

ALLENDALE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Allendale, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Allendale Board of Education

Allendale, New Jersey

For The Fiscal Year Ended June 30, 2017

Prepared by

Business Office

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INTRODUCTORY SECTION



ALLENDALE PUBLIC SCHOOL DISTRICT

100 Brookside Avenue • Allendale, NJ 07401-1795

Phone 201-327-2020 • Fax 201-825-6553

MICHAEL J. BARCADEPONE, Ed. D.
SUPERINTENDENT OF SCHOOLS

MARIA L. ENGELEIT
BUSINESS ADMINISTRATOR / BOARD SECRETARY

November 14, 2017

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, 2017, 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 U.S. Uniform Guidance; and New Jersey OMB Circular Letter 15-08, "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 Pre-Kindergarten-Grade Three, a 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 2016-2017 fiscal year with an average daily enrollment of 909 students, a slight increase over the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
2016-2017	909	.55%
2015-2016	904	(.33%)
2014-2015	907	.20%
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%)

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 \$75,849, 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 Pre-K-8 district and the regional high school, located in the Borough, among 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. 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 Basic 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 Basic 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), U.S. Uniform Guidance, New Jersey and OMB Circular Letter 15-08. The auditors' report on the basic financial statements, 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 of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Maria L. Engeleit
School Business Administrator

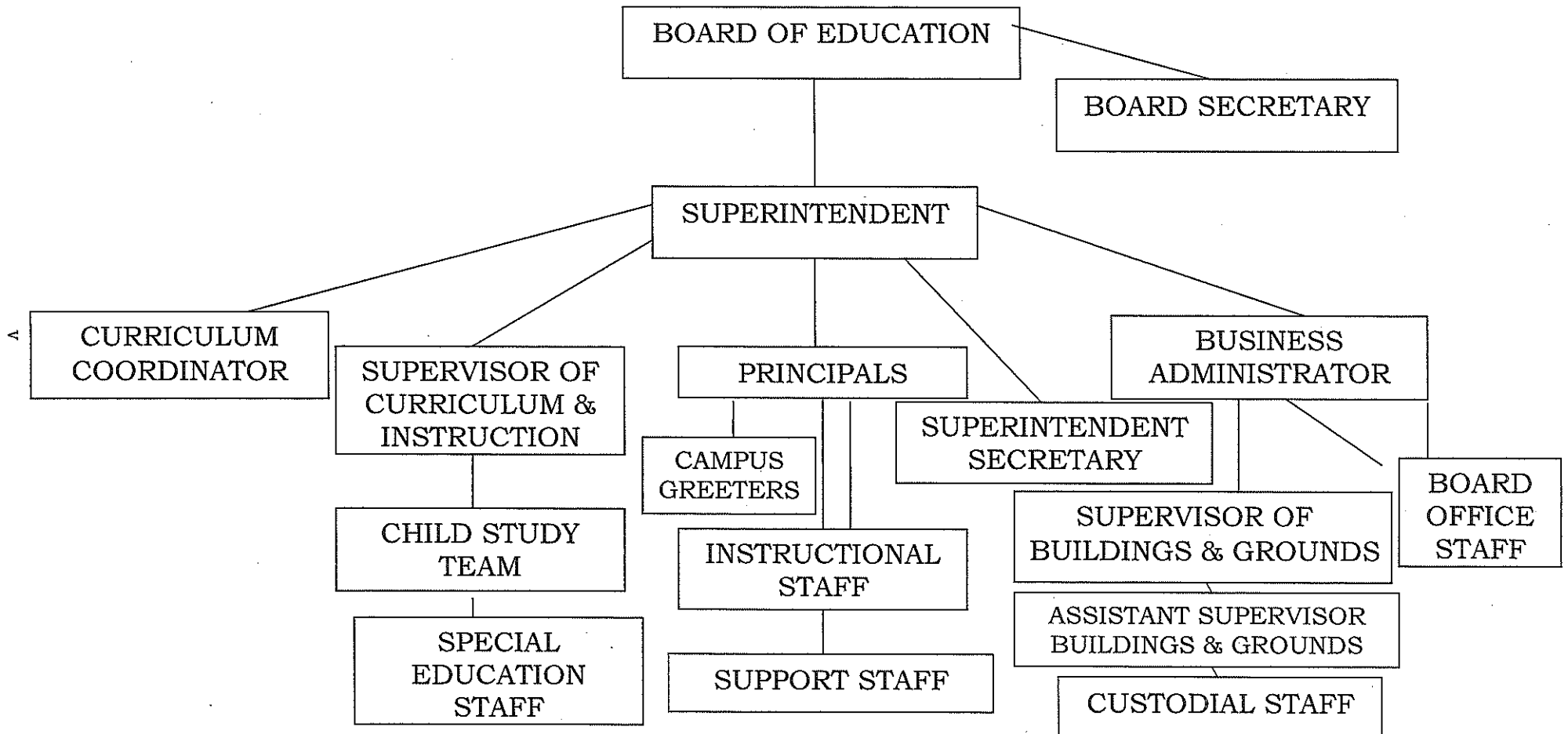


Michael Barcadepone, Ed.D.
Superintendent

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, 2017

Members of the Board of Education

Term Expires

Todd Flilegel, President	2017
Natalie Capano, Vice President	2018
Gwendolen Keeble	2019
Dr. Andrew Prince	2018
Amy Gunderson	2019

Other Officials

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

BOROUGH OF ALLENDALE SCHOOL DISTRICT

Consultants & Advisors

June 30, 2017

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
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, 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
MARK SACO, CPA
SHERYL M. NICOLosi, CPA, PSA

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, 2017 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 from 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Allendale Board of Education as of June 30, 2017, 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, budgetary comparison information and pension 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 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 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Allendale Board of Education.

The combining 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 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.

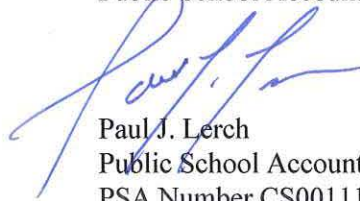
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2017 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 the effectiveness of the Allendale Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the 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
November 14, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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, 2017. 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 2016/2017 year are as follows:

- **District-Wide Statements** - General revenues accounted for \$15,885,938 or 72 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,153,378 or 28 percent of total revenues of \$22,039,316.
- **District-Wide Statements** - The School District had \$20,729,456 in expenses; only \$6,153,378 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$15,885,938 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 \$10,582,771 an increase of \$443,137 in comparison with the prior year.
- **Fund Financials** - At the end of June 30, 2017, unassigned fund balance (budgetary basis) for the General Fund was \$496,851, an increase of \$56,551.

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

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.

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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	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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

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.

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.

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

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. 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 2017 and 2016. For 2017 and 2016 net position were \$16,407,932 and \$15,098,072, respectively.

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE ALLENDALE BOARD OF
EDUCATION AS A WHOLE (Continued)**

Table A-1
Statement of Net Position
As of June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$ 10,880,967	\$ 10,745,253	\$ 49,855	\$ 35,846	\$ 10,930,822	\$ 10,781,099
Capital Assets	<u>13,909,658</u>	<u>13,631,392</u>	<u>92,337</u>	<u>103,186</u>	<u>14,001,995</u>	<u>13,734,578</u>
Total Assets	<u>24,790,625</u>	<u>24,376,645</u>	<u>142,192</u>	<u>139,032</u>	<u>24,932,817</u>	<u>24,515,677</u>
Deferred Outflows of Resources	<u>1,950,371</u>	<u>930,958</u>	<u>-</u>	<u>-</u>	<u>1,950,371</u>	<u>930,958</u>
Total Assets and Deferred Outflows of Resources	<u>26,740,996</u>	<u>25,307,603</u>	<u>142,192</u>	<u>139,032</u>	<u>26,883,188</u>	<u>25,446,635</u>
Liabilities						
Current Liabilities	331,031	648,009	18,948	13,279	349,979	661,288
Noncurrent Liabilities	<u>9,737,840</u>	<u>9,116,325</u>	<u>-</u>	<u>-</u>	<u>9,737,840</u>	<u>9,116,325</u>
Total Liabilities	<u>10,068,871</u>	<u>9,764,334</u>	<u>18,948</u>	<u>13,279</u>	<u>10,087,819</u>	<u>9,777,613</u>
Deferred Inflows of Resources	<u>387,437</u>	<u>570,950</u>	<u>-</u>	<u>-</u>	<u>387,437</u>	<u>570,950</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,456,308</u>	<u>10,335,284</u>	<u>18,948</u>	<u>13,279</u>	<u>10,475,256</u>	<u>10,348,563</u>
Net Position:						
Net Investment in Capital Assets	11,069,344	9,947,263	92,337	103,186	11,161,681	10,050,449
Restricted	6,894,885	6,381,497			6,894,885	6,381,497
Unrestricted	<u>(1,679,541)</u>	<u>(1,356,441)</u>	<u>30,907</u>	<u>22,567</u>	<u>(1,648,634)</u>	<u>(1,333,874)</u>
Total Net Position	<u>\$ 16,284,688</u>	<u>\$ 14,972,319</u>	<u>\$ 123,244</u>	<u>\$ 125,753</u>	<u>\$ 16,407,932</u>	<u>\$ 15,098,072</u>

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 \$1,312,369.

Table A-2 shows the changes in net position for fiscal years ended June 30, 2017 and 2016.

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE ALLENDALE BOARD OF
EDUCATION AS A WHOLE (Continued)**

Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	\$ 84,762	\$ 133,385	\$ 273,202	\$ 267,542	\$ 357,964	\$ 400,927
Operating Grants and Contributions	5,752,132	4,345,967			5,752,132	4,345,967
Capital Grants and Contributions	43,282	293,052			43,282	293,052
General Revenues						
Property Taxes, Levied for:						
General Purposes	14,956,803	14,663,532			14,956,803	14,663,532
Debt Service	847,316	887,669			847,316	887,669
Unrestricted State Aid	8,490	8,489			8,490	8,489
Interest	37,569	23,006	170	175	37,739	23,181
Miscellaneous	35,590	33,472			35,590	33,472
Transfers	-	6,412	-	(6,412)	-	-
Total Revenues/Transfers	<u>21,765,944</u>	<u>20,394,984</u>	<u>273,372</u>	<u>261,305</u>	<u>22,039,316</u>	<u>20,656,289</u>
Expenses						
Instruction						
Regular	9,334,819	8,569,910			9,334,819	8,569,910
Special Education	1,937,877	1,774,856			1,937,877	1,774,856
Other Instruction	1,133,960	847,767			1,133,960	847,767
School Sponsored Activities and Ath.	185,297	123,093			185,297	123,093
Support Services						
Student and Instruction Related Serv.	2,712,597	2,517,569			2,712,597	2,517,569
Health Services	304,463	263,511			304,463	263,511
Attendance and Social Work	69,792	55,838			69,792	55,838
Educational Media/School Library	258,297	243,893			258,297	243,893
General Administrative Services	615,997	609,592			615,997	609,592
School Administrative Services	977,091	876,963			977,091	876,963
Plant Operations and Maintenance	2,121,323	1,946,138			2,121,323	1,946,138
Pupil Transportation	88,178	174,322			88,178	174,322
Central Services	603,783	573,199			603,783	573,199
Interest on Long-Term Debt	110,101	138,797			110,101	138,797
Food Services	-	-	275,881	269,954	275,881	269,954
Total Expenses	<u>20,453,575</u>	<u>18,715,448</u>	<u>275,881</u>	<u>269,954</u>	<u>20,729,456</u>	<u>18,985,402</u>
Change in Net Position	1,312,369	1,679,536	(2,509)	(8,649)	1,309,860	1,670,887
Net Position, Beginning of Year	<u>14,972,319</u>	<u>13,292,783</u>	<u>125,753</u>	<u>134,402</u>	<u>15,098,072</u>	<u>13,427,185</u>
Net Position, End of Year	<u>\$ 16,284,688</u>	<u>\$ 14,972,319</u>	<u>\$ 123,244</u>	<u>\$ 125,753</u>	<u>\$ 16,407,932</u>	<u>\$ 15,098,072</u>

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

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

Governmental activities. The District's total governmental revenues were \$21,765,944. The local share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$15,885,768 or 73% of total revenues. Funding from state and federal sources amounted to \$5,795,414 or 26%. Charges for services amounted to \$84,762 or 1% (see Table A-2).

The District's total governmental expenses were \$20,453,575 which are predominantly related to instruction and support services. Instruction totaled \$12,591,953 (62%), student support services totaled \$7,751,521 (37%) and interest on long-term debt total \$110,101 (1%) of total expenditures. (See Table A-2.)

Table A-2 Revenues by Source- Governmental Activities
For Fiscal Year 2017

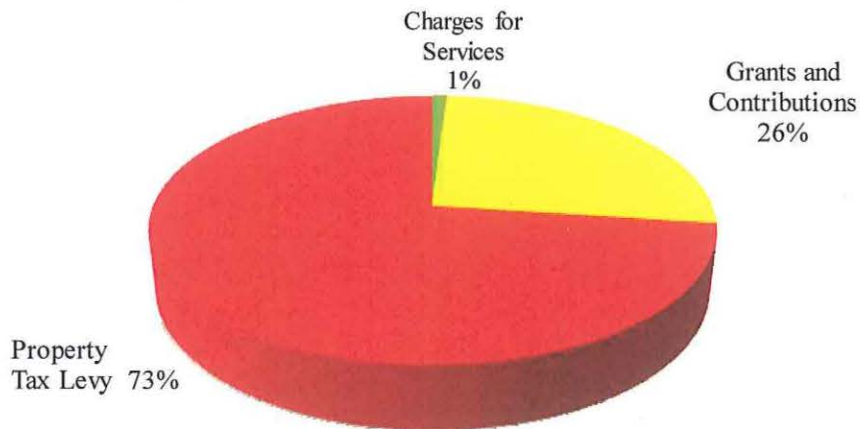
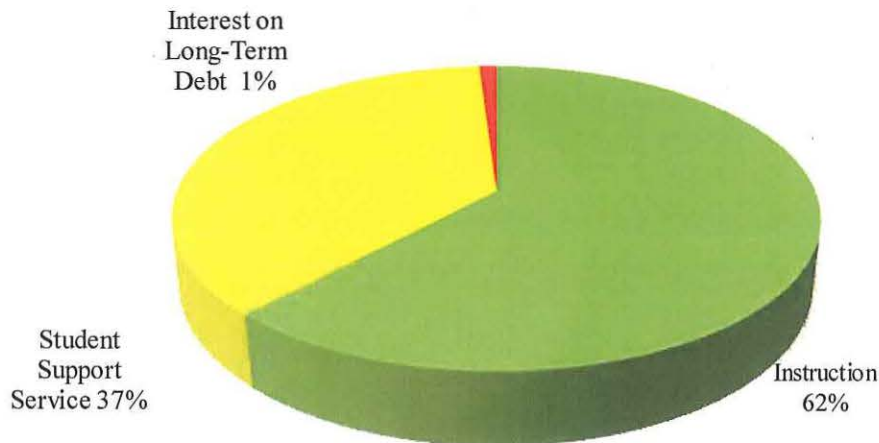


Table A-2 Expenditures by Type- Governmental Activities
For Fiscal Year 2017



**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE ALLENDALE BOARD OF
EDUCATION AS A WHOLE (Continued)**

Governmental activities. (Continued)

**Table A-3
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2017 and 2016**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Governmental Activities				
Instruction				
Regular	\$ 9,334,819	\$ 8,569,910	\$ 6,861,698	\$ 6,732,438
Special Education	1,937,877	1,774,856	866,380	881,402
Other Instruction	1,133,960	847,767	822,777	655,664
School Sponsored Activities and Athletics	185,297	123,093	138,734	98,100
Support Services				
Student and Instruction Related Services	2,712,597	2,517,569	2,010,753	1,984,198
Health Services	304,463	263,511	224,338	206,603
Attendance and Social Work	69,792	55,838	50,519	43,129
Educational Media/School Library	258,297	243,893	189,154	193,380
General Administrative Services	615,997	609,592	495,766	512,208
School Administrative Services	977,091	876,963	709,089	681,685
Plant Operations and Maintenance	2,121,323	1,946,138	1,659,902	1,300,633
Pupil Transportation	88,178	174,322	83,344	169,989
Central Services	603,783	573,199	466,824	470,394
Interest on Long-Term Debt	110,101	138,797	(5,879)	13,221
 Total Governmental Activities	 <u>\$ 20,453,575</u>	 <u>\$ 18,715,448</u>	 <u>\$ 14,573,399</u>	 <u>\$ 13,943,044</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2017 was \$275,881. These costs were funded by charges for services and investment earnings (Detailed on Table A-2). The operations resulted in a decrease in net position of \$2,509.

