316	995	5,311	5,311	
Other Purchased Services		26,942	26,942	26,942	
Supplies and Materials		100	100	100	
Student Activities		76,142	76,142	76,142	
Total Support Services	20,378	106,139	126,517	126,517	
Total Expenditures	\$ 131,925	\$ 137,064	\$ 268,989	\$ 268,989	
Deficit of Revenue Under Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (6,969)	\$ (6,969)

BOONTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule Difference - Budget to GAAP:	\$ 18,364,949	\$ 262,020
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	85,019	
Current Year State Aid Payments Recognized for Budgetary Statements, not Recognized for GAAP Statements	(91,767)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 18,358,201</u>	<u>\$ 262,020</u>
Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 17,592,209</u>	<u>\$ 268,989</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 17,592,209</u>	<u>\$ 268,989</u>

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SPECIAL REVENUE FUND

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

	Elementary and Secondary Education Act			I.D.E.A	
	Title I	Title IIA	Title IV	Basic	Preschool
REVENUES:					
Local Sources					
Federal Sources	\$ 21,169	\$ 9,886	\$ 10,000	\$ 119,539	\$ 5,311
Total Revenues	21,169	9,886	10,000	119,539	5,311
EXPENDITURES:					
Instruction:					
Tuition				119,539	
General Supplies	21,069		1,864		
Total Instruction	21,069		1,864	119,539	
Support Services:					
Salaries of Other Professional Staff		4,882	7,557		
Personal Services - Employee Benefits		374	579		
Purchased Professional and Technical Services		4,630			5,311
Purchased Professional and Educational Services					
Other Purchased Services					
Supplies and Materials	100				
Student Activities					
Total Support Services	100	9,886	8,136		5,311
Total Expenditures	\$ 21,169	\$ 9,886	\$ 10,000	\$ 119,539	\$ 5,311

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

	SDA Emergent and Capital Maintenance Needs		Student	
	FY22	FY23	FY24	Activities
REVENUES:				Totals
Local Sources				
State Sources	\$ 9,252	\$ 8,907	\$ 8,783	\$ 69,173
Federal Sources				26,942
Total Revenues	9,252	8,907	8,783	165,905
				262,020
EXPENDITURES:				
Instruction:				
Tuition				119,539
General Supplies				22,933
Total Instruction				142,472
Support Services:				
Salaries of Other Professional Staff				12,439
Personal Services - Employee Benefits				953
Purchased Professional and Technical Services				4,630
Purchased Professional and Educational Services				5,311
Other Purchased Services	9,252	8,907	8,783	26,942
Supplies and Materials				100
Student Activities				76,142
Total Support Services	9,252	8,907	8,783	76,142
Total Expenditures	\$ 9,252	\$ 8,907	\$ 8,783	\$ 76,142
				268,989

PROPRIETARY FUNDS

BOONTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 3,486
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Total Current Assets	<u>3,486</u>
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Non-Current Assets:

Capital Assets	27,068
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Less: Accumulated Depreciation	<u>(20,249)</u>
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Total Non-Current Assets	<u>6,819</u>
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Total Assets	<u>10,305</u>
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NET POSITION:

Investment in Capital Assets	6,819
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Unrestricted	<u>3,486</u>
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Total Net Position	<u><u>\$ 10,305</u></u>
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BOONTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Operating Revenue:	
Local Sources:	
Daily Sales:	
Non-Reimbursable Programs	\$ 3,513
Total Operating Revenue	<u>3,513</u>
Operating Expenses:	
Cost of Sales:	
Non-Reimbursable Programs	12,870
Depreciation Expense	<u>983</u>
Total Operating Expenses	<u>13,853</u>
Operating Loss	(10,340)
Transfers:	
Transfer from General Fund - Board Contribution	<u>10,000</u>
Change in Net Position	(340)
Net Position - Beginning of Year	<u>10,645</u>
Net Position - End of Year	<u><u>\$ 10,305</u></u>

BOONTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 3,513
Payments to Suppliers	(12,870)
Net Cash Used for Operating Activities	(9,357)
Cash Flows from Noncapital Financing Activities:	
Board Contribution from General Fund	10,000
Net Cash Provided by Noncapital Financing Activities	10,000
Net Increase in Cash and Cash Equivalents	643
Cash and Cash Equivalents, July 1	2,843
Cash and Cash Equivalents, June 30	\$ 3,486
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (10,340)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	983
Net Cash Used for Operating Activities	\$ (9,357)

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

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 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

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 thru 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 and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

