ALLENDALE BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Allendale, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Allendale Board of Education

Allendale, New Jersey

For The Fiscal Year Ended June 30, 2014

Prepared by

Business Office

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INTRODUCTORY SECTION

Allendale Public Schools
100 Brookside Avenue
Allendale, N.J. 07401-1795
FAX 201-825-6553

December 2, 2014

Honorable President and
Members of the Board of Education
Borough of Allendale School District
County of Bergen
Allendale, New Jersey

The comprehensive annual financial report of the Borough of Allendale School District (District) for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position 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 comprehensive annual 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 basic financial statements and required supplementary information, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations"; and New Jersey OMB Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

1. DESCRIPTION OF THE MUNICIPALITY: The Borough of Allendale is located approximately 20 miles north of the George Washington Bridge in the northwestern section of Bergen County, New Jersey. Incorporated in 1894, the Borough is primarily a residential community, with a large number of commuters who take advantage of a reliable commuter transportation system. The Borough is bordered by the Boroughs of Ramsey, Saddle River and Waldwick, as well as Mahwah and Wyckoff Townships. The Borough of Allendale encompasses 3.13 square mile, with a density factor of approximately 2,143.9 persons per square mile, based upon the Borough's July 1,2012 estimated population of 6,657 persons.
The District is served by major transportation routes, including Routes 17, 502 and 507 (25.93 miles of municipal roads and 8.22 miles of county roads), as well as Interstates 87 and 287. Metropolitan airports are within fairly easy commuting distance. Nearby rail and bus service for commuting are also available.

2. REPORTING ENTITY AND ITS SERVICES: The Borough of Allendale School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Borough of Allendale Board of Education and all its schools constitute the District's reporting entity.

The school district has two schools and utilizes a Kindergarten-Grade Three, Grades Four-Eight configuration and provides a full range of educational services. These include regular as well as special education for special needs students. The District completed the 2013-2014 fiscal year with an average daily enrollment of 905 students, which is 8 less than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Student Enrollment	Percent Change
2013-2014	905	(.01%)
2012-2013	913	(.01%)
2011-2012	925	(.03%)
2010-2011	957	1.37%
2009-2010	944	(1.04%)
2008-2009	954	(3.73)
2007-2008	997	(3.39%)
2006-2007	1,032	(3.7%)
2005-2006	1,072	(1.4%)
2004-2005	1,087	(1.4%)

3. ECONOMIC CONDITION AND OUTLOOK: The Borough of Allendale is managing within the confines of the region's downturn in the economy. While the County of Bergen per capita income is $66,096, the northwestern section of the County, in which Allendale is located, continues to have one of the highest per capita personal incomes within the County.

4. MAJOR INITIATIVES: The Allendale School District prides itself on being an exemplary school system. Various rating groups have ranked both the K-8 district and the regional high school, located in the Borough, as the best in New Jersey. State of the art programs exist throughout the school system, and student achievement is extraordinarily high when compared to all reference groups. The focus of the school district, however, is equally dedicated to providing a well-rounded educational experience to its students, together with many opportunities for exploration and experimentation. The District also provides a wide array of services for special needs students as well as for those in accelerated programs.

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

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

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

6. 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 municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

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

7. 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 Financial Statements".

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit 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 funds are secured in accordance with the Act.

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

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as amended, the Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA), USOMB Circular A-133, New Jersey and OMB Circular Letter 04-04. The auditors' report on the basic financial statements and combining and individual fund statements and schedules 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.

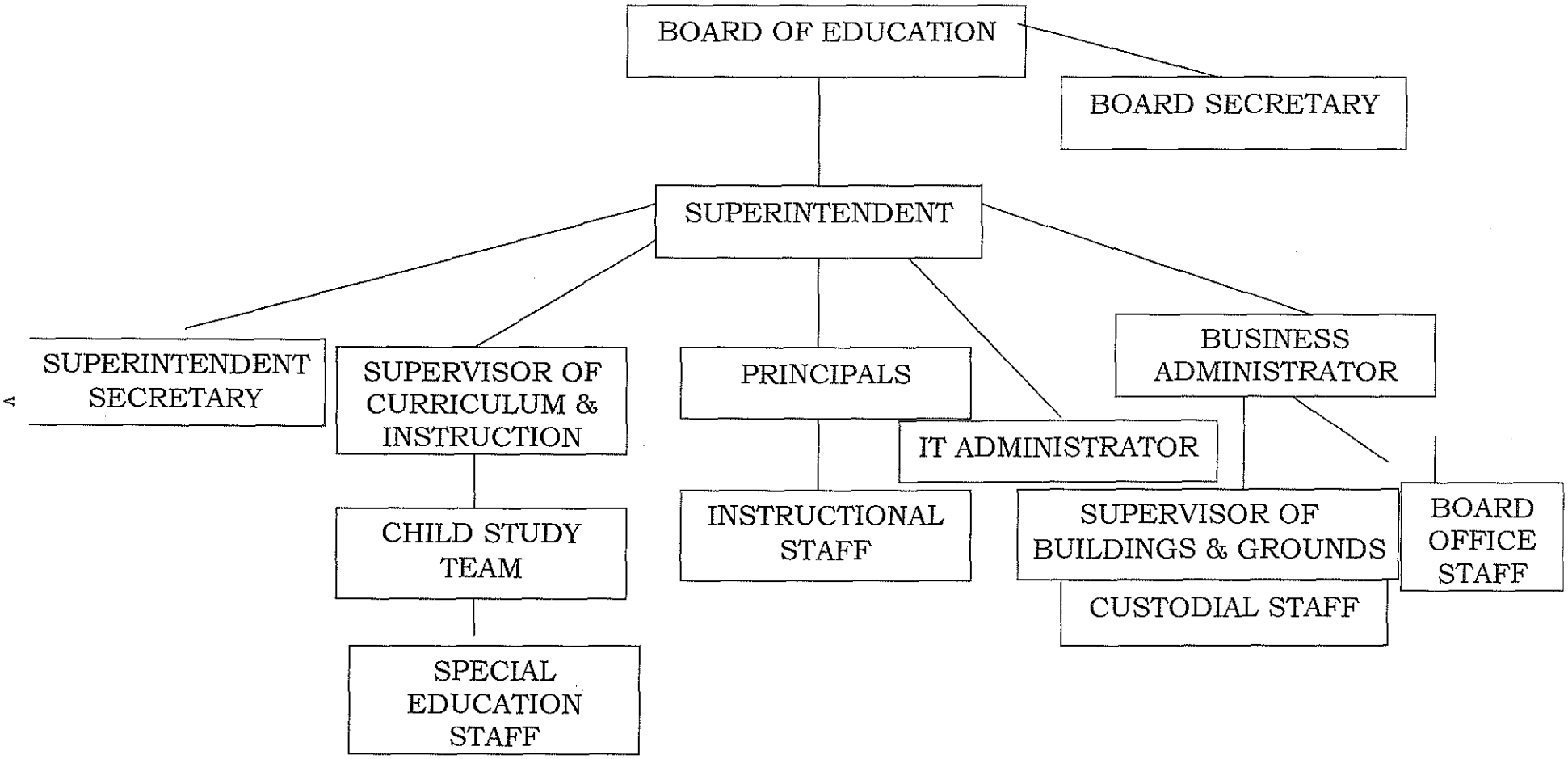
11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Borough of Allendale School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance 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,

John E. Boreman
School Business Administrator

Michael Barcadepone, Ed. D.
Superintendent

BOROUGH OF ALLENDALE BOARD OF EDUCATION
Organization Chart
(Unit Control)



BOROUGH OF ALLENDALE BOARD OF EDUCATION
BOROUGH OF ALLENDALE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2014

Members of the Board of Education	**Term Expires**
Melissa Duncan, President	2016
Mark McAuliffe, Vice President	2015
Natalie Capano	2015
Todd Fliegel	2014
Gwendolen Keeble	2016

Other Officials

Michael Barcadepone, Ed.D., Superintendent
John Boreman, Business Administrator/Board Secretary
Maureen Alissa Mayer, Treasurer

BOROUGH OF ALLENDALE SCHOOL DISTRICT

Consultants & Advisors

June 30, 2014

District Auditor

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

Attorney

Fogarty & Hara
16-00 Route 208 South
Fair Lawn, New Jersey 07410

Official Depositories

Capital One Bank
Ramsey Square Sh. Ctr
1300 Rt. 17 North
Ramsey, New Jersey

NJ ARM
3625 Nottingham Way
Hamilton, New Jersey 08690

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA
VOLNEY V. JACKSON, CPA
CHYNNA C. DESTEFANO, CPA, PSA
KEVIN LOMSKI, CPA
EDWARD P. MURPHY, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Allendale Board of Education
Allendale, New Jersey

Report on the Financial Statements

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 Allendale Board of Education as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously 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 Allendale Board of Education as of June 30, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allendale Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Allendale Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non major fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2014 on our consideration of the Allendale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Allendale Board of Education's internal control over financial reporting and compliance.

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

Paul J. Lerch
Public School Accountant
PSA Number CS001118

Fair Lawn, New Jersey
December 2, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

This discussion and analysis of the Allendale School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2014. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the 2013/2014 year are as follows:

- **District-Wide Statements** - General revenues accounted for $15,078,642 or 87 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $2,310,201 or 13 percent of total revenues of $17,388,843.

- **District-Wide Statements** - The School District had $15,443,729 in expenses; only $2,310,201 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $15,078,642 were adequate to provide for these programs.

- **Fund Financials** - As of the close of the current fiscal year, the Allendale Board of Education's governmental funds reported combined ending fund balances of $9,438,251 an increase of $879,927 in comparison with the prior year.

- **Fund Financials** - At the end of June 30, 2014, unassigned fund balance (budgetary basis) for the General Fund was $442,358 an increase of $56,679.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Allendale Board of Education's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the Allendale Board of Education, reporting the Allendale Board of Education's operation in more detail than the district-wide statements.

    - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.

    - Proprietary fund statements offer short and long-term financial information about the activities the Allendale Board of Education operates like a business.

    - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Figure A-1 summarizes the major features of the Allendale Board of Education's financial statements, including the portion of the Allendale Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service	Activities the district operates similar to private businesses Enterprise Funds.
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund 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, deferred inflows/ outflows information	All assets, deferred outflows, liabilities, and deferred inflows 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 there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities and deferred inflows both financial and capital, and short-term and long-Term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues 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 revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

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

The *statement of net position* presents information on all of the Allendale Board of Education's assets, liabilities and deferred outflows/inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.*

District-wide Statements (Continued)

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.

- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund and Summer Music Program Fund.

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 uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

Governmental Funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to 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, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

Fund Financial Statements (Continued)

Proprietary Funds. The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund and Summer Music Program Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund Scholarship Fund and the Student Activity Funds. Fiduciary Funds are *not* reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

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

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE ALLENDALE BOARD OF EDUCATION AS A WHOLE

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

Table A-1 provides a summary of the school district's net position for fiscal years 2014 and 2013. For 2014 and 2013 net position were $15,512,424 and $13,567,310, respectively.

Table A-1
Statement of Net Position
As of June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	$ 9,864,905	$ 8,610,179	$ 99,889	$ 101,256	$ 9,964,794	$ 8,711,435
Capital Assets	11,960,830	11,508,279	49,252	56,120	12,010,082	11,564,399
Total Assets	21,825,735	20,118,458	149,141	157,376	21,974,876	20,275,834
Deferred Outflows of Resources	60,328	93,733	-	-	60,328	93,733
Total Assets and Deferred Outflows of Resources	21,886,063	20,212,191	149,141	157,376	22,035,204	20,369,567
Current Liabilities	487,559	117,855	15,591	31,277	503,150	149,132
Noncurrent Liabilities	6,019,630	6,652,819	-	-	6,019,630	6,652,819
Total Liabilities	6,507,189	6,770,674	15,591	31,277	6,522,780	6,801,951
Deferred Inflows of Resources	-	-	-	306	-	306
Total Liabilities and Deferred Inflows of Resources	6,507,189	6,770,674	15,591	31,583	6,522,780	6,802,257
Net Position:						
Net Investment in Capital Assets	6,716,882	5,694,027	49,252	56,120	6,766,134	5,750,147
Restricted	5,232,234	4,651,906			5,232,234	4,651,906
Unrestricted	3,429,758	3,095,584	84,298	69,673	3,514,056	3,165,257
Total Net Position	$ 15,378,874	$ 13,441,517	$ 133,550	$ 125,793	$ 15,512,424	$ 13,567,310

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental activities. Governmental activities increased the District's net position by $1,937,357.

Table A-2 shows the changes in net position for fiscal years ended June 30, 2014 and 2013.

Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2014

Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
Revenues	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Program Revenues						
Charges for Services	$ 89,332	$ 82,898	$ 275,041	$ 258,921	$ 364,373	$ 341,819
Operating Grants and Contributions	1,945,734	2,287,444	94	28,713	1,945,828	2,316,157
General Revenues						
Property Taxes, Levied for:						
General Purposes	14,094,129	13,817,774			14,094,129	13,817,774
Debt Service	890,133	891,449			890,133	891,449
Interest	21,439	20,546	448	327	21,887	20,873
Miscellaneous	72,493	68,217	-	-	72,493	68,217
Total Revenues	17,113,260	17,168,328	275,583	287,961	17,388,843	17,456,289
Expenses						
Instruction						
Regular	6,697,974	6,374,529			6,697,974	6,374,529
Special Education	1,325,138	1,245,102			1,325,138	1,245,102
Other Instruction	689,298	643,361			689,298	643,361
School Sponsored Activities and Ath.	109,920	111,277			109,920	111,277
Support Services						
Student and Instruction Related Serv.	2,140,008	2,137,146			2,140,008	2,137,146
Health Services	210,102	201,189			210,102	201,189
Attendance and Social Work	44,904	45,151			44,904	45,151
Educational Media/School Library	198,205	204,261			198,205	204,261
General Administrative Services	458,844	521,372			458,844	521,372
School Administrative Services	730,028	816,826			730,028	816,826
Plant Operations and Maintenance	1,828,602	1,582,336			1,828,602	1,582,336
Pupil Transportation	101,794	123,385			101,794	123,385
Central Services	414,848	427,634			414,848	427,634
Interest on Long-Term Debt	226,238	249,684			226,238	249,684
Food Services			249,442	242,061	249,442	242,061
Summer Music - Non Major	-	-	18,384	38,291	18,384	38,291
Total Expenses	15,175,903	14,683,253	267,826	280,352	15,443,729	14,963,605
Change in Net Position	1,937,357	2,485,075	7,757	7,609	1,945,114	2,492,684
Net Position, Beginning of Year	13,441,517	10,956,442	125,793	118,184	13,567,310	11,074,626
Net Position, End of Year	$ 15,378,874	$ 13,441,517	$ 133,550	$ 125,793	$ 15,512,424	$ 13,567,310

Governmental activities. The District's total governmental revenues were $17,113,260. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to $15,078,194 or 88% of total revenues. Funding from state and federal sources amounted to $1,945,734 or 11%. Charges for services amounted to $89,332 or 1% (see Table A-2).

