

ALLENDALE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Allendale, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Allendale Board of Education

Allendale, New Jersey

For The Fiscal Year Ended June 30, 2020

Prepared by

Business Office

**ALLENDALE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-iv
Organizational Chart	v
Roster of Officials	vi
Consultants and Advisors	vii

FINANCIAL SECTION

Independent Auditors' Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	4-16
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1	Statement of Net Assets	17
A-2	Statement of Activities	18

B. Fund Financial Statements

Governmental Funds

B-1	Balance Sheet	19-20
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	21
B-3	Illustrative Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	22

Proprietary Funds

B-4	Statement of Net Position	23
B-5	Statement of Revenues, Expenses, and Changes in Net Position	24
B-6	Statement of Cash Flows	25

Fiduciary Funds

B-7	Statement of Fiduciary Net Position	26
B-8	Statement of Changes in Fiduciary Net Position	27

Notes to the Financial Statements	28-69
--	--------------

**ALLENDALE BOARD OF EDUCATION
TABLE OF CONTENTS**

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	70-76
C-2 Budgetary Comparison Schedule – Special Revenue Fund	77
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	78
REQUIRED SUPPLEMENTARY INFORMATION - PART III	
L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	79
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	80
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	81
L-4 Notes to Required Supplementary Information	82
L-5 Required Supplementary Information – Schedule of District’s Proportionate Share of Total OPEB Liability	83
L-6 Notes to Required Supplementary Information – OPEB Liability	84
OTHER SUPPLEMENTARY INFORMATION	
D. School Level Schedules – Not Applicable	
E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	85
E-2 Schedule of Preschool Aid Expenditures – Special Revenue Fund Budgetary Basis – Not Applicable	86
F. Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures – Not Applicable	87
F-2 Summary Schedule of Project Expenditures and Changes in Fund Balance - Budgetary Basis	87
G. Enterprise Funds	
G-1 Statement of Net Position – Not Applicable	88
G-2 Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	88
G-3 Statement of Cash Flows – Not Applicable	88

**ALLENDALE BOARD OF EDUCATION
TABLE OF CONTENTS**

		<u>Page</u>
H.	Fiduciary Funds	
	H-1 Combining Statement of Assets and Liabilities	89
	H-2 Combining Statement of Changes in Net Position – Not Applicable	89
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	90
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	90
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	91
	I-2 Debt Service Fund Budgetary Comparison Schedule	92
J.	STATISTICAL SECTION (Unaudited)	
	J-1 Net Position by Component	93
	J-2 Changes in Net Position	94-95
	J-3 Fund Balances – Governmental Funds	96
	J-4 Changes in Fund Balances - Governmental Funds	97-98
	J-5 General Fund - Other Local Revenue by Source	99
	J-6 Assessed Value and Actual Value of Taxable Property	100
	J-7 Property Tax Rates	101
	J-8 Principal Property Taxpayers	102
	J-9 Property Tax Levies and Collections	103
	J-10 Ratios of Outstanding Debt by Type	104
	J-11 Ratios of Net General Bonded Debt Outstanding	105
	J-12 Computation of Direct and Overlapping Outstanding Bonded Debt	106
	J-13 Legal Debt Margin Information	107
	J-14 Demographic Statistics	108
	J-15 Principal Employers	109
	J-16 Full-Time Equivalent District Employees by Function/Program	110
	J-17 Operating Statistics	111
	J-18 School Building Information	112
	J-19 Schedule of Required Maintenance for School Facilities	113
	J-20 Schedule of Insurance	114

**ALLENDALE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

K.

SINGLE AUDIT SECTION

K-1	Report on Compliance and on Internal Control Over Financial Reporting And on Compliance Based on an Audit of Financial Statements Performed in	115-116
K-2	Report on Compliance with Requirements 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	117-119
K-3	Schedule of Expenditures of Federal Awards	120
K-4	Schedule of Expenditures of State Financial Assistance	121
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	122-123
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	124-125
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	126
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	127
K-8	Summary Schedule of Prior Year Audit Findings and Questioned Costs	128

INTRODUCTORY SECTION

Allendale Board of Education

100 Brookside Avenue
Allendale, New Jersey 07401
Phone 201-327-2020
Fax 201-825-6553

January 21, 2021

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, 2020, 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 2,160.4 persons per square mile, based upon the Borough's July 1, 2018 estimated population of 6762 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 2019-2020 fiscal year with an average daily enrollment of 887 students. 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>
2019-2020	872	(.01%)
2018-2019	881	(3.3%)
2017-2018	911	.22%
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%

3. **ECONOMIC CONDITION AND OUTLOOK:** The Borough of Allendale is managing within the confines of the region's economy. While the County of Bergen median household income is \$100,361 (2018), the northwestern section of the County, in which Allendale is located, continues to have one of the highest median household 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.

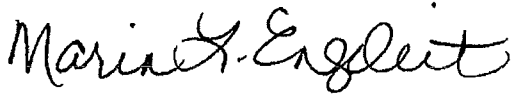
9. RISK MANAGEMENT: The Board carries various forms of insurance including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

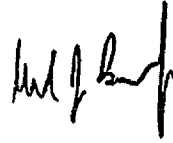
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by Board. In addition to meeting the requirements set forth in state statutes, the audit also was 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

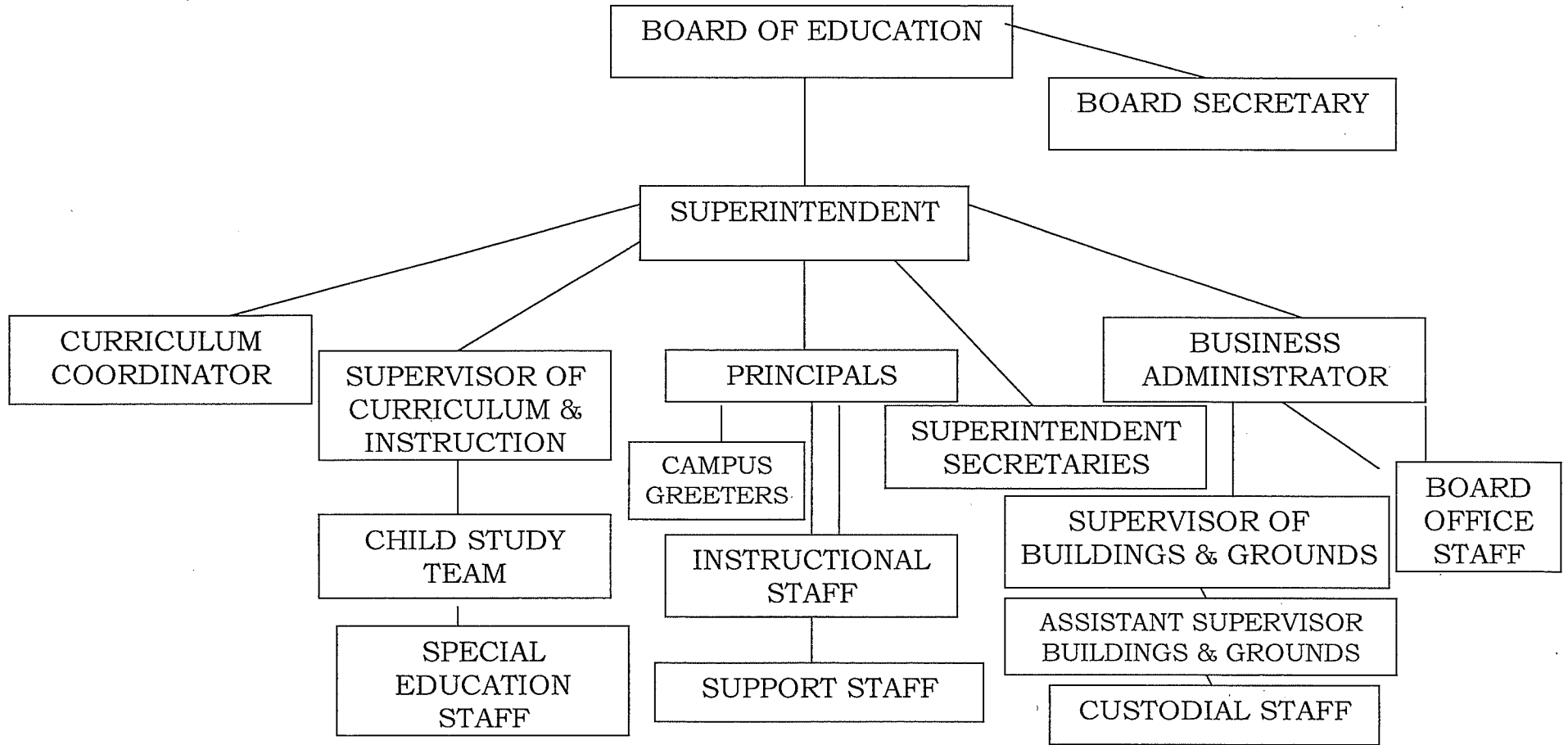


Michael Barcadepone, Ed.D.
Superintendent

BOROUGH OF ALLENDALE BOARD OF EDUCATION

Organization Chart

(Unit Control)



ALLENDALE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2020

Members of the Board of Education

Term Expires

Natalie Capano, President	2021
Amy Gundersen, Vice President	2022
Todd Fliegel, President	2020
Kimberly Rosner	2022
Dr. Andrew Prince	2021

Other Officials

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

ALLENDALE BOARD OF EDUCATION

Consultants & Advisors

June 30, 2020

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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Allendale Board of Education, as of and for the fiscal year ended June 30, 2020 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, 2020, 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, pension information and other postemployment benefits 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.

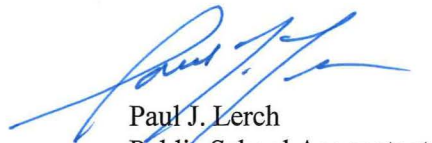
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 27, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
January 27, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

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, 2020. 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 2019/2020 year are as follows:

- **District-Wide Statements** - General revenues accounted for \$16,361,550 or 78 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$4,713,304 or 22 percent of total revenues of \$21,074,854.
- **District-Wide Statements** - The School District had \$19,694,083 in expenses; only \$4,713,304 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$16,361,550 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 \$10,994,981 an increase of \$334,378 in comparison with the prior year.
- **Fund Financials** - At the end of June 30, 2020, unassigned fund balance (budgetary basis) for the General Fund was \$524,168 a decrease of \$27,074.