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

June 30,										
	2016	2017	2018	2019	2020	2021	2022	2023	Restated 2024	2025
Governmental Activities										
Net Investment in Capital Assets/(Deficit)	\$ (499,372)	\$ (361,668)	\$ (239,328)	\$ (57,194)	\$ 152,629	\$ 139,140	\$ 228,201	\$ 1,221,184	\$ 2,113,277	\$ 1,964,319
Restricted	761,486	757,475	1,010,336	999,220	979,855	1,644,356	1,860,162	3,267,467	3,324,834	4,061,567
Unrestricted/(Deficit)	(1,217,996)	(1,577,072)	(1,860,702)	(2,006,624)	(1,797,609)	(1,338,407)	(749,632)	(1,680,018)	(1,646,222)	(1,545,642)
Total Governmental Activities Net Position/(Deficit)	\$ (955,882)	\$ (1,181,265)	\$ (1,089,694)	\$ (1,064,598)	\$ (665,125)	\$ 445,089	\$ 1,338,731	\$ 2,808,633	\$ 3,791,889	\$ 4,480,244
Business-Type Activities										
Net Investment in Capital Assets	\$ 15,696	\$ 14,689	\$ 13,705	\$ 12,722	\$ 11,738	\$ 10,754	\$ 9,770	\$ 8,786	\$ 7,802	\$ 6,819
Unrestricted	3,205	15,237	10,347	5,690	2,677	3,993	1,376	6,008	2,843	3,486
Total Business-Type Activities Net Position	\$ 18,901	\$ 29,926	\$ 24,052	\$ 18,412	\$ 14,415	\$ 14,747	\$ 11,146	\$ 14,794	\$ 10,645	\$ 10,305
District-wide										
Net Investment in Capital Assets/(Deficit)	\$ (483,676)	\$ (346,979)	\$ (225,623)	\$ (44,472)	\$ 164,367	\$ 149,894	\$ 237,971	\$ 1,229,970	\$ 2,121,079	\$ 1,971,138
Restricted	761,486	757,475	1,010,336	999,220	979,855	1,644,356	1,860,162	3,267,467	3,324,834	4,061,567
Unrestricted/(Deficit)	(1,214,791)	(1,561,835)	(1,850,355)	(2,000,934)	(1,794,932)	(1,334,414)	(748,256)	(1,674,010)	(1,643,379)	(1,542,156)
Total District Net Position/(Deficit)	\$ (936,981)	\$ (1,151,339)	\$ (1,065,642)	\$ (1,046,186)	\$ (650,710)	\$ 459,836	\$ 1,349,877	\$ 2,823,427	\$ 3,802,534	\$ 4,490,549

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,409,429	\$ 5,999,606	\$ 5,986,416	\$ 5,666,452	\$ 5,259,075	\$ 5,506,676	\$ 5,519,498	\$ 5,181,722	\$ 5,108,304	\$ 5,228,073
Special Education	1,063,179	1,333,066	1,428,431	1,246,448	1,118,822	1,284,456	1,331,252	1,408,301	1,533,174	1,543,722
Other Special Education	216,423	269,107	267,703	194,030	156,937	121,578	121,358	114,854	84,417	125,036
Other Instruction	128,000	148,554	155,899	153,356	137,761	65,100	143,760	113,762	128,881	122,431
Support Services:										
Tuition	5,137,900	5,382,635	5,391,426	5,548,571	5,642,389	5,167,830	5,197,447	4,786,643	4,705,469	4,866,848
Student and Instruction Related Services	973,397	1,009,029	1,016,989	1,355,568	1,238,279	1,368,812	1,224,703	1,329,540	1,434,358	1,617,036
General Administrative Services	289,630	311,736	282,332	303,238	325,564	320,492	357,692	428,601	472,208	472,232
School Administrative Services	391,927	488,095	463,684	454,096	460,665	457,484	452,766	434,216	418,673	342,855
Central Services	284,745	263,304	255,417	262,702	261,410	268,207	269,364	347,662	339,118	353,273
Administration Information Technology	58,313	62,980	59,611	49,780	27,685	31,444	39,016	29,803	10,711	7,531
Plant Operations and Maintenance	820,522	779,057	884,360	780,485	768,046	779,669	789,307	798,105	1,050,625	913,570
Pupil Transportation	600,101	719,675	764,426	812,440	926,532	608,210	781,983	831,787	985,531	996,177
Unallocated Depreciation	32,360	35,793	22,600	31,583						
Charter Schools										
Capital Outlay	1,017	868	868	869	868	868	868	77,659	68,743	114,306
Interest on Long-Term Debt	38,400	30,400	63,620	14,800	7,200					
Total Governmental Activities Expenses	15,445,343	16,833,905	17,043,782	16,874,418	16,331,233	16,153,023	16,382,566	15,883,523	16,340,212	16,703,090
Business-Type Activities:										
Food Service	11,644	11,196	12,487	8,790	11,189	4,668	10,947	13,645	18,401	13,853
Total Business-Type Activities Expense	11,644	11,196	12,487	8,790	11,189	4,668	10,947	13,645	18,401	13,853
Total District Expenses	\$ 15,456,987	\$ 16,845,101	\$ 17,056,269	\$ 16,883,208	\$ 16,342,422	\$ 16,157,691	\$ 16,393,513	\$ 15,897,168	\$ 16,358,613	\$ 16,716,943
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition					\$ 76,693	\$ 33,677	\$ 67,814	\$ 41,100	\$ 52,900	\$ 54,333
Pupil transportation					2,468	1,792	2,390	796	398	
Student and Related Services						11,794	72,369	68,099	102,122	69,173
Operating Grants and Contributions						3,168,615	2,943,004	2,798,352	2,503,734	2,338,740
Total Governmental Activities Program Revenues	\$ 2,759,007	\$ 3,507,310	\$ 3,773,832	\$ 3,298,443	\$ 2,834,043	\$ 3,168,615	\$ 3,085,577	\$ 2,908,347	\$ 2,659,154	\$ 2,462,644
Business-Type Activities:										
Charges for Services:										
Food Service	6,924	6,439	6,613	3,150	7,192		2,346	4,293	4,252	3,513
Total Business-Type Activities Program Revenues	6,924	6,439	6,613	3,150	7,192		2,346	4,293	4,252	3,513
Total District Program Revenues	\$ 2,765,931	\$ 3,513,749	\$ 3,780,445	\$ 3,301,593	\$ 2,920,396	\$ 3,215,878	\$ 3,087,923	\$ 2,912,640	\$ 2,663,406	\$ 2,466,157
Net (Expense)/Revenue:										
Governmental Activities	\$ (12,686,336)	\$ (13,326,595)	\$ (13,269,950)	\$ (13,575,975)	\$ (13,418,029)	\$ (12,937,145)	\$ (13,296,989)	\$ (12,975,176)	\$ (13,681,058)	\$ (14,240,446)
Business-Type Activities	(4,720)	(4,757)	(5,874)	(5,640)	(3,997)	(4,668)	(8,601)	(9,352)	(14,149)	(10,340)
Total District-Wide Net Expense	\$ (12,691,056)	\$ (13,331,352)	\$ (13,275,824)	\$ (13,581,615)	\$ (13,422,026)	\$ (12,941,813)	\$ (13,305,590)	\$ (12,984,528)	\$ (13,695,207)	\$ (14,250,786)