The District's total governmental expenses were $15,175,903 which are predominantly related to instruction and support services. Instruction totaled $8,822,330 (58%), student support services totaled $6,127,335 (40%) and interest on long-term debt total $226,238 (2%) of total expenditures. (See Table A-2.)

Table A-2 Revenues by Source- Governmental Activities
For Fiscal Year 2014

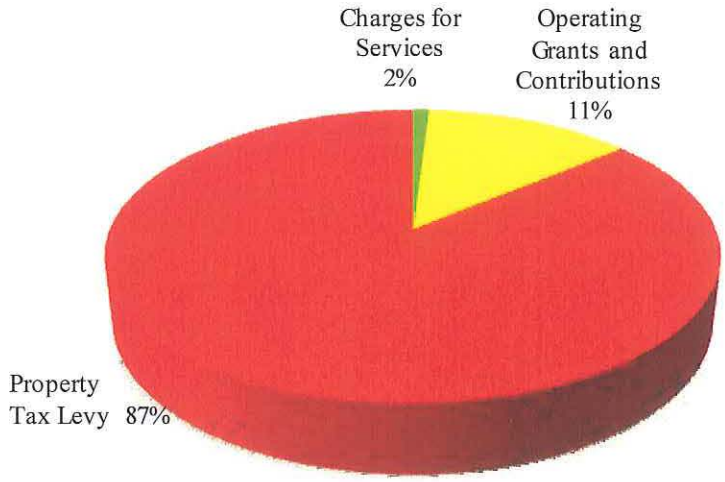


Table A-2 Expenditures by Type- Governmental Activities
For Fiscal Year 2014

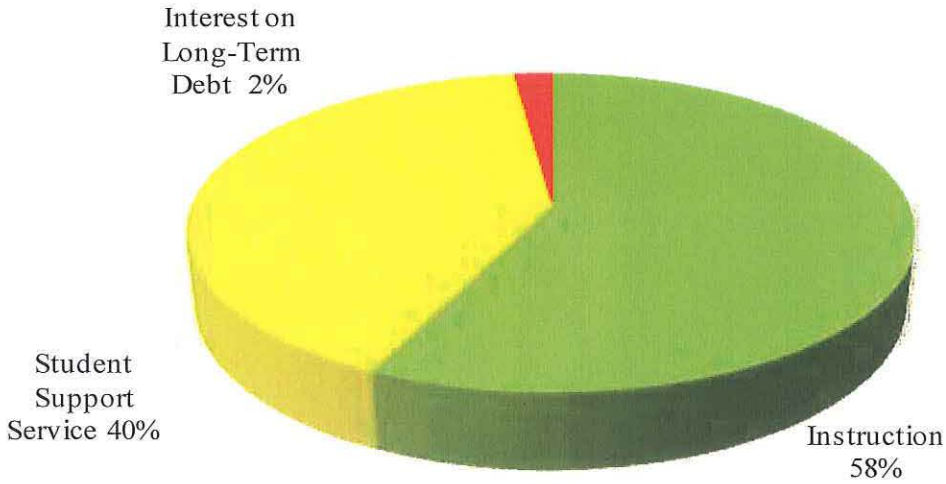


Table A-3
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2014 and 2013

	Cost of Services		Net Cost of Services	
Functions/Programs	**2014**	**2013**	**2014**	**2013**
Governmental Activities				
Instruction				
Regular	$ 6,697,974	$ 6,374,529	$ 6,037,447	$ 5,680,615
Special Education	1,325,138	1,245,102	619,990	296,290
Other Instruction	689,298	643,361	625,846	576,509
School Sponsored Activities and Athletics	109,920	111,277	100,615	100,366
Support Services				
Student and Instruction Related Services	2,140,008	2,137,146	1,941,228	1,927,518
Health Services	210,102	201,189	192,797	181,679
Attendance and Social Work	44,904	45,151	40,723	40,424
Educational Media/School Library	198,205	204,261	181,388	184,794
General Administrative Services	458,844	521,372	431,279	485,612
School Administrative Services	730,028	816,826	665,527	734,476
Plant Operations and Maintenance	1,828,602	1,582,336	1,726,057	1,473,275
Pupil Transportation	101,794	123,385	97,555	119,511
Central Services	414,848	427,634	378,852	386,230
Interest on Long-Term Debt	226,238	249,684	101,533	125,612
Total Governmental Activities	$ 15,175,903	$ 14,683,253	$ 13,140,837	$ 12,312,911

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2014 was $267,826. These costs were funded by operating grants and charges for services and investment earnings (Detailed on Table A-2). The operations resulted in an increase in net assets of $7,757.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of $9,438,251. In 2012-2013 the fund balance was $8,558,324.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to $17,113,260 and expenditures were $16,405,499.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2014 and 2013.

	Year Ended June 30, 2014	Year Ended June 30, 2013	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources	$ 15,169,133	$ 14,882,845	$ 286,288	1.9%
State Sources	1,709,345	2,064,988	(355,643)	-17.2%
Federal Sources	234,782	220,495	14,287	6.5%
Total Revenues	$ 17,113,260	$ 17,168,328	$ (55,068)	-0.3%

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2014 and 2013.

	Year Ended June 30, 2014	Year Ended June 30, 2013	Amount of Increase (Decrease)	Percent Increase (Decrease)
Instruction	$ 8,449,775	$ 7,917,863	$ 531,912	6.7%
Undistributed	5,905,888	5,772,456	133,432	2.3%
Capital Outlay	1,016,033	443,160	572,873	129.3%
Debt Service	1,033,803	1,010,317	23,486	2.3%
Total Expenditures	$ 16,405,499	$ 15,143,796	$ 1,261,703	8.3%

The significant fluctuation between June 30, 2013 and June 30, 2014 expenditures is attributable to the increase in capital outlay expenditures and instruction costs.

General and Special Revenue Fund

Budgetary Highlights

The District's budget is prepared according to New Jersey law and is based on generally accepted accounting principles on the basis of cash receipts, disbursement and encumbrances. The primary funds are the General Fund and Special Revenue Fund (grants and restricted aid).

Over the course of the year, the District revised the annual operating budget several times. Several of these revisions bear notation.

- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- Property, liability, and medical insurances were renewed at higher rates. While adequately budgeted for, it should be noted that this represents a national trend in all major areas of the insurance industry.
- TPAF, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

Capital Assets. The Allendale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2014 amounts to $12,010,082 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements and machinery and equipment.

Table A-4
Capital Assets (net of depreciation)
as of June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Building & Bldg. Improvements	$ 18,130,170	$ 17,327,758			$ 18,130,170	$ 17,327,758
Furniture, Equipment & Vehicles	1,560,011	1,346,390	$ 125,608	$ 125,608	1,685,619	1,471,998
Total	19,690,181	18,674,148	125,608	125,608	19,815,789	18,799,756
Less: Accumulated Depreciation	7,729,351	7,165,869	76,356	69,488	7,805,707	7,235,357
Total	$ 11,960,830	$ 11,508,279	$ 49,252	$ 56,120	$ 12,010,082	$ 11,564,399

Additional information on Allendale Board of Education's capital assets can be found in Note 3 of this report.

Debt Administration. As of June 30, 2014 the school district had long-term debt and outstanding long-term liabilities in the amount of $5,978,706 as stated in Table A-5.

Long-Term Liabilities

Table A-5
Long-Term Debt
Outstanding Long-Term Liabilities

	June 30, 2014	June 30, 2013
Serial Bonds	$ 5,621,000	$ 6,416,000
Capital Leases	156,352	
Compensated Absences Payable	201,354	170,834
Total	$ 5,978,706	$ 6,586,834

Additional information on Allendale Board of Education's long-term debt can be found in Note 3.

FOR THE FUTURE

Currently, the District is in superior financial condition. Everyone associated with the Allendale School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of flat state aid support, means an ever-increasing reliance on local property taxes.

These factors were considered in preparing the Allendale Public School District's budgets for the 2014-2015 fiscal year.

- Estimated Student Enrollment
- Sources of Revenue
- Costs of Negotiated Salaries and Benefits
- Cost of Fixed Charges
- Mandated Programs
- Requirements for Health and Safety Issues

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Allendale Public School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

John Boreman
School Business Administrator/Board Secretary
Allendale Board of Education
100 Brookside Avenue
Allendale, NJ 07404

BASIC FINANCIAL STATEMENTS

ALLENDALE BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 9,460,352	$ 97,909	$ 9,558,261
Receivables, Net	403,266		403,266
Inventory		1,980	1,980
Due From Other Funds	1,287		1,287
Capital Assets, Being Depreciated, Net	11,960,830	49,252	12,010,082
Total Assets	21,825,735	149,141	21,974,876
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	60,328	-	60,328
Total Assets and Deferred Outflows of Resources	21,886,063	149,141	22,035,204
LIABILITIES			
Accounts Payable and Other Current Liabilities	62,739	9,495	72,234
Unearned Revenue	363,915	6,096	370,011
Accrued Interest Payable	60,905		60,905
Noncurrent Liabilities			
Due Within One Year	853,522		853,522
Due Beyond One Year	5,166,108	-	5,166,108
Total Liabilities	6,507,189	15,591	6,522,780
NET POSITION			
Net Investment in Capital Assets	6,716,882	49,252	6,766,134
Restricted for			
Capital Projects	4,107,940		4,107,940
Debt Service	106,260		106,260
Facility Maintenance	1,018,034		1,018,034
Unrestricted	3,429,758	84,298	3,514,056
Total Net Position	$ 15,378,874	$ 133,550	$ 15,512,424

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

EXHIBIT A-2

ALLENDALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities							
Instruction							
Regular	$ 6,697,974	$ 89,332	$ 571,195		$ (6,037,447)		$ (6,037,447)
Special Education	1,325,138		705,148		(619,990)		(619,990)
Other Instruction	689,298		63,452		(625,846)		(625,846)
School Sponsored Activities and Athletics	109,920		9,305		(100,615)		(100,615)
Support Services							
Student and Instruction Related Services	2,140,008		198,780		(1,941,228)		(1,941,228)
Health Services	210,102		17,305		(192,797)		(192,797)
Attendance and Social Workers	44,904		4,181		(40,723)		(40,723)
Educational Media	198,205		16,817		(181,388)		(181,388)
General Administrative Services	458,844		27,565		(431,279)		(431,279)
School Administrative Services	730,028		64,501		(665,527)		(665,527)
Plant Operations and Maintenance	1,828,602		102,545		(1,726,057)		(1,726,057)
Pupil Transportation	101,794		4,239		(97,555)		(97,555)
Central Services	414,848		35,996		(378,852)		(378,852)
Interest on Debt	226,238	-	124,705	-	(101,533)	-	(101,533)
Total Governmental Activities	15,175,903	89,332	1,945,734	-	(13,140,837)	-	(13,140,837)
Business-Type Activities							
Food Service	249,442	253,035	94	-	-	$ 3,687	3,687
Summer Music - Non-Major	18,384	22,006	-	-	-	3,622	3,622
Total Business-Type Activities	267,826	275,041	94	-	-	7,309	7,309
Total Primary Government	$ 15,443,729	$ 364,373	$ 1,945,828	$ -	(13,140,837)	7,309	(13,133,528)
General Revenues							
Property Taxes, Levied for General Purposes					14,094,129		14,094,129
Taxes Levied for Debt Service					890,133		890,133
Interest Earned					21,439	448	21,887
Miscellaneous Income					72,493	-	72,493
Total General Revenues					15,078,194	448	15,078,642
Change in Net Position					1,937,357	7,757	1,945,114
Net Position, Beginning of Year					13,441,517	125,793	13,567,310
Net Position, End of Year					$ 15,378,874	$ 133,550	$ 15,512,424

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

FUND FINANCIAL STATEMENTS

EXHIBIT B-1

ALLENDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 8,620,697		$ 733,395	$ 106,260	$ 9,460,352
Due from Other Funds	13,652				13,652
Receivables from Other Governments	23,148	$ 31,521	348,597	-	403,266
Total Assets	$ 8,657,497	$ 31,521	$ 1,081,992	$ 106,260	$ 9,877,270
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 58,901	$ 3,838			$ 62,739
Due to Other Funds		12,365			12,365
Unearned Revenue	-	15,318	$ 348,597	-	363,915
Total Liabilities	58,901	31,521	348,597	-	439,019
Fund Balance					
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures	1,065,123				1,065,123
Excess Surplus	1,714,567				1,714,567
Maintenance Reserve	836,836				836,836
Maintenance Reserve - Designated for Subsequent Year's Expenditures	181,198				181,198
Capital Reserve	3,236,683				3,236,683
Capital Reserve - Designated for Subsequent Year's Expenditures	871,257				871,257
Emergency Reserve	130,000				130,000
Capital Projects			733,395		733,395
Debt Service				$ 106,260	106,260
Committed:					
Year-end Encumbrances	40,537				40,537
Assigned:					
Year-end Encumbrances	149,800				149,800
Designated for Subsequent Year's Expenditures	105,116				105,116
Unassigned	267,479	-	-	-	267,479
Total Fund Balances	8,598,596	-	733,395	106,260	9,438,251
Total Liabilities and Fund Balances	$ 8,657,497	$ 31,521	$ 1,081,992	$ 106,260	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $19,690,181 and the accumulated depreciation is $7,729,351.		11,960,830
The District has financed capital assets through the issuance of Serial Bonds. The interest accrual at year end is:		(60,905)
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.		60,328
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of the following:		
General Obligation Bonds Payable (Net)	$ 5,661,924	
Capital Leases Payable	156,352	
Compensated Absences Payable	201,354	
		(6,019,630)
Net position of governmental activities (Exhibit A-1)		$ 15,378,874