**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 2020 and 2019. For 2020 and 2019 net position were \$19,127,581 and \$17,746,810, 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, 2020 and 2019**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and Other Assets	\$ 11,095,657	\$ 10,851,706	\$ 53,246	\$ 68,057	\$ 11,148,903	\$ 10,919,763
Capital Assets	<u>15,195,412</u>	<u>14,519,313</u>	<u>69,116</u>	<u>69,483</u>	<u>15,264,528</u>	<u>14,588,796</u>
Total Assets	<u>26,291,069</u>	<u>25,371,019</u>	<u>122,362</u>	<u>137,540</u>	<u>26,413,431</u>	<u>25,508,559</u>
Deferred Outflows of Resources	<u>762,738</u>	<u>1,124,866</u>	<u>-</u>	<u>-</u>	<u>762,738</u>	<u>1,124,866</u>
Total Assets and Deferred Outflows of Resources	<u>27,053,807</u>	<u>26,495,885</u>	<u>122,362</u>	<u>137,540</u>	<u>27,176,169</u>	<u>26,633,425</u>
Liabilities						
Current Liabilities	123,609	216,983	18,002	18,224	141,611	235,207
Noncurrent Liabilities	<u>6,427,916</u>	<u>7,092,205</u>	<u>-</u>	<u>-</u>	<u>6,427,916</u>	<u>7,092,205</u>
Total Liabilities	<u>6,551,525</u>	<u>7,309,188</u>	<u>18,002</u>	<u>18,224</u>	<u>6,569,527</u>	<u>7,327,412</u>
Deferred Inflows of Resources	<u>1,479,061</u>	<u>1,559,203</u>	<u>-</u>	<u>-</u>	<u>1,479,061</u>	<u>1,559,203</u>
Total Liabilities and Deferred Inflows of Resources	<u>8,030,586</u>	<u>8,868,391</u>	<u>18,002</u>	<u>18,224</u>	<u>8,048,588</u>	<u>8,886,615</u>
Net Position:						
Net Investment in Capital Assets	13,247,312	12,285,172	69,116	69,483	13,316,428	12,354,655
Restricted	7,509,369	7,179,529			7,509,369	7,179,529
Unrestricted	<u>(1,733,460)</u>	<u>(1,837,207)</u>	<u>35,244</u>	<u>49,833</u>	<u>(1,698,216)</u>	<u>(1,787,374)</u>
Total Net Position	<u>\$ 19,023,221</u>	<u>\$ 17,627,494</u>	<u>\$ 104,360</u>	<u>\$ 119,316</u>	<u>\$ 19,127,581</u>	<u>\$ 17,746,810</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 \$1,395,727.

Table A-2 shows the changes in net position for fiscal years ended June 30, 2020 and 2019.

**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, 2020 and 2019**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues						
Charges for Services	\$ 139,654	\$ 124,754	\$ 195,353	\$ 298,389	\$ 335,007	\$ 423,143
Operating Grants and Contributions	4,378,297	4,910,220			4,378,297	4,910,220
General Revenues						
Property Taxes, Levied for:						
General Purposes	15,794,474	15,484,778			15,794,474	15,484,778
Debt Service	301,242	302,861			301,242	302,861
State Aid Restricted for Debt Service	119,672	119,808			119,672	119,808
Miscellaneous	145,587	179,029	575	664	146,162	179,693
Total Revenues	<u>20,878,926</u>	<u>21,121,450</u>	<u>195,928</u>	<u>299,053</u>	<u>21,074,854</u>	<u>21,420,503</u>
Expenses						
Instruction						
Regular	9,161,676	9,574,462			9,161,676	9,574,462
Special Education	1,939,065	1,828,433			1,939,065	1,828,433
Other Instruction	867,568	875,939			867,568	875,939
School Sponsored Activities and Ath.	159,680	174,093			159,680	174,093
Support Services						
Student and Instruction Related Serv.	2,862,051	2,906,786			2,862,051	2,906,786
Health Services	230,067	304,118			230,067	304,118
Attendance and Social Work	66,836	69,468			66,836	69,468
Educational Media/School Library	257,876	196,848			257,876	196,848
General Administrative Services	682,807	659,537			682,807	659,537
School Administrative Services	949,715	1,020,584			949,715	1,020,584
Plant Operations and Maintenance	1,651,423	1,756,771			1,651,423	1,756,771
Pupil Transportation	139,251	140,392			139,251	140,392
Central Services	422,990	493,056			422,990	493,056
Interest on Long-Term Debt	92,194	103,189			92,194	103,189
Food Services	-	-	210,884	291,163	210,884	291,163
Total Expenses	<u>19,483,199</u>	<u>20,103,676</u>	<u>210,884</u>	<u>291,163</u>	<u>19,694,083</u>	<u>20,394,839</u>
Change in Net Position	1,395,727	1,017,774	(14,956)	7,890	1,380,771	1,025,664
Net Position, Beginning of Year	<u>17,627,494</u>	<u>16,609,720</u>	<u>119,316</u>	<u>111,426</u>	<u>17,746,810</u>	<u>16,721,146</u>
Net Position, End of Year	<u>\$ 19,023,221</u>	<u>\$ 17,627,494</u>	<u>\$ 104,360</u>	<u>\$ 119,316</u>	<u>\$ 19,127,581</u>	<u>\$ 17,746,810</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 \$20,878,926. The local share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$16,360,975 or 78% of total revenues. Funding from state and federal sources amounted to \$4,378,297 or 21%. Charges for services amounted to \$139,654 or 1% (see Table A-2).

The District’s total governmental expenses were \$19,483,199 which are predominantly related to instruction and support services. Instruction totaled \$12,127,989 (62%), student support services totaled \$7,263,016 (37%) and interest on long-term debt total \$92,194 (1%) of total expenditures. (See Table A-2.)

Table A-2 Revenues by Source- Governmental Activities
For Fiscal Year 2020

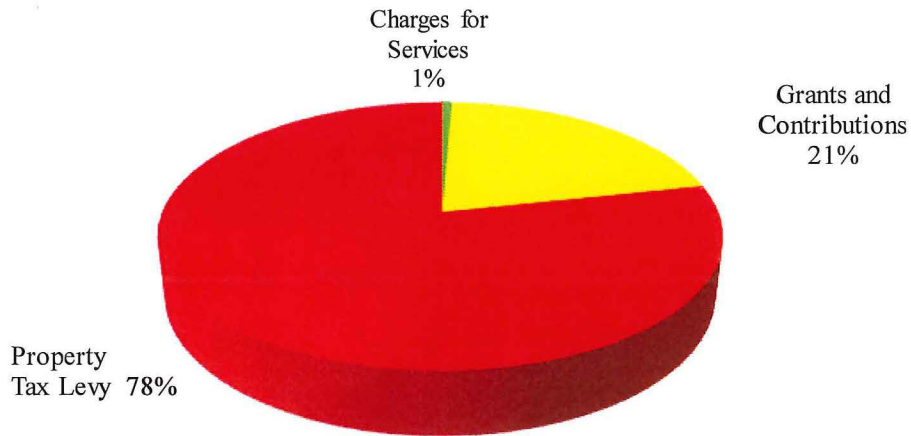
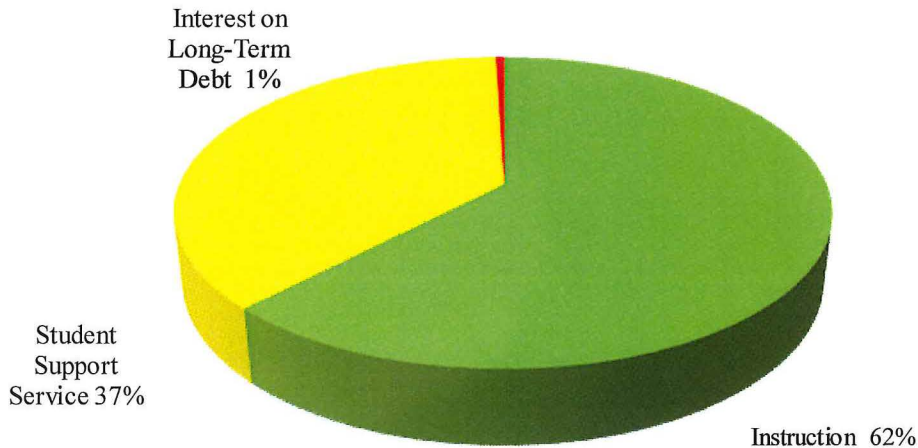


Table A-2 Expenditures by Type- Governmental Activities
For Fiscal Year 2020



**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, 2020 and 2019**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost (Revenue) of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Governmental Activities				
Instruction				
Regular	\$ 9,161,676	\$ 9,574,462	\$ 7,118,354	\$ 7,197,163
Special Education	1,939,065	1,828,433	835,873	773,681
Other Instruction	867,568	875,939	673,882	651,427
School Sponsored Activities and Athletics	159,680	174,093	126,609	132,901
Support Services				
Student and Instruction Related Services	2,862,051	2,906,786	2,264,638	2,266,130
Health Services	230,067	304,118	181,246	228,584
Attendance and Social Work	66,836	69,468	51,865	51,509
Educational Media/School Library	257,876	196,848	202,188	151,993
General Administrative Services	682,807	659,537	572,955	534,878
School Administrative Services	949,715	1,020,584	739,318	767,627
Plant Operations and Maintenance	1,651,423	1,756,771	1,563,359	1,611,808
Pupil Transportation	139,251	140,392	117,026	118,978
Central Services	422,990	493,056	425,741	478,834
Interest on Long-Term Debt	92,194	103,189	92,194	103,189
Total Governmental Activities	<u>\$ 19,483,199</u>	<u>\$ 20,103,676</u>	<u>\$ 14,965,248</u>	<u>\$ 15,068,702</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2020 was \$210,884. 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 \$14,956.

**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 \$10,994,981. In 2018-2019 the fund balance was \$10,660,603.

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 \$20,013,134 and expenditures were \$19,678,756.

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, 2020 and 2019.

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>	Amount of Increase <u>(Decrease)</u>	Percent <u>Change</u>
Local Sources	\$ 16,382,068	\$ 16,096,815	\$ 285,253	1.8%
State Sources	3,511,394	3,244,962	266,432	8.2%
Federal Sources	<u>119,672</u>	<u>205,303</u>	<u>(85,631)</u>	-41.7%
 Total Revenues	 <u>\$ 20,013,134</u>	 <u>\$ 19,547,080</u>	 <u>\$ 466,054</u>	 2.4%

**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, 2020 and 2019.

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 11,157,611	\$ 10,978,392	\$ 179,219	1.6%
Undistributed	6,799,755	6,820,490	(20,735)	-0.3%
Capital Outlay	1,274,208	919,970	354,238	38.5%
Debt Service	<u>447,182</u>	<u>517,663</u>	<u>(70,481)</u>	-13.6%
 Total Expenditures	 <u>\$ 19,678,756</u>	 <u>\$ 19,236,515</u>	 <u>\$ 442,241</u>	 2.3%

The significant fluctuation between June 30, 2019 and June 30, 2020 expenditures is attributable to the increase in capital outlay expenditures and increase in instruction and undistributed 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, 2020 and 2019 amounts to \$15,264,528 and \$14,588,796 (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, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Construction in Progress	\$ 33,570	\$ 46,000			\$ 33,570	46,000
Land Improvements	229,589	176,495			229,589	176,495
Building & Bldg. Improvements	23,931,582	22,767,675			23,931,582	22,767,675
Furniture, Equipment & Vehicles	<u>1,716,071</u>	<u>1,646,434</u>	<u>\$ 219,480</u>	<u>\$ 203,980</u>	<u>1,935,551</u>	<u>1,850,414</u>
Total	25,910,812	24,636,604	219,480	203,980	26,130,292	24,840,584
Less: Accumulated Depreciation	<u>10,715,400</u>	<u>10,117,291</u>	<u>150,364</u>	<u>134,497</u>	<u>10,865,764</u>	<u>10,251,788</u>
Total	<u>\$ 15,195,412</u>	<u>\$ 14,519,313</u>	<u>\$ 69,116</u>	<u>\$ 69,483</u>	<u>\$ 15,264,528</u>	<u>\$ 14,588,796</u>