BOONTON TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS

UNAUDITED
(accrual basis of accounting)
(Continued)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 12,459,483	\$ 12,708,673	\$ 12,962,846	\$ 13,222,103	\$ 13,486,545	\$ 13,756,276	\$ 14,031,402	\$ 14,312,030	\$ 14,598,271	\$ 14,890,236
Taxes Levied for Debt Service	181,430	171,537	165,601	155,860	142,465					
Unrestricted Grants and Contributions	81,044	88,788	86,490	64,066	57,756					
Investment Earnings										
Miscellaneous Income	64,281	132,214	146,584	159,042	57,240	296,083	164,229	146,048	47,995	48,565
Transfers						(5,000)	(5,000)	(13,000)	(10,000)	(10,000)
Total Governmental Activities	12,786,238	13,101,212	13,361,521	13,601,071	13,744,006	14,047,359	14,190,631	14,445,078	14,636,266	14,928,801
Business-Type Activities:										
Other Item - Cancellation of										
Prior Year Interfund - General Fund	(15,783)	15,782								
Transfers						5,000	5,000	13,000	10,000	10,000
Total Business-Type Activities	(15,783)	15,782				5,000	5,000	13,000	10,000	10,000
Total District-Wide	\$ 12,770,455	\$ 13,116,994	\$ 13,361,521	\$ 13,601,071	\$ 13,744,006	\$ 14,052,359	\$ 14,195,631	\$ 14,458,078	\$ 14,646,266	\$ 14,938,801
Change in Net Position:										
Governmental Activities	\$ 99,902	\$ (225,383)	\$ 91,571	\$ 25,096	\$ 325,977	\$ 1,110,214	\$ 893,642	\$ 1,469,902	\$ 955,208	\$ 688,355
Business-Type Activities	(20,503)	11,025	(5,874)	(5,640)	(3,997)	332	(3,601)	3,648	(4,149)	(340)
Total District	\$ 79,399	\$ (214,358)	\$ 85,697	\$ 19,456	\$ 321,980	\$ 1,110,546	\$ 890,041	\$ 1,473,550	\$ 951,059	\$ 688,015

Source: School District Financial Reports

BOONTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENT FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	\$ 761,486	\$ 757,475	\$ 1,010,336	\$ 999,220	\$ 933,812	\$ 1,600,737	\$ 1,810,507	\$ 3,216,655	\$ 3,278,299	\$ 4,022,001
Assigned	689,788	500,752	436,586	313,364	613,071	621,160	645,677	233,883	69,566	105,481
Unassigned	358,802	454,685	431,833	469,200	439,931	862,397	719,326	383,901	437,306	413,681
Total General Fund	\$ 1,810,076	\$ 1,712,912	\$ 1,878,755	\$ 1,781,784	\$ 1,986,814	\$ 3,084,294	\$ 3,175,510	\$ 3,834,439	\$ 3,785,171	\$ 4,541,163
All Other Governmental Funds:										
Committed							\$ 396,697	\$ 6,441		
Restricted					\$ 46,043	\$ 43,619	49,655	50,812	\$ 46,535	\$ 39,566
Total All Other Governmental Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 46,043	\$ 43,619	\$ 446,352	\$ 57,253	\$ 46,535	\$ 39,566