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

ALLENDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	$ 14,094,129			$ 890,133	$ 14,984,262
Tuition Charges	89,332				89,332
Interest Earned	21,397		$ 42		21,439
Miscellaneous	72,493	$ 1,607	-	-	74,100
Total - Local Sources	14,277,351	1,607	42	890,133	15,169,133
State Sources	1,584,640	-		124,705	1,709,345
Federal Sources	-	234,782	-	-	234,782
Total Revenues	15,861,991	236,389	42	1,014,838	17,113,260
EXPENDITURES					
Instruction					
Regular	6,400,678				6,400,678
Special Education	1,082,996	204,906			1,287,902
Other Instruction	656,138				656,138
School Sponsored Activities and Athletics	105,057				105,057
Support Services					
Student and Instruction Related Services	2,021,096	31,483			2,052,579
Health Services	201,058				201,058
Attendance and Social Work	42,719				42,719
Educational Media/School Library	189,416				189,416
General Administrative Services	444,439				444,439
School Administrative Services	696,320				696,320
Plant Operations and Maintenance	1,781,527				1,781,527
Pupil Transportation	101,794				101,794
Central Services	396,036				396,036
Debt Service					
Principal	15,814			795,000	810,814
Interest and Other Charges	3,080			219,909	222,989
Capital Outlay	1,016,033	-	-	-	1,016,033
Total Expenditures	15,154,201	236,389	-	1,014,909	16,405,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	707,790	-	42	(71)	707,761
OTHER FINANCING SOURCES (USES)					
Lease Purchase Proceeds	172,166				172,166
Transfers In			733,395	42	733,437
Transfers Out	(733,395)	-	(42)	-	(733,437)
Total Other Financing Sources and Uses	(561,229)	-	733,353	42	172,166
Net Change in Fund Balances	146,561	-	733,395	(29)	879,927
Fund Balance, Beginning of Year	8,452,035	-	-	106,289	8,558,324
Fund Balance, End of Year	$ 8,598,596	$ -	$ 733,395	$ 106,260	$ 9,438,251

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

EXHIBIT B-3

ALLENDALE BOARD OF EDUCATION
ILLUSTRATIVE RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Total net change in fund balances - governmental funds (Exhibit B-2)		$ 879,927
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay expenses exceeds depreciation in the current period.		
Capital Outlay	$ 1,016,033	
Depreciation Expense	(563,482)	
		452,551
In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):		
Increase Compensated Absences		(30,520)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
Bond Principal	795,000	
Lease Purchase Agreement	15,814	
		810,814
The issuance of long-term debt provides current financial resources to governmental funds, but it increses long-term liabilities in the statement of net position and does not affect the statement of activities.		
Lease Purchase Proceeds		(172,166)
Governmental funds report the effect of premiums and there such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of Bond Premium	(33,405)	
Amortization of Deferred Amounts on Refunding	25,061	
		(8,344)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
Decrease in Accrued Interest		5,095
Change in net position of governmental activities (Exhibit A-2)		$ 1,937,357

The accompanying Notes to Financial Statements are an Integral Part of this Statement.

ALLENDALE BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

	Business - Type Activities - Enterprise Fund Major Program Food Service	Business - Type Activities - Enterprise Fund Non-Major Program Summer Music	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 91,497	$ 6,412	$ 97,909
Inventories	1,980	-	1,980
Total Current Assets	93,477	6,412	99,889
Capital Assets			
Furniture, Machinery & Equipment	125,608		125,608
Less: Accumulated Depreciation	(76,356)	-	(76,356)
Total Capital Assets, Net	49,252	-	49,252
Total Assets	142,729	6,412	149,141
LIABILITIES			
Current Liabilities			
Accounts Payable	9,495		9,495
Unearned Revenue	6,096	-	6,096
Total Current Liabilities	15,591	-	15,591
NET POSITION			
Investment in Capital Assets	49,252		49,252
Unrestricted	77,886	6,412	84,298
Total Net Position	$ 127,138	$ 6,412	$ 133,550

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

ALLENDALE BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business - Type Activities - Enterprise Fund Major Program Food Service	Business - Type Activities - Enterprise Fund Non-Major Program Summer Music	Total
OPERATING REVENUES			
Charges for Services			
Program Fees		$ 22,006	$ 22,006
Daily Sales - Reimbursable Programs	$ 250,786		250,786
Special Functions	2,249	-	2,249
Total Operating Revenues	253,035	22,006	275,041
OPERATING EXPENSES			
Cost of Sales	108,822		108,822
Salaries	72,758	17,598	90,356
Employee Benefits	30,730		30,730
Purchased Services	19,327		19,327
General Supplies	7,227	786	8,013
Miscellaneous	3,710		3,710
Depreciation	6,868	-	6,868
Total Operating Expenses	249,442	18,384	267,826
Operating Income	3,593	3,622	7,215
NONOPERATING REVENUES			
Federal Sources			
Special Milk Program	94		94
Interest and Investment Revenue	448	-	448
Total Nonoperating Revenues	542	-	542
Change in Net Position	4,135	3,622	7,757
Net Position, Beginning of Year	123,003	2,790	125,793
Net Position, End of Year	$ 127,138	$ 6,412	$ 133,550

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

ALLENDALE BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business - Type Activities - Enterprise Fund Major Program Food Service	Business - Type Activities - Enterprise Fund Non-Major Program Summer Music	Total
Cash Flows from Operating Activities			
Cash Received from Customers	$ 258,825	$ (659)	$ 258,166
Cash Payments for Employees' Salaries and Benefits	(103,488)	(17,598)	(121,086)
Cash Payments to Suppliers for Goods and Services	(137,830)	(786)	(138,616)
Net Cash Provided (Used for) by Operating Activities	17,507	(19,043)	(1,536)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	1,745	-	1,745
Net Cash Provided by Noncapital Financing Activities	1,745	-	1,745
Cash Flows from Investing Activities			
Interest on Investments	448	-	448
Net Cash Provided by Investing Activities	448	-	448
Net Increase (Decrease) in Cash and Cash Equivalents	19,700	(19,043)	657
Cash and Cash Equivalents, Beginning of Year	71,797	25,455	97,252
Cash and Cash Equivalents, End of Year	$ 91,497	$ 6,412	$ 97,909
Reconciliation of Operating Loss to Net Cash Used by Operating Activities			
Operating Income (Loss)	$ 3,593	$ 3,622	$ 7,215
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities			
Depreciation	6,868		6,868
Changes in Assets and Liabilities			
(Increase)/Decrease in Inventory	373		373
Increase/(Decrease) in Accounts Payable	883		883
Increase/(Decrease) in Unearned Revenue	5,790	(22,665)	(16,875)
Total Adjustments	13,914	(22,665)	(8,751)
Net Cash Provided (Used) by Operating Activities	$ 17,507	$ (19,043)	$ (1,536)

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

ALLENDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2014

	Unemployment Compensation Trust	Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ 150,342	$ 496	$ 52,276
Total Assets	150,342	496	$ 52,276
LIABILITIES			
Due to Other Funds			$ 1,287
Due to Student Groups			15,518
Due to State of New Jersey	5,481		2,484
Accrued Salaries and Wages			222
Payroll Deductions and Withholdings	-	-	32,765
Total Liabilities	5,481	-	$ 52,276
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	$ 144,861	$ 496	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

ALLENDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Unemployment Compensation Trust	Scholarship Fund
ADDITIONS		
Contributions		
Plan Member	$ 12,551	-
Total Contributions	12,551	-
Investment Earnings		
Interest	843	-
Net Investment Earnings	843	-
Total Additions	13,394	-
DEDUCTIONS		
Quarterly Contribution Reports	52,912	
Scholarships Awarded	-	$ 106
Total Deductions	52,912	106
Change in Net Position	(39,518)	(106)
Net Position, Beginning of Year	184,379	602
Net Position, End of Year	$ 144,861	$ 496

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Allendale Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Allendale Board of Education this includes general operations, food service, summer music program and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 2014, the District adopted the following GASB statement:

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62.* The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

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

- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB 69, *Government Combinations and Disposals of Government Operations* will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to establish accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The District does not expect this statement to impact its financial statements.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

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

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

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

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

The District reports the following non-major proprietary fund which is organized to be self-supporting through user charges:

The *summer music program* accounts for the activities of the District's summer music program which provides a music program to the students of Allendale Public Schools.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

4. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
Buildings and Building Improvements	7-50
Furniture, Equipment and Vehicles	5-20

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. A deferred charge on debt refunding results from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

6. Compensated Absences

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

7. Long-Term Obligations

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2013 audited excess surplus that was appropriated in the 2014/2015 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that is required to be appropriated in the 2015/2016 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2014/2015 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2014/2015 District budget certified for taxes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

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

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2014/2015 District budget certified for taxes.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2012-2013 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Non-Operating Revenues and Expenses

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On November 13, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2013/2014. Also, during 2013/2014 the Board increased the original budget by $867,866. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

A capital reserve account was established by the District on June 28, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the fiscal year ended June 30, 2014 is as follows:

Beginning Balance, July 1, 2013		$ 3,575,541
Increases		
Interest Earnings	$ 655	
Deposits Approved by Board Resolution	768,802	
		769,457
		4,344,998
Withdrawals		
Approved in District Budget	(237,058)	
		(237,058)
Ending Balance, June 30, 2013		$ 4,107,940

The June 30, 2014 LRFP balance of local support costs of uncompleted capital projects is $3,623,847. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

The District has established a maintenance reserve. The accumulation of funds will be used for school maintenance expenditures. The maintenance reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Balance, July 1, 2013	$970,076
Increased by:	
Deposit approved by Board resolution	181,198
Withdrawals:	
Approved by District Budget	133,240
Balance, June 30, 2014	$1,018,034

D. Emergency Reserve

The District has established an emergency reserve. The accumulation of funds will be used to accumulate funds to finance unanticipated general fund expenditures. The emergency reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Balance, July 1, 2013	$130,000
Balance, June 30, 2014	$130,000

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2014 is $2,779,690. Of this amount, $1,065,123 was designated and appropriated in the 2014/2015 original budget certified for taxes and the remaining amount of $1,714,567 will be appropriated in the 2015/2016 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or $200 million for all deposits not covered by the FDIC.

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2014, the book value of the Board's deposits were $5,730,124 and bank and brokerage firm balances of the Board's deposits amounted to $5,945,663. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account	Bank Balance
Insured	$ 5,945,663

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2014 the Board's bank balance was not exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2014, the Board had the following investments:

Investment Type:	Fair Value
U.S. Government Securities	
New Jersey ARM (Cash Equivalent)	$ 4,031,251

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2014, $4,031,251 of the Board's investments was exposed to custodial credit risk as follows:

	Fair Value
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	$ 4,031,251

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices; however, the District's investments are not exposed to credit risk.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

The fair value of the above-listed investment was based on quoted market prices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2014 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Receivables:				
Intergovernmental	$ 23,148	$ 31,521	$ 348,597	$ 403,266
Gross Receivables	23,148	31,521	348,597	403,266
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	$ 23,148	$ 31,521	$ 348,597	$ 403,266

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

Special Revenue Fund		
Unencumbered Grant Draw Downs	$	15,318
Capital Projects Fund		
Unrealized School Facilities Grants		348,597
Total Unearned Revenue for Governmental Funds	$	363,915

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Balance, July 1, 2013	Increases	Decreases	Balance, June 30, 2014
Governmental activities:				
Capital assets, being depreciated:				
Buildings and Improvements	$ 17,327,758	$ 802,412		$ 18,130,170
Machinery and Equipment	1,346,390	213,621	-	1,560,011
Total capital assets being depreciated	18,674,148	1,016,033	-	19,690,181
Less accumulated depreciation for:				
Buildings and Improvements	(6,251,369)	(513,505)		(6,764,874)
Furniture, Equipment and Vehicles	(914,500)	(49,977)	-	(964,477)
Total accumulated depreciation	(7,165,869)	(563,482)	-	(7,729,351)
Total capital assets, being depreciated, net	11,508,279	452,551	-	11,960,830
Government activities capital assets, net	$ 11,508,279	$ 452,551	$ -	$ 11,960,830

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	$ 125,608	-	-	$ 125,608
Total capital assets being depreciated	125,608	-	-	125,608
Less accumulated depreciation for:				
Machinery and equipment	(69,488)	$ (6,868)	-	(76,356)
Total accumulated depreciation	(69,488)	(6,868)	-	(76,356)
Total capital assets, being depreciated, net	56,120	(6,868)	-	49,252
Business-type activities capital assets, net	$ 56,120	$ (6,868)	$ -	$ 49,252

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental activities:	
Instruction	
Regular	$ 282,021
Special	35,323
Other Instruction	31,456
School-Sponsored/Other Instructional	4,613
Total Instruction	353,413
Support Services	
Student and Instruction Related Services	82,937
Health Services	8,579
Attendance and Social Work	2,073
Education Media/School Library	8,337
General Administration	13,665
School Administration	31,976
Operations and Maintenance of Plant	44,657
Central Services	17,845
Total Support Services	210,069
Total Depreciation Expense - Governmental Activities	$ 563,482
Business-type activities:	
Food Service Fund	$ 6,868

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2014:

Project	Remaining Commitment
Brookside Replace Unit Ventilators	$ 316,492
Brookside Replace Rooftop HVAC Unit	165,000
Hillside Replace HVAC Media Center	150,000
Hillside Replace HVAC Classroom #17-19	240,000
Brookside Windows Replacement	210,500
Total	$ 1,081,992

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	Payroll Agency	$ 1,287
General Fund	Special Revenue	12,365
Total		$ 13,652

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	Transfer In:		
	Capital Projects Fund	Debt Service	Total
Transfer Out:			
General Fund	$ 733,395		$ 733,395
Capital Projects Fund	-	$ 42	42
	$ 733,395	$ 42	$ 733,437

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

F. Leases

Capital Leases

The District is leasing copiers totaling $172,166 under capital leases. The leases are for terms of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30	Governmental Activities
2015	$ 37,788
2016	37,788
2017	37,788
2018	37,788
2019	18,894
Total minimum lease payments	170,046
Less: amount representing interest	(13,694)
Present value of minimum lease payments	$ 156,352

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2014 are comprised of the following issues:

$4,977,000, 2006 Bonds, due in annual installments of $230,000 to $362,000 through March 15, 2026, interest at 3.875% to 4.00%	$3,487,000
$2,690,000, 2010 Refunding Bonds, due in annual installments of $530,000 to $550,000 through September 15, 2017, interest at 3.00% to 4.00%	1,620,000
$586,000, 2012 Bonds, due in annual installments of $61,000 to $70,000 through March 15, 2022, interest at .838% to 3.109%	514,000
	$5,621,000

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Total
2015	$ 821,000	$ 195,337	$ 1,016,337
2016	851,000	169,713	1,020,713
2017	852,000	140,608	992,608
2018	323,000	119,106	442,106
2019	334,000	107,703	441,703
2020-2024	1,733,000	342,249	2,075,249
2025-2026	707,000	42,760	749,760
	$ 5,621,000	$ 1,117,476	$ 6,738,476

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2014 was as follows:

3% of Equalized Valuation Basis (Municipal)	$ 50,309,282
Less: Net Debt	5,621,000
Remaining Borrowing Power	$ 44,688,282

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

	Balance, July 1, 2013	Additions	Reductions	Balance, June 30, 2014	Due Within One Year
Governmental activities:					
Serial Bonds	$ 6,416,000		$ 795,000	$ 5,621,000	$ 821,000
Deferred Amounts					
Add: Original issue Premium	65,985	-	25,061	40,924	-
Total Bonds Payable	6,481,985	-	820,061	5,661,924	821,000
Capital Leases		$ 172,166	15,814	156,352	32,522
Compensated Absences Payable	170,834	30,520	-	201,354	-
Governmental activity Long-term liabilities	$ 6,652,819	$ 202,686	$ 835,875	$ 6,019,630	$ 853,522

For the governmental activities, the liabilities for compensated absences are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

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

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

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014		$ 12,551	$ 52,912	$ 144,861
2013		8,412	39,278	184,379
2012		11,816	41,873	214,224

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2014, the District had no estimated arbitrage earnings due to the IRS.