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, 2020 and 2019 the school district had long-term debt and outstanding long-term liabilities in the amount of \$6,427,916 and \$7,092,205, 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, 2020</u>	As of <u>June 30, 2019</u>
Serial Bonds (Net of Original Issue Premium)	\$ 2,143,645	\$ 2,514,605
Compensated Absences Payable	392,341	398,447
Net Pension Liability	<u>3,891,930</u>	<u>4,179,153</u>
Total	<u>\$ 6,427,916</u>	<u>\$ 7,092,205</u>

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 2020-2021 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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 9,784,663	\$ 47,915	\$ 9,832,578
Receivables, Net	1,305,752		1,305,752
Inventory		5,331	5,331
Due From Other Funds	5,242		5,242
Capital Assets, Not Being Depreciated	33,570		33,570
Capital Assets, Being Depreciated, Net	<u>15,161,842</u>	<u>69,116</u>	<u>15,230,958</u>
 Total Assets	 <u>26,291,069</u>	 <u>122,362</u>	 <u>26,413,431</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	58,545		58,545
Deferred Amounts on Net Pension Liability	<u>704,193</u>	<u>-</u>	<u>704,193</u>
 Total Deferred Outflows of Resources	 <u>762,738</u>	 <u>-</u>	 <u>762,738</u>
 Total Assets and Deferred Outflows of Resources	 <u>27,053,807</u>	 <u>122,362</u>	 <u>27,176,169</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	86,340		86,340
Unearned Revenue	14,336	18,002	32,338
Accrued Interest Payable	22,933		22,933
Noncurrent Liabilities			
Due Within One Year	402,000		402,000
Due Beyond One Year	<u>6,025,916</u>	<u>-</u>	<u>6,025,916</u>
 Total Liabilities	 <u>6,551,525</u>	 <u>18,002</u>	 <u>6,569,527</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,479,061</u>	<u>-</u>	<u>1,479,061</u>
 Total Deferred Inflows of Resources	 <u>1,479,061</u>	 <u>-</u>	 <u>1,479,061</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>8,030,586</u>	 <u>18,002</u>	 <u>8,048,588</u>
NET POSITION			
Net Investment in Capital Assets	13,247,312	69,116	13,316,428
Restricted for			
Capital Projects	6,663,450		6,663,450
Debt Service	9,083		9,083
Other Purposes	836,836		836,836
Unrestricted	<u>(1,733,460)</u>	<u>35,244</u>	<u>(1,698,216)</u>
 Total Net Position	 <u>\$ 19,023,221</u>	 <u>\$ 104,360</u>	 <u>\$ 19,127,581</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, 2020

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	\$ 9,161,676	\$ 114,560	\$ 1,928,762		\$ (7,118,354)		\$ (7,118,354)
Special Education	1,939,065		1,103,192		(835,873)		(835,873)
Other Instruction	867,568		193,686		(673,882)		(673,882)
School Sponsored Activities and Athletics	159,680		33,071		(126,609)		(126,609)
Support Services							
Student and Instruction Related Services	2,862,051		597,413		(2,264,638)		(2,264,638)
Health Services	230,067		48,821		(181,246)		(181,246)
Attendance and Social Workers	66,836		14,971		(51,865)		(51,865)
Educational Media	257,876		55,688		(202,188)		(202,188)
General Administrative Services	682,807		109,852		(572,955)		(572,955)
School Administrative Services	949,715		210,397		(739,318)		(739,318)
Plant Operations and Maintenance	1,651,423	25,094	62,970		(1,563,359)		(1,563,359)
Pupil Transportation	139,251		22,225		(117,026)		(117,026)
Central Services	422,990		(2,751)		(425,741)		(425,741)
Interest on Debt	92,194	-	-	-	(92,194)	-	(92,194)
Total Governmental Activities	19,483,199	139,654	4,378,297	-	(14,965,248)	-	(14,965,248)
Business-Type Activities							
Food Service	210,884	195,353	-	-	-	\$ (15,531)	(15,531)
Total Business-Type Activities	210,884	195,353	-	-	-	(15,531)	(15,531)
Total Primary Government	\$ 19,694,083	\$ 335,007	\$ 4,378,297	\$ -	(14,965,248)	(15,531)	(14,980,779)
General Revenues and Other Items							
Property Taxes, Levied for General Purposes					15,794,474		15,794,474
Property Taxes Levied for Debt Service					301,242		301,242
State Aid Restricted for Debt Service					119,672		119,672
Miscellaneous Income					145,587	575	146,162
Total General Revenues					16,360,975	575	16,361,550
Change in Net Position					1,395,727	(14,956)	1,380,771
Net Position, Beginning of Year					17,627,494	119,316	17,746,810
Net Position, End of Year					\$ 19,023,221	\$ 104,360	\$ 19,127,581

FUND FINANCIAL STATEMENTS

**ALLENDALE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

	<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	\$ 9,529,414		\$ 255,249		\$ 9,784,663
Due from Other Funds	254,189			\$ 9,083	263,272
Receivables from Other Governments	<u>1,288,635</u>	<u>\$ 17,117</u>	<u>-</u>	<u>-</u>	<u>1,305,752</u>
 Total Assets	 <u>\$ 11,072,238</u>	 <u>\$ 17,117</u>	 <u>\$ 255,249</u>	 <u>\$ 9,083</u>	 <u>\$ 11,353,687</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 86,340				\$ 86,340
Due to Other Funds		\$ 2,781	\$ 255,249		258,030
Unearned Revenue	<u>-</u>	<u>14,336</u>	<u>-</u>	<u>-</u>	<u>14,336</u>
 Total Liabilities	 <u>86,340</u>	 <u>17,117</u>	 <u>255,249</u>	 <u>-</u>	 <u>358,706</u>
Fund Balance					
Restricted:					
Excess Surplus	1,508,593				1,508,593
Excess Surplus - Designated for Subsequent Year's Expenditures	1,507,587				1,507,587
Maintenance Reserve	711,836				711,836
Maintenance Reserve - Designated for Subsequent Year's Expenditures	125,000				125,000
Capital Reserve	6,103,450				6,103,450
Capital Reserve - Designated for Subsequent Year's Expenditures	560,000				560,000
Emergency Reserve	130,000				130,000
Debt Service				\$ 9,083	9,083
Assigned:					
Year-end Encumbrances	63,272				63,272
Unassigned	<u>276,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,160</u>
 Total Fund Balances	 <u>10,985,898</u>	 <u>-</u>	 <u>-</u>	 <u>9,083</u>	 <u>10,994,981</u>
 Total Liabilities and Fund Balances	 <u>\$ 11,072,238</u>	 <u>\$ 17,117</u>	 <u>\$ 255,249</u>	 <u>\$ 9,083</u>	 <u>\$ 11,353,687</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, 2020**

EXHIBIT B-1

Total Fund Balances (Exhibit B-1) **\$ 10,994,981**

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 \$25,910,812 and the accumulated depreciation is \$10,715,400. 15,195,412

The District has financed capital assets through the issuance of Serial Bonds. The interest accrual at year end is: (22,933)

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. 58,545

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	\$ 704,193	
Deferred Inflows of Resources	<u>(1,479,061)</u>	
		(774,868)

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	2,032,000	
Add: Unamortized Premium	111,645	
Compensated Absences Payable	392,341	
Net Pension Liability	<u>3,891,930</u>	
		<u>(6,427,916)</u>

Net position of governmental activities (Exhibit A-1) **\$ 19,023,221**

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, 2020**

	<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	\$ 15,794,474			\$ 301,242	\$ 16,095,716
Tuition Charges	114,560				114,560
Rentals	25,094				25,094
Interest Earned	109,143		\$ 3,682		112,825
Miscellaneous	<u>32,762</u>	<u>\$ 1,111</u>	<u>-</u>	<u>-</u>	<u>33,873</u>
Total - Local Sources	<u>16,076,033</u>	<u>1,111</u>	<u>3,682</u>	<u>301,242</u>	<u>16,382,068</u>
State Sources	3,288,503			119,672	3,408,175
Federal Sources	<u>-</u>	<u>222,891</u>	<u>-</u>	<u>-</u>	<u>222,891</u>
Total Revenues	<u>19,364,536</u>	<u>224,002</u>	<u>3,682</u>	<u>420,914</u>	<u>20,013,134</u>
EXPENDITURES					
Instruction					
Regular	8,364,298	16,984			8,381,282
Special Education	1,663,600	178,045			1,841,645
Other Instruction	788,504				788,504
School Sponsored Activities and Athletics	146,180				146,180
Support Services					
Student and Instruction Related Services	2,601,040	28,973			2,630,013
Health Services	210,138				210,138
Attendance and Social Work	60,724				60,724
Educational Media/School Library	235,144				235,144
General Administrative Services	637,966				637,966
School Administrative Services	863,830				863,830
Plant Operations and Maintenance	1,614,000				1,614,000
Pupil Transportation	139,251				139,251
Central Services	408,689				408,689
Debt Service					
Principal				336,000	336,000
Interest and Other Charges	23,293			87,889	111,182
Capital Outlay	<u>1,274,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,274,208</u>
Total Expenditures	<u>19,030,865</u>	<u>224,002</u>	<u>-</u>	<u>423,889</u>	<u>19,678,756</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>333,671</u>	<u>-</u>	<u>3,682</u>	<u>(2,975)</u>	<u>334,378</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-			3,682	3,682
Transfers Out	<u>-</u>	<u>-</u>	<u>(3,682)</u>	<u>-</u>	<u>(3,682)</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(3,682)</u>	<u>3,682</u>	<u>-</u>
Net Change in Fund Balances	333,671	-	-	707	334,378
Fund Balance, Beginning of Year	<u>10,652,227</u>	<u>-</u>	<u>-</u>	<u>8,376</u>	<u>10,660,603</u>
Fund Balance, End of Year	<u>\$ 10,985,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,083</u>	<u>\$ 10,994,981</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, 2020**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 334,378**

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

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

Capital Outlay	\$ 1,274,208	
Depreciation Expense	<u>(598,109)</u>	
		676,099

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):

Decrease Compensated Absences	6,106	
Decrease in Pension Expense	<u>24,156</u>	
		30,262

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	<u>336,000</u>	
		336,000

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	34,960	
Amortization of Deferred Amounts on Refunding	<u>(18,919)</u>	
		16,041

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>2,947</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 1,395,727**

**ALLENDALE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2020**

	Business - Type Activities - Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 47,915
Inventories	<u>5,331</u>
Total Current Assets	<u>53,246</u>
Capital Assets	
Machinery & Equipment	219,480
Less: Accumulated Depreciation	<u>(150,364)</u>
Total Capital Assets, Net	<u>69,116</u>
Total Assets	<u>122,362</u>
LIABILITIES	
Current Liabilities	
Unearned Revenue	<u>18,002</u>
Total Current Liabilities	<u>18,002</u>
NET POSITION	
Investment in Capital Assets	69,116
Unrestricted	<u>35,244</u>
Total Net Position	<u><u>\$ 104,360</u></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, 2020**

	Business - Type Activities - Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 195,353
Total Operating Revenues	195,353
OPERATING EXPENSES	
Cost of Sales	80,819
Salaries	51,403
Employee Benefits	24,462
Purchased Services	20,168
General Supplies	16,933
Miscellaneous	1,231
Depreciation	15,868
Total Operating Expenses	210,884
Operating Income/(Loss)	(15,531)
NONOPERATING REVENUES	
Interest and Investment Revenue	575
Total Nonoperating Revenues	575
Change in Net Position	(14,956)
Net Position, Beginning of Year	119,316
Net Position, End of Year	\$ 104,360