Source: School District Financial Reports

BOONTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Tax Levy	\$ 12,640,913	\$ 12,880,210	\$ 13,128,447	\$ 13,377,963	\$ 13,629,010	\$ 13,756,276	\$ 14,031,402	\$ 14,312,030	\$ 14,598,271	\$ 14,890,236
Tuition Charges	34,089	46,316	56,100	55,962	76,693	33,677	67,814	41,100	52,900	54,333
Interest Earnings										
Restricted Miscellaneous Revenue	30,192	85,897	90,484	103,080	59,708	23,410	81,397	76,573	104,089	78,522
Unrestricted Miscellaneous Revenue	1,590,190	1,733,299	1,937,102	2,109,719	2,225,474	2,572,590	2,909,549	3,049,828	46,426	39,614
State Sources									3,284,343	3,391,611
Federal Sources	138,280	131,917	133,384	125,915	140,235	174,195	231,258	436,590	175,206	165,905
Total Revenue	14,433,664	14,877,640	15,345,517	15,772,639	16,131,120	16,846,407	17,479,011	18,054,491	18,261,235	18,620,221
Expenditures:										
Instruction										
Regular Instruction	3,096,794	2,955,833	2,854,351	3,016,738	2,967,136	3,092,707	3,312,508	3,365,484	3,320,349	3,492,316
Special Education Instruction	641,161	761,381	817,895	761,982	687,130	909,361	983,612	981,259	1,083,746	1,088,147
Other Special Instruction	118,122	122,811	122,409	95,634	82,767	64,773	66,228	69,034	52,099	80,582
Other Instruction	75,301	74,999	77,566	83,992	79,346	36,892	86,346	74,874	85,882	83,659
Support Services:										
Tuition	5,137,900	5,382,635	5,391,426	5,548,571	5,642,389	5,167,830	5,197,447	4,786,643	4,705,469	4,866,848
Student and Instruction Related Services	677,572	748,365	771,607	948,871	885,973	840,441	936,650	1,056,207	1,164,600	1,300,670
General Administrative Services	233,059	270,884	252,616	266,007	281,768	279,409	309,960	320,917	367,770	374,302
School Administrative Services	227,622	252,403	244,831	261,706	273,203	271,581	276,468	285,665	281,055	242,050
Central Services	189,836	198,116	198,647	201,971	199,454	204,894	213,588	221,334	228,459	239,340
Administration Information Technology	43,720	52,229	49,750	44,180	25,474	29,106	37,041	29,541	10,399	7,304
Plant Operations and Maintenance	645,401	654,075	773,339	664,531	648,503	660,296	683,195	680,522	881,355	773,135
Pupil Transportation	553,503	680,976	746,938	792,564	901,569	609,947	784,601	835,622	970,667	933,788
Unallocated Benefits	2,454,903	2,572,185	2,649,505	2,939,202	3,001,288	3,386,550	3,818,253	3,960,925	4,074,146	4,203,252
Capital Outlay	31,194	22,512	11,194	38,861	90,343	149,456	120,613	1,025,975	1,016,482	61,499
Charter Schools						172,197	153,552	77,659	68,743	114,306
Debt Service:										
Principal	200,000	195,000	195,000	190,000	180,000					
Interest and Other Charges	38,400	30,400	22,600	14,800	7,200					
Total Expenditures	14,364,488	14,974,804	15,179,674	15,869,610	15,953,543	15,875,440	16,980,062	17,771,661	18,311,221	17,861,198
Excess (Deficiency) of Revenues Over (Under) Expenditures	69,176	(97,164)	165,843	(96,971)	177,577	970,967	498,949	282,830	(49,986)	759,023
Other Financing Sources (Uses):										
Transfers						(5,000)	(5,000)	(13,000)	(10,000)	(10,000)
Financed Purchases (Non-Budgeted)						129,089				
Total Other Financing Sources (Uses)						124,089	(5,000)	(13,000)	(10,000)	(10,000)
Net Change in Fund Balances	\$ 69,176	\$ (97,164)	\$ 165,843	\$ (96,971)	\$ 177,577	\$ 1,095,056	\$ 493,949	\$ 269,830	\$ (59,986)	\$ 749,023
Debt Service as a Percentage of Noncapital Expenditures	1.66 %	1.51 %	1.43 %	1.29 %	1.18 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u>	<u>Refund of Prior</u> <u>Year Expenses</u>	<u>Total</u>
2016		\$ 34,089	\$ 30,192		\$ 64,281
2017		46,316	85,898		132,214
2018		56,100	90,484		146,584
2019		55,962	103,080		159,042
2020		76,693	59,708		136,401
2021	\$ 129	33,677	17,496	\$ 280,250	331,552
2022	466	67,814	40,425	125,728	234,433
2023	8,239	41,100	23,070	115,535	187,944
2024	11,605	52,900	24,273	12,515	101,293
2025	11,617	54,333	26,004	11,342	103,296