D. Employee Retirement Systems and Pension Plans

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

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

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

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

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation (Continued)

- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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

Funding Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 64.5 percent with an unfunded actuarial accrued liability of $47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and $34.4 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 76.1 percent and $12.8 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2012 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems from 7.95 percent to 7.90 percent and (b) projected salary increases of 4.22 percent for the PERS and 3.51 % percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.6% for PERS, 6.6% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees,* for the fiscal year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2014, 2013 and 2012 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2014	$ 168,485	$ 255,276	$ 4,809
2013	147,028	377,073	2,795
2012	136,525	183,396	3,014

During fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute $255,276 for normal cost pension and NCGI premium. For fiscal years 2012/2013 and 2011/2012, the state contributed $377,073 and $183,396, respectively for normal cost pension, accrued liability and the NCGI premium.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $462,795 during the fiscal year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 585 state and local participating employers and contributing entities for Fiscal Year 2013.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the State had a $51.5 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to $19.3 billion for state active and retired members and $32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2012, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2013, there were 100,134, retirees receiving post-retirement medical benefits and the State contributed $1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2014, 2013 and 2012 were $418,555, $426,374 and $368,673, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Property Tax Levy	$ 14,094,129		$ 14,094,129	$ 14,094,129	
Tuition	35,000		35,000	89,332	$ 54,332
Interest Earned	31,950		31,950	21,397	(10,553)
Miscellaneous	16,450	-	16,450	72,493	56,043
Total Local Sources	14,177,529	-	14,177,529	14,277,351	99,822
State Sources					
Special Education Aid	301,541		301,541	301,541	
Transportation Aid	4,330		4,330	4,330	
Security Aid	12,706		12,706	12,706	
Adjustment Aid	1		1	1	
Extraordinary Aid				150,782	150,782
Anti Bullying Bill of Rights Act				2,320	2,320
On-behalf TPAF Pension Payments (Non-Budget)					
Pension Contribution				234,571	234,571
NCGI Premium				20,705	20,705
On-behalf TPAF Payments -					
Post Retirement Medical Benefits				418,555	418,555
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	462,795	462,795
Total State Sources	318,578	-	318,578	1,608,306	1,289,728
Total Revenues	14,496,107	-	14,496,107	15,885,657	1,389,550
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	176,813	$ 4,805	181,618	181,458	160
Grades 1-5	2,417,026	(140,226)	2,276,800	2,222,282	54,518
Grades 6-8	1,940,092	(158,830)	1,781,262	1,761,665	19,597
Regular Programs - Home Instruction					
Salaries of Teachers	7,500	-	7,500	4,840	2,660
Purchased Professional-Educational Services	3,500	-	3,500	2,886	614
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	15,000	(13,000)	2,000		2,000
Purchased Technical Services	108,963	87,161	196,124	150,214	45,910
Other Purchased Services	140,928	15,197	156,125	140,617	15,508
General Supplies	398,818	26,924	425,742	219,565	206,177
Textbooks	50,000	-	50,000	44,923	5,077
Other Objects	1,195	-	1,195	5	1,190
Total Regular Programs	5,259,835	(177,969)	5,081,866	4,728,455	353,411
Special Education					
Resource Room/Resource Center					
Salaries of Teachers	393,909	3,266	397,175	392,175	5,000
Other Salaries for Instruction	17,920	-	17,920		17,920
General Supplies	2,500	2,470	4,970	3,847	1,123
Textbooks	200	200	400	200	200
Total Resource Room/Resource Center	414,529	5,936	420,465	396,222	24,243

Continued

ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Preschool Disabilities - Part-Time					
Salaries of Teachers	$ 135,388		$ 135,388	$ 102,658	$ 32,730
Other Salaries for Instruction	37,189		37,189	27,491	9,698
General Supplies	750	-	750	471	279
Total Preschool Disabilities - Part-Time	173,327	-	173,327	130,620	42,707
Total Special Education	587,856	$ 5,936	593,792	526,842	66,950
Basic Skills/Remedial					
Salaries of Teachers	323,105	106,610	429,715	429,704	11
General Supplies	4,780	-	4,780	4,361	419
Total Basic Skills/Remedial	327,885	106,610	434,495	434,065	430
Bilingual Education					
Salaries of Teachers	32,352	3,091	35,443	35,443	-
General Supplies	500	381	881	879	2
Total Bilingual Education	32,852	3,472	36,324	36,322	2
School Sponsored Co/Extra Cocurricular Activities					
Salaries	32,288	-	32,288	27,746	4,542
Supplies and Materials	4,400	-	4,400	956	3,444
Total School Sponsored Co/Extra Cocurricular Activities	36,688	-	36,688	28,702	7,986
School Sponsored Athletics					
Salaries	45,100	-	45,100	40,468	4,632
Purchased Services	7,000	-	7,000	4,817	2,183
Supplies and Materials	6,300	-	6,300	4,218	2,082
Total School Sponsored Athletics	58,400	-	58,400	49,503	8,897
Total Instruction	6,303,516	(61,951)	6,241,565	5,803,889	437,676
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs within the State - Regular		7,630	7,630	7,629	1
Tuition to Other LEAs Within the State-Special	39,950	40,142	80,092	80,092	-
Tuition to CSSD & Regional Day Schools	113,900	(47,219)	66,681	65,491	1,190
Tuition to Priv. Sch. for the Disabled Within the State	161,832	(18,507)	143,325	121,286	22,039
Tuition to Priv. Sch. for the Disabled Outside of State	71,461	17,954	89,415	83,673	5,742
Total Undistributed Expenditures - Instruction	387,143	-	387,143	358,171	28,972
Attendance & Social Work					
Salaries	32,952	-	32,952	30,653	2,299
Total Attendance & Social Work	32,952	-	32,952	30,653	2,299

Continued

ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	$ 121,417	$ 8,976	$ 130,393	$ 126,860	$ 3,533
Purchased Professional and Technical Svcs.	7,000	1,000	8,000	6,890	1,110
Other Purchased Services	340	-	340	195	145
Supplies and Materials	13,320	4,616	17,936	17,175	761
Other Objects	93	-	93	-	93
Total Health Services	142,170	14,592	156,762	151,120	5,642
Speech, OT,PT & Related Services					
Salaries	215,685	30,541	246,226	226,223	20,003
Purchased Professional Educational Services	16,690	109,068	125,758	110,078	15,680
Supplies and Materials	2,000	588	2,588	1,405	1,183
Total Speech, OT, PT & Related Services	234,375	140,197	374,572	337,706	36,866
Other Support Serv. Students - Extra Serv.					
Salaries	499,655	3,943	503,598	299,585	204,013
Purchased Professional Educational Services	20,190	(13,500)	6,690	1,688	5,002
Supplies and Materials	2,000	4,458	6,458	4,414	2,044
Total Other Support Serv. Students - Extra Serv.	521,845	(5,099)	516,746	305,687	211,059
Guidance					
Salaries of Other Professional Staff	166,833	4,700	171,533	135,105	36,428
Purchased Professional-Educational Services	1,000	-	1,000	1,000	-
Other Purchased Prof. and Tech. Services	2,500	-	2,500	1,839	661
Supplies and Materials	500	249	749	729	20
Total Guidance	170,833	4,949	175,782	138,673	37,109
Child Study Teams					
Salaries of Other Professional Staff	266,737	13,464	280,201	280,201	-
Salaries of Secretarial and Clerical Assistants	40,848	2,477	43,325	43,325	-
Purchased Professional - Educational Services	202,050	(93,833)	108,217	61,235	46,982
Other Purchased Services	4,250	-	4,250	4,205	45
Supplies and Materials	4,000	4,494	8,494	7,604	890
Other Objects	1,300	500	1,800	1,563	237
Total Child Study Teams	519,185	(72,898)	446,287	398,133	48,154
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	113,789	10,680	124,469	116,824	7,645
Salaries of Other Professional Staff	25,850	2,910	28,760	20,450	8,310
Salaries of Secretary & Clerk Assistance	20,289	-	20,289	20,093	196
Salaries of Facilitators, Math & Literacy Coaches	84,714	-	84,714	84,595	119
Purchased Professional - Educational Services	54,100	10,647	64,747	64,747	-
Total Improvement of Inst. Serv.	298,742	24,237	322,979	306,709	16,270

Continued

ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Educational Media Services/School Library					
Salaries	$ 120,945	$ 2,331	$ 123,276	$ 123,276	-
Salaries of Technology Coordinators	40,000	(15,000)	25,000		$ 25,000
Purchased Professional and Technical Services	3,500	(925)	2,575		2,575
Other Purchased Services	7,255	1,225	8,480	7,808	672
Supplies and Materials	9,150	970	10,120	9,785	335
Other Objects	900	-	900	19	881
Total Educational Media Serv./School Library	181,750	(11,399)	170,351	140,888	29,463
Instructional Staff Training Services					
Salaries of Supervisor of Instruction		65,000	65,000		65,000
Purchased Professional/Educational Services	94,500	9,490	103,990	35,852	68,138
Other Purchased Services	2,900	-	2,900	1,990	910
Supplies and Materials	-	8,500	8,500	8,486	14
Total Instructional Staff Training Services	97,400	82,990	180,390	46,328	134,062
Support Services General Administration					
Salaries	225,260	110	225,370	202,072	23,298
Legal Services	101,500	(5,078)	96,422	58,922	37,500
Audit Fees	47,000	21,500	68,500	23,465	45,035
Architectural/Engineering Services	40,000	(6,735)	33,265	16,200	17,065
Other Purchased Professional Services	19,755	3,000	22,755	14,610	8,145
Communications/Telephone	27,100	-	27,100	15,923	11,177
BOE Other Purchased Services	5,000	(2,544)	2,456	981	1,475
Miscellaneous Purchased Services	19,080	3,829	22,909	20,682	2,227
Supplies and Materials	4,000	427	4,427	3,601	826
Miscellaneous Expenditures	10,600	(1,189)	9,411	2,326	7,085
BOE Membership Dues and Fees	11,080	-	11,080	8,946	2,134
Total Support Services General Administration	510,375	13,320	523,695	367,728	155,967
Support Services School Administration					
Salaries of Principal/Asst. Principals	291,156	2,239	293,395	293,395	-
Salaries of Secretarial and Clerical Assistants	173,198	11,500	184,698	179,439	5,259
Purchased Professional and Technical Services	1,400	-	1,400		1,400
Other Purchased Services	11,000	(5,480)	5,520		5,520
Supplies and Materials	8,875	5,275	14,150	8,245	5,905
Other Objects	4,260	1,630	5,890	5,818	72
Total Support Services School Administration	489,889	15,164	505,053	486,897	18,156
Support Services Central Services					
Salaries	292,066	1,279	293,345	263,877	29,468
Miscellaneous Purchased services	57,500	-	57,500	20,009	37,491
Supplies and Materials	8,000	437	8,437	6,132	2,305
Other Objects	14,300	-	14,300	2,144	12,156
Total Support Services Central Services	371,866	1,716	373,582	292,162	81,420
Admin. Info. Technology					
Salaries	87,500	(9,000)	78,500		78,500
Supplies and Materials	5,100	-	5,100		5,100
Other Objects	1,500	-	1,500	-	1,500
Total Admin. Info Technology	94,100	(9,000)	85,100	-	85,100

Continued

ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	$ 370,823	-	$ 370,823	$ 353,822	$ 17,001
Salaries of Non-Instructional Aides	107,750	$ 2,743	110,493	110,493	
Purchased Professional and Technical Services	15,500	-	15,500	5,445	10,055
Cleaning, Repair and Maintenance Services	67,000	15,808	82,808	49,951	32,857
Rental of Land & Bldg. Oth. Than Lease Purch. Agreement	23,500	-	23,500		23,500
Other Purchased Property Services	53,000	-	53,000	25,416	27,584
Insurance	67,329	1,295	68,624	68,153	471
Miscellaneous Purchased Services	4,000	(1,295)	2,705		2,705
General Supplies	52,800	200	53,000	35,034	17,966
Energy (Natural Gas)	305,000	(56,415)	248,585	152,913	95,672
Energy (Electricity)	297,500	(10,000)	287,500	146,940	140,560
Other Objects	1,500	-	1,500	599	901
Total Custodial Services	1,365,702	(47,664)	1,318,038	948,766	369,272
Required Maintenance for School Facilities					
Salaries	180,522	1,500	182,022	161,794	20,228
Cleaning, Repair and Maintenance Services	350,500	13,352	363,852	146,402	217,450
General Supplies	55,000	(3,948)	51,052	28,903	22,149
Total Required Maintenance for School Fac.	586,022	10,904	596,926	337,099	259,827
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	58,500	3,255	61,755	58,415	3,340
Cleaning, Repair and Maintenance Services		2,500	2,500		2,500
General Supplies	-	1,800	1,800	783	1,017
Total Care and Upkeep of Grounds	58,500	7,555	66,055	59,198	6,857
Security					
Salaries		34,239	34,239	34,239	-
Purchased Professional and Technical Services		570	570	570	-
Cleaning, Repair and Maintenance Services		13,757	13,757	13,756	1
General Supplies		11,815	11,815	10,745	1,070
Other Objects	-	230	230	-	230
Total Security	-	60,611	60,611	59,310	1,301
Student Transportation Services					
Contracted Services (Other Than Between Home and School) - Vendors	36,250	-	36,250	11,875	24,375
Contracted Services - (Spl. Ed. Students) - Vendors	5,000	-	5,000		5,000
Contracted Services - (Spl. Ed. Students) - Joint Agreements	116,117	10,000	126,117	89,919	36,198
Total Student Transportation Services	157,367	10,000	167,367	101,794	65,573
Unallocated Benefits - Employee Benefits					
Social Security Contributions	221,353		221,353	152,648	68,705
Other Retirement Contributions - PERS		187,550	187,550	168,485	19,065
Other Retirement Contributions - ERIP	159,000	(159,000)			-
Other Retirement Contributions - DCRP	4,100	1,243	5,343	4,809	534
Workmen's Compensation	88,091	-	88,091	67,791	20,300
Health Benefits	2,150,324	(1,243)	2,149,081	1,725,350	423,731
Tuition Reimbursement	66,212	-	66,212	33,356	32,856
Other Employee Benefits	38,095	-	38,095	24,261	13,834
Total Unallocated Benefits - Employee Benefits	2,727,175	28,550	2,755,725	2,176,700	579,025
On-behalf TPAF Pension Payments - Non-Budget					
Pension Contribution				234,571	(234,571)
NCGI Premium				20,705	(20,705)
Post Retirement Medical Benefits				418,555	(418,555)
On-behalf TPAF Social Security Payments	-	-	-	462,795	(462,795)
Total Undistributed Expenditures	8,947,391	268,725	9,216,116	8,180,348	1,035,768
Total Expenditures - Current Expenditures	15,250,907	206,774	15,457,681	13,984,237	1,473,444