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, 2020**

	Business - Type Activities - Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 204,602
Cash Payments for Employees' Salaries and Benefits	(75,865)
Cash Payments to Suppliers for Goods and Services	<u>(132,199)</u>
Net Cash (Used for) Provided by Operating Activities	<u>(3,462)</u>
Cash Flows from Noncapital Financing Activities	
Purchase of Capital Assets	<u>(15,500)</u>
Net Cash (Used for) Noncapital Financing Activities	<u>(15,500)</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>575</u>
Net Cash Provided by Investing Activities	<u>575</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(18,387)
Cash and Cash Equivalents, Beginning of Year	<u>66,302</u>
Cash and Cash Equivalents, End of Year	<u>\$ 47,915</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Income/(Loss)	\$ <u>(15,531)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	15,868
Changes in Assets and Liabilities	
(Increase)/Decrease in Inventory	(3,577)
Increase/(Decrease) in Accounts Payable	(8,975)
Increase/(Decrease) in Unearned Revenue	<u>8,753</u>
Total Adjustments	<u>12,069</u>
Net Cash Provided by Operating Activities	<u>\$ (3,462)</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, 2020**

	Unemployment Compensation <u>Trust</u>	Scholarship <u>Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 80,248	\$ 74	\$ 160,493
Due from Other Funds	<u>83,829</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 164,077</u>	<u>\$ 74</u>	<u>\$ 160,493</u>
LIABILITIES			
Due to State of New Jersey	\$ 656		
Due to Other Funds			\$ 89,072
Due to Student Groups			64,541
Payroll Deductions and Withholdings			6,219
Accrued Salaries and Wages			477
Flex Spending	<u>-</u>	<u>-</u>	<u>184</u>
Total Liabilities	<u>656</u>	<u>-</u>	<u>\$ 160,493</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 163,421</u>	<u>\$ 74</u>	

**ALLENDALE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Unemployment Compensation <u>Trust</u>	Scholarship <u>Fund</u>
ADDITIONS		
Contributions		
Plan Member	\$ 11,255	-
Total Contributions	<u>11,255</u>	<u>-</u>
Investment Earnings		
Interest	750	\$ 1
Net Investment Earnings	<u>750</u>	<u>1</u>
Total Additions	<u>12,005</u>	<u>1</u>
DEDUCTIONS		
Unemployment Claims	<u>4,421</u>	<u>-</u>
Total Deductions	<u>4,421</u>	<u>-</u>
Change in Net Position	7,584	1
Net Position, Beginning of Year	<u>155,837</u>	<u>73</u>
Net Position, End of Year	<u>\$ 163,421</u>	<u>\$ 74</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, 2020**

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. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the 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

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. 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.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. 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.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, 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. 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.

ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

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

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

Additionally, the District reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

Property taxes, tuition, 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.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

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

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at 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>
Land Improvements	20
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 amount 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.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources (Continued)

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 which arise only under the accrual basis of accounting that qualify 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.

6. Compensated Absences

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

7. Pensions

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

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

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. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations*

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

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, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 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, 2019 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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)

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 2020/2021 District budget certified for taxes

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. (See Note 2).

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.

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

10. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2018-2019 and 2019-2020 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 funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$128,696. The increase was funded by the additional 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.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 6,204,317
Increased by		
Interest Earnings	\$ 54,133	
Deposits Approved by Board Resolution	<u>1,075,000</u>	
Total Increases		<u>1,129,133</u>
		7,333,450
Decreased by		
Approved in District Budget		<u>670,000</u>
Balance, June 30, 2020		<u>\$ 6,663,450</u>

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects is \$12,362,475. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$560,000 of the capital reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	\$ 836,836
Increased by	
Deposits Approved by Board Resolution	<u>125,000</u>
	961,836
Decreased by	
Withdrawals Approved in District Budget	<u>125,000</u>
Balance, June 30, 2020	<u>\$ 836,836</u>

The June 30, 2020 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. \$125,000 of the maintenance reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

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.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	<u>\$ 130,000</u>
Balance, June 30, 2020	<u>\$ 130,000</u>

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, 2020 is \$3,016,180. Of this amount, \$1,507,587 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$1,508,593 will be appropriated in the 2021/2022 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 and NCUSIF.

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, 2020, the book value of the Board's deposits were \$6,065,032 and bank and brokerage firm balances of the Board’s deposits amounted to \$6,413,040. 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>\$ 6,413,040</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2020, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
U.S. Government Securities	
New Jersey ARM (Cash Equivalent)	\$ <u>4,008,361</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, 2020, \$4,008,361 of the Board's investments was exposed to custodial credit risk as follows:

<u>Uninsured and Collateralized:</u>	<u>Fair Value</u>
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>4,008,361</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.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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(s) was/were based on quoted market prices.

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

B. Receivables

Receivables as of June 30, 2020 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Property Taxes	\$ 1,263,558		\$ 1,263,558
Intergovernmental			
Federal		\$ 17,117	17,117
State	<u>25,077</u>	<u>-</u>	<u>25,077</u>
Gross Receivables	1,288,635	17,117	1,305,752
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,288,635</u>	<u>\$ 17,117</u>	<u>\$ 1,305,752</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	<u>\$ 14,336</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 14,336</u>

**ALLEDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2020</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in Progress	\$ 46,000	\$ 33,570	\$ (46,000)	\$ 33,570
Total capital assets not being depreciated	<u>46,000</u>	<u>33,570</u>	<u>(46,000)</u>	<u>33,570</u>
Capital assets, being depreciated:				
Land Improvements	176,495	53,094		229,589
Buildings and Improvements	22,767,675	1,117,907	46,000	23,931,582
Machinery and Equipment	1,646,434	69,637	-	1,716,071
Total capital assets being depreciated	<u>24,590,604</u>	<u>1,240,638</u>	<u>46,000</u>	<u>25,877,242</u>
Less accumulated depreciation for:				
Buildings and Improvements	(9,429,657)	(578,212)		(10,007,869)
Furniture, Equipment and Vehicles	(687,634)	(19,897)	-	(707,531)
Total accumulated depreciation	<u>(10,117,291)</u>	<u>(598,109)</u>	<u>-</u>	<u>(10,715,400)</u>
Total capital assets, being depreciated, net	<u>14,473,313</u>	<u>642,529</u>	<u>46,000</u>	<u>15,161,842</u>
Governmental activities capital assets, net	<u>\$ 14,519,313</u>	<u>\$ 676,099</u>	<u>\$ -</u>	<u>\$ 15,195,412</u>
	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2020</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 203,980	\$ 15,500	-	\$ 219,480
Total capital assets being depreciated	<u>203,980</u>	<u>15,500</u>	<u>-</u>	<u>219,480</u>
Less accumulated depreciation for:				
Machinery and equipment	(134,497)	(15,867)	-	(150,364)
Total accumulated depreciation	<u>(134,497)</u>	<u>(15,867)</u>	<u>-</u>	<u>(150,364)</u>
Total capital assets, being depreciated, net	<u>69,483</u>	<u>(367)</u>	<u>-</u>	<u>69,116</u>
Business-type activities capital assets, net	<u>\$ 69,483</u>	<u>\$ (367)</u>	<u>\$ -</u>	<u>\$ 69,116</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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	\$ 301,079
Special Education	37,585
Other Instruction	30,503
School-Sponsored/Activities and Athletics	<u>5,208</u>
Total Instruction	<u>374,375</u>
Support Services	
Student and Instruction Related Services	89,521
Health Services	7,689
Attendance and Social Work	2,358
Educational Media	8,770
General Administrative Services	17,300
School Administrative Services	33,135
Plant Operations and Maintenance	47,001
Central Services	<u>17,960</u>
Total Support Services	<u>223,734</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 598,109</u>
Business-type activities:	
Food Service Fund	<u>\$ 15,867</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 246,166
General Fund	Payroll Agency Fund	5,243
General Fund	Special Revenue Fund	2,780
Debt Service Fund	Capital Projects Fund	9,083
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>83,829</u>
Total		<u>\$ 347,101</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 expenditures paid by one fund on behalf of another fund.

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

Interfund Transfers

	<u>Transfer In:</u>	
	Debt	
	<u>Service Fund</u>	<u>Total</u>
Transfer Out:		
Capital Projects Fund	<u>\$ 3,682</u>	<u>\$ 3,682</u>
	<u>\$ 3,682</u>	<u>\$ 3,682</u>

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

F. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2020 were \$47,100. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 47,100
2022	<u>39,250</u>
Total	<u>\$ 86,350</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2020 are comprised of the following issues:

\$586,000, 2012 Bonds, due in annual installments of \$67,000 to \$70,000 through March 1, 2022, interest at 2.959% to 3.109%	\$ 137,000
\$2,940,000, 2014 Refunding Bonds, due in annual installments of \$285,000 to \$350,000 through March 15, 2026, interest at 3.50% to 5.00%	<u>1,895,000</u>
	<u>\$ 2,032,000</u>

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>	
2021	\$ 352,000	\$ 78,034	\$ 430,034
2022	365,000	64,651	429,651
2023	310,000	50,675	360,675
2024	320,000	35,175	355,175
2025	335,000	23,975	358,975
2026	<u>350,000</u>	<u>12,250</u>	<u>362,250</u>
	<u>\$ 2,032,000</u>	<u>\$ 264,760</u>	<u>\$ 2,296,760</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 53,238,824
Less: Net Debt	<u>1,895,000</u>
Remaining Borrowing Power	<u>\$ 51,343,824</u>

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020, was as follows:

	<u>Balance, July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2020</u>	<u>Due Within One Year</u>
Governmental activities:					
Serial Bonds	\$ 2,368,000		\$ 336,000	\$ 2,032,000	\$ 352,000
Deferred Amounts					
Add: Original issue Premium	<u>146,605</u>	<u>-</u>	<u>34,960</u>	<u>111,645</u>	<u>-</u>
Total Bonds Payable	2,514,605	-	370,960	2,143,645	352,000
Compensated Absences Payable	398,447	\$ 41,397	47,503	392,341	50,000
Net Pension Liability	<u>4,179,153</u>	<u>-</u>	<u>287,223</u>	<u>3,891,930</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 7,092,205</u>	<u>\$ 41,397</u>	<u>\$ 705,686</u>	<u>\$ 6,427,916</u>	<u>\$ 402,000</u>

For the governmental activities, the liabilities for compensated absences 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.

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 worker's compensation claims.

The relationship between the Board and the insurance 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 Group any deficit of the funds attributable to a membership year during which they were a member.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 11,255	\$ 4,421	\$ 163,421
2019	13,769	8,962	155,837
2018	13,611	27,393	150,023

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.