Source: Boonton Township School District records

BOONTON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2015	\$ 11,143,400	\$ 793,744,500	\$ 20,393,000	\$ 240,500	\$ 13,771,500	\$ 12,342,400	\$ -0-	\$ 851,635,300	\$ 71,985,500	\$ -0-	\$ 851,635,300	\$ 1.476	\$ 925,140,690
2016	11,610,200	795,957,400	20,575,800	250,900	29,032,000	12,342,400	-0-	869,768,700	53,698,100	-0-	869,768,700	1.467	937,574,113
2017	11,905,100	797,398,000	21,111,400	250,900	28,911,000	12,342,400	-0-	871,918,800	53,699,300	-0-	871,918,800	1.407	915,416,511
2018	11,674,900	799,906,800	21,136,100	251,200	28,805,900	12,342,400	-0-	874,117,300	53,699,300	-0-	874,117,300	1.516	928,793,968
2019	11,181,500	800,465,700	22,230,100	251,400	28,805,900	12,342,400	-0-	875,277,000	54,321,600	-0-	875,277,000	1.543	967,153,757
2020	10,393,800	804,259,100	21,518,800	223,100	30,680,700	12,342,400	-0-	879,417,900	54,156,000	-0-	879,417,900	1.557	980,265,478
2021	10,393,800	804,521,900	21,781,800	223,100	30,680,700	12,342,400	-0-	879,943,700	54,213,200	-0-	879,943,700	1.579	971,887,448
2022	8,810,100	800,749,200	21,781,800	243,300	30,680,700	12,342,400	-0-	874,607,500	54,632,700	-0-	874,607,500	1.620	1,006,704,113
2023	10,440,700	801,098,600	21,389,500	241,600	24,340,100	12,342,400	-0-	869,852,900	57,735,600	-0-	869,852,900	1.662	1,042,387,894
2024	9,550,200	803,184,600	23,175,400	239,600	24,340,100	12,342,400	-0-	872,832,300	58,009,500	-0-	872,832,300	1.689	1,090,369,868

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

^b Tax Rates are per \$100 of Assessed Value.

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

Source: Municipal Tax Assessor

BOONTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	<u>Boonton Township School District Direct Rate</u>			<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Boonton	Morris County	
2015	\$ 1.455	\$ 0.021	\$ 1.476	\$ 0.444	\$ 0.271	\$ 2.191
2016	1.447	0.020	1.467	0.451	0.273	2.191
2017	1.389	0.018	1.407	0.430	0.257	2.094
2018	1.498	0.018	1.516	0.461	0.276	2.253
2019	1.527	0.016	1.543	0.483	0.289	2.315
2020	1.557	-0-	1.557	0.499	0.290	2.346
2021	1.579	-0-	1.579	0.510	0.286	2.375
2022	1.620	-0-	1.620	0.511	0.296	2.427
2023	1.662	-0-	1.662	0.510	0.305	2.477
2024	1.689	-0-	1.689	0.509	0.308	2.506

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

	2024			2015		
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
	MPT of Morris LLC	\$ 10,500,000	1.20 %	Prime Healthcare Services	\$ 15,260,500	0.93 %
	199 Powerville Road LLC	7,901,600	0.91 %	199 Powerville Road LLC	7,901,600	0.56 %
	KIJ Mgt LLC (Shamrock Village)	4,190,000	0.48 %	KIJ Mgt LLC (Shamrock Village)	4,720,300	0.46 %
	RFL Electronics	3,923,100	0.45 %	RFL Electronics	3,923,100	0.44 %
	Johanson Associates	2,019,000	0.23 %	Witman at Stonehenge	3,717,200	0.30 %
	Individual Taxpayer #1	1,885,900	0.22 %	Individual Taxpayer #1	2,543,200	0.24 %
	Individual Taxpayer #2	1,877,300	0.22 %	Johanson Associates	2,109,000	0.24 %
	Neta NJ LLC	1,874,800	0.21 %	Deer Lake	2,013,600	0.23 %
	Individual Taxpayer #3	1,801,500	0.21 %	Individual Taxpayer #2	1,992,500	0.23 %
	Individual Taxpayer #4	1,775,000	0.20 %	Individual Taxpayer #3	1,972,500	0.22 %
Total		\$ 37,748,200	4.32 %	Total	\$ 46,153,500	3.85 %

Note: Individual Taxpayers listed may be different in 2024 and 2015.