Continued

ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CAPITAL OUTLAY					
Undistributed Expenditures					
Instruction					
Equipment	$ 95,750	$ (31,550)	$ 64,200	$ 26,718	$ 37,482
Required Maintenance for School Facility - Equipment	7,750	-	7,750	-	7,750
Total Equipment	103,500	(31,550)	71,950	26,718	45,232
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services	24,000	132,952	156,952	133,132	23,820
Construction Services	1,145,875	(331,185)	814,690	814,578	112
Other Objects		77	77	77	
Assessment for Debt Service on SDA Funding	-	23,293	23,293	23,293	-
Total Facilities Acquisition and Constr. Serv.	1,169,875	(174,863)	995,012	971,080	23,932
Assets Acquired Under Capital Leases (Non-Budget)					
Regular Instruction				129,124	(129,124)
Child Study Team				17,217	(17,217)
General Administrative	-	-	-	25,825	(25,825)
Total Assets Acquired Under Capital Leases (Non-Budget)	-	-	-	172,166	(172,166)
Increase in Maintenance Reserve	1,000	-	1,000		1,000
Increase in Capital Reserve	2,950	-	2,950	-	2,950
Total Capital Outlay	1,277,325	(206,413)	1,070,912	1,169,964	(99,052)
Total Expenditures	16,528,232	361	16,528,593	15,154,201	1,374,392
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,032,125)	(361)	(2,032,486)	731,456	2,763,942
Other Financing Sources (Uses)					
Transfer from Capital Outlay to Capital Projects		(577,582)	(577,582)	(496,337)	81,245
Transfer from Capital Reserve to Capital Projects		(237,058)	(237,058)	(237,058)	
Lease Purchase Proceeds	-	-	-	172,166	172,166
Total Other Financing Sources (Uses)	-	(814,640)	(814,640)	(561,229)	253,411
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(2,032,125)	(815,001)	(2,847,126)	170,227	3,017,353
Fund Balance, Beginning of Year	8,603,248	-	8,603,248	8,603,248	-
Fund Balance, End of Year	$ 6,571,123	$ (815,001)	$ 5,756,122	$ 8,773,475	$ 3,017,353

Continued

ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Restricted :		
Excess Surplus - Designated for Subsequent Year's Expenditures	$ 1,065,123	
Excess Surplus	1,714,567	
Maintenance Reserve	836,836	
Maintenance Reserve - Designated for Subsequent Year's Expenditures	181,198	
Capital Reserve	3,236,683	
Capital Reserve - Designated for Subsequent Year's Expenditures	871,257	
Emergency Reserve	130,000	
Committed		
Year-end Encumbrances	40,537	
Assigned		
Designated for Subsequent Year's Expenditures	105,116	
Year-end Encumbrances	149,800	
Unassigned	442,358	
		$ 8,773,475
		8,773,475
Reconciliation to Governmental Funds Statements (GAAP):		
Less: Extraordinary Aid Payment Not Recognized on GAAP Basis	150,782	
State Aid Payment Not Recognized on GAAP Basis	24,097	
		174,879
Fund Balance Per Governmental Funds (GAAP)		$ 8,598,596

ALLENDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Intergovernmental					
Local	$ 500	$ 2,243	$ 2,743	$ 1,607	$ (1,136)
Federal	205,343	50,622	255,965	234,782	(21,183)
Total Revenues	205,843	52,865	258,708	236,389	(22,319)
EXPENDITURES					
Instruction					
Tuition	148,551	11,928	160,479	160,479	-
Other Purchased Professional Services	5,990	(5,990)			
General Supplies	25,266	34,817	60,083	44,427	15,656
Total Instruction	179,807	40,755	220,562	204,906	15,656
Support Services					
Salaries		1,139	1,139	1,139	-
Other Purchased Professional Services	25,536	8,728	34,264	28,737	5,527
General Supplies	500	2,243	2,743	1,607	1,136
Total Support Services	26,036	12,110	38,146	31,483	6,663
Facilities Acquisition and Construction					
Instructional Equipment	-	-	-	-	-
Total Facilities Acq. and Construction	-	-	-	-	-
Total Expenditures	205,843	52,865	258,708	236,389	22,319
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -

ALLENDALE BOARD OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1	$ 15,885,657	C-2	$ 236,389
Difference- Budget to GAAP				
State Aid payment and extraordinary aid (2012/2013) recognized for GAAP purposes, not recognized for budgetary statements.		151,213		
Difference - Budget to GAAP:				
State Aid Payment and Extraordinary aid (2013/2014) recognized for budgetary purposes, not recognized for GAAP statements		(174,879)		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	$ 15,861,991	B-2	$ 236,389
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1	$ 15,154,201	C-2	$ 236,389
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	$ 15,154,201	B-2	$ 236,389

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

EXHIBIT E-1

ALLENDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	Title II	Title III	Local	Total 2014
REVENUES						
Intergovernmental						
Local					$ 1,607	$ 1,607
Federal	$ 160,479	$ 7,826	$ 12,104	$ 54,373	-	234,782
Total Revenues	$ 160,479	$ 7,826	$ 12,104	$ 54,373	$ -	$ 236,389
EXPENDITURES						
Instruction						
Tuition	$ 160,479					$ 160,479
General Supplies	-	$ 840	-	$ 43,587	-	44,427
Total Instruction	160,479	840	-	43,587	-	204,906
Support Services						
Salaries				1,139		1,139
Other Purchased Professional Services		6,986	$ 12,104	9,647		28,737
General Supplies	-	-	-	-	$ 1,607	1,607
Total Support Services	-	6,986	12,104	10,786	1,607	31,483
Facilities Acquisition and Construction						
Instructional Equipment	-	-	-	-	-	-
Total Facilities Acq. and Construction	-	-	-	-	-	-
Total Expenditures	$ 160,479	$ 7,826	$ 12,104	$ 54,373	$ 1,607	$ 236,389

ALLENDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOT APPLICABLE

CAPITAL PROJECTS FUND

ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Project	Appropriations	Expenditures to Date Current Year	Unexpended Balance, June 30, 2014
Brookside- Replace Unit Ventilators w/New AC	$ 316,492		$ 316,492
Brookside- Replace Unit Ventilators w/New Rooftop HVAC Unit	165,000		165,000
Hillside - Replace Unit Ventilators w/New HVAC Media Center	150,000		150,000
Hillside - Replace Uni Ventilators w/New HVAC Classroom 17-19	240,000		240,000
Brookside Window Replacement	210,500	$ -	210,500
	$ 1,081,992	$ -	$ 1,081,992

Project Balance	$ 1,081,992
Less: Unrealized Grant Awards	(348,597)
Fund Balance - GAAP, June 30, 2014	$ 733,395

Reconciliation to GAAP

Restricted for Capital Projects:	
Year End Encumbrances	$ 772,638
Available for Capital Projects	(39,243)
Total Fund Balance - Restricted for Capital Projects	$ 733,395

EXHIBIT F-2

ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Revenues and Other Financing Sources		
Revenues		
State Sources - SDA Grant	$	348,597
Other Financing Sources		
Transfer from Capital Outlay - Local Contribution		496,337
Transfer from Capital Reserve Local Contribution		237,058
Interest		42
Total Revenues and Other Financing Sources		1,082,034
Expenditures and Other Financing Uses		
Transfer Out to Debt Service		42
Total Expenditures and Other Financing Uses		42
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		1,081,992
Fund Balance- Beginning of Year - Budgetary Basis		-
Fund Balance- End of Year - Budgetary Basis	$	1,081,992

Reconciliation to GAAP		
Fund Balance - End of Year - Budgetary Basis	$	1,081,992
Less: Unearned Grant Revenue		(348,597)
Fund Balance, June 30, 2014 - GAAP	$	733,395

EXHIBIT F-2a

ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BROOKSIDE REPLACEMENT UNIT VENTILATORS WITH NEW AC
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant		$ 126,597	$ 126,597	$ 126,597
Transfer from Capital Outlay - Local Contribution		128,515	128,515	128,515
Transfer from Capital Reserve Local Contribution	-	61,380	61,380	61,380
Total Revenues and Other Financing Sources	-	316,492	316,492	316,492
Expenditures and Other Financing Uses				
Architectural/Engineering Service			-	
Construction Services	-	-	-	316,492
Total Expenditures and Other Financing Uses	-	-	-	316,492
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ -	$ 316,492	$ 316,492	$ -

Additional project information:

SDA Project Number	SDA#0040-010-14-G1CE
Grant Number	
Grant Date	June 30, 2014
Original Authorized Cost	$ 316,492
Revised Authorized Cost	$ 316,492
Percentage Completion	0.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

EXHIBIT F-2b

ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BROOKSIDE REPLACE UNIT VENTILATORS WITH NEW ROOFTOP HVAC UNIT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant		$ 66,000	$ 66,000	$ 66,000
Transfer from Capital Outlay - Local Contribution		67,000	67,000	67,000
Transfer from Capital Reserve Local Contribution	-	32,000	32,000	32,000
Total Revenues and Other Financing Sources	-	165,000	165,000	165,000
Expenditures and Other Financing Uses				
Architectural/Engineering Service			-	
Construction Services	-	-	-	165,000
Total Expenditures and Other Financing Uses	-	-	-	165,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ -	$ 165,000	$ 165,000	$ -

Additional project information:

SDA Project Number	SDA#0040-010-14-G1CD
Grant Number	
Grant Date	June 30, 2014
Original Authorized Cost	$ 165,000
Revised Authorized Cost	$ 165,000
Percentage Completion	0.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

EXHIBIT F-2c

ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HILLSIDE REPLACE UNIT VENTILATORS WITH NEW HVAC MEDIA CENTER
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant		$ 60,000	$ 60,000	$ 60,000
Transfer from Capital Outlay - Local Contribution		60,909	60,909	60,909
Transfer from Capital Reserve Local Contribution	-	29,091	29,091	29,091
Total Revenues and Other Financing Sources	-	150,000	150,000	150,000
Expenditures and Other Financing Uses				
Architectural/Engineering Service			-	
Construction Services	-	-	-	150,000
Total Expenditures and Other Financing Uses	-	-	-	150,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ -	$ 150,000	$ 150,000	$ -

Additional project information:

SDA Project Number	SDA #0040-020-14-G1CJ
Grant Number	
Grant Date	June 30, 2014
Original Authorized Cost	$ 150,000
Revised Authorized Cost	$ 150,000
Percentage Completion	0.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

EXHIBIT F-2d

ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HILLSIDE REPLACE UNIT VENTILATOS WITH NEW HVAC CLASSROOM #17-19
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources- SDA Grant		$ 96,000	$ 96,000	$ 96,000
Transfer from Capital Outlay - Local Contribution		97,454	97,454	97,454
Transfer from Capital Reserve Local Contribution	-	46,546	46,546	46,546
Total Revenues and Other Financing Sources	-	240,000	240,000	240,000
Expenditures and Other Financing Uses				
Architectural/Engineering Service			-	
Construction Services	-	-	-	240,000
Total Expenditures and Other Financing Uses	-	-	-	240,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ -	$ 240,000	$ 240,000	$ -

Additional project information:

SDA Project Number	SDA#0040-020-14-G1CG
Grant Number	
Grant Date	June 30, 2014
Original Authorized Cost	$ 240,000
Revised Authorized Cost	$ 240,000
Percentage Completion	0.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

EXHIBIT F-2e

ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BROOKSIDE WINDOWS REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Transfer from Capital Outlay - Local Contribution		$ 142,459	$ 142,459	$ 142,459
Transfer from Capital Reserve Local Contribution	-	68,041	68,041	68,041
Total Revenues and Other Financing Sources	-	210,500	210,500	210,500
Expenditures and Other Financing Uses				
Architectural/Engineering Service			-	
Construction Services	-	-	-	210,500
Total Expenditures and Other Financing Uses	-	-	-	210,500
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ -	$ 210,500	$ 210,500	$ -

Additional project information:

SDA Project Number	N/A
Grant Number	
Grant Date	June 30, 2014
Original Authorized Cost	$ 210,500
Revised Authorized Cost	$ 210,500
Percentage Completion	0.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

ENTERPRISE FUND

EXHIBIT G-1

ALLENDALE BOARD OF EDUCATION
ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

NOT APPLICABLE

EXHIBIT G-2

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOT APPLICABLE

EXHIBIT G-3

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOT APPLICABLE

FIDUCIARY FUNDS

EXHIBIT H-1

ALLENDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2014

	Student Activities	Payroll	Total Agency Funds
ASSETS			
Cash	$ 15,518	$ 36,758	$ 52,276
Total Assets	$ 15,518	$ 36,758	$ 52,276
LIABILITIES			
Due to Other Funds		$ 1,287	$ 1,287
Due to State of New Jersey		2,484	2,484
Due to Student Groups	$ 15,518		15,518
Accrued Salaries and Wages		222	222
Payroll Deductions and Withholdings	-	32,765	32,765
Total Liabilities	$ 15,518	$ 36,758	$ 52,276