Pending Litigation –

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, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

Actuarial Methods and Assumptions

In the July 1, 2018 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2020.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 210,100	\$ 1,458,914	\$ 4,635
2019	211,123	1,340,343	5,418
2018	193,465	989,716	5,229

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$1,297, \$1,551 and \$4,819, respectively for PERS and the State contributed \$843, \$1,050 and \$1,075, respectively for TPAF for Long Term Disability Insurance Premium (LTDD).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$508,631 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$3,891,930 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .02160 percent, which was an increase of .00038 percent from its proportionate share measured as of June 30, 2018 of .02122 percent.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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)

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$187,241 for PERS. The pension contribution made by the District during the current 2019/2020 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, 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	\$ 69,855	\$ 17,193
Changes of Assumptions	388,623	1,350,877
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		61,436
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>245,715</u>	<u>49,555</u>
Total	<u>\$ 704,193</u>	<u>\$ 1,479,061</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2021	\$ (63,139)
2022	(287,178)
2023	(278,851)
2024	(132,576)
2025	(13,124)
Thereafter	<u>-</u>
	<u>\$ (774,868)</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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)

Actuarial Assumptions

The District's total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS’s target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 6.28%, 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 (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	1% Decrease <u>5.28%</u>	Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 4,916,140</u>	<u>\$ 3,891,930</u>	<u>\$ 3,028,888</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 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, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2019, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,416,324 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the net pension liability attributable to the District is \$40,966,671. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .06675 percent, which was an increase of .00114 percent from its proportionate share measured as of June 30, 2018 of .06561 percent.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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:

Fiscal Year	Measurement Date	Discount Rate
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 5.60%, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 48,308,772</u>	<u>\$ 40,966,671</u>	<u>\$ 34,875,045</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) 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 employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>364,943</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$541,230, \$607,977 and \$639,236, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$449,612. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$23,015,601. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .06 percent, which was no change from its proportionate share measured as of June 30, 2018 of .06 percent.

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2018 Measurement Date	\$ 25,491,507
Changes Recognized for the Fiscal Year:	
Service Cost	914,431
Interest on the Total OPEB Liability	1,008,770
Differences Between Expected and Actual Experience	(4,056,705)
Changes of Assumptions	343,165
Gross Benefit Payments	(706,510)
Contributions from the Member	20,943
Net Changes	<u>\$ (2,475,906)</u>
Balance, June 30, 2019 Measurement Date	<u>\$ 23,015,601</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 27,190,520</u>	<u>\$ 23,015,601</u>	<u>\$ 19,699,274</u>

**ALLENDALE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability (Continued)

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 18,963,829	\$ 23,015,601	\$ 28,379,315

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ 15,794,474		\$ 15,794,474	\$ 15,794,474	
Tuition from Individuals	77,000		77,000	114,560	\$ 37,560
Rentals	28,800		28,800	25,094	(3,706)
Interest Earned on Current Expense Emergency Reserve	120		120		(120)
Interest Earned on Maintenance Reserve	700		700		(700)
Interest Earned on Capital Reserve	27,200		27,200	54,133	26,933
Interest				55,010	55,010
Miscellaneous	32,000	-	32,000	32,762	762
Total Local Sources	<u>15,960,294</u>	<u>-</u>	<u>15,960,294</u>	<u>16,076,033</u>	<u>115,739</u>
State Sources					
Special Education Aid	469,043		469,043	469,043	
Transportation Aid	22,726		22,726	22,726	-
Security Aid	71,109		71,109	71,109	
Extraordinary Aid				193,743	193,743
On-behalf TPAF Payments - (Non-Budget)					
Pension Contribution				1,433,225	1,433,225
NCGI Premium				25,689	25,689
Post Retirement Medical Benefits				541,230	541,230
Long-Term Disability Insurance Premium				843	843
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	508,631	508,631
Total State Sources	<u>562,878</u>	<u>-</u>	<u>562,878</u>	<u>3,266,239</u>	<u>2,703,361</u>
Total Revenues	<u>16,523,172</u>	<u>-</u>	<u>16,523,172</u>	<u>19,342,272</u>	<u>2,819,100</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	325,094	\$ 35,000	360,094	356,212	3,882
Grades 1-5	2,334,327	(35,000)	2,299,327	2,229,769	69,558
Grades 6-8	2,240,984	-	2,240,984	2,221,220	19,764
Regular Programs - Home Instruction					
Salaries of Teachers	5,000	-	5,000		5,000
Purchased Professional-Educational Services	2,000	-	2,000		2,000
Regular Programs - Undistributed Instruction					
Purchased Technical Services	73,200	-	73,200	40,517	32,683
Other Purchased Services	241,030	900	241,930	192,926	49,004
General Supplies	521,746	17,758	539,504	374,014	165,490
Textbooks	6,400	-	6,400	-	6,400
Other Objects	11,530	-	11,530	2,117	9,413
Total Regular Programs	<u>5,761,311</u>	<u>18,658</u>	<u>5,779,969</u>	<u>5,416,775</u>	<u>363,194</u>
Special Education					
Resource Room/Resource Center					
Salaries of Teachers	530,818	14,500	545,318	540,344	4,974
General Supplies	1,900	-	1,900	1,706	194
Total Resource Room/Resource Center	<u>532,718</u>	<u>14,500</u>	<u>547,218</u>	<u>542,050</u>	<u>5,168</u>

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Preschool Disabilities - Part-Time					
Salaries of Teachers	\$ 59,762	-	\$ 59,762	\$ 59,762	-
General Supplies	2,000	-	2,000	1,384	\$ 616
Total Preschool Disabilities - Part-Time	61,762	-	61,762	61,146	616
Total Special Education	594,480	\$ 14,500	608,980	603,196	5,784
Basic Skills/Remedial					
Salaries of Teachers	446,055	-	446,055	446,054	1
General Supplies	6,540	-	6,540	2,754	3,786
Total Basic Skills/Remedial	452,595	-	452,595	448,808	3,787
Bilingual Education					
Salaries of Teachers	43,589	-	43,589	40,973	2,616
General Supplies	2,000	-	2,000	104	1,896
Total Bilingual Education	45,589	-	45,589	41,077	4,512
School Sponsored Co/Extra Cocurricular Activities					
Salaries	52,593	-	52,593	44,857	7,736
Supplies and Materials	8,025	500	8,525	4,450	4,075
Total School Sponsored Co/Extra Cocurricular Activities	60,618	500	61,118	49,307	11,811
School Sponsored Athletics					
Salaries	54,570	-	54,570	38,300	16,270
Purchased Services	8,590	-	8,590	4,193	4,397
Supplies and Materials	8,894	-	8,894	3,392	5,502
Total School Sponsored Athletics	72,054	-	72,054	45,885	26,169
Total Instruction	6,986,647	33,658	7,020,305	6,605,048	415,257
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs within the State - Special	189,420	212,000	401,420	335,463	65,957
Tuition to CSSD & Regional Day Schools	90,420	-	90,420	40,007	50,413
Tuition to APSSD Within the State	586,131	(232,000)	354,131	316,980	37,151
Total Undistributed Expenditures - Instruction	865,971	(20,000)	845,971	692,450	153,521
Attendance & Social Work					
Salaries	37,698	-	37,698	37,643	55
Total Attendance & Social Work	37,698	-	37,698	37,643	55

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 165,967	\$ (33,000)	\$ 132,967	\$ 122,763	\$ 10,204
Purchased Professional and Technical Svces.	10,000	-	10,000	6,750	3,250
Other Purchased Services	1,235	-	1,235	170	1,065
Supplies and Materials	9,675	-	9,675	5,184	4,491
Other Objects	175	-	175	-	175
	<u>187,052</u>	<u>(33,000)</u>	<u>154,052</u>	<u>134,867</u>	<u>19,185</u>
Total Health Services					
Speech, OT,PT & Related Services					
Salaries	188,002	-	188,002	185,531	2,471
Purchased Professional Educational Services	118,000	6,000	124,000	86,832	37,168
Supplies and Materials	1,750	-	1,750	1,750	-
	<u>307,752</u>	<u>6,000</u>	<u>313,752</u>	<u>274,113</u>	<u>39,639</u>
Total Speech, OT, PT & Related Services					
Other Support Serv. Students - Extra Serv.					
Salaries	472,079	16,350	488,429	479,901	8,528
Purchased Professional Educational Services	134,500	(6,000)	128,500	82,768	45,732
Supplies and Materials	6,900	-	6,900	1,800	5,100
	<u>613,479</u>	<u>10,350</u>	<u>623,829</u>	<u>564,469</u>	<u>59,360</u>
Total Other Support Serv. Students - Extra Serv.					
Guidance					
Salaries of Other Professional Staff	171,802	450	172,252	171,942	310
Purchased Professional-Educational Services	2,800	-	2,800	1,930	870
Other Purchased Prof. and Tech. Services	3,000	-	3,000	-	3,000
Supplies and Materials	2,000	-	2,000	180	1,820
	<u>179,602</u>	<u>450</u>	<u>180,052</u>	<u>174,052</u>	<u>6,000</u>
Total Guidance					
Child Study Teams					
Salaries of Other Professional Staff	264,164	(3,000)	261,164	258,674	2,490
Salaries of Secretarial and Clerical Assistants	54,110	-	54,110	54,110	-
Purchased Professional - Educational Services	40,000	-	40,000	25,996	14,004
Other Purchased Professional and Technical Services	10,800	-	10,800	5,381	5,419
Other Purchased Services	5,690	-	5,690	5,690	-
Supplies and Materials	10,200	-	10,200	5,607	4,593
Other Objects	1,000	-	1,000	595	405
	<u>385,964</u>	<u>(3,000)</u>	<u>382,964</u>	<u>356,053</u>	<u>26,911</u>
Total Child Study Teams					
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	133,903	-	133,903	133,707	196
Salaries of Other Professional Staff	227,596	(25,305)	202,291	124,800	77,491
Salaries of Secretarial and Clerical Assistants	20,719	-	20,719	20,688	31
Purchased Professional - Educational Services	97,000	(24,000)	73,000	45,589	27,411
Other Purchased Services	20,450	-	20,450	17,566	2,884
Supplies and Materials	3,000	-	3,000	1,548	1,452
Other Objects	4,770	-	4,770	188	4,582
	<u>507,438</u>	<u>(49,305)</u>	<u>458,133</u>	<u>344,086</u>	<u>114,047</u>
Total Improvement of Inst. Serv.					

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ 112,758	-	\$ 112,758	\$ 36,528	\$ 76,230
Salaries of Technology Coordinators	103,500	-	103,500	103,500	-
Purchased Professional and Technical Services	5,000	-	5,000	-	5,000
Other Purchased Services	14,400	-	14,400	6,202	8,198
Supplies and Materials	18,884	-	18,884	3,056	15,828
Other Objects	500	-	500	-	500
	<u>255,042</u>	<u>-</u>	<u>255,042</u>	<u>149,286</u>	<u>105,756</u>
Total Educational Media Serv./School Library					
Instructional Staff Training Services					
Purchased Professional/Educational Services	32,450	\$ 300	32,750	10,149	22,601
Other Purchased Services	5,000	-	5,000	1,714	3,286
Supplies and Materials	300	-	300	-	300
	<u>37,750</u>	<u>300</u>	<u>38,050</u>	<u>11,863</u>	<u>26,187</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	269,096	20,000	289,096	276,225	12,871
Legal Services	61,525	(3,000)	58,525	28,277	30,248
Audit Fees	30,500	32,000	62,500	29,982	32,518
Architectural/Engineering Services	23,000	9,824	32,824	26,981	5,843
Other Purchased Professional Services	19,155	19,500	38,655	25,860	12,795
Communications/Telephone	39,280	3,000	42,280	37,148	5,132
BOE Other Purchased Services	2,600	-	2,600	394	2,206
Miscellaneous Purchased Services	26,870	1,000	27,870	25,004	2,866
General Supplies	4,000	-	4,000	2,034	1,966
Miscellaneous Expenditures	4,900	-	4,900	3,570	1,330
BOE Membership Dues and Fees	14,405	-	14,405	13,124	1,281
	<u>495,331</u>	<u>82,324</u>	<u>577,655</u>	<u>468,599</u>	<u>109,056</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principal/Asst. Principals	342,625	10,000	352,625	342,120	10,505
Salaries of Secretarial and Clerical Assistants	191,340	10,000	201,340	186,928	14,412
Purchased Professional and Technical Services	2,500	-	2,500	-	2,500
Other Purchased Services	13,000	-	13,000	3,000	10,000
Supplies and Materials	10,550	-	10,550	1,604	8,946
Other Objects	6,143	-	6,143	5,793	350
	<u>566,158</u>	<u>20,000</u>	<u>586,158</u>	<u>539,445</u>	<u>46,713</u>
Total Support Services School Administration					
Support Services Central Services					
Salaries	313,390	-	313,390	286,753	26,637
Miscellaneous Purchased services	27,700	-	27,700	22,612	5,088
Supplies and Materials	8,000	-	8,000	5,376	2,624
Miscellaneous Expenditures	4,300	-	4,300	2,665	1,635
	<u>353,390</u>	<u>-</u>	<u>353,390</u>	<u>317,406</u>	<u>35,984</u>
Total Support Services Central Services					
Admin. Info. Technology					
Salaries	11,500	5	11,505	11,500	5
Purchased Technical Services	30,000	5,500	35,500	106	35,394
Supplies and Materials	8,000	-	8,000	4,590	3,410
Other Objects	1,400	-	1,400	-	1,400
	<u>50,900</u>	<u>5,505</u>	<u>56,405</u>	<u>16,196</u>	<u>40,209</u>
Total Admin. Info Technology					