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 12,640,913	\$ 12,640,913	100.00 %	\$ -0-
2017	12,880,210	12,880,210	100.00 %	-0-
2018	13,128,447	13,128,447	100.00 %	-0-
2019	13,377,963	13,377,963	100.00 %	-0-
2020	13,629,010	13,629,010	100.00 %	-0-
2021	13,756,276	13,756,276	100.00 %	-0-
2022	14,031,402	14,031,402	100.00 %	-0-
2023	14,312,030	14,312,030	100.00 %	-0-
2024	14,598,271	14,598,271	100.00 %	-0-
2025	14,890,236	14,890,236	100.00 %	-0-

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

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

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases			
2016	\$ 760,000	\$ -0-	\$ 760,000	0.19 %	\$ 176
2017	565,000	-0-	565,000	0.14 %	131
2018	370,000	-0-	370,000	0.09 %	86
2019	180,000	-0-	180,000	0.04 %	43
2020	-0-	-0-	-0-	0.00 %	-0-
2021	-0-	97,603	97,603	0.02 %	22
2022	-0-	66,335	66,335	0.01 %	15
2023	-0-	33,817	33,817	0.01 %	8
2024	-0-	-0-	-0-	0.00 %	-0-
2025	-0-	-0-	-0-	0.00 %	-0-

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	\$ 760,000	\$ -0-	\$ 760,000	0.09 %	\$ 176
2017	565,000	-0-	565,000	0.06 %	131
2018	370,000	-0-	370,000	0.04 %	86
2019	180,000	-0-	180,000	0.02 %	43
2020	-0-	-0-	-0-	0.00 %	-0-
2021	-0-	-0-	-0-	0.00 %	-0-
2022	-0-	-0-	-0-	0.00 %	-0-
2023	-0-	-0-	-0-	0.00 %	-0-
2024	-0-	-0-	-0-	0.00 %	-0-
2025	-0-	-0-	-0-	0.00 %	-0-

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

^b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

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

Source: School District Financial Reports

BOONTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Boonton Township	\$ 11,977,626	100.00 %	\$ 11,977,626
Morris County General Obligation Debt	324,225,727	0.89 %	<u>2,887,413</u>
Subtotal, Overlapping Debt			14,865,039
Boonton Township School District Direct Debt			<u>-0-</u>
Total Direct and Overlapping Debt			<u>\$ 14,865,039</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized Valuation Basis	
2024	\$ 1,123,625,515
2023	1,084,469,393
2022	1,045,930,997
	<u>\$ 3,254,025,905</u>
Average Equalized Valuation of Taxable Property	
	\$ 1,084,675,302
Debt Limit ^a (3% of Average Equalization Value)	
	32,540,259
Net Bonded School Debt as of June 30, 2025	
	-0-
Legal Debt Margin	<u>\$ 32,540,259</u>

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Limit	\$ 35,486,502	\$ 29,533,983	\$ 30,258,258	\$ 31,411,329	\$ 32,540,259
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 35,486,502</u>	<u>\$ 29,533,983</u>	<u>\$ 28,615,774</u>	<u>\$ 31,411,329</u>	<u>\$ 32,540,259</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 27,931,425	\$ 27,603,377	\$ 27,473,394	\$ 27,990,172	\$ 28,615,774
Total Net Debt Applicable to Limit	960,000	760,000	565,000	370,000	180,000
Legal Debt Margin	<u>\$ 26,971,425</u>	<u>\$ 26,843,377</u>	<u>\$ 30,323,142</u>	<u>\$ 27,620,172</u>	<u>\$ 28,435,774</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.44 %	2.75 %	2.06 %	1.32 %	0.63 %

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

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Morris County Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2016	4,324	\$ 394,573,648	\$ 91,252	4.50%
2017	4,302	402,426,288	93,544	4.00%
2018	4,288	416,982,272	97,244	4.00%
2019	4,235	419,857,900	99,140	3.40%
2020	4,220	431,397,940	102,227	3.10%
2021	4,380	472,019,460	107,767	6.30%
2022	4,398	479,632,686	109,057	3.40%
2023	4,412	511,130,200	115,850	3.70%
2024	4,460	516,691,000 ***	115,850 *	3.50%
2025	4,412 **	511,130,200 ***	115,850 *	N/A

* - Latest Morris County per capita personal income available (2023) was used for calculation purposes.

** - Latest population data available (2024) was used for calculation purposes.

*** - Latest available population data (2024) and latest available Morris County per capita personal income (2023) was used for calculation purposes.

N/A - Information Unavailable.

Source:

^a Population information provided by the New Jersey Department of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by county provided by the New Jersey Department of Labor and Workforce Development

^d Unemployment data provided by the New Jersey Department of Labor and Workforce Development

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

	2024		2015	
	Employer	Employees Percentage of Total Employment	Employer	Employees Percentage of Total Employment
	Atlantic Health System	10,552	U.S Army Armament Reseach and Development	5,841
	Norvartis Corporation	6,500	Norvartis Corporation	5,035
	U.S Army Armament Reseach and Development	6,000	Atlantic Health System	4,463
	Barclays	3,374	Automatic Data Processing, Inc.	2,060
	Bayer Healthcare, LLC	2,713	Bayer Healthcare, LLC	1,900
	Automatic Data Processing, Inc.	2,400	County of Morris	1,674
	Accenture	2,344	Wyndham Worldwide Corporation	1,653
	PricewaterhouseCoopers	2,095	St. Clare's	1,642
	Cigna	1,686	BASF Corporation	1,500
	Deloitte & Touche	1,646	Accenture	1,480
	Total	39,310	Total	27,248
	Total Employment	269,026	Total Employment	252,145