EXHIBIT H-2

COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

EXHIBIT H-3

ALLENDALE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance, July 1, 2013	Receipts	Disbursements	Balance, June 30, 2014
ELEMENTARY AND MIDDLE SCHOOLS				
Student Council	$ 2,543	$ 2,952	$ 2,637	$ 2,858
Brookside School	9,264	59,911	58,532	10,643
Hillside School	2,219	13,006	13,208	2,017
Total All Schools	$ 14,026	$ 75,869	$ 74,377	$ 15,518

EXHIBIT H-4

PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance, July 1, 2013	Additions	Deletions	Balance, June 30, 2014
Payroll Deductions and Withholdings	$ 11,135	$ 4,048,501	$ 4,026,871	$ 32,765
Accrued Salaries and Wages	222	5,145,808	5,145,808	222
Flexible Spending		37,911	37,911	-
Due to State of New Jersey	27,473	2,484	27,473	2,484
Due to Other Funds	625	662	-	1,287
Total	$ 39,455	$ 9,235,366	$ 9,238,063	$ 36,758

LONG-TERM DEBT

ALLENDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2013	Issued	Retired	Balance, June 30, 2014
School District Bonds	1/15/2006	$ 4,977,000	3/15/15	$ 230,000	3.875%				
			3/15/16	240,000	3.875%				
			3/15/17	250,000	3.875%				
			3/15/18	260,000	3.875%				
			3/15/19	270,000	4.00%				
			3/15/20	280,000	4.00%				
			3/15/21	295,000	4.00%				
			3/15/22	305,000	4.00%				
			3/15/23	320,000	4.00%				
			3/15/24	330,000	4.00%				
			3/15/25	345,000	4.00%				
			3/15/26	362,000	4.00%	$ 3,707,000		$ 220,000	$ 3,487,000
Refunding Bonds	7/13/2010	2,690,000	9/15/2014	530,000	3.00%				
			9/15/2015	550,000	3.00%				
			9/15/2016	540,000	4.00%	2,135,000		515,000	1,620,000
Governmental Loan Revenue Bond Series 2012 ERIP Refunding - Through Bergen County Improvement Authority	5/17/2012	586,000	3/15/2015	61,000	0.838%				
			3/15/2016	61,000	1.237%				
			3/15/2017	62,000	1.637%				
			3/15/2018	63,000	2.108%				
			3/15/2019	64,000	2.358%				
			3/15/2020	66,000	2.659%				
			3/15/2021	67,000	2.959%				
			3/15/2022	70,000	3.109%	574,000	-	60,000	514,000
						$ 6,416,000	$ -	$ 795,000	$ 5,621,000

ALLENDALE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Property Tax Levy	$ 890,133		$ 890,133	$ 890,133	
State Sources	124,705	-	124,705	124,705	-
Total Revenues	1,014,838	-	1,014,838	1,014,838	-
EXPENDITURES					
Regular Debt Service					
Interest	219,909		219,909	219,909	-
Principal	795,000	-	795,000	795,000	-
Total Expenditures	1,014,909	-	1,014,909	1,014,909	-
Other Finance Sources					
Transfers In	-	-	-	42	$ 42
Total Other Financing Sources	-	-	-	42	42
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71)	-	(71)	(29)	42
Fund Balance, Beginning of Year	106,289	-	106,289	106,289	-
Fund Balance, End of Year	$ 106,218	$ -	$ 106,218	$ 106,260	$ 42

Designated for Subsequent Year's Budget	$ 106,218
Unassigned	42
	$ 106,260

ALLENDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Purpose	Original Issue	Interest Rate	Balance, June 30, 2013	Issued	Matured	Balance, June 30, 2014
Capital Leases						
Copiers -2014	$ 172,166	3.72%	-	$ 172,166	$ 15,814	$ 156,352
			$ -	$ 172,166	$ 15,814	$ 156,352

STATISTICAL SECTION

This part of the Allendale Board of Education's comprehensive annual 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 government's overall financial health.

Contents	Exhibits
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	J-1 to J-5
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	J-14 and J-15
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activites it performs.	J-16 to J-20

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

EXHIBIT J-1

ALLENDALE BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007 (Restated)	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net Investment in capital assets	$ 2,596,266	$ 2,926,450	$ 2,423,874	$ 2,782,336	$ 3,404,197	$ 3,876,300	$ 4,271,315	$ 5,412,367	$ 5,694,027	$ 6,716,882
Restricted	463,269	449,257	405,603	974,467	1,503,639	3,101,631	3,580,419	3,960,019	4,651,906	5,232,234
Unrestricted	(474,628)	(42,554)	1,115,927	1,129,614	549,700	309,805	1,043,037	1,681,270	3,095,584	3,429,758
Total governmental activities net position	$ 2,584,907	$ 3,333,153	$ 3,945,404	$ 4,886,417	$ 5,457,536	$ 7,287,736	$ 8,894,771	$ 11,053,656	$ 13,441,517	$ 15,378,874
Business-type activities										
Net Investment in capital assets	$ 58,719	$ 53,426	$ 14,020	$ 12,918	$ 18,106	$ 27,049	$ 61,560	$ 60,099	$ 56,120	$ 49,252
Unrestricted	42,275	56,175	72,570	71,931	94,185	64,779	40,048	58,085	69,673	84,298
Total business-type activities net position	$ 100,994	$ 109,601	$ 86,590	$ 84,849	$ 112,291	$ 91,828	$ 101,608	$ 118,184	$ 125,793	$ 133,550
District-wide										
Net Investment in capital assets	$ 2,654,985	$ 2,980,376	$ 2,437,894	$ 2,795,254	$ 3,422,303	$ 3,903,349	$ 4,332,875	$ 5,472,466	$ 5,750,147	$ 6,766,134
Restricted	463,269	449,257	405,603	974,467	1,503,639	3,101,631	3,580,419	3,960,019	4,651,906	5,232,234
Unrestricted	(432,353)	13,621	1,188,497	1,201,545	643,885	374,584	1,083,085	1,739,355	3,165,257	3,514,056
Total district net position	$ 2,685,901	$ 3,443,254	$ 4,031,994	$ 4,971,266	$ 5,569,827	$ 7,379,564	$ 8,996,379	$ 11,171,840	$ 13,567,310	$ 15,512,424

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

EXHIBIT J-2

ALLENDALE BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	$ 5,651,818	$ 5,833,194	$ 5,876,727	$ 6,199,331	$ 6,154,437	$ 6,291,655	$ 6,035,330	$ 6,248,750	$ 6,374,529	$ 6,697,974
Special education	1,745,449	1,346,367	2,080,570	2,047,305	1,804,129	1,426,920	1,323,709	1,403,216	1,245,102	1,325,138
Other instruction	618,579	619,411	437,794	454,720	474,987	370,459	441,108	441,775	643,361	689,298
School Sponsored Activities and Athletics	71,299	79,188	81,986	98,524	112,555	114,148	121,850	122,605	111,277	109,920
Support Services:										
Tuition										
Student & instruction related services	1,683,604	2,034,308	1,841,045	2,114,773	1,977,978	2,062,727	2,003,115	2,240,613	2,137,146	2,140,008
Health services	130,338	149,213	161,615	169,533	171,609	191,585	193,471	191,806	201,189	210,102
Attendance and Social Work	15,644	22,658	63,811	45,304		30,401	30,553	40,558	45,151	44,904
Educational Media/School Library	147,505	160,638	168,980	187,713	175,559	197,452	195,724	200,517	204,261	198,205
School Administrative services	647,917	541,290	547,513	555,731	621,985	669,644	651,853	794,064	816,826	730,028
General administration	515,093	545,745	455,453	559,711	562,486	503,373	524,697	578,080	521,372	458,844
Central Services	307,875	369,895	405,184	396,814	462,015	413,062	378,393	388,694	427,634	414,848
Plant operations and maintenance	1,171,671	1,207,225	1,368,257	1,568,683	1,620,050	1,565,254	1,668,631	1,670,103	1,582,336	1,828,602
Pupil transportation	203,346	239,584	316,016	261,897	221,040	177,097	88,786	91,546	123,385	101,794
Interest on long-term debt	299,535	328,249	447,809	427,916	386,273	329,704	295,439	273,249	249,684	226,238
Total governmental activities expenses	13,209,673	13,476,965	14,252,760	15,087,955	14,745,103	14,343,481	13,952,659	14,685,576	14,683,253	15,175,903
Business-type activities:										
Food service	237,314	231,837	209,091	220,181	181,155	233,552	220,264	250,187	242,061	249,442
Summer Music			43,233	40,261	39,980	49,881	38,002	25,388	38,291	18,384
Total business-type activities expense	237,314	231,837	252,324	260,442	221,135	283,433	258,266	275,575	280,352	267,826
Total district expenses	$ 13,446,987	$ 13,708,802	$ 14,505,084	$ 15,348,397	$ 14,966,238	$ 14,626,914	$ 14,210,925	$ 14,961,151	$ 14,963,605	$ 15,443,729
Program Revenues										
Governmental activities:										
Charges for services:										
Regular	$ 38,106	$ 17,175				$ 58,350	$ 79,036	$ 75,859	$ 82,898	$ 89,332
Special education	279,868	126,138	$ 203,476	$ 185,540	$ 141,775	64,631				
Operating grants and contributions	1,559,761	1,841,553	2,258,951	2,310,564	1,576,156	2,162,180	1,490,297	2,090,133	2,287,444	1,945,734
Total governmental activities program revenues	1,877,735	1,984,866	2,462,427	2,496,104	1,717,931	2,285,161	1,569,333	2,165,992	2,370,342	2,035,066

ALLENDALE BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program Revenues (Continued)										
Business-type activities:										
Charges for services										
Food service	$ 212,357	$ 209,897	$ 192,661	$ 192,164	$ 180,928	$ 187,178	$ 199,110	$ 239,594	$ 222,333	$ 253,035
Summer Music			45,073	38,800	40,031	48,740	40,875	27,488	36,588	22,006
Operating grants and contributions	29,000	30,547	25,476	25,367	26,595	26,456	27,539	24,815	28,713	94
Total business type activities program revenues	241,357	240,444	263,210	256,331	247,554	262,374	267,524	291,897	287,634	275,135
Total district program revenues	$ 2,119,092	$ 2,225,310	$ 2,725,637	$ 2,752,435	$ 1,965,485	$ 2,547,535	$ 1,836,857	$ 2,457,889	$ 2,657,976	$ 2,310,201
Net (Expense)/Revenue										
Governmental activities	$ (11,331,938)	$ (11,492,099)	$ (11,790,333)	$ (12,591,851)	$ (13,027,172)	$ (12,058,320)	$ (12,383,326)	$ (12,519,584)	$ (12,312,911)	$ (13,140,837)
Business-type activities	4,043	8,607	10,886	(4,111)	26,419	(21,059)	9,258	16,322	7,282	7,309
Total district-wide net expense	$ (11,327,895)	$ (11,483,492)	$ (11,779,447)	$ (12,595,962)	$ (13,000,753)	$ (12,079,379)	$ (12,374,068)	$ (12,503,262)	$ (12,305,629)	$ (13,133,528)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	$ 10,447,306	$ 11,246,235	$ 12,025,265	$ 12,172,795	$ 12,490,766	$ 12,770,397	$ 13,281,213	$ 13,546,837	$ 13,817,774	$ 14,094,129
Taxes levied for debt service	663,310	663,054	847,316	884,623	896,664	888,093	518,968	848,696	891,449	890,133
State aid - unrestricted	88,830	90,250	91,049	107,469	4,618					
State aid - restricted for debt service			142,845	143,917	145,368	144,668	124,008	123,222	-	-
Investment earnings			280,430	206,205	46,067	31,872	35,066	16,398	20,546	21,439
Miscellaneous income	39,728	241,306	42,804	17,855	14,808	53,490	31,106	143,316	68,217	72,493
Total governmental activities	11,239,174	12,240,845	13,429,709	13,532,864	13,598,291	13,888,520	13,990,361	14,678,469	14,797,986	15,078,194
Business-type activities:										
Miscellaneous income	647									
Interest earnings	-	-	3,098	2,370	1,023	596	522	254	327	448
Total business-type activities	647	-	3,098	2,370	1,023	596	522	254	327	448
Total district-wide	$ 11,239,821	$ 12,240,845	$ 13,432,807	$ 13,535,234	$ 13,599,314	$ 13,889,116	$ 13,990,883	$ 14,678,723	$ 14,798,313	$ 15,078,642
Change in Net Position										
Governmental activities	$ (92,764)	$ 748,746	$ 1,639,376	$ 941,013	$ 571,119	$ 1,830,200	$ 1,607,035	$ 2,158,885	$ 2,485,075	$ 1,937,357
Business-type activities	4,690	8,607	13,984	(1,741)	27,442	(20,463)	9,780	16,576	7,609	7,757
Total district	$ (88,074)	$ 757,353	$ 1,653,360	$ 939,272	$ 598,561	$ 1,809,737	$ 1,616,815	$ 2,175,461	$ 2,492,684	$ 1,945,114

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

EXHIBIT J-3

ALLENDALE BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	$ 730,795	$ 1,155,312	$ 1,946,546	$ 2,041,678	$ 1,815,709	$ 3,357,772				
Unreserved	208,124	209,453	384,047	667,758	757,295	581,476				
Restricted							$ 4,425,361	$ 5,509,482	$ 6,726,760	$ 8,035,664
Committed							290,376	145,214	617,665	40,537
Assigned							472,147	518,681	873,144	254,916
Unassigned	-	-	-	-	-	-	250,000	248,675	234,466	267,479
Total general fund	$ 938,919	$ 1,364,765	$ 2,330,593	$ 2,709,436	$ 2,573,004	$ 3,939,248	$ 5,437,884	$ 6,422,052	$ 8,452,035	$ 8,598,596
All Other Governmental Funds										
Reserved	$ 122,104	$ 250,274	$ 2,057,014	$ 199,640	$ 245,927					
Unreserved	33,316	4,559,102	1,041,690	681,389	464,526	$ 632,311				
Restricted	-	-	-	-	-	-	$ 272,944	$ 111,740	$ 106,289	$ 839,655
Total all other governmental fun	$ 155,420	$ 4,809,376	$ 3,098,704	$ 881,029	$ 710,453	$ 632,311	$ 272,944	$ 111,740	$ 106,289	$ 839,655