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

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 \$10,582,771. In 2015-2016 the fund balance was \$10,139,634.

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 \$18,720,528 and expenditures were \$18,277,391. Total other financing sources amounted to \$325,626 and other financing uses were \$325,626.

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, 2017 and 2016.

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources	\$ 15,963,148	\$ 15,742,378	\$ 220,770	1.4%
State Sources	2,434,391	2,477,329	(42,938)	-1.7%
Federal Sources	<u>322,989</u>	<u>261,104</u>	<u>61,885</u>	23.7%
 Total Revenues	 <u>\$ 18,720,528</u>	 <u>\$ 18,480,811</u>	 <u>\$ 239,717</u>	 1.3%

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

The District's Funds (Continued)

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, 2017 and 2016.

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 10,138,388	\$ 9,801,064	\$ 337,324	3.4%
Undistributed	6,362,339	6,367,451	(5,112)	-0.1%
Capital Outlay	702,057	1,013,393	(311,336)	-30.7%
Debt Service	<u>1,074,607</u>	<u>1,102,711</u>	<u>(28,104)</u>	-2.5%
 Total Expenditures	 <u>\$ 18,277,391</u>	 <u>\$ 18,284,619</u>	 <u>\$ (7,228)</u>	 0.0%

The significant fluctuation between June 30, 2016 and June 30, 2017 expenditures is attributable to the decrease in capital outlay expenditures and increase in 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.

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

Capital Assets. The Allendale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2017 and 2016 amounts to \$14,001,995 and \$13,734,578 (net of accumulated depreciation), respectively. This investment in capital assets includes construction in progress, buildings and building improvements and machinery and equipment.

**Table A-4
Capital Assets (net of depreciation)
as of June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Construction in Progress		\$ 74,425				\$ 74,425
Building & Bldg. Improvements	\$ 21,114,990	20,386,411			\$ 21,114,990	20,386,411
Furniture, Equipment & Vehicles	1,755,773	1,707,870	\$ 197,735	\$ 197,735	1,953,508	1,905,605
Total	22,870,763	22,168,706	197,735	197,735	23,068,498	22,366,441
Less: Accumulated Depreciation	8,961,105	8,537,314	105,398	94,549	9,066,503	8,631,863
Total	\$ 13,909,658	\$ 13,631,392	\$ 92,337	\$ 103,186	\$ 14,001,995	\$ 13,734,578

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, 2017 and 2016 the school district had long-term debt and outstanding long-term liabilities in the amount of \$9,737,840 and \$9,116,325, respectively, as stated in Table A-5.

Long-Term Liabilities

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

	As of <u>June 30, 2017</u>	As of <u>June 30, 2016</u>
Serial Bonds (Including Original Issue Premium)	\$ 3,237,950	\$ 4,144,364
Capital Leases	55,047	90,077
Lease Purchase Agreements	100,786	149,922
Compensated Absences Payable	355,359	323,106
Net Pension Liability	5,988,698	4,408,856
Total	\$ 9,737,840	\$ 9,116,325

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

**ALLENDALE BOARD OF EDUCATION
ALLENDALE, NEW JERSEY**

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 2017-2018 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:

Maria Engeleit
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, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 10,614,552	\$ 46,677	\$ 10,661,229
Receivables, Net	266,415		266,415
Inventory		3,178	3,178
Capital Assets, Being Depreciated, Net	<u>13,909,658</u>	<u>92,337</u>	<u>14,001,995</u>
Total Assets	<u>24,790,625</u>	<u>142,192</u>	<u>24,932,817</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	122,683		122,683
Deferred Amounts on Net Pension Liability	<u>1,827,688</u>	-	<u>1,827,688</u>
Total Deferred Outflows of Resources	<u>1,950,371</u>	-	<u>1,950,371</u>
Total Assets and Deferred Outflows of Resources	<u>26,740,996</u>	<u>142,192</u>	<u>26,883,188</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	140,694	7,898	148,592
Unearned Revenue	157,502	11,050	168,552
Accrued Interest Payable	32,835		32,835
Noncurrent Liabilities			
Due Within One Year	416,890		416,890
Due Beyond One Year	<u>9,320,950</u>	-	<u>9,320,950</u>
Total Liabilities	<u>10,068,871</u>	<u>18,948</u>	<u>10,087,819</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>387,437</u>	-	<u>387,437</u>
Total Deferred Inflows of Resources	<u>387,437</u>	-	<u>387,437</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,456,308</u>	<u>18,948</u>	<u>10,475,256</u>
NET POSITION			
Net Investment in Capital Assets	11,069,344	92,337	11,161,681
Restricted for			
Capital Projects	5,931,509		5,931,509
Debt Service	1,540		1,540
Other Purposes	961,836		961,836
Unrestricted	<u>(1,679,541)</u>	<u>30,907</u>	<u>(1,648,634)</u>
Total Net Position	<u>\$ 16,284,688</u>	<u>\$ 123,244</u>	<u>\$ 16,407,932</u>

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

**ALLENDALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 9,334,819	\$ 64,647	\$ 2,408,474		\$ (6,861,698)		\$ (6,861,698)
Special Education	1,937,877		1,071,497		(866,380)		(866,380)
Other Instruction	1,133,960		311,183		(822,777)		(822,777)
School Sponsored Activities and Athletics	185,297		46,563		(138,734)		(138,734)
Support Services							
Student and Instruction Related Services	2,712,597		701,844		(2,010,753)		(2,010,753)
Health Services	304,463		80,125		(224,338)		(224,338)
Attendance and Social Workers	69,792		19,273		(50,519)		(50,519)
Educational Media	258,297		69,143		(189,154)		(189,154)
General Administrative Services	615,997		120,231		(495,766)		(495,766)
School Administrative Services	977,091		268,002		(709,089)		(709,089)
Plant Operations and Maintenance	2,121,323	20,115	398,024	\$ 43,282	(1,659,902)		(1,659,902)
Pupil Transportation	88,178		4,834		(83,344)		(83,344)
Central Services	603,783		136,959		(466,824)		(466,824)
Interest on Debt	110,101	-	115,980	-	5,879	-	5,879
Total Governmental Activities	20,453,575	84,762	5,752,132	43,282	(14,573,399)	-	(14,573,399)
Business-Type Activities							
Food Service	275,881	273,202	-	-	-	\$ (2,679)	(2,679)
Total Business-Type Activities	275,881	273,202	-	-	-	(2,679)	(2,679)
Total Primary Government	\$ 20,729,456	\$ 357,964	\$ 5,752,132	\$ 43,282	(14,573,399)	(2,679)	(14,576,078)
General Revenues							
Property Taxes, Levied for General Purposes					14,956,803		14,956,803
Property Taxes Levied for Debt Service					847,316		847,316
Unrestricted State Aid					8,490		8,490
Interest Earned					37,569	170	37,739
Miscellaneous Income					35,590	-	35,590
Total General Revenues and Transfers					15,885,768	170	15,885,938
Change in Net Position					1,312,369	(2,509)	1,309,860
Net Position, Beginning of Year					14,972,319	125,753	15,098,072
Net Position, End of Year					\$ 16,284,688	\$ 123,244	\$ 16,407,932

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

FUND FINANCIAL STATEMENTS

**ALLENDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 10,171,172		\$ 441,840	\$ 1,540	\$ 10,614,552
Due from Other Funds	82,312				82,312
Receivables from Other Governments	-	\$ 130,576	134,734	-	265,310
	<u>10,253,484</u>	<u>130,576</u>	<u>576,574</u>	<u>1,540</u>	<u>10,962,174</u>
Total Assets	<u>\$ 10,253,484</u>	<u>\$ 130,576</u>	<u>\$ 576,574</u>	<u>\$ 1,540</u>	<u>\$ 10,962,174</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 42,626	\$ 26,601			\$ 69,227
Accrued Salaries and Wages	46,232				46,232
Compensated Absences Payable	25,235				25,235
Due to Other Funds		81,207			81,207
Unearned Revenue	-	22,768	\$ 134,734	-	157,502
	<u>114,093</u>	<u>130,576</u>	<u>134,734</u>	<u>-</u>	<u>379,403</u>
Total Liabilities	<u>114,093</u>	<u>130,576</u>	<u>134,734</u>	<u>-</u>	<u>379,403</u>
Fund Balance					
Restricted:					
Excess Surplus	1,590,298				1,590,298
Excess Surplus - Designated for Subsequent Year's Expenditures	1,591,134				1,591,134
Maintenance Reserve	836,836				836,836
Maintenance Reserve - Designated for Subsequent Year's Expenditures	125,000				125,000
Capital Reserve	4,782,269				4,782,269
Capital Reserve - Designated for Subsequent Year's Expenditures	707,400				707,400
Emergency Reserve	130,000				130,000
Capital Projects			441,840		441,840
Debt Service				\$ 1,540	1,540
Assigned:					
Year-end Encumbrances	104,280				104,280
Unassigned	272,174	-	-	-	272,174
	<u>10,139,391</u>	<u>-</u>	<u>441,840</u>	<u>1,540</u>	<u>10,582,771</u>
Total Fund Balances	<u>10,139,391</u>	<u>-</u>	<u>441,840</u>	<u>1,540</u>	<u>10,582,771</u>
Total Liabilities and Fund Balances	<u>\$ 10,253,484</u>	<u>\$ 130,576</u>	<u>\$ 576,574</u>	<u>\$ 1,540</u>	<u>\$ 10,962,174</u>

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

**ALLENDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

EXHIBIT B-1

Total Fund Balances (Exhibit B-1) **\$ 10,582,771**

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 \$22,870,763 and the accumulated depreciation is \$8,961,105. 13,909,658

The District has financed capital assets through the issuance of Serial Bonds. The interest accrual at year end is: (32,835)

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. 122,683

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

Deferred Outflows of Resources	\$ 1,827,688	
Deferred Inflows of Resources	(387,437)	
		1,440,251

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:

Serial Bonds	3,010,000	
Add: Unamortized Premium	227,950	
Capital Leases	55,047	
Lease Purchase Agreements	100,786	
Compensated Absences Payable	355,359	
Net Pension Liability	5,988,698	
		(9,737,840)

Net position of governmental activities (Exhibit A-1) **\$ 16,284,688**

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, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 14,956,803			\$ 847,316	\$ 15,804,119
Tuition Charges	64,647				64,647
Rentals	20,115				20,115
Interest Earned	36,440		\$ 1,129		37,569
Miscellaneous	35,590	\$ 1,108	-	-	36,698
Total - Local Sources	<u>15,113,595</u>	<u>1,108</u>	<u>1,129</u>	<u>847,316</u>	<u>15,963,148</u>
State Sources	2,275,129		43,282	115,980	2,434,391
Federal Sources	-	322,989	-	-	322,989
Total Revenues	<u>17,388,724</u>	<u>324,097</u>	<u>44,411</u>	<u>963,296</u>	<u>18,720,528</u>
EXPENDITURES					
Instruction					
Regular	7,430,780				7,430,780
Special Education	1,367,924	304,246			1,672,170
Other Instruction	887,082				887,082
School Sponsored Activities and Athletics	148,356				148,356
Support Services					
Student and Instruction Related Services	2,158,195	19,851			2,178,046
Health Services	240,895				240,895
Attendance and Social Work	54,502				54,502
Educational Media/School Library	203,442				203,442
General Administrative Services	520,610				520,610
School Administrative Services	764,469				764,469
Plant Operations and Maintenance	1,817,071				1,817,071
Pupil Transportation	88,178				88,178
Central Services	495,126				495,126
Debt Service					
Principal	84,166			852,000	936,166
Interest and Other Charges	5,300			133,141	138,441
Capital Outlay	451,283	-	250,774	-	702,057
Total Expenditures	<u>16,717,379</u>	<u>324,097</u>	<u>250,774</u>	<u>985,141</u>	<u>18,277,391</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>671,345</u>	<u>-</u>	<u>(206,363)</u>	<u>(21,845)</u>	<u>443,137</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	324,497			1,129	325,626
Transfers Out	-	-	(325,626)	-	(325,626)
Total Other Financing Sources and Uses	<u>324,497</u>	<u>-</u>	<u>(325,626)</u>	<u>1,129</u>	<u>-</u>
Net Change in Fund Balances	995,842	-	(531,989)	(20,716)	443,137
Fund Balance, Beginning of Year	<u>9,143,549</u>	<u>-</u>	<u>973,829</u>	<u>22,256</u>	<u>10,139,634</u>
Fund Balance, End of Year	<u>\$ 10,139,391</u>	<u>\$ -</u>	<u>\$ 441,840</u>	<u>\$ 1,540</u>	<u>\$ 10,582,771</u>

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

**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, 2017**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 443,137

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	\$ 702,057	
Depreciation Expense	<u>(423,791)</u>	
		278,266

In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned or accrued 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	(32,253)	
Increase in Pension Expense	<u>(341,287)</u>	
		(373,540)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of debt principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on position.

Principal Payments		
Bond Principal	852,000	
Capital Leases	35,030	
Lease Purchase Agreements	<u>49,136</u>	
		936,166

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	54,414	
Amortization of Deferred Amounts on Refunding	<u>(35,629)</u>	
		18,785

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		<u>9,555</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 1,312,369**

**ALLENDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2017**

	Business - Type Activities - Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 46,677
Inventories	<u>3,178</u>
Total Current Assets	<u>49,855</u>
Capital Assets	
Machinery & Equipment	197,735
Less: Accumulated Depreciation	<u>(105,398)</u>
Total Capital Assets, Net	<u>92,337</u>
Total Assets	<u>142,192</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	7,898
Unearned Revenue	<u>11,050</u>
Total Current Liabilities	<u>18,948</u>
NET POSITION	
Investment in Capital Assets	92,337
Unrestricted	<u>30,907</u>
Total Net Position	<u>\$ 123,244</u>

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

**ALLENDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Business - Type Activities - Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 272,928
Special Functions	<u>274</u>
 Total Operating Revenues	 <u>273,202</u>
OPERATING EXPENSES	
Cost of Sales	122,188
Salaries	68,242
Employee Benefits	30,074
Purchased Services	24,250
General Supplies	18,999
Miscellaneous	1,279
Depreciation	<u>10,849</u>
 Total Operating Expenses	 <u>275,881</u>
 Operating Loss	 <u>(2,679)</u>
NONOPERATING REVENUES	
Interest and Investment Revenue	<u>170</u>
 Total Nonoperating Revenues	 <u>170</u>
 Change in Net Position	 <u>(2,509)</u>
Net Position, Beginning of Year	<u>125,753</u>
Net Position, End of Year	<u><u>\$ 123,244</u></u>

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

**ALLENDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Business - Type Activities - Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 274,596
Cash Payments for Employees' Salaries and Benefits	(98,316)
Cash Payments to Suppliers for Goods and Services	<u>(162,042)</u>
Net Cash Provided by Operating Activities	<u>14,238</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>170</u>
Net Cash Provided by Investing Activities	<u>170</u>
Net Increase in Cash and Cash Equivalents	14,408
Cash and Cash Equivalents, Beginning of Year	<u>32,269</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 46,677</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	<u>\$ (2,679)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	10,849
Changes in Assets and Liabilities	
(Increase)/Decrease in Inventory	399
Increase/(Decrease) in Accounts Payable	4,275
Increase/(Decrease) in Unearned Revenue	<u>1,394</u>
Total Adjustments	<u>16,917</u>
Net Cash Provided by Operating Activities	<u><u>\$ 14,238</u></u>

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, 2017**

	Unemployment Compensation <u>Trust</u>	Scholarship <u>Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 118,078	\$ 178	\$ 81,996
Due from Other Funds	<u>45,194</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u>\$ 163,272</u>	 <u>\$ 178</u>	 <u>\$ 81,996</u>
LIABILITIES			
Due to Other Funds			\$ 46,299
Due to Student Groups			19,675
Flex Spending			422
Due to State of New Jersey			2,873
Accrued Salaries and Wages			423
Payroll Deductions and Withholdings	<u>-</u>	<u>-</u>	<u>12,304</u>
 Total Liabilities	 <u>-</u>	 <u>-</u>	 <u>\$ 81,996</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 163,272</u>	<u>\$ 178</u>	

**ALLENDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Unemployment Compensation Trust	Scholarship Fund
ADDITIONS		
Contributions		
Plan Member	\$ 24,485	-
Total Contributions	<u>24,485</u>	<u>-</u>
Investment Earnings		
Interest	457	-
Net Investment Earnings	<u>457</u>	<u>-</u>
Total Additions	<u>24,942</u>	<u>-</u>
DEDUCTIONS		
Unemployment Claims	4,230	
Scholarships Awarded	-	\$ 106
Total Deductions	<u>4,230</u>	<u>106</u>
Change in Net Position	20,712	(106)
Net Position, Beginning of Year	<u>142,560</u>	<u>284</u>
Net Position, End of Year	<u>\$ 163,272</u>	<u>\$ 178</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 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 2017, the District adopted the following GASB statements:

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 77, *Tax Abatement Disclosures*. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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.

ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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 enterprise funds to be major funds.

The District reports the following major governmental funds:

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

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

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.

ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 proprietary funds which are organized to be self-supporting through user charges:

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

Additionally, the government reports the following fund types:

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".

Reclassifications

Certain amounts presented in the prior year data may 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.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	7-50
Furniture, Equipment and Vehicles	5-20

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Compensated Absences

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

7. Pensions

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

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

8. 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. Losses resulting from debt refundings are reported as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. 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 including the unamortized bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *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 – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that was appropriated in the 2017/2018 original budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2017/2018 District 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 Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *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.

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 2015-2016 and 2016-2017 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 Nonoperating Revenues and Expenses*

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

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.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$260,667. The increase was funded by 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.

B. Capital Reserve

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

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

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Beginning Balance, July 1, 2016		\$ 4,423,576
Increases		
Interest Earnings	\$ 16,596	
Deposits Approved by Board Resolution	725,000	
Transfer of Unexpended Budgeted Transfer to Capital Projects Fund	445,000	
Transfer of Unexpended Project Balances from Capital Projects Fund	<u>324,497</u>	
		<u>1,511,093</u>
		5,934,669
Withdrawals		
Approved in District Budget	<u>445,000</u>	
		<u>445,000</u>
Ending Balance, June 30, 2017		<u>\$ 5,489,669</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. Of the capital reserve balance at June 30, 2017, \$707,400 was designated and appropriated in the 2017/2018 original budget certified for taxes.

C. Maintenance Reserve

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

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Beginning Balance, July 1, 2016	\$ 961,836
Increases	
Deposits Approved by Board Resolution	<u>125,000</u>
	1,086,836
Withdrawals	
Approved in District Budget	<u>125,000</u>
Ending Balance, June 30, 2017	<u>\$ 961,836</u>

The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$836,836. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

The District's 2017/2018 budget includes a withdrawal from the maintenance reserve account of \$125,000 to reduce the balance to the maximum permitted.

D. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2017 is as follows:

Beginning Balance, July 1, 2016	<u>\$ 130,000</u>
Ending Balance, June 30, 2017	<u>\$ 130,000</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2017 is \$3,181,432. Of this amount, \$1,591,134 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$1,590,298 will be appropriated in the 2018/2019 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$7,042,473 and bank and brokerage firm balances of the Board's deposits amounted to \$7,316,903. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>7,316,903</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2017 the Board's bank balance was not exposed to custodial credit risk.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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, 2017, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
U.S. Government Securities	
New Jersey ARM (Cash Equivalent)	\$ <u>3,819,008</u>

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, 2017, \$3,819,008 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>3,819,008</u>

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.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2017 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental			
Federal	\$ 130,576		\$ 130,576
State	<u> -</u>	<u>\$ 134,734</u>	<u>134,734</u>
Gross Receivables	130,576	134,734	265,310
Less: Allowance for Uncollectibles	<u> -</u>	<u> -</u>	<u> -</u>
Net Total Receivables	<u>\$ 130,576</u>	<u>\$ 134,734</u>	<u>\$ 265,310</u>

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	\$ 14,334
Grant Draw Downs Reserved for Encumbrances	8,434
Capital Projects Fund	
Unrealized School Facilities Grants	<u>134,734</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 157,502</u>

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, July 1, 2016	Increases	Decreases	Balance, June 30, 2017
Governmental activities:				
Capital assets, not being depreciated:				
Construction in Progress	\$ 74,425	\$ 250,774	\$ (325,199)	-
Total capital assets not being depreciated	<u>74,425</u>	<u>250,774</u>	<u>(325,199)</u>	<u>-</u>
Capital assets, being depreciated:				
Buildings and Improvements	20,386,411	728,579		\$ 21,114,990
Machinery and Equipment	<u>1,707,870</u>	<u>47,903</u>	-	<u>1,755,773</u>
Total capital assets being depreciated	<u>22,094,281</u>	<u>776,482</u>	-	<u>22,870,763</u>
Less accumulated depreciation for:				
Buildings and Improvements	(7,472,883)	(373,814)		(7,846,697)
Furniture, Equipment and Vehicles	<u>(1,064,431)</u>	<u>(49,977)</u>	-	<u>(1,114,408)</u>
Total accumulated depreciation	<u>(8,537,314)</u>	<u>(423,791)</u>	-	<u>(8,961,105)</u>
Total capital assets, being depreciated, net	<u>13,556,967</u>	<u>352,691</u>	-	<u>13,909,658</u>
Governmental activities capital assets, net	<u>\$ 13,631,392</u>	<u>\$ 603,465</u>	<u>\$ (325,199)</u>	<u>\$ 13,909,658</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 197,735	-	-	\$ 197,735
Total capital assets being depreciated	<u>197,735</u>	<u>-</u>	<u>-</u>	<u>197,735</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(94,549)</u>	\$ (10,849)	-	<u>(105,398)</u>
Total accumulated depreciation	<u>(94,549)</u>	<u>(10,849)</u>	-	<u>(105,398)</u>
Total capital assets, being depreciated, net	<u>103,186</u>	<u>(10,849)</u>	-	<u>92,337</u>
Business-type activities capital assets, net	<u>\$ 103,186</u>	<u>\$ (10,849)</u>	<u>\$ -</u>	<u>\$ 92,337</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	\$ 209,984
Special Education	29,303
Other Instruction	27,226
School-Sponsored/Activities and Athletics	<u>4,074</u>

Total Instruction	<u>270,587</u>
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Support Services

Student and Instruction Related Services	58,952
Health Services	7,010
Attendance and Social Work	1,686
Educational Media	6,050
General Administrative Services	10,520
School Administrative Services	23,449
Plant Operations and Maintenance	33,554
Central Services	<u>11,983</u>

Total Support Services	<u>153,204</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 423,791</u>
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Business-type activities:

Food Service Fund	<u>\$ 10,849</u>
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**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 81,207
General Fund	Payroll Agency Fund	1,105
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>45,194</u>
 Total		 <u>\$ 127,506</u>

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

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

Interfund transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Transfer Out:			
Capital Projects Fund	\$ 324,497	\$ 1,129	\$ 325,626
	<u>\$ 324,497</u>	<u>\$ 1,129</u>	<u>\$ 325,626</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund, and the return of unspent financing sources to their originating fund.

F. Leases

Capital Leases and Lease Purchase Agreement

The District is leasing copiers totaling \$172,166 under capital leases. The leases are for terms of 5 years. In addition, the District entered into a lease purchase agreement totaling \$201,600 for the purchase of chromebooks. The lease term is for 4 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	<u>\$ 172,166</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases and Lease Purchase Agreement (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>		
	<u>Capital Leases</u>	<u>Lease-Purchase Agreements</u>	<u>Total</u>
2018	\$ 37,788	\$ 51,678	\$ 89,466
2019	18,894	51,678	70,572
Total minimum lease payments	56,682	103,356	160,038
Less: amount representing interest	(1,635)	(2,570)	(4,205)
Present value of minimum lease payments	<u>\$ 55,047</u>	<u>\$ 100,786</u>	<u>\$ 155,833</u>

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, 2017 are comprised of the following issues:

\$586,000, 2012 Bonds, due in annual installments of \$63,000 to \$70,000 through March 1, 2022, interest at 2.108% to 3.109%	\$ 330,000
\$2,940,000, 2014 Refunding Bonds, due in annual installments of \$255,000 to \$350,000 through March 15, 2026, interest at 3.50% to 5.00%	<u>2,680,000</u>
	<u>\$ 3,010,000</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 318,000	\$ 111,326	\$ 429,326
2019	324,000	99,798	423,798
2020	336,000	87,889	423,889
2021	352,000	78,034	430,034
2022	365,000	64,651	429,651
2023-2026	<u>1,315,000</u>	<u>122,075</u>	<u>1,437,075</u>
	<u>\$ 3,010,000</u>	<u>\$ 563,773</u>	<u>\$ 3,573,773</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 51,208,878
Less: Net Debt	<u>3,010,000</u>
Remaining Borrowing Power	<u>\$ 48,198,878</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2017</u>	<u>Due Within One Year</u>
Governmental activities:					
Serial Bonds	\$ 3,862,000		\$ 852,000	\$ 3,010,000	\$ 318,000
Deferred Amounts					
Add: Original issue Premium	282,364	-	54,414	227,950	-
Total Bonds Payable	4,144,364	-	906,414	3,237,950	318,000
Capital Leases	90,077		35,030	55,047	36,356
Lease-Purchase Agreements	149,922		49,136	100,786	49,969
Compensated Absences Payable	323,106	\$ 63,788	31,535	355,359	12,565
Net Pension Liability	4,408,856	1,759,477	179,635	5,988,698	-
Governmental activity Long-term liabilities	<u>\$ 9,116,325</u>	<u>\$ 1,823,265</u>	<u>\$ 1,201,750</u>	<u>\$ 9,737,840</u>	<u>\$ 416,890</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

The relationship between the Board and the group 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 group, to report claims on a timely basis, cooperate with the management of the group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the group. Members have a contractual obligation to fund any deficit of the group 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 group 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
2017		\$ 24,485	\$ 4,230	\$ 163,272
2016		27,541	16,181	142,560
2015		16,438	31,055	130,744

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

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, 2017 the District has not estimated its arbitrage earnings due to the IRS, if any.

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. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds (Continued)

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.

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 or at www.state.nj.us/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 billion, respectively.

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.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2015 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 of 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience 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 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 179,635	\$ 714,852	\$ 3,430
2016	168,854	509,352	4,091
2015	151,844	338,615	4,289

In addition for fiscal year 2016/2017 the District contributed \$1,814 for PERS and the State contributed \$1,166 for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$486,596 during the fiscal year ended June 30, 2017 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$5,988,698 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the District’s proportionate share was .02022 percent, which was an increase of .00058 percent from its proportionate share measured as of June 30, 2015 of .01964 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$520,922 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 111,372	
Changes of Assumptions	1,240,538	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	228,354	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>247,424</u>	<u>\$ 387,437</u>
Total	<u>\$ 1,827,688</u>	<u>\$ 387,437</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2017, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2017	\$ 21,685
2018	305,826
2019	305,826
2020	357,205
2021	<u>347,718</u>
	<u>\$ 1,440,251</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2034
Municipal Bond Rate *	From July 1, 2034 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 3.98%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,338,450</u>	<u>\$ 5,988,698</u>	<u>\$ 4,874,360</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,760,268 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2017 the State's proportionate share of the net pension liability attributable to the District is \$50,046,103. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .06362 percent, which was an increase of .00099 percent from its proportionate share measured as of June 30, 2015 of .06263 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is : 2.85% as of the measurement date of June 30, 2016. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 59,766,231</u>	<u>\$ 50,046,103</u>	<u>\$ 42,108,364</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program 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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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, 2017, 2016 and 2015 were \$595,634, \$606,498 and \$537,551, 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.

F. Tax Abatements

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

For Allendale Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 14,956,803		\$ 14,956,803	\$ 14,956,803	
Tuition from Individuals	48,400		48,400	64,647	\$ 16,247
Rentals	35,000		35,000	20,115	(14,885)
Interest Earned on Maintenance Reserve	665		665		(665)
Interest Earned on Capital Reserve	2,300		2,300	16,596	14,296
Interest				19,844	19,844
Miscellaneous	30,000	-	30,000	35,590	5,590
Total Local Sources	<u>15,073,168</u>	<u>-</u>	<u>15,073,168</u>	<u>15,113,595</u>	<u>40,427</u>
State Sources					
Special Education Aid	300,801		300,801	300,801	
Transportation Aid	4,875		4,875	4,875	
Security Aid	14,669		14,669	14,669	
Additional Adjustment Aid	1		1	1	
PARCC Readiness Aid	8,485		8,485	8,485	
Per Pupil Growth Aid	8,485		8,485	8,485	
Professional Learning Community Aid	8,880		8,880	8,880	
Extraordinary Aid				198,468	198,468
On-behalf TPAF Payments - (Non-Budget)					
Pension Contribution				689,857	689,857
NCGI Premium				24,995	24,995
Post Retirement Medical Benefits				595,634	595,634
Long-Term Disability Insurance Premium				1,166	1,166
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	486,596	486,596
Total State Sources	<u>346,196</u>	<u>-</u>	<u>346,196</u>	<u>2,342,912</u>	<u>1,996,716</u>
Total Revenues	<u>15,419,364</u>	<u>-</u>	<u>15,419,364</u>	<u>17,456,507</u>	<u>2,037,143</u>
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	339,398	\$ (45,000)	294,398	237,707	56,691
Grades 1-5	2,284,419	22,099	2,306,518	2,304,689	1,829
Grades 6-8	2,121,760	(1,389)	2,120,371	2,029,242	91,129
Regular Programs - Home Instruction					
Salaries of Teachers	10,000	-	10,000	2,720	7,280
Purchased Professional-Educational Services	3,850	-	3,850	3,144	706
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	2,675	-	2,675		2,675
Purchased Technical Services	129,600	-	129,600	95,943	33,657
Other Purchased Services	285,272	8,260	293,532	262,211	31,321
General Supplies	392,836	(40)	392,796	303,616	89,180
Textbooks	41,000	-	41,000	5,100	35,900
Other Objects	10,704	700	11,404	2,455	8,949
Total Regular Programs	<u>5,621,514</u>	<u>(15,370)</u>	<u>5,606,144</u>	<u>5,246,827</u>	<u>359,317</u>
Special Education					
Resource Room/Resource Center					
Salaries of Teachers	639,182	(32,035)	607,147	553,556	53,591
Other Salaries for Instruction	7,920	-	7,920		7,920
General Supplies	3,800	1,000	4,800	1,954	2,846
Textbooks	200	-	200	-	200
Total Resource Room/Resource Center	<u>651,102</u>	<u>(31,035)</u>	<u>620,067</u>	<u>555,510</u>	<u>64,557</u>