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ 432,912	\$ 20,300	\$ 453,212	\$ 404,211	\$ 49,001
Salaries of Non-Instructional Aides	157,764	(20,300)	137,464	88,034	49,430
Purchased Professional and Technical Services	5,500	-	5,500	1,692	3,808
Cleaning, Repair and Maintenance Services	55,000	(5,000)	50,000	37,551	12,449
Rental of Land & Bldg. Oth. Than Lease Purch. Agreement	1,500	-	1,500		1,500
Other Purchased Property Services	42,450	-	42,450	30,840	11,610
Insurance	86,575	-	86,575	86,350	225
Miscellaneous Purchased Services	17,300	9,400	26,700	21,889	4,811
General Supplies	47,000	600	47,600	30,387	17,213
Energy (Natural Gas)	90,000	(10,000)	80,000	60,230	19,770
Energy (Electricity)	160,000	-	160,000	114,882	45,118
Other Objects	1,500	-	1,500	80	1,420
Total Custodial Services	1,097,501	(5,000)	1,092,501	876,146	216,355
Required Maintenance for School Facilities					
Salaries	213,379	-	213,379	210,388	2,991
Cleaning, Repair and Maintenance Services	220,000	23,950	243,950	139,875	104,075
General Supplies	34,000	10,000	44,000	32,480	11,520
Total Required Maintenance for School Fac.	467,379	33,950	501,329	382,743	118,586
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	112,000	-	112,000	58,768	53,232
General Supplies	11,800	-	11,800	156	11,644
Total Care and Upkeep of Grounds	123,800	-	123,800	58,924	64,876
Security					
Salaries	60,900	-	60,900	36,319	24,581
Purchased Professional and Technical Services	22,100	(5,000)	17,100	4,298	12,802
Cleaning, Repair and Maintenance Services	8,000	-	8,000		8,000
General Supplies	14,500	-	14,500	480	14,020
Total Security	105,500	(5,000)	100,500	41,097	59,403
Student Transportation Services					
Contracted Services (Other Than Between Home and School) - Vendors	26,100	-	26,100	8,400	17,700
Contracted Services - (Spl. Ed. Students) - Vendors	17,500	-	17,500		17,500
Contracted Services - (Spl. Ed. Students) - Joint Agreements	200,383	-	200,383	130,851	69,532
Total Student Transportation Services	243,983	-	243,983	139,251	104,732
Unallocated Benefits - Employee Benefits					
Group Insurance	3,000	-	3,000		3,000
Social Security Contributions	190,000	-	190,000	185,539	4,461
Other Retirement Contributions - PERS	228,000	-	228,000	211,397	16,603
Other Retirement Contributions - Regular	7,000	-	7,000	4,635	2,365
Unemployment Compensation	10,000	-	10,000		10,000
Workmen's Compensation	78,000	-	78,000	44,007	33,993
Health Benefits	2,965,550	-	2,965,550	2,485,063	480,487
Tuition Reimbursement	70,900	-	70,900	61,865	9,035
Unused Sick Payment to Terminated/Retired Staff	60,975	-	60,975	47,503	13,472
Total Unallocated Benefits - Employee Benefits	3,613,425	-	3,613,425	3,040,009	573,416

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
On-behalf TPAF Payments - (Non-Budget)					
Pension Contribution				\$ 1,433,225	\$ (1,433,225)
NCGI Premium				25,689	(25,689)
Post Retirement Medical Benefits				541,230	(541,230)
Long-Term Disability Insurance Premium				843	(843)
Reimbursed TPAF Social Security Payments	-	-	-	508,631	(508,631)
	<u> </u>	<u> </u>	<u> </u>		
Total Undistributed Expenditures	\$ 10,495,115	\$ 43,574	\$ 10,538,689	11,128,316	(589,627)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures - Current Expenditures	17,481,762	77,232	17,558,994	17,733,364	(174,370)
CAPITAL OUTLAY					
Undistributed Expenditures					
Equipment					
Instruction	51,136	(18,000)	33,136	18,667	14,469
Required Maintenance for School Facility	51,000	4,000	55,000	50,970	4,030
Security	85,000	(4,000)	81,000	69,423	11,577
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Equipment	187,136	(18,000)	169,136	139,060	30,076
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services	125,000	(3,520)	121,480	103,116	18,364
Construction Services	1,050,000	17,900	1,067,900	1,032,032	35,868
Other Objects	95	20	115	-	115
Assessment for Debt Service on SDA Funding	23,293	-	23,293	23,293	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Facilities Acquisition and Constr. Serv.	1,198,388	14,400	1,212,788	1,158,441	54,347
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Capital Outlay	1,385,524	(3,600)	1,381,924	1,297,501	84,423
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Transfer of Funds to Charter School	41,751	-	41,751	-	41,751
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	18,909,037	73,632	18,982,669	19,030,865	(48,196)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(2,385,865)	(73,632)	(2,459,497)	311,407	2,770,904
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures and Other Financing Sources	-	(73,632)	(2,459,497)	311,407	2,770,904
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance, Beginning of Year	10,922,499	-	10,922,499	10,922,499	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance, End of Year	\$ 8,536,634	\$ (73,632)	\$ 8,463,002	\$ 11,233,906	\$ 2,770,904

**ALLENDALE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Restricted :		
Excess Surplus	\$	1,508,593
Excess Surplus - Designated for Subsequent Year's Expenditures		1,507,587
Maintenance Reserve		711,836
Maintenance Reserve - Designated for Subsequent Year's Expenditures		125,000
Capital Reserve		6,103,450
Capital Reserve - Designated for Subsequent Year's Expenditures		560,000
Emergency Reserve		130,000
Assigned		
Year-end Encumbrances		63,272
Unassigned		<u>524,168</u>
	\$	<u>11,233,906</u>
		11,233,906
Reconciliation to Governmental Funds Statements (GAAP):		
Less: Extraordinary Aid Payment Not Recognized on GAAP Basis		193,743
State Aid Payment Not Recognized on GAAP Basis		<u>54,265</u>
		<u>248,008</u>
Fund Balance Per Governmental Funds (GAAP)	\$	<u>10,985,898</u>

**ALLENDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Intergovernmental					
Local		\$ 1,147	\$ 1,147	\$ 1,111	\$ (36)
Federal	\$ 180,700	53,917	234,617	215,937	(18,680)
Total Revenues	<u>180,700</u>	<u>55,064</u>	<u>235,764</u>	<u>217,048</u>	<u>(18,716)</u>
EXPENDITURES					
Instruction					
Salaries	11,000	9,000	20,000	11,590	8,410
Tuition	146,000	31,965	177,965	177,965	-
General Supplies	7,800	(1,670)	6,130	5,394	736
Total Instruction	<u>164,800</u>	<u>39,295</u>	<u>204,095</u>	<u>194,949</u>	<u>9,146</u>
Support Services					
Purchased Professional and Technical Services	15,900	(12,300)	3,600	3,525	75
Other Purchased Services		25,272	25,272	15,813	9,459
General Supplies	-	2,797	2,797	2,761	36
Total Support Services	<u>15,900</u>	<u>15,769</u>	<u>31,669</u>	<u>22,099</u>	<u>9,570</u>
Total Expenditures	<u>180,700</u>	<u>55,064</u>	<u>235,764</u>	<u>217,048</u>	<u>18,716</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, 2020**

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

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

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1	\$ 19,342,272	C-2	\$ 217,048
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, 2019				\$ 6,954
State Aid payment and Extraordinary aid (2018/2019) recognized for GAAP purposes, not recognized for budgetary statements.		270,272		
State Aid Payment and Extraordinary aid (2019/2020) recognized for budgetary purposes, not recognized for GAAP statements.		<u>(248,008)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>\$ 19,364,536</u>	B-2	<u>\$ 224,002</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1	\$ 19,030,865	C-2	\$ 217,048
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, 2019		<u>-</u>		<u>6,954</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 19,030,865</u>	B-2	<u>\$ 224,002</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Seven Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02160%	0.02122%	0.02088%	0.02022%	0.01964%	0.01842%	0.02221%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,891,930	\$ 4,179,153	\$ 4,861,387	\$ 5,988,698	\$ 4,408,856	\$ 3,448,550	\$ 4,245,563
District's Covered Payroll	\$ 1,445,190	\$ 1,524,527	\$ 1,459,154	\$ 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 Payroll	269.30%	274.13%	333.16%	420.83%	332.81%	268.89%	319.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	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 Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 210,100	\$ 211,123	\$ 193,465	\$ 179,635	\$ 168,854	\$ 151,844	\$ 167,379
Contributions in Relation to the Contractually Required Contribution	<u>210,100</u>	<u>211,123</u>	<u>193,465</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$1,700,992	\$1,445,190	\$1,524,527	\$1,459,154	\$ 1,423,066	\$ 1,324,720	\$ 1,282,525
Contributions as a Percentage of Covered Payroll	12.35%	14.61%	12.69%	12.31%	11.87%	11.46%	13.05%

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 Seven Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<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%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 40,966,671</u>	<u>\$ 41,742,415</u>	<u>\$ 42,850,052</u>	<u>\$ 50,046,103</u>	<u>\$ 39,856,506</u>	<u>\$ 32,251,468</u>	<u>\$ 29,492,809</u>
Total	<u>\$ 40,966,671</u>	<u>\$ 41,742,415</u>	<u>\$ 42,850,052</u>	<u>\$ 50,046,103</u>	<u>\$ 39,856,506</u>	<u>\$ 32,251,468</u>	<u>\$ 29,492,809</u>
District's Covered Payroll	\$ 7,229,215	\$ 6,995,888	\$ 7,027,642	\$ 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 Payroll	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	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, 2020

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.

**ALLENDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 914,431	\$ 1,073,462	\$ 1,285,411
Interest on Total OPEB Liability	1,008,770	1,105,796	955,797
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(4,056,705)	(3,245,233)	-
Changes of Assumptions	343,165	(2,925,278)	(3,982,040)
Gross Benefit Payments	(706,510)	(681,634)	(668,617)
Contribution from the Member	<u>20,943</u>	<u>23,558</u>	<u>24,620</u>
Net Change in Total OPEB Liability	(2,475,906)	(4,649,329)	(2,384,829)
Total OPEB Liability - Beginning	<u>25,491,507</u>	<u>30,140,836</u>	<u>32,525,665</u>
Total OPEB Liability - Ending	<u>\$ 23,015,601</u>	<u>\$ 25,491,507</u>	<u>\$ 30,140,836</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>23,015,601</u>	<u>25,491,507</u>	<u>30,140,836</u>
Total OPEB Liability - Ending	<u>\$ 23,015,601</u>	<u>\$ 25,491,507</u>	<u>\$ 30,140,836</u>
District's Covered Payroll	<u>\$ 8,930,207</u>	<u>\$ 8,441,078</u>	<u>\$ 8,486,796</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

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

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

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

**ALLENDALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

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, 2020**

	I.D.E.A. Part B				Title III			
	<u>Basic</u>	<u>Preschool</u>	<u>Title I</u>	<u>Title II</u>	<u>Immigrant</u>	<u>Title IV</u>	<u>Local</u>	<u>Total</u>
REVENUES								
Intergovernmental								
Local							\$ 1,111	\$ 1,111
Federal	\$ 168,971	\$ 10,644	\$ 20,292	\$ 8,153	\$ 217	\$ 7,660	-	215,937
Total Revenues	\$ 168,971	\$ 10,644	\$ 20,292	\$ 8,153	\$ 217	\$ 7,660	\$ 1,111	\$ 217,048
EXPENDITURES								
Instruction								
Salaries			\$ 11,590					\$ 11,590
Tuition	\$ 168,971	\$ 8,994						177,965
General Supplies	-	-	5,177	-	\$ 217	-	-	5,394
Total Instruction	168,971	8,994	16,767	-	217	-	-	194,949
Support Services								
Purchased Professional and Technical Services			3,525					3,525
Other Purchased Services				\$ 8,153		\$ 7,660		15,813
General Supplies	-	1,650	-	-	-	-	\$ 1,111	2,761
Total Support Services	-	1,650	3,525	8,153	-	7,660	1,111	22,099
Total Expenditures	\$ 168,971	\$ 10,644	\$ 20,292	\$ 8,153	\$ 217	\$ 7,660	\$ 1,111	\$ 217,048

**ALLENDALE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

CAPITAL PROJECTS FUND

ALLENDALE BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE

CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Revenues and Other Financing Sources

Revenues	
Interest	\$ <u>3,682</u>
Total Revenues and Other Financing Sources	<u>3,682</u>

Expenditures and Other Financing Uses

Other Financing Uses	
Transfers Out to Debt Service Fund	<u>3,682</u>
Total Expenditures and Other Financing Uses	<u>3,682</u>

Excess of Revenues and Other Financing Sources Over
 Expenditures and Other Financing Uses

-

Fund Balance - Beginning of Year - Budgetary Basis

-

Fund Balance - End of Year - Budgetary Basis

\$ -

ENTERPRISE FUND

EXHIBIT G-1

**ALLENDALE BOARD OF EDUCATION
ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

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, 2020**

FINANCIAL STATEMENT IS PRESENTED ON B-5

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

	<u>Student Activities</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 64,541	\$ 95,952	\$ 160,493
Total Assets	<u>\$ 64,541</u>	<u>\$ 95,952</u>	<u>\$ 160,493</u>
LIABILITIES			
Due to Other Funds		\$ 89,072	\$ 89,072
Due to Student Groups	\$ 64,541		64,541
Payroll Deductions and Withholdings		6,219	6,219
Accrued Salaries and Wages		477	477
Flex Spending	<u>-</u>	<u>184</u>	<u>184</u>
Total Liabilities	<u>\$ 64,541</u>	<u>\$ 95,952</u>	<u>\$ 160,493</u>

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

	<u>Balance, July 1, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2020</u>
ELEMENTARY AND MIDDLE SCHOOLS				
Student Council	\$ 4,217	\$ 34	\$ 1,090	\$ 3,161
Brookside School	25,402	156,586	126,176	55,812
Hillside School	<u>5,122</u>	<u>8,375</u>	<u>7,929</u>	<u>5,568</u>
 Total All Schools	 <u>\$ 34,741</u>	 <u>\$ 164,995</u>	 <u>\$ 135,195</u>	 <u>\$ 64,541</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance, July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2020</u>
Payroll Deductions and Withholdings	\$ (952)	\$ 4,827,745	\$ 4,820,574	\$ 6,219
Accrued Salaries and Wages	477	5,775,934	5,775,934	477
Flexible Spending	184	25,096	25,096	184
Due to Other Funds	<u>76,352</u>	<u>12,720</u>	<u>-</u>	<u>89,072</u>
 Total	 <u>\$ 76,061</u>	 <u>\$ 10,641,495</u>	 <u>\$ 10,621,604</u>	 <u>\$ 95,952</u>

LONG-TERM DEBT

ALLENDALE BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<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, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
Governmental Loan Revenue Bond Series 2012	5/17/2012	\$ 586,000	3/1/2021	\$ 67,000	2.959%				
ERIP Refunding - Through Bergen County Improvement Authority			3/1/2022	70,000	3.109%	\$ 203,000		\$ 66,000	\$ 137,000
16 Refunding Bonds	11/20/2014	2,940,000	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%				
						<u>2,165,000</u>	<u>-</u>	<u>270,000</u>	<u>1,895,000</u>
						<u>\$ 2,368,000</u>	<u>\$ -</u>	<u>\$ 336,000</u>	<u>\$ 2,032,000</u>

**ALLENDALE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ 301,242		\$ 301,242	\$ 301,242	
State Sources	<u>119,672</u>	<u>-</u>	<u>119,672</u>	<u>119,672</u>	<u>-</u>
Total Revenues	<u>420,914</u>	<u>-</u>	<u>420,914</u>	<u>420,914</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	336,000		336,000	336,000	
Interest	<u>87,889</u>	<u>-</u>	<u>87,889</u>	<u>87,889</u>	<u>-</u>
Total Expenditures	<u>423,889</u>	<u>-</u>	<u>423,889</u>	<u>423,889</u>	<u>-</u>
Other Financing Sources					
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,682</u>	<u>\$ 3,682</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,682</u>	<u>3,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,975)	-	(2,975)	707	3,682
Fund Balance, Beginning of Year	<u>8,376</u>	<u>-</u>	<u>8,376</u>	<u>8,376</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,401</u>	<u>\$ -</u>	<u>\$ 5,401</u>	<u>\$ 9,083</u>	<u>\$ 3,682</u>
<u>Recapitulation of Fund Balance</u>					
Restricted for Debt Service					
Designated for Subsequent Year's Budget				\$ 5,401	
Unassigned				<u>3,682</u>	
Total Fund Balance Restricted for Debt Service				<u>\$ 9,083</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)

	2011	2012	2013	2014	2015	2016	2017 (Restated)	2018	2019	2020
Governmental activities										
Net Investment in capital assets	\$ 4,271,315	\$ 5,412,367	\$ 5,694,027	\$ 6,716,882	\$ 8,493,592	\$ 9,947,263	\$ 10,852,697	\$ 11,671,584	\$ 12,285,172	\$ 13,247,312
Restricted	3,580,419	3,960,019	4,651,906	5,232,234	5,542,225	6,381,497	6,894,885	6,546,832	7,179,529	7,509,369
Unrestricted	1,043,037	1,681,270	3,095,584	(815,805)	(743,034)	(1,356,441)	(1,679,541)	(1,608,696)	(1,837,207)	(1,733,460)
Total governmental activities net position	<u>\$ 8,894,771</u>	<u>\$ 11,053,656</u>	<u>\$ 13,441,517</u>	<u>\$ 11,133,311</u>	<u>\$ 13,292,783</u>	<u>\$ 14,972,319</u>	<u>\$ 16,068,041</u>	<u>\$ 16,609,720</u>	<u>\$ 17,627,494</u>	<u>\$ 19,023,221</u>
Business-type activities										
Net Investment in capital assets	\$ 61,560	\$ 60,099	\$ 56,120	\$ 49,252	\$ 64,699	\$ 103,186	\$ 92,337	\$ 84,033	\$ 69,483	\$ 69,116
Unrestricted	40,048	58,085	69,673	84,298	69,703	22,567	30,907	27,393	49,833	35,244
Total business-type activities net position	<u>\$ 101,608</u>	<u>\$ 118,184</u>	<u>\$ 125,793</u>	<u>\$ 133,550</u>	<u>\$ 134,402</u>	<u>\$ 125,753</u>	<u>\$ 123,244</u>	<u>\$ 111,426</u>	<u>\$ 119,316</u>	<u>\$ 104,360</u>
District-wide										
Net Investment in capital assets	\$ 4,332,875	\$ 5,472,466	\$ 5,750,147	\$ 6,766,134	\$ 8,558,291	\$ 10,050,449	\$ 10,945,034	\$ 11,755,617	\$ 12,354,655	\$ 13,316,428
Restricted	3,580,419	3,960,019	4,651,906	5,232,234	5,542,225	6,381,497	6,894,885	6,546,832	7,179,529	7,509,369
Unrestricted	1,083,085	1,739,355	3,165,257	(731,507)	(673,331)	(1,333,874)	(1,648,634)	(1,581,303)	(1,787,374)	(1,698,216)
Total district net position	<u>\$ 8,996,379</u>	<u>\$ 11,171,840</u>	<u>\$ 13,567,310</u>	<u>\$ 11,266,861</u>	<u>\$ 13,427,185</u>	<u>\$ 15,098,072</u>	<u>\$ 16,191,285</u>	<u>\$ 16,721,146</u>	<u>\$ 17,746,810</u>	<u>\$ 19,127,581</u>