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

EXHIBIT J-4

ALLENDALE BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	$ 11,110,616	$ 11,909,289	$ 12,872,581	$ 13,057,418	$ 13,387,430	$ 13,658,490	$ 13,800,181	$ 14,395,533	$ 14,709,223	$ 14,984,262
Tuition charges	317,974	143,313	203,476	185,540	141,775	122,981	79,036	75,859	82,898	89,332
Interest earnings	13,545	162,280	280,430	206,205	46,067	31,872	35,066	16,398	20,546	21,439
Miscellaneous	26,183	79,026	42,804	50,126	38,600	59,027	31,665	143,316	70,178	74,100
State sources	1,449,443	1,707,502	2,294,007	2,296,501	1,466,693	1,997,345	1,341,068	1,850,623	2,064,988	1,709,342
Federal sources	199,148	224,301	198,838	233,178	235,657	303,966	272,678	362,732	220,495	234,782
Total revenue	13,116,909	14,225,711	15,892,136	16,028,968	15,316,222	16,173,681	15,559,694	16,844,461	17,168,328	17,113,257
Expenditures										
Instruction										
Regular Instruction	5,614,453	5,696,876	5,683,851	5,997,384	5,923,356	6,051,482	5,829,303	6,029,179	6,016,247	6,400,678
Special education instruction	1,738,600	1,316,456	2,045,973	2,006,035	1,763,739	1,416,349	1,316,295	1,374,594	1,192,575	1,287,902
Other special instruction	614,145	603,201	425,287	439,022	455,532	355,228	428,375	425,430	604,161	656,138
School sponsored activities and athletics	70,812	77,404	79,977	95,686	108,913	110,215	118,512	118,992	104,880	105,057
Support Services:										
Student & inst. related services	1,672,151	2,003,658	1,799,447	2,056,543	1,913,930	1,997,002	1,947,200	2,170,553	2,026,530	2,052,579
Health services	127,376	145,260	157,330	163,790	164,721	182,553	185,658	184,952	189,919	201,058
Attendance and Social Work	17,553	22,207	61,717	43,712		30,401	30,667	39,028	42,209	42,719
Educational Media/School Library	146,578	156,947	164,572	182,254	168,976	190,188	189,514	194,020	192,846	189,416
General administration	513,134	538,078	446,975	547,584	547,459	488,858	503,131	551,212	500,403	444,439
School administrative services	643,381	527,603	532,132	537,331	597,059	642,421	628,578	765,190	768,538	696,320
Central services	305,528	360,379	394,645	383,889	444,558	399,903	367,227	375,486	403,355	396,036
Plant operations and maintenance	1,166,476	1,190,121	1,347,470	1,539,633	1,587,864	1,530,743	1,639,030	1,639,452	1,525,271	1,781,527
Pupil transportation	203,346	240,017	316,016	261,897	221,040	177,097	88,786	91,546	123,385	101,794
Capital outlay	45,302	281,575	2,166,709	2,584,500	684,051	280,379	145,559	1,059,153	443,160	1,016,033
Debt service:										
Principal	358,000	384,000	540,000	607,000	644,000	660,000	717,000	719,000	769,000	810,814
Interest and other charges	305,309	262,720	474,879	421,540	398,032	372,760	285,590	283,710	241,317	222,989
Cost of Issuance							72,574	18,412		
Advance Refunding Escrow	-	-	-	-	-	-	163,098	26,588		
Total expenditures	13,542,144	13,806,501	16,636,980	17,867,800	15,623,230	14,885,579	14,656,097	16,066,497	15,143,796	16,405,499
Excess (Deficiency) of revenues over (under) expenditures	(425,235)	419,210	(744,844)	(1,838,832)	(307,008)	1,288,102	903,597	777,964	2,024,532	707,758

EXHIBIT J-4

ALLENDALE BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing sources (uses)										
Proceeds from Bond		$ 4,982,948					$ 2,690,000	$ 586,000		
Premium on Refunding Bonds							145,672			
Payment to Refunded Bond Escrow Agent							(2,600,000)	(541,000)		
Cost of Issuance from Bond		(322,356)								
Lease Purchase Proceeds										$ 172,166
Transfers in	$ 7,471	87,657	$ 184,096	$ 95,581	$ 6,479	$ 105,941	247	104,366	$ 110,951	733,437
Transfers out	(7,471)	(87,657)	(184,096)	(95,581)	(6,479)	(105,941)	(247)	(104,366)	(110,951)	(733,437)
Total other financing sources (uses)	-	4,660,592	-	-	-	-	235,672	45,000	-	172,166
Net change in fund balances	$ (425,235)	$ 5,079,802	$ (744,844)	$ (1,838,832)	$ (307,008)	$ 1,288,102	$ 1,139,269	$ 822,964	$ 2,024,532	$ 879,924
Debt service as a percentage of noncapital expenditures	2.65%	2.84%	3.73%	3.97%	4.31%	4.52%	6.07%	4.97%	5.23%	5.27%

* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5

ALLENDALE BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL FUND										
Interest on Investments	$ 13,965	$ 67,872	$ 79,470	$ 95,808	$ 31,983	$ 29,435	$ 33,561	$ 15,791	$ 19,729	$ 20,742
Prior Year's Refunds	8,853							38,987	2,479	
Rentals								25,725	32,068	38,507
Insurance								28,354	8,942	22,864
Miscellaneous	3,365	79,026	42,804	17,855	14,808	53,490	31,106	50,250	24,728	11,122
Total Miscellaneous	26,183	146,898	122,274	113,663	46,791	82,925	64,667	159,107	87,946	93,235
Tuition	317,974	143,313	203,476	185,540	141,775	122,981	79,036	75,859	82,898	89,332
Interest Earned on Capital Reserve Funds	6,074	12,699	16,864	14,816	7,605	1,646	1,258	607	755	655
Total General Fund	324,048	156,012	220,340	200,356	149,380	124,627	80,294	76,466	83,653	89,987
Total Other Local Revenue	$ 350,231	$ 302,910	$ 342,614	$ 314,019	$ 196,171	$ 207,552	$ 144,961	$ 235,573	$ 171,599	$ 183,222

Source: District's records.

EXHIBIT J-6

ALLENDALE BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2005	$ 9,746,500	$ 1,105,020,600	$ 951,900	$ 16,200	$ 103,847,100	$ 60,671,900	-	$ 1,280,254,200	-	$ 1,280,254,200	$ 1,593,923,956	$ 1.421
2006	10,027,600	1,111,588,700	951,900	16,200	93,383,800	63,135,200	-	1,279,103,400	-	1,279,103,400	1,791,207,176	1.530
2007	19,933,000	1,120,804,400	951,900	16,200	90,089,700	63,135,200	-	1,294,930,400	-	1,294,930,400	1,848,980,808	1.580
2008	21,320,700	1,123,463,200	951,900	656,200	87,978,700	61,598,800	-	1,295,969,500	-	1,295,969,500	1,895,839,282	1.630
2009	23,113,900	1,128,523,700	951,900	656,200	66,594,200	83,003,300	-	1,302,843,200	-	1,302,843,200	1,741,285,954	1.666
2010	22,862,000	1,136,586,200	951,900	16,200	66,594,200	83,003,300	-	1,310,013,800	-	1,310,013,800	1,831,322,056	1.677
2011	21,708,300	1,138,141,600	951,900	16,200	67,787,000	83,736,300		1,312,341,300		1,312,341,300	1,811,515,735	1.704
2012	26,672,000	1,333,766,900	954,800	6,600	82,518,900	90,783,000		1,534,702,200		1,534,702,200	1,757,516,449	1.485
2013	24,941,500	1,335,080,100	954,800	6,600	82,518,900	90,783,000		1,534,284,900		1,534,284,900	1,666,131,533	1.519
2014	19,866,500	1,345,055,500	954,800	6,600	82,518,900	90,783,000		1,539,185,300		1,539,185,300	1,655,667,792	1.539

Source: County Abstract of Ratables

a Tax rates are per $100

ALLENDALE BOARD OF EDUCATION
PROPERTY TAX RATES
PER $100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)

Calendar Year	Total	School District *	Library	Municipality	County
2005	$ 2.18	$ 1.42		$ 0.53	$ 0.23
2006	2.36	1.53		0.60	0.23
2007	2.45	1.58		0.62	0.25
2008	2.55	1.63		0.65	0.27
2009	2.618	1.666		0.667	0.285
2010	2.642	1.677		0.686	0.279
2011	2.672	1.704		0.686	0.282
2012	2.311	1.485	$ 0.037	0.556	0.233
2013	2.357	1.519	0.036	0.552	0.250
2014	2.383	1.539	0.035	0.552	0.257

* The School District rate includes both the local district as well as the regional school district.

Source: Tax Duplicate, Borough of Allendale

ALLENDALE BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2014		2005	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Allendale Nursing Home	$ 20,122,800	1.31%		
Allendale Plaza	17,002,200	1.10%		
LPR Allendale	12,506,500	0.81%		
Black Mill Work Co. Inc.	9,000,000	0.58%	Not Available	
Pearl Investor	8,973,000	0.58%		
Allendale Associates	8,083,200	0.53%		
Allendale Associates	5,850,500	0.38%		
Pearl Investor	5,400,000	0.35%		
Allendale Associates	5,118,800	0.33%		
Pearl Investor	4,176,000	0.27%		
	$ 96,233,000	6.24%		

Source: Municipal Tax Assessor

ALLENDALE BOARD OF EDUCATION
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		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	$ 11,110,616	$ 11,110,616	100.00%	N/A
2006	11,909,289	11,839,989	99.00%	$ 69,300
2007	12,872,581	12,872,581	100.00%	N/A
2008	13,057,418	13,057,418	100.00%	N/A
2009	13,387,430	13,387,430	100.00%	N/A
2010	13,658,490	13,658,490	100.00%	N/A
2011	13,800,181	13,800,181	100.00%	N/A
2012	14,395,533	14,395,533	100.00%	N/A
2013	14,709,223	14,709,223	100.00%	N/A
2014	14,984,262	14,984,262	100.00%	N/A

Source: District Records

EXHIBIT J-10

ALLENDALE BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

	Governmental Activities						
Fiscal Year Ended June 30,	General Obligation Bonds	Certificates of Participation	Capital Leases	Grant Anticipation Notes (BANs)	Total District	Population	Per Capita
2005	$ 6,344,000	N/A	N/A	$ 424,576	$ 6,768,576	6,665	$ 1,016
2006	10,937,000	N/A	N/A	424,576	11,361,576	6,604	1,720
2007	10,397,000	N/A	N/A	424,576	10,821,576	6,578	1,645
2008	9,790,000	N/A	N/A	424,576	10,214,576	6,599	1,548
2009	9,146,000	N/A	N/A	424,576	9,570,576	6,609	1,448
2010	8,486,000	N/A	N/A	-	8,486,000	6,512	1,303
2011	7,859,000	N/A	N/A	-	7,859,000	6,548	1,200
2012	7,185,000	N/A	N/A	-	7,185,000	6,657	1,079
2013	6,416,000	N/A	N/A	-	6,416,000	6,704 *	957
2014	5,621,000	N/A	$ 156,352		5,777,352	6,704 *	862

Source: District records

*Estimate

ALLENDALE BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2005	$ 6,344,000	-	$ 6,344,000	0.50%	$ 952
2006	10,937,000	-	10,937,000	0.86%	1,656
2007	10,397,000	-	10,397,000	0.80%	1,581
2008	9,790,000	-	9,790,000	0.76%	1,484
2009	9,146,000	-	9,146,000	0.70%	1,384
2010	8,486,000	-	8,486,000	0.65%	1,303
2011	7,859,000	-	7,859,000	0.60%	1,200
2012	7,185,000	-	7,185,000	0.47%	1,079
2013	6,416,000	-	6,416,000	0.42%	957 *
2014	5,621,000	-	5,621,000	0.37%	838 *

Source: District records

Notes:

a See Exhibit J-6 for property tax data.
b See Exhibit J-14 for population data.

* Estimate

EXHIBIT J-12

ALLENDALE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2013
(Unaudited)

	Total Net Debt
Municipal Debt: (1)	
Borough of Allendale School District	$ 5,901,000
Northern Highlands Regional School District	4,494,002
Borough of Allendale	16,951,884
	27,346,886
Overlapping Debt Apportioned to the Municipality:	
County of Bergen (2)	8,576,879
Northwest Utilities Authority (3)	1,877,820
Total Direct and Overlapping Debt	$ 37,801,585

(1)- Based on 2013 equalized valuations
(2) Based on Usage

Sources:

(1) Borough of Allendale 2013 Annual Debt Statement
(2) County of Bergen 2013 Audit
(3) NBCUA 2013 Audit

ALLENDALE BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN CALENDAR YEARS

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis		
	2013	$ 1,648,173,703
	2012	1,664,355,493
	2011	1,718,398,979
		$ 5,030,928,175
Average equalized valuation of taxable property		$ 1,676,976,058
Debt limit (3 % of average equalization value)		50,309,282
Total Net Debt Applicable to Limit		5,621,000
Legal debt margin		$ 44,688,282

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	$ 39,747,808	$ 64,353,881	$ 48,265,411	$ 52,199,045	$ 55,101,210	$ 55,384,745	$ 54,345,472	$ 52,725,493	$ 51,210,955	$ 50,309,282
Total net debt applicable to limit	6,344,000	10,937,000	10,397,000	9,790,000	9,146,000	8,486,000	7,227,000	6,552,000	6,685,000	5,621,000
Legal debt margin	$ 33,403,808	$ 53,416,881	$ 37,868,411	$ 42,409,045	$ 45,955,210	$ 46,898,745	$ 47,118,472	$ 46,173,493	$ 44,525,955	$ 44,688,282
Total net debt applicable to the limit as a percentage of debt limit	15.96%	17.00%	21.54%	18.76%	16.60%	15.32%	13.30%	12.43%	13.05%	11.17%

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

Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

EXHIBIT J-14

ALLENDALE BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)

Year Ended December 31,	Unemployment Rate	Per Capita Income	School District Population
2004	3.40%	$ 54,462	6,702
2005	2.50%	56,706	6,651
2006	2.70%	62,714	6,583
2007	2.40%	67,394	6,557
2008	4.50%	68,227	6,578
2009	5.60%	63,198	6,609
2010	5.80%	65,486	6,512
2011	5.70%	66,096	6,548
2012	8.10%	69,919	6,657
2013	7.10%	69,919 *	6,704

Source: United States Bureau of Census - Population Division NJ Department of Labor, Bureau of Labor Force Statistics

* Estimate

EXHIBIT J-15

ALLENDALE BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2014		2005	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE