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Preschool Disabilities - Part-Time					
Salaries of Teachers	\$ 114,840	\$ (8,400)	\$ 106,440	\$ 56,150	\$ 50,290
Other Salaries for Instruction	22,530	14,400	36,930	28,642	8,288
General Supplies	5,800	-	5,800	3,492	2,308
Total Preschool Disabilities - Part-Time	143,170	6,000	149,170	88,284	60,886
Total Special Education	794,272	(25,035)	769,237	643,794	125,443
Basic Skills/Remedial					
Salaries of Teachers	388,994	165,997	554,991	554,042	949
General Supplies	2,088	1,900	3,988	3,542	446
Total Basic Skills/Remedial	391,082	167,897	558,979	557,584	1,395
Bilingual Education					
Salaries of Teachers	39,072	5	39,077	39,073	4
General Supplies	500	-	500	490	10
Total Bilingual Education	39,572	5	39,577	39,563	14
School Sponsored Co/Extra Cocurricular Activities					
Salaries	49,830	-	49,830	35,473	14,357
Supplies and Materials	4,375	-	4,375	3,468	907
Total School Sponsored Co/Extra Cocurricular Activities	54,205	-	54,205	38,941	15,264
School Sponsored Athletics					
Salaries	52,280	1,500	53,780	53,277	503
Purchased Services	7,730	-	7,730	5,297	2,433
Supplies and Materials	9,925	(1,500)	8,425	7,912	513
Total School Sponsored Athletics	69,935	-	69,935	66,486	3,449
Total Instruction	6,970,580	127,497	7,098,077	6,593,195	504,882
Undistributed Expenditures					
Instruction					
Tuition to CSSD & Regional Day Schools	117,360	4,000	121,360	119,915	1,445
Tuition to Priv. Sch. for the Disabled Within the State	476,355	(18,000)	458,355	295,444	162,911
Tuition to Priv. Sch. for the Disabled Outside of State	-	8,630	8,630	-	8,630
Total Undistributed Expenditures - Instruction	593,715	(5,370)	588,345	415,359	172,986
Attendance & Social Work					
Salaries	36,734	-	36,734	36,734	-
Total Attendance & Social Work	36,734	-	36,734	36,734	-

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 150,350	\$ 2,850	\$ 153,200	\$ 152,717	\$ 483
Purchased Professional and Technical Svces.	12,000	(700)	11,300	7,425	3,875
Other Purchased Services	530	-	530	275	255
Supplies and Materials	11,577	525	12,102	6,311	5,791
Other Objects	150	175	325	297	28
Total Health Services	174,607	2,850	177,457	167,025	10,432
Speech, OT,PT & Related Services					
Salaries	175,070	9,151	184,221	180,916	3,305
Purchased Professional Educational Services	225,000	2,790	227,790	75,716	152,074
Supplies and Materials	2,000	-	2,000	2,000	-
Total Speech, OT, PT & Related Services	402,070	11,941	414,011	258,632	155,379
Other Support Serv. Students - Extra Serv.					
Salaries	523,685	(100,000)	423,685	358,257	65,428
Purchased Professional Educational Services	6,000	-	6,000	6,000	6,000
Supplies and Materials	6,750	-	6,750	-	6,750
Total Other Support Serv. Students - Extra Serv.	536,435	(100,000)	436,435	358,257	78,178
Guidance					
Salaries of Other Professional Staff	152,060	200	152,260	152,245	15
Purchased Professional-Educational Services	1,000	-	1,000	458	542
Other Purchased Prof. and Tech. Services	8,000	-	8,000	891	7,109
Supplies and Materials	3,800	-	3,800	227	3,573
Total Guidance	164,860	200	165,060	153,821	11,239
Child Study Teams					
Salaries of Other Professional Staff	269,980	16,375	286,355	286,354	1
Salaries of Secretarial and Clerical Assistants	49,029	-	49,029	49,029	-
Purchased Professional - Educational Services	71,000	(16,691)	54,309	30,833	23,476
Other Purchased Professional and Technical Services	8,750	6,600	15,350	15,350	-
Other Purchased Services	4,600	700	5,300	4,512	788
Supplies and Materials	13,500	(2,200)	11,300	5,876	5,424
Other Objects	1,200	900	2,100	2,100	-
Total Child Study Teams	418,059	5,684	423,743	394,054	29,689
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	123,137	4,500	127,637	126,505	1,132
Salaries of Other Professional Staff	122,337	(3,500)	118,837	109,137	9,700
Salaries of Secretarial and Clerical Assistants	21,893	-	21,893	21,787	106
Salaries of Facilitators, Math & Literacy Coaches	60,820	(23,800)	37,020	37,020	37,020
Purchased Professional - Educational Services	95,775	-	95,775	91,193	4,582
Other Purchased Services	-	1,800	1,800	1,600	200
Other Objects	3,920	3,000	6,920	2,202	4,718
Total Improvement of Inst. Serv.	427,882	(18,000)	409,882	352,424	57,458

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Educational Media Services/School Library					
Salaries	\$ 133,852	-	\$ 133,852	\$ 131,787	\$ 2,065
Salaries of Technology Coordinators	19,500	\$ (15,700)	3,800	-	3,800
Purchased Professional and Technical Services	7,200	-	7,200	-	7,200
Other Purchased Services	16,060	(1)	16,059	6,702	9,357
Supplies and Materials	11,970	-	11,970	1,207	10,763
Other Objects	500	-	500	-	500
Total Educational Media Serv./School Library	<u>189,082</u>	<u>(15,701)</u>	<u>173,381</u>	<u>139,696</u>	<u>33,685</u>
Instructional Staff Training Services					
Purchased Professional/Educational Services	29,500	2,450	31,950	15,934	16,016
Other Purchased Services	3,500	-	3,500	1,077	2,423
Supplies and Materials	300	-	300	-	300
Total Instructional Staff Training Services	<u>33,300</u>	<u>2,450</u>	<u>35,750</u>	<u>17,011</u>	<u>18,739</u>
Support Services General Administration					
Salaries	232,996	6	233,002	229,160	3,842
Legal Services	80,950	(5,500)	75,450	30,564	44,886
Audit Fees	30,000	30,250	60,250	25,765	34,485
Architectural/Engineering Services	20,000	5,500	25,500	20,916	4,584
Other Purchased Professional Services	26,950	4,000	30,950	15,863	15,087
Communications/Telephone	39,875	1,500	41,375	25,566	15,809
BOE Other Purchased Services	2,000	500	2,500	2,042	458
Miscellaneous Purchased Services	23,700	-	23,700	20,799	2,901
General Supplies	4,000	-	4,000	2,481	1,519
Miscellaneous Expenditures	4,800	(500)	4,300	2,900	1,400
BOE Membership Dues and Fees	11,775	500	12,275	12,088	187
Total Support Services General Administration	<u>477,046</u>	<u>36,256</u>	<u>513,302</u>	<u>388,144</u>	<u>125,158</u>
Support Services School Administration					
Salaries of Principal/Asst. Principals	315,073	7,000	322,073	321,132	941
Salaries of Secretarial and Clerical Assistants	191,209	3,000	194,209	189,679	4,530
Other Purchased Services	5,000	(1,000)	4,000	172	3,828
Supplies and Materials	9,780	(6,000)	3,780	1,878	1,902
Other Objects	4,615	2,000	6,615	4,527	2,088
Total Support Services School Administration	<u>525,677</u>	<u>5,000</u>	<u>530,677</u>	<u>517,388</u>	<u>13,289</u>
Support Services Central Services					
Salaries	288,537	(15,000)	273,537	261,043	12,494
Miscellaneous Purchased services	26,150	2,325	28,475	25,477	2,998
Supplies and Materials	6,925	-	6,925	4,396	2,529
Miscellaneous Expenditures	4,300	2,000	6,300	3,737	2,563
Total Support Services Central Services	<u>325,912</u>	<u>(10,675)</u>	<u>315,237</u>	<u>294,653</u>	<u>20,584</u>
Admin. Info. Technology					
Purchased Technical Services	73,950	11,290	85,240	70,442	14,798
Supplies and Materials	10,000	10,000	20,000	3,764	16,236
Other Objects	750	-	750	-	750
Total Admin. Info Technology	<u>84,700</u>	<u>21,290</u>	<u>105,990</u>	<u>74,206</u>	<u>31,784</u>

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 435,755	\$ (45,810)	\$ 389,945	\$ 384,042	\$ 5,903
Salaries of Non-Instructional Aides	120,575	(12,000)	108,575	99,365	9,210
Purchased Professional and Technical Services	7,000	(150)	6,850	4,732	2,118
Cleaning, Repair and Maintenance Services	61,335	(2,800)	58,535	48,362	10,173
Rental of Land & Bldg. Oth. Than Lease Purch. Agreement	2,300	-	2,300		2,300
Other Purchased Property Services	37,000	-	37,000	30,759	6,241
Insurance	86,790	(4,200)	82,590	77,301	5,289
Miscellaneous Purchased Services	4,970	29,300	34,270	20,348	13,922
General Supplies	43,000	13,500	56,500	50,085	6,415
Energy (Natural Gas)	168,000	(25,500)	142,500	69,453	73,047
Energy (Electricity)	148,500	8,000	156,500	154,731	1,769
Other Objects	800	350	1,150	1,035	115
Total Custodial Services	1,116,025	(39,310)	1,076,715	940,213	136,502
Required Maintenance for School Facilities					
Salaries	207,213	(10,000)	197,213	194,180	3,033
Cleaning, Repair and Maintenance Services	217,000	4,038	221,038	187,574	33,464
Lead Testing of Drinking Water	-	10,000	10,000	6,490	3,510
General Supplies	49,000	(6,500)	42,500	17,031	25,469
Total Required Maintenance for School Fac.	473,213	(2,462)	470,751	405,275	65,476
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	74,470	1,035	75,505	55,019	20,486
Cleaning, Repair and Maintenance Services	500	-	500	-	500
General Supplies	5,550	-	5,550	-	5,550
Total Care and Upkeep of Grounds	80,520	1,035	81,555	55,019	26,536
Security					
Salaries	44,219	12,000	56,219	53,361	2,858
Purchased Professional and Technical Services	9,100	16,800	25,900	5,018	20,882
Cleaning, Repair and Maintenance Services	14,000	(13,000)	1,000	980	20
General Supplies	6,500	(3,800)	2,700	2,648	52
Total Security	73,819	12,000	85,819	62,007	23,812
Student Transportation Services					
Contracted Services (Other Than Between Home and School) - Vendors	26,650	-	26,650	17,793	8,857
Contracted Services - (Spl. Ed. Students) - Vendors	25,900	(25,000)	900		900
Contracted Services - (Spl. Ed. Students) - Joint Agreements	124,984	32,000	156,984	70,385	86,599
Total Student Transportation Services	177,534	7,000	184,534	88,178	96,356
Unallocated Benefits - Employee Benefits					
Social Security Contributions	189,000	-	189,000	179,382	9,618
Other Retirement Contributions - PERS	190,000	-	190,000	186,674	3,326
Other Retirement Contributions - Regular	5,400	-	5,400	3,430	1,970
Workmen's Compensation	90,531	(1,000)	89,531	67,501	22,030
Health Benefits	2,647,237	-	2,647,237	2,184,892	462,345
Tuition Reimbursement	70,900	-	70,900	33,102	37,798
Other Employee Benefits	81,322	1,000	82,322	45,428	36,894
Total Unallocated Benefits - Employee Benefits	3,274,390	-	3,274,390	2,700,409	573,981

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
On-behalf TPAF Payments - (Non-Budget)					
Pension Contribution				\$ 689,857	\$ (689,857)
NCGI Premium				24,995	(24,995)
Post Retirement Medical Benefits				595,634	(595,634)
Long-Term Disability Insurance Premium				1,166	(1,166)
Reimbursed TPAF Social Security Payments	-	-	-	486,596	(486,596)
Total Undistributed Expenditures	\$ 9,585,580	\$ (85,812)	\$ 9,499,768	9,616,753	(116,985)
Total Expenditures - Current Expenditures	16,556,160	41,685	16,597,845	16,209,948	387,897
CAPITAL OUTLAY					
Undistributed Expenditures					
Instruction					
Equipment	112,500	-	112,500	83,111	29,389
Required Maintenance for School Facility - Equipment	10,000	-	10,000	3,946	6,054
Total Equipment	122,500	-	122,500	87,057	35,443
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services	108,650	(272)	108,378	15,574	92,804
Other Purchased Professional and Technical Services	-	6,000	6,000	995	5,005
Construction Services	417,892	-	417,892	362,155	55,737
Other Objects	88	-	88	84	4
Assessment for Debt Service on SDA Funding	23,293	-	23,293	23,293	-
Total Facilities Acquisition and Constr. Serv.	549,923	5,728	555,651	402,101	153,550
Increase in Maintenance Reserve	665	-	665	-	665
Increase in Capital Reserve	2,300	-	2,300	-	2,300
Total Capital Outlay	675,388	5,728	681,116	489,158	191,958
Transfer of Funds to Charter School	-	19,000	19,000	18,273	727
Total Expenditures	17,231,548	66,413	17,297,961	16,717,379	580,582
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,812,184)	(66,413)	(1,878,597)	739,128	2,617,725
Other Financing Sources (Uses)					
Transfer from Capital Reserve to Capital Projects	(445,000)	-	(445,000)	-	445,000
Transfer In - Capital Projects Fund	-	-	-	324,497	324,497
Total Other Financing Sources (Uses)	(445,000)	-	(445,000)	324,497	769,497
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(2,257,184)	(66,413)	(2,323,597)	1,063,625	3,387,222
Fund Balance, Beginning of Year	9,300,443	-	9,300,443	9,300,443	-
Fund Balance, End of Year	\$ 7,043,259	\$ (66,413)	\$ 6,976,846	\$ 10,364,068	\$ 3,387,222

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Restricted :		
Excess Surplus	\$ 1,590,298	
Excess Surplus - Designated for Subsequent Year's Expenditures	1,591,134	
Maintenance Reserve	836,836	
Maintenance Reserve - Designated for Subsequent Year's Expenditures	125,000	
Capital Reserve	4,782,269	
Capital Reserve - Designated for Subsequent Year's Expenditures	707,400	
Emergency Reserve	130,000	
Assigned		
Year-end Encumbrances	104,280	
Unassigned	<u>496,851</u>	
		<u>\$ 10,364,068</u>
		10,364,068
Reconciliation to Governmental Funds Statements (GAAP):		
Less: Extraordinary Aid Payment Not Recognized on GAAP Basis	198,468	
State Aid Payment Not Recognized on GAAP Basis	<u>26,209</u>	
		<u>224,677</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 10,139,391</u>

**ALLENDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Local		\$ 1,260	\$ 1,260	\$ 1,108	\$ (152)
Federal	\$ 165,881	192,994	358,875	327,019	(31,856)
Total Revenues	<u>165,881</u>	<u>194,254</u>	<u>360,135</u>	<u>328,127</u>	<u>(32,008)</u>
EXPENDITURES					
Instruction					
Salaries		8,000	8,000	7,273	727
Tuition	138,133	31,933	170,066	170,066	-
General Supplies	18,602	119,555	138,157	130,701	7,456
Total Instruction	<u>156,735</u>	<u>159,488</u>	<u>316,223</u>	<u>308,040</u>	<u>8,183</u>
Support Services					
Salaries		1,615	1,615	1,233	382
Purchased Professional and Technical Services	9,146	28,442	37,588	14,146	23,442
Other Purchased Services		3,600	3,600	3,600	-
General Supplies	-	1,109	1,109	1,108	1
Total Support Services	<u>9,146</u>	<u>34,766</u>	<u>43,912</u>	<u>20,087</u>	<u>23,825</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	-	-	-	-
Total Facilities Acq. and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>165,881</u>	<u>194,254</u>	<u>360,135</u>	<u>328,127</u>	<u>32,008</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**ALLENDALE BOARD OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1	\$ 17,456,507	C-2	\$ 328,127
 Difference- Budget to GAAP				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Encumbrances June 30, 2016				4,404
Encumbrances June 30, 2017				(8,434)
State Aid payment and Extraordinary aid (2015/2016) recognized for GAAP purposes, not recognized for budgetary statements.		156,894		
State Aid Payment and Extraordinary aid (2016/2017) recognized for budgetary purposes, not recognized for GAAP statements		<u>(224,677)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>\$ 17,388,724</u>	B-2	<u>\$ 324,097</u>
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1	\$ 16,717,379	C-2	\$ 328,127
 Difference - Budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances June 30, 2016				4,404
Encumbrances June 30, 2017		<u>-</u>		<u>(8,434)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 16,717,379</u>	B-2	<u>\$ 324,097</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**ALLENDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02022%	0.01964%	0.01842%	0.02221%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,988,698	\$ 4,408,856	\$ 3,448,550	\$ 4,245,563
District's Covered-Employee Payroll	\$ 1,423,066	\$ 1,324,720	\$ 1,282,525	\$ 1,328,508
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	420.83%	332.81%	268.89%	319.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ALLENDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 179,635	\$ 168,854	\$ 151,844	\$ 167,379
Contributions in Relation to the Contractually Required Contribution	<u>179,635</u>	<u>168,854</u>	<u>151,844</u>	<u>167,379</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$1,423,066	\$1,324,720	\$ 1,282,525	\$ 1,328,508
Contributions as a Percentage of Covered-Employee Payroll	12.62%	12.75%	11.84%	12.60%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ALLENDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 50,046,103</u>	<u>\$ 39,856,506</u>	<u>\$ 32,251,468</u>	<u>\$ 29,492,809</u>
Total	<u>\$ 50,046,103</u>	<u>\$ 39,856,506</u>	<u>\$ 32,251,468</u>	<u>\$ 29,492,809</u>
District's Covered-Employee Payroll	\$ 6,654,718	\$ 6,404,960	\$ 6,380,317	\$ 6,028,199
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

ALLENDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Change of Benefit Terms:

None.