Note - Information is for Morris County

Source: Morris County Economic Development Corporation

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

<u>Function/Program</u>	<u>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	54.00	54.00	55.00	55.00	53.00	55.50	55.50	55.00	57.50	57.00
Support Services:										
Student and Instruction Related Services	8.60	8.80	8.80	8.80	8.80	8.80	8.80	9.80	9.80	9.10
School Administrative Services	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
General Administrative Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Plant Operations and Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Pupil Transportation	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.00
Business and Other Support Services	2.20	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	3.00
Total	76.80	77.40	78.40	78.40	76.40	78.90	78.90	79.40	81.90	80.80

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff ^d	Elementary				% Change in Average Daily Enrollment	Student Attendance Percentage
						Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e			
2016	724	\$ 14,094,894	\$ 19,468	1.79%	51	1:9.50	451	437		-0.56 %	97.05 %
2017	709	14,726,892	20,771	6.69%	51	1:9.50	448	432		-0.63 %	96.47 %
2018	692	14,950,880	21,605	4.01%	52	1:9.50	430	413		-4.06 %	96.22 %
2019	670	15,625,949	23,322	7.95%	52	1:9.50	408	391		-5.12 %	96.22 %
2020	651	15,676,000	24,080	3.25%	51	1:9.50	401	391		-1.72 %	97.42 %
2021	632	15,725,984	24,883	3.33%	51	1:9.50	394	384		-1.75 %	97.56 %
2022	628	16,859,449	26,846	7.89%	51	1:9.50	391	375		-0.76 %	95.91 %
2023	593	16,745,686	28,239	5.19%	52	1:9.50	386	367		-1.28 %	95.08 %
2024	595	15,392,433	25,870	-8.39%	52	1:9.50	404	386		4.66 %	95.54 %
2025	583	17,799,699	30,531	18.02%	52	1:9.50	396	374		-1.98 %	94.44 %

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

^b Operating expenditures equal total expenditures less debt service and capital outlay.

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

^d Teaching staff includes only full-time equivalents of certificated staff.

^e Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Note: Enrollment based on annual October district count.

Source: Boonton Township School District records

BOONTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>District Building</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rockaway Valley School										
Square Feet	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320	61,320
Capacity (Students)	537	537	537	537	537	537	537	537	537	537
Enrollment	451	444	428	410	400	394	391	386	404	396

Number of Schools at June 30, 2025:
Elementary = 1

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

Source: Boonton Township School District Facilities Office

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

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

School Facility	Project #	June 30,									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rockaway Valley School	N/A	\$ 168,482	\$ 180,440	\$ 313,791	\$ 192,733	\$ 187,178	\$ 178,145	\$ 181,772	\$ 143,154	\$ 260,914	\$ 175,396
		<u>\$ 168,482</u>	<u>\$ 180,440</u>	<u>\$ 313,791</u>	<u>\$ 192,733</u>	<u>\$ 187,178</u>	<u>\$ 178,145</u>	<u>\$ 181,772</u>	<u>\$ 143,154</u>	<u>\$ 260,914</u>	<u>\$ 175,396</u>

Source: Boonton Township School District records

BOONTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Real & Personal Property (per occurrence)	\$ 350,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Paper & Records	10,000,000	5,000
Demolition & Increased Cost of Construction	25,000,000	
Limited Builders Risk	10,000,000	
Fire Dept. Service Charge	10,000	
Arson Reward	10,000	
Pollution Cleanup & Removal	250,000	
Flood/Earthquake:		
Flood Zone A & V	25,000,000	500,000
All Other Flood Zones	75,000,000	10,000
Earthquake	50,000,000	5,000
Terrorism	1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris Removal	Included in Blanket Limit	1,000
Flood (Deductible for Zone A & Z)		500,000
(Deductible All Other Flood Zones)		10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Income	100,000,000	5,000
Property Damage	Included	
Off Premises Property Damage	1,000,000	5,000
Extra Expense	10,000,000	5,000
Service Interruption	10,000,000	5,000
Perishable Goods	1,000,000	5,000
Data Restoration	1,000,000	5,000
Demolition	1,000,000	5,000
Ordinance or Law	1,000,000	5,000
Expediting Expense	1,000,000	5,000
Hazardous Substances	1,000,000	5,000
Newly Acquired Locations - 120 Days Notice	1,000,000	5,000
Crime Coverage:		
Public Employee Dishonesty	50,000	500
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	50,000	500
Forgery or Alteration	50,000	500
Computer Fraud	50,000	500
Public Officials Bond		
Business Administrator - J Murray (Selective Ins. Co.)	200,000	
Treasurer - N Eckstein (Selective Ins. Co.)	200,000	

BOONTON TOWNSHIP SCHOOL DISTRICTINSURANCE SCHEDULEJUNE 30, 2025UNAUDITED

(Continued)

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

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boonton Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

October 7, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Boonton Township School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on the District's major state program for the fiscal year ended June 30, 2025. The District's major state program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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.