EXHIBIT J-16

ALLENDALE BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction										
Regular	86	87	88	74	71	71	72	71	71	70
Special education	12	8	8	10	14	14	14	14	14	11
Other special education	3	3	3	15	14	15	15	15	15	13
Support Services:										
Student & instruction related services	5	4	4	5	5	5	5	5	5	5
General administration	6	6	6	6	6	6	6	6	6	6
School administrative services	3	2	2	2	2	2	2	2	2	2
Other administrative services		1	1	1	1	1	1	1	1	2
Plant operations and maintenance	10	9	9	10	9	8	8	8	8	9
Total	125	120	121	123	122	122	123	122	122	118

Source: District Personnel Records

EXHIBIT J-17

ALLENDALE BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Pupil/Teacher Ratio: Elementary	Pupil/Teacher Ratio: Middle School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	1,087	$ 12,862,145	$ 11,833	3.66%	102	14:1	12.5:1	1,087	1,047	-1.36%	96.32%
2006	1,072	13,055,103	12,178	2.92%	104	13.5:1	12.5:1	1,072	1,060	-1.38%	98.88%
2007	1,032	13,461,970	13,045	7.11%	106	13:1	12:1	1,032	995	-3.73%	96.41%
2008	997	14,254,760	14,298	9.61%	99	9.2:1	11:01	991	950	-3.97%	95.86%
2009	954	13,897,147	14,567	1.89%	99	9.2:1	11:01	954	932	-3.73%	97.69%
2010	944	13,572,440	14,378	-1.30%	99	11:9	11:06	961	923	0.73%	96.05%
2011	957	13,272,276	13,869	-3.54%	99	12:02	11:02	967	934	0.62%	96.59%
2012	925	13,959,634	15,091	8.82%	90	10:01	11:01	925	897	-4.34%	96.97%
2013	913	13,690,319	14,995	-0.64%	90	15:01	13:01	913	896	-1.30%	98.14%
2014	905	14,355,663	15,863	5.79%	82	13:01	11:01	905	888	-0.88%	98.12%

Sources: District records

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

EXHIBIT J-18

ALLENDALE BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
District Building										
Elementary										
Square Feet	46,623	46,623	46,623	46,623	46,623	46,623	46,623	46,623	46,623	46,623
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	417	411	404	386	326	322	322	391	354	379
Middle School										
Square Feet	92,696	92,696	92,696	92,696	92,696	92,696	92,696	92,696	92,696	92,696
Capacity (students)	629	629	629	629	629	629	629	629	629	629
Enrollment	637	633	635	605	628	623	623	534	559	526

Number of Schools at June 30, 2014
Elementary = 1
Middle School = 1

Source: District Records

EXHIBIT J-19

ALLENDALE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(Unaudited)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
School Facilities	Project #										
Brookside Avenue Elem.	N/A	$ 152,499	$ 132,202	$ 184,940	$ 253,262	$ 246,981	$ 140,831	$ 194,614	$ 271,227	$ 247,961	$ 229,355
Hillside Avenue Elem.	N/A	81,799	68,105	95,272	100,785	101,051	87,807	123,275	185,227	160,856	107,744
Grand Total		$ 234,298	$ 200,307	$ 280,212	$ 354,047	$ 348,032	$ 228,638	$ 317,889	$ 456,454	$ 408,817	$ 337,099

Source: School District Financial Statements

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2014
(Unaudited)

	Coverage	Deductible
School Package Policy		
Property - Blanket Building and Contents,	$ 500,000,000	$ 1,000
Comprehensive General Liability	5,000,000	
General Automobile Liability	5,000,000	1,000
Employee Benefits Liability	5,000,000	1,000
Excess Board of Education Liability	1,000,000	
	excess of $4,000,000	
Athletic Equipment	500,000	1,000
Cameras	500,000	1,000
Data Processing Equipment	1,000,000	1,000
Musical Instruments	500,000	1,000
Valuable Papers and Records	100,000	1,000
Contractors Equipment	250,000	1,000
Miscellaneous Property	250,000	1,000
Flood/Earthquake	10,000,000	
	/$25,000,000	25,000
Fine Arts	100,000	1,000
Extra Expense	250,000	
Crime Coverage, Employee Dishonesty	500,000	500
Crime - Inside/Outside	25,000	
	/$25,000	500
Excess Property	5,000,000	
Environmental Site Specific Liability	1,000,000	
	/$3,000,000	15,000
Boiler and Machinery	1,000,000	1,000
Excess Liability	50,000,000	
	excess of $10,000,000	
Board of Education - Wrongful Acts	1,000,000	2,500
Workers Compensation	Statutory	
Surety Bonds		
Treasurer of School Moneys	210,000	N/A
School Board Secretary	100,000	N/A

SINGLE AUDIT SECTION

LERCH, VINCI & HIGGINS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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EDWARD P. MURPHY, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Allendale Board of Education
Allendale, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Allendale Board of Education as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Allendale Board of Education's basic financial statements and have issued our report thereon dated December 2, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 Allendale Board of Education'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 Allendale Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Paul J. Lerch
Public School Accountant
PSA Number CS001118

Fair Lawn, New Jersey
December 2, 2014

LERCH, VINCI & HIGGINS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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EDWARD P. MURPHY, CPA

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Allendale Board of Education
Allendale, New Jersey

Report on Compliance for Each Major State Program

We have audited the Allendale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Allendale Board of Education's major state programs for the fiscal year ended June 30, 2014. The Allendale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Allendale Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Allendale Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Allendale Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Allendale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Allendale Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Allendale Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Allendale Board of Education's 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Allendale Board of Education, as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 2, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Lerch, Vinci & Higgins, LLP

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

Paul J. Lerch
Public School Accountant
PSA Number CS001118

Fair Lawn, New Jersey
December 2, 2014

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant or State Number	Grant Period	Award Amount	Balance, July 1, 2013 Accounts Receivable	Balance, July 1, 2013 Unearned Revenue	Balance, July 1, 2013 Due to Grantor	Carryover Accounts Receivable	Carryover Deferred Revenue	Cash Received	Budgetary Expenditures (1)	Adjustments	Balance, June 30, 2014 Accounts Receivable	Balance, June 30, 2014 Unearned Revenue	Balance, June 30, 2014 Due to Grantor	MEMO GAAP Receivable
U.S. Department of Agriculture																
Passed-Through State Dept. of Education																
Enterprise Fund																
National School Lunch Program -																
Non-Cash Assistance	10.550	N/A	7/1/12-6/30/13	$ 11,534		$ 306					$ 306					
Cash Assistance	10.555	N/A	7/1/12-6/30/13	14,098	$ (1,349)					$ 1,349						-
Special Milk Program	10.556	N/A	7/1/13-6/30/14	94						94	94					-
Special Milk Program	10.556	N/A	7/1/12-6/30/13	1,938	(170)					170						
Total U.S. Department of Agriculture					(1,519)	306	-	-	-	1,613	400	-	-	-		-
U.S. Department of Education																
Passed-Through State Dept. of Education																
Special Revenue Fund																
Title II, Part A	84.367	NCLB0040-14	7/1/13-6/30/14	12,105						11,504	12,104		$ (600)			$ (600)
Title II, Part A	84.367	NCLB0040-13	9/1/12-8/31/13	11,940	(427)					427						
Title III, Part A	84.186	NCLB0040-14	7/1/13-6/30/14	56,930					$ 19,998	10,565	54,373	$ (2,776)	(46,365)	$ 19,779		(26,586)
Title III, Part A	84.186	NCLB0040-13	9/1/12-8/31/13	33,688	(41,127)	19,998			(19,998)	41,127						
I.D.E.I.A. Part B, Basic Regular	84.027	NCLB0040-14	7/1/13-6/30/14	160,479						160,479	160,479					
I.D.E.I.A. Part B, Basic Regular	84.027	NCLB0040-13	9/1/12-8/31/13	170,117	(63,579)					63,579						
I.D.E.I.A. Part B, Preschool	84.173	NCLB0040-14	7/1/13-6/30/14	7,551					275	3,216	7,826		(4,335)			(4,335)
I.D.E.I.A. Part B, Preschool	84.173	NCLB0040-13	9/1/12-8/31/13	7,986	(2,770)	275			(275)	2,770			-	-		-
Total U.S. Department of Education					(107,903)	20,273	-	-	-	293,667	234,782	(2,776)	(51,300)	19,779	-	(31,521)
Total Federal Awards					$ (109,422)	$ 20,579	$ -	$ -	$ -	$ 295,280	$ 235,182	$ (2,776)	$ (51,300)	$ 19,779	$ -	$ (31,521)

Note: This schedule was not subject to a Federal Single Audit in accordance with OMB Circular A-133.

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

(1) Cancelled payable

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2013 (Accounts Receivable)/ Deferred Revenue	Balance, June 30, 2013 Due to Grantor	Balance, June 30, 2013 Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2014 Accounts Receivable	Balance, June 30, 2014 Deferred Revenue	Balance, June 30, 2014 Due to Grantor	MEMO GAAP Receivable	MEMO Cumulative Expenditures
State Department of Education														
General Fund														
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	$ 301,541				$ 278,733	$ 301,541		$ (22,808)			-	$ 301,541
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	302,005	$ (17,447)			17,447							
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	12,706				11,745	12,706		(961)				12,706
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	12,462	(720)			720							-
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	4,330				4,002	4,330		(328)				4,330
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	4,111	(237)			237							-
Additional Adjustment Aid	14-495-034-5120-085	7/1/13-6/30/14	1				1	1						1
Extraordinary Aid	14-495-034-5120-044	7/1/13-6/30/14	150,782					150,782		(150,782)			-	150,782
Extraordinary Aid	13-495-034-5120-044	7/1/12-6/30/13	132,809	(132,809)			132,809							-
Anti Bullying Bill of Rights Act	N/A	7/1/13-6/30/14	2,320				2,320	2,320						2,320
TPAF Pension Benefit Contributions	14-495-034-5095-006	7/1/13-6/30/14	234,571				234,571	234,571						234,571
TPAF Pension - NCGI Premium	14-100-034-5095-007	7/1/13-6/30/14	20,705				20,705	20,705						20,705
TPAF Pension-Post Retirement Medical	14-100-034-5095-001	7/1/13-6/30/14	418,555				418,555	418,555						418,555
Reimbursed TPAF Social Security	14-495-034-5095-002	7/1/13-6/30/14	462,795				439,647	462,795		(23,148)			$ (23,148)	462,795
Reimbursed TPAF Social Security	13-495-034-5095-002	7/1/12-6/30/13	464,091	(23,144)			23,144			-			-	-
Total General Fund				(174,357)	-	-	1,584,636	1,608,306	-	(198,027)	-	-	(23,148)	1,608,306
State of New Jersey Schools Development Authority:														
Capital Projects														
Brookside Replacement Unit Ventilators w/New AC	#0040-010-14-G1CE	N/A	126,597							(126,597)	$ 126,597		(126,597)	
Brookside Replace Unit Ventilators w/New Rooftop HVAC Unit	#0040-010-14-G1CD	N/A	66,000							(66,000)	66,000		(66,000)	
Hillside Replace Unit Ventilators w/New HVAC Media Center	#040-020-14-G1CJ	N/A	60,000							(60,000)	60,000		(60,000)	
Hillside Replace Unit Ventilators w/New HVAC Classroom #17-19	#0040-020-14-G1CG	N/A	96,000	-	-	-	-	-	-	(96,000)	96,000	-	(96,000)	-
Total Capital Projects				-	-	-	-	-	-	(348,597)	348,597	-	(348,597)	-
Debt Service Fund														
Debt Service Aid Type II	14-495-034-5120-017	7/1/13-6/30/14	124,705	-	-	-	124,705	124,705	-	-	-	-	-	124,705
Enterprise Fund														
National School Lunch Program														
State Share	13-100-034-5120-122	7/1/13-6/30/14	1,449	(132)			132						-	-
Total Enterprise Fund				(132)	-	-	132	-	-	-	-	-	-	-
Total State Awards				(174,489)	-	-	1,709,473	1,733,011	-	(546,624)	348,597	-	(371,745)	1,733,011
State Financial Assistance														
Not Subject to Single Audit Determination														
General Fund														
TPAF Pension Benefit Contributions	14-495-034-5095-006	7/1/13-6/30/14	234,571				(234,571)	(234,571)						(234,571)
TPAF Pension - NCGI Premium	14-100-034-5095-007	7/1/13-6/30/14	20,705				(20,705)	(20,705)						(20,705)
TPAF Pension-Post Retirement Medical	14-100-034-5095-001	7/1/13-6/30/14	418,555	-	-	-	(418,555)	(418,555)	-	-	-	-	-	(418,555)
				-	-	-	(673,831)	(673,831)	-	-	-	-	-	(673,831)
Total State Awards - Subject to Single Audit				$ (174,489)	$ -	$ -	$ 1,035,642	$ 1,059,180	$ -	$ (546,624)	$ 348,597	$ -	$ (371,745)	$1,059,180

See Accompanying Notes to the Schedule of Expenditure of Federal Awards and State Financial Assistance.

ALLENDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Allendale Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of $23,666 for the General Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund		$ 1,584,640	$ 1,584,640
Special Revenue Fund	$ 234,782		234,782
Debt Service Fund	-	124,705	124,705
Enterprise Fund	94	-	94
Total Financial Assistance	$ 234,876	$ 1,709,345	$ 1,944,221

ALLENDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of $462,795 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2014. The amount reported as TPAF Pension System Contributions in the amount of $255,276 and TPAF Post-Retirement Medical Benefits Contributions in the amount of $418,555 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2014.

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

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

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part I – Summary of Auditor's Results

Financial Statement Section

A) Type of auditors' report issued: Unmodified

B) Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes ___X___ no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes ___X___ none reported

C) Noncompliance material to basic financial statements noted? _____ yes ___X___ none reported

Federal Awards Section - Not Applicable

Internal Control over major programs:

1) Material weakness(es) identified: _____ yes _____ no

2) Significant Deficiencies identified that are not considered to be material weaknesses? _____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes _____ none reported

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
Not Applicable	

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

Auditee qualified as low-risk auditee? _____ yes _____ no

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part I – Summary of Auditor's Results

State Awards Section

J) Dollar threshold used to distinguish Type A and Type B programs: $ 300,000

K) Auditee qualified as low-risk auditee? X yes ____ no

L) Type of auditors' report on compliance for major programs: Unmodified

M) Internal Control over compliance:

1) Material weakness(es) identified? ____ yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? ____ yes X none reported

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? ____ yes X none reported

O) Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5095-002	Reimbursed TPAF Social Security
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part 2 – Schedule of Financial Statement Findings

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

THERE ARE NONE.

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE

CURRENT YEAR STATE AWARDS

THERE ARE NONE.

ALLENDALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing* Standards, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

THERE WERE NONE.