Change of Assumptions:

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**ALLENDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	I.D.E.A. Part B					<u>Local</u>	<u>Total 2017</u>
	<u>Basic</u>	<u>Preschool</u>	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>		
REVENUES							
Intergovernmental							
Local						\$ 1,108	\$ 1,108
Federal	\$ 170,066	-	\$ 32,502	\$ 10,686	\$ 113,765	-	327,019
Total Revenues	<u>\$ 170,066</u>	<u>\$ -</u>	<u>\$ 32,502</u>	<u>\$ 10,686</u>	<u>\$ 113,765</u>	<u>\$ 1,108</u>	<u>\$ 328,127</u>
EXPENDITURES							
Instruction							
Salaries			\$ 7,273				\$ 7,273
Tuition	\$ 170,066						170,066
General Supplies	-	-	21,629	-	\$ 109,072	-	130,701
Total Instruction	<u>170,066</u>	<u>-</u>	<u>28,902</u>	<u>-</u>	<u>109,072</u>	<u>-</u>	<u>308,040</u>
Support Services							
Salaries					1,233		1,233
Purchased Professional and Technical Services				\$ 10,686	3,460		14,146
Other Purchased Services			3,600				3,600
General Supplies	-	-	-	-		\$ 1,108	1,108
Total Support Services	<u>-</u>	<u>-</u>	<u>3,600</u>	<u>10,686</u>	<u>4,693</u>	<u>1,108</u>	<u>20,087</u>
Facilities Acquisition and Construction							
Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acq. and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 170,066</u>	<u>\$ -</u>	<u>\$ 32,502</u>	<u>\$ 10,686</u>	<u>\$ 113,765</u>	<u>\$ 1,108</u>	<u>\$ 328,127</u>

**ALLENDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

<u>Project</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancellations</u>	<u>Unexpended Balance, June 30, 2017</u>
		<u>Prior Year</u>	<u>Current Year</u>		
Brookside- Replace Unit Ventilators w/New AC-13/14	\$ 316,492	\$ 181,788		\$ 134,704	
Brookside- Replace Unit Ventilators w/New Rooftop HVAC Unit-13/14	165,000	162,400		2,600	
Hillside - Replace Unit Ventilators w/New HVAC Media Center-13/14	150,000	123,000		27,000	
Hillside - Replace Unit Ventilators w/New HVAC Classroom-13/14	240,000	107,300		132,700	
Brookside and Hillside Window Replacement-13/14	210,500	206,669		3,831	
Brookside - Partial Roof Replacement-14/15	337,500	274,925		62,575	
Brookside - New Security Vestibule Entrance-14/15	125,000	118,457		6,543	
Brookside - East Courtyard Site Drainage Upgrade-14/15	96,250	29,700		66,550	
Hillside - Partial Roof Replacement-14/15	125,000	94,558		30,442	
Hillside - Playground Equipment Upgrades and Site Drainage-14/15	261,300	245,927		15,373	
Hillside - New Security Vestibule Entrance-14/15	43,750	37,750		6,000	
Hillside - Replace Unit Ventilators w/New HVAC Classroom- 15/16	442,800	321,122			\$ 121,678
Hillside - Replace Unit Ventilators w/New AC Classroom- 15/16	442,800	173,000			269,800
Hillside - HVAC Rooftop Units 1-3- 16/17	360,000	66,012	\$ 112,657		181,331
Brookside - Library Media Center Upgrades- 16/17	150,295	8,413	138,117	-	3,765
	<u>\$ 3,466,687</u>	<u>\$ 2,151,021</u>	<u>\$ 250,774</u>	<u>\$ 488,318</u>	<u>\$ 576,574</u>
			Grants Receivable	\$ 163,821	
			Capital Reserve	<u>324,497</u>	
				<u>\$ 488,318</u>	
Project Balance - Budgetary Balance					\$ 576,574
Less: Unrealized Grant Awards					<u>(134,734)</u>
Fund Balance - GAAP, June 30, 2017					<u>\$ 441,840</u>
 <u>Reconciliation to GAAP</u>					
Restricted for Capital Projects:					
Available for Capital Projects					<u>\$ 441,840</u>

**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, 2017**

Revenues and Other Financing Sources

Revenues

Interest	\$ <u>1,129</u>
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Total Revenues and Other Financing Sources	<u>1,129</u>
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Expenditures and Other Financing Uses

Expenditures

Architectural/Engineering Service	5,614
-----------------------------------	-------

Construction Services	237,416
-----------------------	---------

Equipment	7,744
-----------	-------

Other Financing Uses

Transfer to General Fund - Capital Reserve	324,497
--	---------

Prior Year SDA Receivable Cancelled	163,821
-------------------------------------	---------

Transfer Out to Debt Service Fund	<u>1,129</u>
-----------------------------------	--------------

Total Expenditures and Other Financing Uses	<u>740,221</u>
---	----------------

Excess of Revenues and Other Financing Sources Over

Expenditures and Other Financing Uses	(739,092)
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Fund Balance- Beginning of Year - Budgetary Basis

	<u>1,315,666</u>
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Fund Balance- End of Year - Budgetary Basis

	<u>\$ 576,574</u>
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Reconciliation to GAAP

Fund Balance - End of Year - Budgetary Basis	\$ 576,574
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Less: Unearned Grant Revenue	<u>(134,734)</u>
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Fund Balance, June 30, 2017 - GAAP	<u>\$ 441,840</u>
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**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, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 126,597	\$ (49,984)	\$ 76,613	\$ 126,597
Transfer from Capital Outlay - Local Contribution	128,515		128,515	128,515
Transfer from Capital Reserve Local Contribution	<u>61,380</u>	<u>-</u>	<u>61,380</u>	<u>61,380</u>
 Total Revenues and Other Financing Sources	 <u>316,492</u>	 <u>(49,984)</u>	 <u>266,508</u>	 <u>316,492</u>
Expenditures and Other Financing Uses				
Construction Services	181,788		181,788	316,492
Transfer to General Fund	<u>-</u>	<u>84,720</u>	<u>84,720</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>181,788</u>	 <u>84,720</u>	 <u>266,508</u>	 <u>316,492</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 134,704</u>	 <u>\$ (134,704)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional project information:

SDA Project Number	SDA#0040-010-14-G1CE
Grant Number	G5-4810
Grant Date	June 30, 2014
Original Authorized Cost	\$ 316,492
Revised Authorized Cost	\$ 316,492

Percentage Completion	100.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
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
	<u>165,000</u>	<u>-</u>	<u>165,000</u>	<u>165,000</u>
Expenditures and Other Financing Uses				
Construction Services	162,400		162,400	165,000
Transfer to General Fund	-	\$ 2,600	2,600	-
	<u>162,400</u>	<u>2,600</u>	<u>165,000</u>	<u>165,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 2,600</u>	<u>\$ (2,600)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

SDA Project Number	SDA#0040-010-14-G1CD
Grant Number	G5-4809
Grant Date	June 30, 2014
Original Authorized Cost	\$ 165,000
Revised Authorized Cost	\$ 165,000

Percentage Completion	100.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 60,000	\$ (5,639)	\$ 54,361	\$ 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
	<u>150,000</u>	<u>(5,639)</u>	<u>144,361</u>	<u>150,000</u>
Expenditures and Other Financing Uses				
Construction Services	123,000		123,000	150,000
Transfer to General Fund	-	21,361	21,361	-
	<u>123,000</u>	<u>21,361</u>	<u>144,361</u>	<u>150,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 27,000</u>	<u>\$ (27,000)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

SDA Project Number	SDA#0040-020-14-G1CJ
Grant Number	G5-4815
Grant Date	June 30, 2014
Original Authorized Cost	\$ 150,000
Revised Authorized Cost	\$ 150,000

Percentage Completion	100.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HILLSIDE REPLACE UNIT VENTILATORS WITH NEW HVAC CLASSROOM #17-19
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior</u> <u>Periods</u>	<u>Current Year/</u> <u>(Cancelled)</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 96,000	\$ (47,890)	\$ 48,110	\$ 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
	<u>240,000</u>	<u>(47,890)</u>	<u>192,110</u>	<u>240,000</u>
Expenditures and Other Financing Uses				
Construction Services	107,300		107,300	240,000
Transfer to General Fund	-	84,810	84,810	-
	<u>107,300</u>	<u>84,810</u>	<u>192,110</u>	<u>240,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 132,700</u>	<u>\$ (132,700)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

SDA Project Number	SDA #0040-020-14-G1CG
Grant Number	G5-4812
Grant Date	June 30, 2014
Original Authorized Cost	\$ 240,000
Revised Authorized Cost	\$ 240,000

Percentage Completion	100.00%
Original Target Completion Date	September 2015
Revised Target Completion Date	September 2015

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BROOKSIDE AND HILLSIDE WINDOWS REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
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
	<u>210,500</u>	<u>-</u>	<u>210,500</u>	<u>210,500</u>
Expenditures and Other Financing Uses				
Construction Services	206,669		206,669	210,500
Transfer to General Fund	-	\$ 3,831	3,831	-
	<u>206,669</u>	<u>3,831</u>	<u>210,500</u>	<u>210,500</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 3,831</u>	<u>\$ (3,831)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
SDA Project Number	N/A			
Grant Number	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 210,500			
Revised Authorized Cost	\$ 210,500			
Percentage Completion	100.00%			
Original Target Completion Date	December 2014			
Revised Target Completion Date	December 2014			

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BROOKSIDE PARTIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 135,000	\$ (23,467)	\$ 111,533	\$ 135,000
Transfer from Capital Reserve Local Contribution	<u>202,500</u>	<u>-</u>	<u>202,500</u>	<u>202,500</u>
 Total Revenues and Other Financing Sources	 <u>337,500</u>	 <u>(23,467)</u>	 <u>314,033</u>	 <u>337,500</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Service	15,925		15,925	17,045
Construction Services	259,000		259,000	320,455
Transfer to General Fund	<u>-</u>	<u>39,108</u>	<u>39,108</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>274,925</u>	 <u>39,108</u>	 <u>314,033</u>	 <u>337,500</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 62,575</u>	 <u>\$ (62,575)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional project information:

SDA Project Number	SDA #0040-010-14-G1CB
Grant Number	G5-4807
Grant Date	July 1, 2014
Original Authorized Cost	\$ 337,500
Revised Authorized Cost	\$ 337,500

Percentage Completion	100.00%
Original Target Completion Date	September 2015
Revised Target Completion Date	September 2015

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BROOKSIDE NEW SECURITY VESTIBULE ENTRANCE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 50,000		\$ 50,000	\$ 50,000
Transfer from Capital Reserve Local Contribution	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
 Total Revenues and Other Financing Sources	 <u>125,000</u>	 <u>-</u>	 <u>125,000</u>	 <u>125,000</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Service	17,772		17,772	17,772
Construction Services	100,685		100,685	107,228
Transfer to General Fund	<u>-</u>	<u>\$ 6,543</u>	<u>6,543</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>118,457</u>	 <u>6,543</u>	 <u>125,000</u>	 <u>125,000</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 6,543</u>	 <u>\$ (6,543)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional project information:

SDA Project Number	SDA #0040-010-14-G1CA
Grant Number	G5-4806
Grant Date	July 1, 2014
Original Authorized Cost	\$ 125,000
Revised Authorized Cost	\$ 125,000

Percentage Completion	100.00%
Original Target Completion Date	September 2015
Revised Target Completion Date	September 2015

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BROOKSIDE EAST COURTYARD SITE DRAINAGE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 38,500	\$ (25,585)	\$ 12,915	\$ 38,500
Transfer from Capital Outlay - Local Contribution	31,243		31,243	31,243
Transfer from Capital Reserve Local Contribution	26,507	-	26,507	26,507
	<u>96,250</u>	<u>(25,585)</u>	<u>70,665</u>	<u>96,250</u>
Total Revenues and Other Financing Sources				
Expenditures and Other Financing Uses				
Construction Services	29,700		29,700	96,250
Transfer to General Fund	-	40,965	40,965	-
	<u>29,700</u>	<u>40,965</u>	<u>70,665</u>	<u>96,250</u>
Total Expenditures and Other Financing Uses				
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 66,550</u>	<u>\$ (66,550)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

SDA Project Number	SDA #0040-010-14-G1CC
Grant Number	G5-4808
Grant Date	July 1, 2014
Original Authorized Cost	\$ 96,250
Revised Authorized Cost	\$ 96,250

Percentage Completion	100.00%
Original Target Completion Date	June 2015
Revised Target Completion Date	June 2015

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HILLSIDE PARTIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 50,000	\$ (11,256)	\$ 38,744	\$ 50,000
Transfer from Capital Reserve Local Contribution	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
 Total Revenues and Other Financing Sources	 <u>125,000</u>	 <u>(11,256)</u>	 <u>113,744</u>	 <u>125,000</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Service	6,558		6,558	7,650
Construction Services	88,000		88,000	117,350
Transfer to General Fund	<u>-</u>	<u>19,186</u>	<u>19,186</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>94,558</u>	 <u>19,186</u>	 <u>113,744</u>	 <u>125,000</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 30,442</u>	 <u>\$ (30,442)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional project information:

SDA Project Number	SDA #0040-020-14-G1CF
Grant Number	G5-4811
Grant Date	July 1, 2014
Original Authorized Cost	\$ 125,000
Revised Authorized Cost	\$ 125,000

Percentage Completion	100.00%
Original Target Completion Date	September 2015
Revised Target Completion Date	September 2015

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HILLSIDE PLAYGROUND EQUIPMENT UPGRADES AND SITE DRAINAGE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 73,800		\$ 73,800	\$ 73,800
Transfer from Capital Reserve Local Contribution	110,700		110,700	110,700
Transfer from Capital Reserve Local Contribution - Additional	<u>76,800</u>	<u>-</u>	<u>76,800</u>	<u>76,800</u>
 Total Revenues and Other Financing Sources	 <u>261,300</u>	 <u>-</u>	 <u>261,300</u>	 <u>261,300</u>
Expenditures and Other Financing Uses				
Construction Services	245,927		245,927	261,300
Transfer to General Fund	<u>-</u>	<u>\$ 15,373</u>	<u>15,373</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>245,927</u>	 <u>15,373</u>	 <u>261,300</u>	 <u>261,300</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 15,373</u>	 <u>\$ (15,373)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional project information:

SDA Project Number	SDA #0040-020-14-G1CK
Grant Number	G5-4816
Grant Date	July 1, 2014
Original Authorized Cost	\$ 261,300
Revised Authorized Cost	\$ 261,300

Percentage Completion	100.00%
Original Target Completion Date	June 2015
Revised Target Completion Date	June 2015

ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HILLSIDE NEW SECURITY VESTIBULE ENTRANCE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior</u> <u>Periods</u>	<u>Current Year/</u> <u>(Cancelled)</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 12,500		\$ 12,500	\$ 12,500
Transfer from Capital Reserve Local Contribution	18,750		18,750	18,750
Transfer from Capital Reserve Local Contribution - Additional	12,500	-	12,500	12,500
	<u>43,750</u>	<u>-</u>	<u>43,750</u>	<u>43,750</u>
Total Revenues and Other Financing Sources				
Expenditures and Other Financing Uses				
Construction Services	37,750		37,750	43,750
Transfer to General Fund	-	\$ 6,000	6,000	-
	<u>37,750</u>	<u>6,000</u>	<u>43,750</u>	<u>43,750</u>
Total Expenditures and Other Financing Uses				
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 6,000</u>	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

SDA Project Number	SDA #0040-020-14-G1CL
Grant Number	G5-4817
Grant Date	July 1, 2014
Original Authorized Cost	\$ 43,750
Revised Authorized Cost	\$ 43,750

Percentage Completion	100.00%
Original Target Completion Date	September 2015
Revised Target Completion Date	September 2015

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HILLSIDE REPLACE UNIT VENTILATORS WITH NEW HVAC IN CLASSROOMS 12-13, 23, 26-32
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 177,120		\$ 177,120	\$ 177,120
Transfer from Capital Reserve Local Contribution	<u>265,680</u>	<u>-</u>	<u>265,680</u>	<u>265,680</u>
 Total Revenues and Other Financing Sources	 <u>442,800</u>	 <u>-</u>	 <u>442,800</u>	 <u>442,800</u>
Expenditures and Other Financing Uses				
Construction Services	<u>321,122</u>	<u>-</u>	<u>321,122</u>	<u>442,800</u>
 Total Expenditures and Other Financing Uses	 <u>321,122</u>	 <u>-</u>	 <u>321,122</u>	 <u>442,800</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 121,678</u>	 <u>\$ -</u>	 <u>\$ 121,678</u>	 <u>\$ -</u>

Additional project information:

SDA Project Number	SDA #0040-010-14-G1CI
Grant Number	G5-4814
Grant Date	July 1, 2015
Original Authorized Cost	\$ 442,800
Revised Authorized Cost	\$ 442,800

Percentage Completion	100.00%
Original Target Completion Date	June 2016
Revised Target Completion Date	June 2016

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HILLSIDE REPLACE UNIT VENTILATORS WITH NEW AC IN CLASSROOMS 14-16, 20-22
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 177,120		\$ 177,120	\$ 177,120
Transfer from Capital Reserve Local Contribution	<u>265,680</u>	<u>-</u>	<u>265,680</u>	<u>265,680</u>
 Total Revenues and Other Financing Sources	 <u>442,800</u>	 <u>-</u>	 <u>442,800</u>	 <u>442,800</u>
Expenditures and Other Financing Uses				
Construction Services	<u>173,000</u>	<u>-</u>	<u>173,000</u>	<u>442,800</u>
 Total Expenditures and Other Financing Uses	 <u>173,000</u>	 <u>-</u>	 <u>173,000</u>	 <u>442,800</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 269,800</u>	 <u>\$ -</u>	 <u>\$ 269,800</u>	 <u>\$ -</u>

Additional project information:

SDA Project Number	SDA #0040-010-14-G1CH
Grant Number	G5-4813
Grant Date	July 1, 2015
Original Authorized Cost	\$ 442,800
Revised Authorized Cost	\$ 442,800

Percentage Completion	100.00%
Original Target Completion Date	June 2016
Revised Target Completion Date	June 2016

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HILLSIDE HVAC ROOFTOP UNITS 1-3
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Outlay - Local Contribution	\$ 360,000	-	\$ 360,000	\$ 360,000
 Total Revenues and Other Financing Sources	 360,000	 -	 360,000	 360,000
Expenditures and Other Financing Uses				
Architectural/Engineering Service	14,886	\$ 2,293	17,179	60,000
Construction Services	51,126	110,364	161,490	300,000
 Total Expenditures and Other Financing Uses	 66,012	 112,657	 178,669	 360,000
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 \$ 293,988	 \$ (112,657)	 \$ 181,331	 \$ -
 Additional project information:				
SDA Project Number	N/A			
Grant Number	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 360,000			
Revised Authorized Cost	\$ 360,000			
 Percentage Completion	 100.00%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	June 2017			

**ALLENDALE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BROOKSIDE LIBRARY MEDIA CENTER UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year/ (Cancelled)</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve Local Contribution	\$ 150,295	-	\$ 150,295	\$ 150,295
 Total Revenues and Other Financing Sources	 <u>150,295</u>	 <u>-</u>	 <u>150,295</u>	 <u>150,295</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Service	7,663	\$ 3,321	10,984	10,950
Construction Services	750	127,052	127,802	131,550
Equipment	-	7,744	7,744	7,795
 Total Expenditures and Other Financing Uses	 <u>8,413</u>	 <u>138,117</u>	 <u>146,530</u>	 <u>150,295</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 141,882</u>	 <u>\$ (138,117)</u>	 <u>\$ 3,765</u>	 <u>\$ -</u>

Additional project information:

SDA Project Number	N/A
Grant Number	N/A
Grant Date	N/A
Original Authorized Cost	\$ 150,295
Revised Authorized Cost	\$ 150,295

Percentage Completion	100.00%
Original Target Completion Date	June 2017
Revised Target Completion Date	June 2017

ENTERPRISE FUND

EXHIBIT G-1

**ALLENDALE BOARD OF EDUCATION
ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

FINANCIAL STATEMENT IS PRESENTED ON B-4

EXHIBIT G-2

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENT IS PRESENTED ON B-5

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENT IS PRESENTED ON B-6

FIDUCIARY FUNDS

**ALLENDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2017**

	<u>Student Activities</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 19,675	\$ 62,321	\$ 81,996
Total Assets	<u>\$ 19,675</u>	<u>\$ 62,321</u>	<u>\$ 81,996</u>
LIABILITIES			
Due to Other Funds		\$ 46,299	\$ 46,299
Due to State of New Jersey		2,873	2,873
Flex Spending		422	422
Due to Student Groups	\$ 19,675		19,675
Accrued Salaries and Wages		423	423
Payroll Deductions and Withholdings	-	12,304	12,304
Total Liabilities	<u>\$ 19,675</u>	<u>\$ 62,321</u>	<u>\$ 81,996</u>

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**ALLENDALE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2017</u>
ELEMENTARY AND MIDDLE SCHOOLS				
Student Council	\$ 2,235	\$ 2,965	\$ 2,193	\$ 3,007
Brookside School	12,854	59,852	59,520	13,186
Hillside School	<u>3,826</u>	<u>14,537</u>	<u>14,881</u>	<u>3,482</u>
 Total All Schools	 <u>\$ 18,915</u>	 <u>\$ 77,354</u>	 <u>\$ 76,594</u>	 <u>\$ 19,675</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2017</u>
Payroll Deductions and Withholdings	\$ 11,713	\$ 4,619,213	\$ 4,618,622	\$ 12,304
Accrued Salaries and Wages	222	5,486,108	5,485,907	423
Flexible Spending	422	33,951	33,951	422
Due to State of New Jersey	2,453	2,873	2,453	2,873
Due to Other Funds	<u>21,340</u>	<u>24,959</u>	<u>-</u>	<u>46,299</u>
 Total	 <u>\$ 36,150</u>	 <u>\$ 10,167,104</u>	 <u>\$ 10,140,933</u>	 <u>\$ 62,321</u>

LONG-TERM DEBT

**ALLENDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	7/13/2010	\$ 2,690,000				\$ 540,000		\$ 540,000	
Governmental Loan Revenue Bond Series 2012 ERIP Refunding - Through Bergen County Improvement Authority	5/17/2012	586,000	3/1/2018	\$ 63,000	2.108%				
			3/1/2019	64,000	2.358%				
			3/1/2020	66,000	2.659%				
			3/1/2021	67,000	2.959%				
			3/1/2022	70,000	3.109%	392,000	62,000	\$ 330,000	
Refunding Bonds	11/20/2014	2,940,000	3/15/2018	255,000	4.000%				
			3/15/2019	260,000	4.000%				
			3/15/2020	270,000	3.000%				
			3/15/2021	285,000	4.000%				
			3/15/2022	295,000	4.000%				
			3/15/2023	310,000	5.000%				
			3/15/2024	320,000	3.500%				
			3/15/2025	335,000	3.500%				
			3/15/2026	350,000	3.500%	2,930,000	-	250,000	2,680,000
						<u>\$ 3,862,000</u>	<u>\$ -</u>	<u>\$ 852,000</u>	<u>\$ 3,010,000</u>

**ALLENDALE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

REVENUES	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Local Sources					
Local Property Tax Levy	\$ 847,316		\$ 847,316	\$ 847,316	
State Sources	115,980	-	115,980	115,980	-
 Total Revenues	 963,296	 -	 963,296	 963,296	 -
 EXPENDITURES					
Regular Debt Service					
Interest	133,141		133,141	133,141	
Principal	852,000	-	852,000	852,000	-
 Total Expenditures	 985,141	 -	 985,141	 985,141	 -
 Other Finance Sources					
Transfers In	-	-	-	1,129	\$ 1,129
 Total Other Financing Sources	 -	 -	 -	 1,129	 1,129
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (21,845)	 -	 (21,845)	 (20,716)	 1,129
 Fund Balance, Beginning of Year	 22,256	 -	 22,256	 22,256	 -
 Fund Balance, End of Year	 <u>\$ 411</u>	 <u>\$ -</u>	 <u>\$ 411</u>	 <u>\$ 1,540</u>	 <u>\$ 1,129</u>
 <u>Recapitulation of Fund Balance</u>					
Restricted for Debt Service					
Designated for Subsequent Year's Budget				\$ 411	
Unassigned				1,129	
 Total Fund Balance Restricted for Debt Service				 <u>\$ 1,540</u>	

**ALLENDALE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2016</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2017</u>
Capital Leases						
Copiers -2014	\$ 172,166	3.72%	\$ 90,077	-	\$ 35,030	\$ 55,047
			<u>\$ 90,077</u>	<u>\$ -</u>	<u>\$ 35,030</u>	<u>\$ 55,047</u>
Lease Purchase Agreements						
Chromebooks - 2016	\$ 201,600	1.69%	\$ 149,922	-	\$ 49,136	\$ 100,786
			<u>\$ 149,922</u>	<u>\$ -</u>	<u>\$ 49,136</u>	<u>\$ 100,786</u>

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 activities 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.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net Investment in capital assets	\$ 2,782,336	\$ 3,404,197	\$ 3,876,300	\$ 4,271,315	\$ 5,412,367	\$ 5,694,027	\$ 6,716,882	\$ 8,493,592	\$ 9,947,263	\$ 11,069,344
Restricted	974,467	1,503,639	3,101,631	3,580,419	3,960,019	4,651,906	5,232,234	5,542,225	6,381,497	6,894,885
Unrestricted	1,129,614	549,700	309,805	1,043,037	1,681,270	3,095,584	(815,805)	(743,034)	(1,356,441)	(1,679,541)
Total governmental activities net position	\$ 4,886,417	\$ 5,457,536	\$ 7,287,736	\$ 8,894,771	\$ 11,053,656	\$ 13,441,517	\$ 11,133,311	\$ 13,292,783	\$ 14,972,319	\$ 16,284,688
Business-type activities										
Net Investment in capital assets	\$ 12,918	\$ 18,106	\$ 27,049	\$ 61,560	\$ 60,099	\$ 56,120	\$ 49,252	\$ 64,699	\$ 103,186	\$ 92,337
Unrestricted	71,931	94,185	64,779	40,048	58,085	69,673	84,298	69,703	22,567	30,907
Total business-type activities net position	\$ 84,849	\$ 112,291	\$ 91,828	\$ 101,608	\$ 118,184	\$ 125,793	\$ 133,550	\$ 134,402	\$ 125,753	\$ 123,244
District-wide										
Net Investment in capital assets	\$ 2,795,254	\$ 3,422,303	\$ 3,903,349	\$ 4,332,875	\$ 5,472,466	\$ 5,750,147	\$ 6,766,134	\$ 8,558,291	\$ 10,050,449	\$ 11,161,681
Restricted	974,467	1,503,639	3,101,631	3,580,419	3,960,019	4,651,906	5,232,234	5,542,225	6,381,497	6,894,885
Unrestricted	1,201,545	643,885	374,584	1,083,085	1,739,355	3,165,257	(731,507)	(673,331)	(1,333,874)	(1,648,634)
Total district net position	\$ 4,971,266	\$ 5,569,827	\$ 7,379,564	\$ 8,996,379	\$ 11,171,840	\$ 13,567,310	\$ 11,266,861	\$ 13,427,185	\$ 15,098,072	\$ 16,407,932

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".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 6,199,331	\$ 6,154,437	\$ 6,291,655	\$ 6,035,330	\$ 6,248,750	\$ 6,374,529	\$ 6,697,974	\$ 7,579,645	\$ 8,569,910	\$ 9,334,819
Special education	2,047,305	1,804,129	1,426,920	1,323,709	1,403,216	1,245,102	1,325,138	1,601,344	1,774,856	1,937,877
Other instruction	454,720	474,987	370,459	441,108	441,775	643,361	689,298	671,348	847,767	1,133,960
School Sponsored Activities and Athletics	98,524	112,555	114,148	121,850	122,605	111,277	109,920	111,345	123,093	185,297
Support Services:										
Student & instruction related services	2,114,773	1,977,978	2,062,727	2,003,115	2,240,613	2,137,146	2,140,008	2,643,740	2,517,569	2,712,597
Health services	169,533	171,609	191,585	193,471	191,806	201,189	210,102	240,815	263,511	304,463
Attendance and Social Work	45,304		30,401	30,553	40,558	45,151	44,904	50,513	55,838	69,792
Educational Media/School Library	187,713	175,559	197,452	195,724	200,517	204,261	198,205	222,299	243,893	258,297
School Administrative services	555,731	621,985	669,644	651,853	794,064	816,826	730,028	785,652	876,963	977,091
General administration	559,711	562,486	503,373	524,697	578,080	521,372	458,844	532,841	609,592	615,997
Central Services	396,814	462,015	413,062	378,393	388,694	427,634	414,848	486,636	573,199	603,783
Plant operations and maintenance	1,568,683	1,620,050	1,565,254	1,668,631	1,670,103	1,582,336	1,828,602	1,905,856	1,946,138	2,121,323
Pupil transportation	261,897	221,040	177,097	88,786	91,546	123,385	101,794	149,971	174,322	88,178
Interest on long-term debt	427,916	386,273	329,704	295,439	273,249	249,684	226,238	167,720	138,797	110,101
Total governmental activities expenses	15,087,955	14,745,103	14,343,481	13,952,659	14,685,576	14,683,253	15,175,903	17,149,725	18,715,448	20,453,575
Business-type activities:										
Food service	220,181	181,155	233,552	220,264	250,187	242,061	249,442	239,376	269,954	275,881
Summer Music	40,261	39,980	49,881	38,002	25,388	38,291	18,384			
Total business-type activities expense	260,442	221,135	283,433	258,266	275,575	280,352	267,826	239,376	269,954	275,881
Total district expenses	\$ 15,348,397	\$ 14,966,238	\$ 14,626,914	\$ 14,210,925	\$ 14,961,151	\$ 14,963,605	\$ 15,443,729	\$ 17,389,101	\$ 18,985,402	\$ 20,729,456
Program Revenues										
Governmental activities:										
Charges for services:										
Regular			\$ 58,350	\$ 79,036	\$ 75,859	\$ 82,898	\$ 89,332	\$ 41,933	\$ 74,063	\$ 64,647
Special education	\$ 185,540	\$ 141,775	64,631							
Plant Operation and Maintenance									59,322	20,115
Operating grants and contributions	2,310,564	1,576,156	2,162,180	1,490,297	2,090,133	2,287,444	1,945,734	3,564,160	4,345,967	5,752,132
Capital grants and contributions	-	-	-	-	-	-	-	427,748	293,052	43,282
Total governmental activities program revenues	2,496,104	1,717,931	2,285,161	1,569,333	2,165,992	2,370,342	2,035,066	4,033,841	4,772,404	5,880,176