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

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

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

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

October 7, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOC CIA LLP

Man C Lee

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

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

Federal Grantor Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Balance at June 30, 2025	
					Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable
Special Revenue Fund:								
U.S. Department of Education -								
Passed-through State Department of Education:								
Elementary and Secondary Education Act:								
Title I - Part A	84.010	ESEA-0460-25	7/1/24-9/30/25	\$ 21,169	\$ 21,169	\$ (21,169)		
Title II - Part A	84.367A	ESEA-0460-25	7/1/24-9/30/25	9,886	9,886	(9,886)		
Title IV	84.186A	ESEA-0460-25	7/1/24-9/30/25	10,000	5,932	(10,000)	\$ (4,068)	
Total Elementary and Secondary Education Act					36,987	(41,055)	(4,068)	
Special Education Cluster:								
IDEA Part B, Basic	84.027	IDEA-0460-25	7/1/24-9/30/25	119,539	119,539	(119,539)		
IDEA Part B, Preschool	84.173	IDEA-0460-25	7/1/24-9/30/25	5,311	5,311	(5,311)		
Total Special Education Cluster					124,850	(124,850)		
Total U.S. Department of Education / Special Revenue Fund								
					161,837	(165,905)	(4,068)	
Total Federal Financial Awards								
				\$ -0-	\$ 161,837	\$ (165,905)	\$ (4,068)	\$ -0-

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

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Balance at June 30, 2025		Memo	
				Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:									
General Fund:									
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	\$ 202,852	\$ (16,963)	\$ 183,106	\$ (202,852)	\$ (19,746)	\$ 202,852	
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	174,195		16,963			174,195	
Special Education Categorical Aid	25-495-034-5120-089	7/1/24-6/30/25	682,623		616,176	(682,623)	(66,447)	682,623	
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	645,164	(62,827)	62,827			645,164	
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	57,259		51,685	(57,259)	(5,574)	57,259	
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	53,696	(5,229)	5,229			53,696	
Extraordinary Special Education Aid	25-495-034-5120-044	7/1/24-6/30/25	175,785			(175,785)	(175,785)	175,785	
Extraordinary Special Education Aid	24-495-034-5120-044	7/1/23-6/30/24	183,786	(183,786)	183,786			183,786	
Nonpublic Transportation	25-495-034-5120-014	7/1/24-6/30/25	22,416			(22,416)	(22,416)	22,416	
Nonpublic Transportation	24-495-034-5120-014	7/1/23-6/30/24	22,295	(22,295)	22,295			22,295	
State Reimbursements for Menstrual Products	N/A	7/1/24-6/30/25	604			(604)	(604)	604	
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	312,675		297,248	(312,675)	(15,427)	312,675	
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	308,694	(15,097)	15,097			308,694	
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	433,380		433,380	(433,380)		433,380	
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	1,465,011		1,465,011	(1,465,011)		1,465,011	
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	18,148		18,148	(18,148)		18,148	
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	664		664	(664)		664	
Total General Fund State Aid				(306,197)	3,371,615	(3,371,417)	(214,232)	4,759,247	
Total State Department of Education				(306,197)	3,371,615	(3,371,417)	(214,232)	4,768,906	
NJ Schools Development Authority:									
Special Revenue Fund Aid:									
FY24 Emergent and Capital Maintenance Program	N/A	7/1/23-6/30/25	8,783		8,783	(8,783)		8,783	
FY23 Emergent and Capital Maintenance Program	N/A	7/1/22-6/30/25	8,907		8,907	(8,907)		8,907	
FY22 Emergent and Capital Maintenance Program	N/A	7/1/21-6/30/25	9,252		9,252	(9,252)		9,252	
Total Special Revenue					26,942	(26,942)		26,942	
Total State Department of Education / Awards Subject to Single Audit Determination				\$ (306,197)	\$ 3,398,557	\$ (3,398,359)	\$ (214,232)	\$ 4,795,848	
Less: State Awards Not Subject to Single Audit Major Program Determination									
On-Behalf TPAF Pension System Contributions:									
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	(433,380)			\$ 433,380			
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	(1,465,011)			1,465,011			
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	(18,148)			18,148			
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	(664)			664			
Total State Awards Subject to Single Audit Major Program Determination						\$ (1,481,156)			

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

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Boonton Township School District Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2025. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,748) for the General Fund and \$0 for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds, respectively.

BOONTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,364,669	\$ 3,364,669
Special Revenue Fund	\$ 165,905	26,942	192,847
Total Financial Awards	<u>\$ 165,905</u>	<u>\$ 3,391,611</u>	<u>\$ 3,557,516</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

Boonton Township School District had no loan balances outstanding at June 30, 2025.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2025.

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2025 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

State Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

_____ Yes _____ X No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Aid	25-495-034-5120-089	7/1/24	6/30/25	\$ 682,623	\$ 682,623
Security Aid	25-495-034-5120-084	7/1/24	6/30/25	57,259	57,259
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?		_____ X	Yes	_____	No

BOONTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Assistance Findings and Questioned Costs - N/A

BOONTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

There were no findings or questioned costs for the year ended June 30, 2024.