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Revenues (Continued)										
Business-type activities:										
Charges for services										
Food service	\$ 192,164	\$ 180,928	\$ 187,178	\$ 199,110	\$ 239,594	\$ 222,333	\$ 253,035	\$ 239,876	\$ 267,542	\$ 273,202
Summer Music	38,800	40,031	48,740	40,875	27,488	36,588	22,006			
Operating grants and contributions	25,367	26,595	26,456	27,539	24,815	28,713	94			
Total business type activities program revenues	256,331	247,554	262,374	267,524	291,897	287,634	275,135	239,876	267,542	273,202
Total district program revenues	<u>\$ 2,752,435</u>	<u>\$ 1,965,485</u>	<u>\$ 2,547,535</u>	<u>\$ 1,836,857</u>	<u>\$ 2,457,889</u>	<u>\$ 2,657,976</u>	<u>\$ 2,310,201</u>	<u>\$ 4,273,717</u>	<u>\$ 5,039,946</u>	<u>\$ 6,153,378</u>
Net (Expense)/Revenue										
Governmental activities	\$ (12,591,851)	\$ (13,027,172)	\$ (12,058,320)	\$ (12,383,326)	\$ (12,519,584)	\$ (12,312,911)	\$ (13,140,837)	\$ (13,115,884)	\$ (13,943,044)	\$ (14,573,399)
Business-type activities	(4,111)	26,419	(21,059)	9,258	16,322	7,282	7,309	500	(2,412)	(2,679)
Total district-wide net expense	<u>\$ (12,595,962)</u>	<u>\$ (13,000,753)</u>	<u>\$ (12,079,379)</u>	<u>\$ (12,374,068)</u>	<u>\$ (12,503,262)</u>	<u>\$ (12,305,629)</u>	<u>\$ (13,133,528)</u>	<u>\$ (13,115,384)</u>	<u>\$ (13,945,456)</u>	<u>\$ (14,576,078)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 12,172,795	\$ 12,490,766	\$ 12,770,397	\$ 13,281,213	\$ 13,546,837	\$ 13,817,774	\$ 14,094,129	\$ 14,376,012	\$ 14,663,532	\$ 14,956,803
Taxes levied for debt service	884,623	896,664	888,093	518,968	848,696	891,449	890,133	784,912	887,669	847,316
State aid - unrestricted	107,469	4,618						15,673	8,489	8,490
State aid - restricted for debt service	143,917	145,368	144,668	124,008	123,222					
Investment earnings	206,205	46,067	31,872	35,066	16,398	20,546	21,439	17,344	23,006	37,569
Miscellaneous income	17,855	14,808	53,490	31,106	143,316	68,217	72,493	81,415	33,472	35,590
Transfers	-	-	-	-	-	-	-	-	6,412	-
Total governmental activities	13,532,864	13,598,291	13,888,520	13,990,361	14,678,469	14,797,986	15,078,194	15,275,356	15,622,580	15,885,768
Business-type activities:										
Interest earnings	2,370	1,023	596	522	254	327	448	352	175	170
Transfers	-	-	-	-	-	-	-	-	(6,412)	-
Total business-type activities	2,370	1,023	596	522	254	327	448	352	(6,237)	170
Total district-wide	<u>\$ 13,535,234</u>	<u>\$ 13,599,314</u>	<u>\$ 13,889,116</u>	<u>\$ 13,990,883</u>	<u>\$ 14,678,723</u>	<u>\$ 14,798,313</u>	<u>\$ 15,078,642</u>	<u>\$ 15,275,708</u>	<u>\$ 15,616,343</u>	<u>\$ 15,885,938</u>
Change in Net Position										
Governmental activities	\$ 941,013	\$ 571,119	\$ 1,830,200	\$ 1,607,035	\$ 2,158,885	\$ 2,485,075	\$ 1,937,357	\$ 2,159,472	\$ 1,679,536	\$ 1,312,369
Business-type activities	(1,741)	27,442	(20,463)	9,780	16,576	7,609	7,757	852	(8,649)	(2,509)
Total district	<u>\$ 939,272</u>	<u>\$ 598,561</u>	<u>\$ 1,809,737</u>	<u>\$ 1,616,815</u>	<u>\$ 2,175,461</u>	<u>\$ 2,492,684</u>	<u>\$ 1,945,114</u>	<u>\$ 2,160,324</u>	<u>\$ 1,670,887</u>	<u>\$ 1,309,860</u>

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".

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 2,041,678	\$ 1,815,709	\$ 3,357,772							
Unreserved	667,758	757,295	581,476							
Restricted				\$ 4,425,361	\$ 5,509,482	\$ 6,726,760	\$ 8,035,664	\$ 8,604,950	\$ 8,793,730	\$ 9,762,937
Committed				290,376	145,214	617,665	40,537	72,806	5,728	
Assigned				472,147	518,681	873,144	254,916	327,649	60,685	104,280
Unassigned	-	-	-	250,000	248,675	234,466	267,479	260,409	283,406	272,174
Total general fund	\$ 2,709,436	\$ 2,573,004	\$ 3,939,248	\$ 5,437,884	\$ 6,422,052	\$ 8,452,035	\$ 8,598,596	\$ 9,265,814	\$ 9,143,549	\$ 10,139,391
All Other Governmental Funds										
Reserved	\$ 199,640	\$ 245,927								
Unreserved	681,389	464,526	\$ 632,311							
Restricted	-	-	-	\$ 272,944	\$ 111,740	\$ 106,289	\$ 839,655	\$ 469,616	\$ 996,085	\$ 443,380
Total All Other Governmental Funds	\$ 881,029	\$ 710,453	\$ 632,311	\$ 272,944	\$ 111,740	\$ 106,289	\$ 839,655	\$ 469,616	\$ 996,085	\$ 443,380

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.

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	\$ 13,057,418	\$ 13,387,430	\$ 13,658,490	\$ 13,800,181	\$ 14,395,533	\$ 14,709,223	\$ 14,984,262	\$ 15,160,924	\$ 15,551,201	\$ 15,804,119
Tuition charges	185,540	141,775	122,981	79,036	75,859	82,898	89,332	41,933	74,063	64,647
Rentals									59,322	20,115
Interest earnings	206,205	46,067	31,872	35,066	16,398	20,546	21,439	17,344	23,006	37,569
Miscellaneous	50,126	38,600	59,027	31,665	143,316	70,178	74,100	83,290	34,786	36,698
State sources	2,296,501	1,466,693	1,997,345	1,341,068	1,850,623	2,064,988	1,709,342	2,380,778	2,477,329	2,434,391
Federal sources	233,178	235,657	303,966	272,678	362,732	220,495	234,782	228,111	261,104	322,989
Total revenue	16,028,968	15,316,222	16,173,681	15,559,694	16,844,461	17,168,328	17,113,257	17,912,380	18,480,811	18,720,528
Expenditures										
Instruction										
Regular Instruction	5,997,384	5,923,356	6,051,482	5,829,303	6,029,179	6,016,247	6,400,678	6,677,794	7,362,855	7,430,780
Special education instruction	2,006,035	1,763,739	1,416,349	1,316,295	1,374,594	1,192,575	1,287,902	1,476,705	1,616,671	1,672,170
Other instruction	439,022	455,532	355,228	428,375	425,430	604,161	656,138	581,447	715,636	887,082
School sponsored activities and athletics	95,686	108,913	110,215	118,512	118,992	104,880	105,057	97,790	105,902	148,356
Support Services:										
Student & inst. related services	2,056,543	1,913,930	1,997,002	1,947,200	2,170,553	2,026,530	2,052,579	2,310,018	2,171,504	2,178,046
Health services	163,790	164,721	182,553	185,658	184,952	189,919	201,058	211,825	224,368	240,895
Attendance and Social Work	43,712		30,401	30,667	39,028	42,209	42,719	43,920	47,097	54,502
Educational Media/School Library	182,254	168,976	190,188	189,514	194,020	192,846	189,416	195,696	209,150	203,442
General administration	547,584	547,459	488,858	503,131	551,212	500,403	444,439	497,418	542,610	520,610
School administrative services	537,331	597,059	642,421	628,578	765,190	768,538	696,320	684,287	742,649	764,469
Central services	383,889	444,558	399,903	367,227	375,486	403,355	396,036	431,777	502,489	495,126
Plant operations and maintenance	1,539,633	1,587,864	1,530,743	1,639,030	1,639,452	1,525,271	1,781,527	1,759,060	1,753,262	1,817,071
Pupil transportation	261,897	221,040	177,097	88,786	91,546	123,385	101,794	149,971	174,322	88,178
Capital outlay	2,584,500	684,051	280,379	145,559	1,059,153	443,160	1,016,033	1,465,132	1,013,393	702,057
Debt service:										
Principal	607,000	644,000	660,000	717,000	719,000	769,000	810,814	863,522	936,431	936,166
Interest and other charges	421,540	398,032	372,760	285,590	283,710	241,317	222,989	176,607	166,280	138,441
Cost of Issuance				72,574	18,412			76,543		
Advance Refunding Escrow	-	-	-	163,098	26,588					
Total expenditures	17,867,800	15,623,230	14,885,579	14,656,097	16,066,497	15,143,796	16,405,499	17,699,512	18,284,619	18,277,391
Excess (Deficiency) of revenues over (under) expenditures	(1,838,832)	(307,008)	1,288,102	903,597	777,964	2,024,532	707,758	212,868	196,192	443,137

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing sources (uses)										
Proceeds from Bond				\$ 2,690,000	\$ 586,000			\$ 2,940,000		
Premium on Refunding Bonds				145,672				335,283		
Payment to Refunded Bond Escrow Agent				(2,600,000)	(541,000)			(3,190,972)		
Cost of Issuance from Bond										
Lease Purchase Proceeds							\$ 172,166		\$ 201,600	
Transfers in	\$ 95,581	\$ 6,479	\$ 105,941	247	104,366	\$ 110,951	733,437	629,039	1,048,478	\$ 325,626
Transfers out	(95,581)	(6,479)	(105,941)	(247)	(104,366)	(110,951)	(733,437)	(629,039)	(1,042,066)	(325,626)
Total other financing sources (uses)	-	-	-	235,672	45,000	-	172,166	84,311	208,012	-
Net change in fund balances	<u>\$ (1,838,832)</u>	<u>\$ (307,008)</u>	<u>\$ 1,288,102</u>	<u>\$ 1,139,269</u>	<u>\$ 822,964</u>	<u>\$ 2,024,532</u>	<u>\$ 879,924</u>	<u>\$ 297,179</u>	<u>\$ 404,204</u>	<u>\$ 443,137</u>
Debt service as a percentage of noncapital expenditures	6.73%	6.98%	7.07%	6.91%	6.68%	6.87%	6.72%	6.41%	6.38%	6.11%

* Noncapital expenditures are total expenditures less capital outlay.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
GENERAL FUND										
Interest on Investments	\$ 95,808	\$ 31,983	\$ 29,435	\$ 33,561	\$ 15,791	\$ 19,729	\$ 20,742	\$ 16,715	\$ 16,545	\$ 19,844
Prior Year's Refunds					38,987	2,479				
Rentals					25,725	32,068	38,507	49,626		
Insurance					28,354	8,942	22,864			
E-Rate Reimbursements									29,249	23,570
Miscellaneous	<u>17,855</u>	<u>14,808</u>	<u>53,490</u>	<u>31,106</u>	<u>50,250</u>	<u>24,728</u>	<u>11,122</u>	<u>31,789</u>	<u>4,223</u>	<u>12,020</u>
Total Miscellaneous	<u>113,663</u>	<u>46,791</u>	<u>82,925</u>	<u>64,667</u>	<u>159,107</u>	<u>87,946</u>	<u>93,235</u>	<u>98,130</u>	<u>50,017</u>	<u>55,434</u>
Tuition	185,540	141,775	122,981	79,036	75,859	82,898	89,332	41,933	74,063	64,647
Rentals									59,322	20,115
Interest Earned on Capital Reserve Funds	<u>14,816</u>	<u>7,605</u>	<u>1,646</u>	<u>1,258</u>	<u>607</u>	<u>755</u>	<u>655</u>	<u>590</u>	<u>6,050</u>	<u>16,596</u>
Total General Fund	<u>200,356</u>	<u>149,380</u>	<u>124,627</u>	<u>80,294</u>	<u>76,466</u>	<u>83,653</u>	<u>89,987</u>	<u>42,523</u>	<u>139,435</u>	<u>101,358</u>
Total Other Local Revenue	<u>\$ 314,019</u>	<u>\$ 196,171</u>	<u>\$ 207,552</u>	<u>\$ 144,961</u>	<u>\$ 235,573</u>	<u>\$ 171,599</u>	<u>\$ 183,222</u>	<u>\$ 140,653</u>	<u>\$ 189,452</u>	<u>\$ 156,792</u>

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Source: District's records.

**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.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
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
2015	8,901,700	1,459,382,600	982,900	6,800	93,741,200	100,784,000	-	1,663,799,200	\$ 100,000	1,663,899,200	1,682,120,046	1.441
2016	9,175,800	1,465,156,100	982,900	6,800	93,741,200	99,262,000	-	1,668,324,800	100,000	1,668,424,800	1,701,093,830	1.480
2017	10,303,600	1,474,938,700	968,200	6,800	93,411,200	99,262,000	-	1,678,890,500	100,000	1,678,990,500	1,755,071,494	1.453

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)**

<u>Calendar Year</u>	<u>Total</u>	<u>School District</u> *	<u>Library</u>	<u>Municipality</u>	<u>County</u>
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
2015	2.245	1.441	0.034	0.522	0.248
2016	2.291	1.480	0.033	0.527	0.251
2017	2.288	1.453	0.035	0.537	0.263

* 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)**

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Allendale Plaza	\$ 22,108,000	1.32%	\$ 12,028,600	0.93%
Giancarlo Holdings and Services LLC	21,195,400	1.26%		
LPR Allendale	15,448,000	0.92%		
Pearl Investor	9,948,000	0.59%	6,657,500	0.51%
Allendale Corporate Center LLC	9,056,000	0.54%		
Black Mill Work Co. Inc.	9,000,000	0.54%	6,657,500	0.51%
Allendale Corporate Center LLC	6,590,000	0.39%		
Pearl Investor	5,987,000	0.36%		
Allendale Corporate Center LLC	5,890,000	0.35%		
Allendale Corporate Center LLC	4,952,000	0.29%		
Allendale Nursing Home			15,296,900	1.18%
Riggs & Co.			12,500,000	0.96%
Whitney Lane Corp A NJ Corp			12,068,700	0.93%
Allendale Associates			11,082,100	0.86%
Allendale Associates			7,750,000	0.60%
Allendale Associates			6,579,800	0.51%
Allendale Associates			4,772,700	0.37%
	<u>\$ 110,174,400</u>	<u>6.56%</u>	<u>\$ 95,393,800</u>	<u>7.35%</u>

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	
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
2015	15,160,924	15,160,924	100.00%	N/A
2016	15,551,201	15,551,201	100.00%	N/A
2017	15,804,119	15,804,119	100.00%	N/A

Source: District Records

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

Fiscal Year Ended June 30,	Governmental Activities					Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Lease Purchase Agreements	Grant Anticipation Notes (BANs)			
2008	\$ 9,790,000	N/A	N/A	N/A	\$ 424,576	\$ 10,214,576	6,578	\$ 1,553
2009	9,146,000	N/A	N/A	N/A	424,576	9,570,576	6,609	1,448
2010	8,486,000	N/A	N/A	N/A		8,486,000	6,519	1,302
2011	7,859,000	N/A	N/A	N/A		7,859,000	6,600	1,191
2012	7,185,000	N/A	N/A	N/A		7,185,000	6,652	1,080
2013	6,416,000	N/A	N/A	N/A		6,416,000	6,731	953
2014	5,621,000	N/A	\$ 156,352	N/A		5,777,352	6,779	852
2015	4,713,000	N/A	123,830	N/A		4,836,830	6,822	709
2016	3,862,000	N/A	90,077	\$ 149,922		4,101,999	6,853	599
2017	3,010,000	N/A	55,047	100,786		3,165,833	6,853 *	462

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			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 9,790,000	-	\$ 9,790,000	0.76%	1,488
2009	9,146,000	-	9,146,000	0.70%	1,384
2010	8,486,000	-	8,486,000	0.65%	1,302
2011	7,859,000	-	7,859,000	0.60%	1,191
2012	7,185,000	-	7,185,000	0.47%	1,080
2013	6,416,000	-	6,416,000	0.42%	953
2014	5,621,000	-	5,621,000	0.37%	829
2015	4,713,000	-	4,713,000	0.28%	691
2016	3,862,000	-	3,862,000	0.23%	564
2017	3,010,000	-	3,010,000	0.18%	439 *

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

* Estimate

**ALLENDALE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2016
(Unaudited)**

	<u>Total Net Debt</u>
Municipal Debt: (1)	
Borough of Allendale School District	\$ 3,322,000
Northern Highlands Regional School District	3,421,767
Borough of Allendale	<u>15,194,040</u>
	<u>21,937,807</u>
Overlapping Debt Apportioned to the Municipality:	
County of Bergen (2)	12,204,235
Northwest Utilities Authority (3)	<u>2,275,803</u>
Total Direct and Overlapping Debt	<u>\$ 36,417,845</u>

(1)- Based on 2016 equalized valuations

(2) Based on Usage

Sources:

(1) Borough of Allendale 2016 Annual Debt Statement

(2) County of Bergen 2016 Audit

(3) NBCUA 2015 Audit

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

Legal Debt Margin Calculation for Calendar Year 2016

	Equalized valuation basis
	2016 \$ 1,740,921,215
	2015 1,694,296,538
	2014 <u>1,685,670,025</u>
	<u>\$ 5,120,887,778</u>
Average equalized valuation of taxable property	\$ 1,706,962,593
Debt limit (3 % of average equalization value)	51,208,878
Total Net Debt Applicable to Limit	<u>3,010,000</u>
Legal debt margin	<u>\$ 48,198,878</u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 52,199,045	\$ 55,101,210	\$ 55,384,745	\$ 54,345,472	\$ 52,725,493	\$ 51,210,955	\$ 50,309,282	\$ 49,981,992	\$ 50,281,403	\$ 51,208,878
Total net debt applicable to limit	<u>9,790,000</u>	<u>9,146,000</u>	<u>8,486,000</u>	<u>7,227,000</u>	<u>6,552,000</u>	<u>6,685,000</u>	<u>5,621,000</u>	<u>4,713,000</u>	<u>3,862,000</u>	<u>3,010,000</u>
Legal debt margin	<u>\$ 42,409,045</u>	<u>\$ 45,955,210</u>	<u>\$ 46,898,745</u>	<u>\$ 47,118,472</u>	<u>\$ 46,173,493</u>	<u>\$ 44,525,955</u>	<u>\$ 44,688,282</u>	<u>\$ 45,268,992</u>	<u>\$ 46,419,403</u>	<u>\$ 48,198,878</u>
Total net debt applicable to the limit as a percentage of debt limit	18.76%	16.60%	15.32%	13.30%	12.43%	13.05%	11.17%	9.43%	7.68%	5.88%

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.

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>School District Population</u>
2007	2.40%	\$ 68,147	6,557
2008	4.50%	68,548	6,578
2009	5.60%	64,571	6,609
2010	5.80%	65,275	6,519
2011	5.70%	68,244	6,600
2012	8.10%	71,380	6,652
2013	7.10%	70,498	6,731
2014	5.40%	73,536	6,779
2015	4.30%	75,849	6,822
2016	3.90%	75,849 *	6,853

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

* Estimate

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

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	74	71	71	72	71	71	70	70	70	71
Special education	10	14	14	14	14	14	11	5	9	9
Other special education	15	14	15	15	15	15	13	13	14	14
Support Services:										
Student & instruction related services	5	5	5	5	5	5	5	10	12	12
General administration	6	6	6	6	6	6	6	6	6	6
School administrative services	2	2	2	2	2	2	2	6	6	6
Other administrative services	1	1	1	1	1	1	2	8	8	6
Plant operations and maintenance	10	9	8	8	8	8	9	9	9	9
Total	<u>123</u>	<u>122</u>	<u>122</u>	<u>123</u>	<u>122</u>	<u>122</u>	<u>118</u>	<u>127</u>	<u>134</u>	<u>133</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

<u>Fiscal Year</u>	<u>Enrollment^a</u>	<u>Operating Expenditures^b</u>	<u>Cost Per Pupil^c</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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%
2015	907	15,117,708	16,668	5.08%	79	13:01	11:01	907	874	0.22%	96.36%
2016	904	16,168,515	17,886	12.75%	80	13:01	11:01	903	874	-0.44%	96.79%
2017	909	16,500,727	18,153	8.91%	80	13:01	11:01	905	879	0.22%	97.13%

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.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>Elementary</u>										
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	386	326	322	322	391	354	379	357	356	356
<u>Middle School</u>										
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	605	628	623	623	534	559	526	550	548	553

Number of Schools at June 30, 2017

Elementary = 1

Middle School = 1

Source: District Records

**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

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
School Facilities	Project #										
Brookside Avenue Elem.	N/A	\$ 253,262	\$ 246,981	\$ 140,831	\$ 194,614	\$ 271,227	\$ 247,961	\$ 229,355	\$ 274,488	\$ 255,327	\$ 269,650
Hillside Avenue Elem.	N/A	<u>100,785</u>	<u>101,051</u>	<u>87,807</u>	<u>123,275</u>	<u>185,227</u>	<u>160,856</u>	<u>107,744</u>	<u>138,058</u>	<u>125,758</u>	<u>135,625</u>
Grand Total		<u>\$ 354,047</u>	<u>\$ 348,032</u>	<u>\$ 228,638</u>	<u>\$ 317,889</u>	<u>\$ 456,454</u>	<u>\$ 408,817</u>	<u>\$ 337,099</u>	<u>\$ 412,546</u>	<u>\$ 381,085</u>	<u>\$ 405,275</u>

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Source: School District Financial Statements

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2017
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Blanket Building and Contents,	\$ 33,757,231	\$ 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



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
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DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
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**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, 2017 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 November 14, 2017.

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.

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.

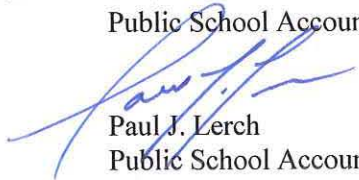
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Allendale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 14, 2017.

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
November 14, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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**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 15-08**

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 15-08 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, 2017. 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 state statutes, regulations, and the terms and conditions of its state financial assistance 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 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and New Jersey Circular 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.

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, 2017.

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 the New Jersey OMB Circular 15-08, 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.

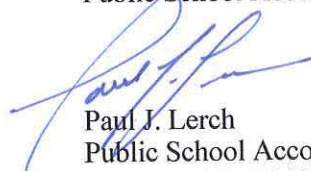
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

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, 2017 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 November 14, 2017, 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 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch
Public School Accountant
PSA Number CS001118

Fair Lawn, New Jersey
November 14, 2017

**ALLENDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant or State Number	Grant Period	Award Amount	Balance, July 1, 2016			Carryover		Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2017			MEMO GAAP Receivable			
						Accounts Receivable	Unearned Revenue	Due to Grantor	Accounts Receivable	Deferred Revenue				Accounts Receivable	Unearned Revenue	Due to Grantor				
U.S. Department of Education																				
Passed-Through State Dept. of Education																				
<i>Special Revenue Fund</i>																				
I.D.E.I.A. Part B, Basic Regular	84.027	H027A160100	IDEA0040-17	7/1/16-6/30/17	\$ 170,066						\$ 149,025	\$ 170,066		\$ (21,041)			* \$ (21,041)			
I.D.E.I.A. Part B, Preschool	84.173	H173A160114	IDEA0040-17	7/1/16-6/30/17	7,854							-		(7,854)	\$ 7,854		* -			
Total Special Education Cluster (IDEA)												<u>170,066</u>								* -
Title I, Part A	84.010	S010A160030	NCLB0040-17	7/1/16-6/30/17	22,285				\$ (20,163)	\$ 20,163	24,493	32,502		(17,955)	9,946		* (8,009)			
Title I, Part A	84.010	S010A150030	NCLB0040-16	7/1/15-6/30/16	23,155	\$ (23,155)	\$ 20,163		20,163	(20,163)	2,992						* -			
Title II, Part A	84.367A	S367A160029	NCLB0040-17	7/1/16-6/30/17	11,257						6,438	10,686		(4,819)	571		* (4,248)			
Title II, Part A	84.367A	S367A150029	NCLB0040-16	7/1/15-6/30/16	12,195	(3,690)					3,690						* -			
Title III, Part A	84.365	S365A160030	NCLB0040-17	7/1/16-6/30/17	80,743				(55,401)	55,401	16,487	113,765		(119,637)	22,379		* (97,278)			
Title III, Part A	84.365	S365A150030	NCLB0040-16	7/1/15-6/30/16	84,278	(98,083)	55,401		55,401	(55,401)	42,682						* -			
Total U.S. Department of Education						<u>(124,928)</u>	<u>75,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,807</u>	<u>327,019</u>	<u>-</u>	<u>(171,326)</u>	<u>40,750</u>	<u>-</u>	* <u>(130,576)</u>			
Total Federal Awards						<u>\$ (124,928)</u>	<u>\$ 75,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,807</u>	<u>\$ 327,019</u>	<u>\$ -</u>	<u>\$ (171,326)</u>	<u>\$ 40,750</u>	<u>\$ -</u>	* <u>\$ (130,576)</u>			

Note: This schedule was not subject to a Federal Single Audit in accordance with U.S. Uniform Guidance.

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

**ALLENDALE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2017			MEMO	
				Receivable/Deferred Revenue	Due to Grantor	Carryover Amount				Accounts Receivable	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Expenditures
State Department of Education														
<i>General Fund</i>														
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 300,801				\$ 278,029	\$ 300,801		\$ (22,772)			*	\$ 300,801
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	301,541	\$ (22,943)			22,945						*	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	14,669				13,558	14,669		(1,111)			*	14,669
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	12,706	(967)			967						*	
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	1				1	1					*	1
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	8,485				7,843	8,485		(642)			*	8,485
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	8,485	(646)			646						*	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	8,485				7,843	8,485		(642)			*	8,485
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	8,485	(646)			646						*	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	8,880				8,208	8,880		(672)			*	8,880
Total State Aid-Public Cluster								341,321					*	341,321
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	4,875				4,505	4,875		(370)			*	4,875
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	4,330	(329)			329						*	
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	198,468					198,468		(198,468)			*	198,468
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	131,361	(131,361)			131,361						*	
TPAF Pension Benefit Contributions	17-495-034-5094-002	7/1/16-6/30/17	689,857				689,857	689,857					*	689,857
TPAF Pension - NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	24,995				24,995	24,995					*	24,995
TPAF Post Retirement Medical Contributions	17-495-034-5094-001	7/1/16-6/30/17	595,634				595,634	595,634					*	595,634
TPAF Long-Term Disability Insurance Contributions	17-495-034-5094-004	7/1/16-6/30/17	1,166				1,166	1,166					*	1,166
Reimbursed TPAF Social Security	17-495-034-5094-003	7/1/16-6/30/17	486,596				486,596	486,596					*	486,596
Total General Fund				(156,894)	-	-	2,275,129	2,342,912	-	(224,677)	-	-	*	2,342,912
State of New Jersey Schools Development Authority:														
<i>Capital Projects</i>														
Brookside Replace Unit Ventilators w/New AC	#0040-010-14-G1CE	N/A	126,597	(72,715)			76,613	3,898					*	3,898
Brookside Replace Unit Ventilators w/New Rooftop HVAC Unit	#0040-010-14-G1CD	N/A	66,000	(64,960)			66,000	1,040					*	1,040
Hillside Replace Unit Ventilators w/New HVAC Media Center	#040-020-14-G1CJ	N/A	60,000	(49,200)			54,361	5,161					*	5,161
Hillside Replace Unit Ventilators w/New HVAC Classroom #17-19	#0040-020-14-G1CG	N/A	96,000	(42,920)			48,110	5,190					*	5,190
Brookside Partial Roof Replacement	#0040-010-14-G1CB	N/A	135,000	(109,970)			111,533	1,563					*	1,563
Brookside New Security Vestibule Entrance	#0040-010-14-G1CA	N/A	50,000	(47,383)			50,000	2,617					*	2,617
Brookside East Courtyard Site Drainage Upgrade	#0040-010-14-G1CC	N/A	38,500	1,035				1,035					*	1,035
Hillside Partial Roof Replacement	#0040-020-14-G1CF	N/A	50,000	(37,823)			38,744	921					*	921
Hillside New Security Vestibule Entrance	#0040-020-14-G1CL	N/A	12,500	(12,500)			12,500						*	
Hillside Replace Unit Ventilators w/New HVAC Classroom #12-13, 23, 26-32	#0040-020-14-G1CI	N/A	177,120	(128,449)			139,410	10,961		(37,710)	\$ 37,710		* \$	(37,710) 10,961
Hillside Replace Unit Ventilators w/New AC Classroom #14-16, 20-22	#0040-020-14-G1CH	N/A	177,120	(69,200)			80,096	10,896		(97,024)	97,024		*	(97,024) 10,896
Total SDA Cluster/Capital Projects Fund				(634,085)	-	-	677,367	43,282	-	(134,734)	134,734	-	*	(134,734) 43,282
<i>Debt Service Fund</i>														
Debt Service Aid Type II	17-495-034-5120-017	7/1/16-6/30/17	115,980				115,980	115,980					*	115,980
Total State Financial Assistance Subject to Single Audit Determination				\$ (790,979)	\$ -	\$ -	\$ 3,068,476	2,502,174	\$ -	\$ (359,411)	\$ 134,734	\$ -	*	\$ (134,734) \$ 2,502,174
State Financial Assistance														
Not Subject to Major Program Determination														
<i>General Fund</i>														
TPAF Pension Benefit Contributions								(689,857)						
TPAF Pension - NCGI Premium								(24,995)						
TPAF Post Retirement Medical Contributions								(595,634)						
TPAF Long-Term Disability Insurance Contributions								(1,166)						
								(1,311,652)						
Total State Financial Assistance Subject to Major Program Determination								\$ 1,190,522						

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, 2017**

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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "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 \$67,783 for the general fund and a decrease of \$4,030 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,275,129	\$ 2,275,129
Special Revenue Fund	\$ 322,989		322,989
Capital Projects Fund		43,282	43,282
Debt Service Fund	-	115,980	115,980
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	\$ 322,989	\$ 2,434,391	\$ 2,757,380

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$486,596 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$714,852, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$595,634 and TPAF Long-Term Disability Insurance in the amount of \$1,166 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued: Unmodified

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

Noncompliance material to basic financial statements noted? _____ yes X none reported

Federal Awards Section - Not Applicable

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

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance? _____ yes _____ none reported

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____
_____	_____

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Part I – Summary of Auditor’s Results

State Awards Section

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? yes X none reported

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

Auditee qualified as low-risk auditee? X yes no

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**ALLENDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017

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

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

CURRENT YEAR FEDERAL AWARDS

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, 2017

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. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

THERE WERE NONE.