Note 1 - 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)**

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 6,035,330	\$ 6,248,750	\$ 6,374,529	\$ 6,697,974	\$ 7,579,645	\$ 8,569,910	\$ 9,334,819	\$ 9,933,101	\$ 9,574,462	\$ 9,161,676
Special education	1,323,709	1,403,216	1,245,102	1,325,138	1,601,344	1,774,856	1,937,877	2,012,577	1,828,433	1,939,065
Other instruction	441,108	441,775	643,361	689,298	671,348	847,767	1,133,960	864,575	875,939	867,568
School Sponsored Activities and Athletics	121,850	122,605	111,277	109,920	111,345	123,093	185,297	181,563	174,093	159,680
Support Services:										
Student & instruction related services	2,003,115	2,240,613	2,137,146	2,140,008	2,643,740	2,517,569	2,712,597	3,012,238	2,906,786	2,862,051
Health services	193,471	191,806	201,189	210,102	240,815	263,511	304,463	318,193	304,118	230,067
Attendance and Social Work	30,553	40,558	45,151	44,904	50,513	55,838	69,792	74,083	69,468	66,836
Educational Media/School Library	195,724	200,517	204,261	198,205	222,299	243,893	258,297	225,516	196,848	257,876
School Administrative services	651,853	794,064	816,826	730,028	785,652	876,963	977,091	1,033,024	659,537	682,807
General administration	524,697	578,080	521,372	458,844	532,841	609,592	615,997	714,032	1,020,584	949,715
Plant operations and maintenance	1,668,631	1,670,103	1,582,336	1,828,602	1,905,856	1,946,138	2,121,323	2,228,370	1,756,771	1,651,423
Pupil transportation	88,786	91,546	123,385	101,794	149,971	174,322	88,178	151,503	140,392	139,251
Central Services	378,393	388,694	427,634	414,848	486,636	573,199	603,783	637,377	493,056	422,990
Interest on long-term debt	295,439	273,249	249,684	226,238	167,720	138,797	110,101	92,352	103,189	92,194
Total governmental activities expenses	<u>13,952,659</u>	<u>14,685,576</u>	<u>14,683,253</u>	<u>15,175,903</u>	<u>17,149,725</u>	<u>18,715,448</u>	<u>20,453,575</u>	<u>21,478,504</u>	<u>20,103,676</u>	<u>19,483,199</u>
Business-type activities:										
Food service	220,264	250,187	242,061	249,442	239,376	269,954	275,881	285,593	291,163	210,884
Summer Music	38,002	25,388	38,291	18,384						
Total business-type activities expense	<u>258,266</u>	<u>275,575</u>	<u>280,352</u>	<u>267,826</u>	<u>239,376</u>	<u>269,954</u>	<u>275,881</u>	<u>285,593</u>	<u>291,163</u>	<u>210,884</u>
Total district expenses	<u>\$ 14,210,925</u>	<u>\$ 14,961,151</u>	<u>\$ 14,963,605</u>	<u>\$ 15,443,729</u>	<u>\$ 17,389,101</u>	<u>\$ 18,985,402</u>	<u>\$ 20,729,456</u>	<u>\$ 21,764,097</u>	<u>\$ 20,394,839</u>	<u>\$ 19,694,083</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Regular	\$ 79,036	\$ 75,859	\$ 82,898	\$ 89,332	\$ 41,933	\$ 74,063	\$ 64,647	\$ 96,711	\$ 89,334	\$ 114,560
Plant Operation and Maintenance						59,322	20,115	46,696	35,420	25,094
Operating grants and contributions	1,490,297	2,090,133	2,287,444	1,945,734	3,564,160	4,345,967	5,752,132	6,271,143	4,910,220	4,378,297
Capital grants and contributions	-	-	-	-	427,748	293,052	43,282	-	-	-
Total governmental activities program revenues	<u>1,569,333</u>	<u>2,165,992</u>	<u>2,370,342</u>	<u>2,035,066</u>	<u>4,033,841</u>	<u>4,772,404</u>	<u>5,880,176</u>	<u>6,414,550</u>	<u>5,034,974</u>	<u>4,517,951</u>

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues (Continued)										
Business-type activities:										
Charges for services										
Food service	\$ 199,110	\$ 239,594	\$ 222,333	\$ 253,035	\$ 239,876	\$ 267,542	\$ 273,202	\$ 273,549	\$ 298,389	\$ 195,353
Summer Music	40,875	27,488	36,588	22,006						
Operating grants and contributions	27,539	24,815	28,713	94						
Total business type activities program revenues	<u>267,524</u>	<u>291,897</u>	<u>287,634</u>	<u>275,135</u>	<u>239,876</u>	<u>267,542</u>	<u>273,202</u>	<u>273,549</u>	<u>298,389</u>	<u>195,353</u>
Total district program revenues	<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>	<u>\$ 6,688,099</u>	<u>\$ 5,333,363</u>	<u>\$ 4,713,304</u>
Net (Expense)/Revenue										
Governmental activities	\$ (12,383,326)	\$ (12,519,584)	\$ (12,312,911)	\$ (13,140,837)	\$ (13,115,884)	\$ (13,943,044)	\$ (14,573,399)	\$ (15,063,954)	\$ (15,068,702)	\$ (14,965,248)
Business-type activities	9,258	16,322	7,282	7,309	500	(2,412)	(2,679)	(12,044)	7,226	(15,531)
Total district-wide net expense	<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>	<u>\$ (15,075,998)</u>	<u>\$ (15,061,476)</u>	<u>\$ (14,980,779)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 13,281,213	\$ 13,546,837	\$ 13,817,774	\$ 14,094,129	\$ 14,376,012	\$ 14,663,532	\$ 14,956,803	\$ 15,181,155	\$ 15,484,778	\$ 15,794,474
Taxes levied for debt service	518,968	848,696	891,449	890,133	784,912	887,669	847,316	307,339	302,861	301,242
State aid - unrestricted					15,673	8,489	8,490	8,469		
State aid - restricted for debt service	124,008	123,222							119,808	119,672
Investment earnings	35,066	16,398	20,546	21,439	17,344	23,006	37,569	74,833		
Miscellaneous income	31,106	143,316	68,217	72,493	81,415	33,472	35,590	33,837	183,422	145,587
Loss on Capital Assets									(4,393)	
Transfers	-	-	-	-	-	6,412	-	-	-	-
Total governmental activities	<u>13,990,361</u>	<u>14,678,469</u>	<u>14,797,986</u>	<u>15,078,194</u>	<u>15,275,356</u>	<u>15,622,580</u>	<u>15,885,768</u>	<u>15,605,633</u>	<u>16,086,476</u>	<u>16,360,975</u>
Business-type activities:										
Interest earnings	522	254	327	448	352	175	170	226	664	575
Transfers	-	-	-	-	-	(6,412)	-	-	-	-
Total business-type activities	<u>522</u>	<u>254</u>	<u>327</u>	<u>448</u>	<u>352</u>	<u>(6,237)</u>	<u>170</u>	<u>226</u>	<u>664</u>	<u>575</u>
Total district-wide	<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>	<u>\$ 15,605,859</u>	<u>\$ 16,087,140</u>	<u>\$ 16,361,550</u>
Change in Net Position										
Governmental activities	\$ 1,607,035	\$ 2,158,885	\$ 2,485,075	\$ 1,937,357	\$ 2,159,472	\$ 1,679,536	\$ 1,312,369	\$ 541,679	\$ 1,017,774	\$ 1,395,727
Business-type activities	9,780	16,576	7,609	7,757	852	(8,649)	(2,509)	(11,818)	7,890	(14,956)
Total district	<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>	<u>\$ 529,861</u>	<u>\$ 1,025,664</u>	<u>\$ 1,380,771</u>

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 4,425,361	\$ 5,509,482	\$ 6,726,760	\$ 8,035,664	\$ 8,604,950	\$ 8,793,730	\$ 9,762,937	\$ 9,764,467	\$ 10,180,181	\$ 10,646,466
Committed	290,376	145,214	617,665	40,537	72,806	5,728		177,600		
Assigned	472,147	518,681	873,144	254,916	327,649	60,685	104,280	108,642	191,076	63,272
Unassigned	<u>250,000</u>	<u>248,675</u>	<u>234,466</u>	<u>267,479</u>	<u>260,409</u>	<u>283,406</u>	<u>272,174</u>	<u>295,225</u>	<u>280,970</u>	<u>276,160</u>
Total general fund	<u>\$ 5,437,884</u>	<u>\$ 6,422,052</u>	<u>\$ 8,452,035</u>	<u>\$ 8,598,596</u>	<u>\$ 9,265,814</u>	<u>\$ 9,143,549</u>	<u>\$10,139,391</u>	<u>\$10,345,934</u>	<u>\$ 10,652,227</u>	<u>\$ 10,985,898</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	<u>\$ 272,944</u>	<u>\$ 111,740</u>	<u>\$ 106,289</u>	<u>\$ 839,655</u>	<u>\$ 469,616</u>	<u>\$ 996,085</u>	<u>\$ 443,380</u>	<u>\$ 4,104</u>	<u>\$ 8,376</u>	<u>\$ 9,083</u>
Total All Other Governmental Funds	<u>\$ 272,944</u>	<u>\$ 111,740</u>	<u>\$ 106,289</u>	<u>\$ 839,655</u>	<u>\$ 469,616</u>	<u>\$ 996,085</u>	<u>\$ 443,380</u>	<u>\$ 4,104</u>	<u>\$ 8,376</u>	<u>\$ 9,083</u>

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 13,800,181	\$ 14,395,533	\$ 14,709,223	\$ 14,984,262	\$ 15,160,924	\$ 15,551,201	\$ 15,804,119	\$ 15,488,494	\$ 15,787,639	\$ 16,095,716
Tuition charges	79,036	75,859	82,898	89,332	41,933	74,063	64,647	96,711	89,334	114,560
Rentals						59,322	20,115	46,696	35,420	25,094
Interest earnings	35,066	16,398	20,546	21,439	17,344	23,006	37,569	74,833	150,281	112,825
Miscellaneous	31,665	143,316	70,178	74,100	83,290	34,786	36,698	38,718	34,141	33,873
State sources	1,341,068	1,850,623	2,064,988	1,709,342	2,380,778	2,477,329	2,434,391	2,811,932	3,244,962	119,672
Federal sources	272,678	362,732	220,495	234,782	228,111	261,104	322,989	299,513	205,303	3,511,394
Total revenue	15,559,694	16,844,461	17,168,328	17,113,257	17,912,380	18,480,811	18,720,528	18,856,897	19,547,080	20,013,134
Expenditures										
Instruction										
Regular Instruction	5,829,303	6,029,179	6,016,247	6,400,678	6,677,794	7,362,855	7,430,780	7,940,980	8,381,362	8,381,282
Special education instruction	1,316,295	1,374,594	1,192,575	1,287,902	1,476,705	1,616,671	1,672,170	1,740,042	1,685,697	1,841,645
Other instruction	428,375	425,430	604,161	656,138	581,447	715,636	887,082	680,171	758,743	788,504
School sponsored activities and athletics	118,512	118,992	104,880	105,057	97,790	105,902	148,356	146,575	152,590	146,180
Support Services:										
Student & inst. related services	1,947,200	2,170,553	2,026,530	2,052,579	2,310,018	2,171,504	2,178,046	2,459,266	2,580,138	2,630,013
Health services	185,658	184,952	189,919	201,058	211,825	224,368	240,895	253,628	264,689	210,138
Attendance and Social Work	30,667	39,028	42,209	42,719	43,920	47,097	54,502	58,170	60,093	60,724
Educational Media/School Library	189,514	194,020	192,846	189,416	195,696	209,150	203,442	179,689	173,433	235,144
General administration	503,131	551,212	500,403	444,439	497,418	542,610	520,610	602,957	594,464	637,966
School administrative services	628,578	765,190	768,538	696,320	684,287	742,649	764,469	813,503	888,540	863,830
Central services	367,227	375,486	403,355	396,036	431,777	502,489	495,126	523,349	460,596	408,689
Plant operations and maintenance	1,639,030	1,639,452	1,525,271	1,781,527	1,759,060	1,753,262	1,817,071	1,914,062	1,658,145	1,614,000
Pupil transportation	88,786	91,546	123,385	101,794	149,971	174,322	88,178	151,503	140,392	139,251
Capital outlay	145,559	1,059,153	443,160	1,016,033	1,465,132	1,013,393	702,057	1,106,943	919,970	1,274,208
Debt service:										
Principal	717,000	719,000	769,000	810,814	863,522	936,431	936,166	404,325	393,508	336,000
Interest and other charges	285,590	283,710	241,317	222,989	176,607	166,280	138,441	114,467	124,155	111,182
Cost of Issuance	72,574	18,412			76,543					
Advance Refunding Escrow	163,098	26,588								
Total expenditures	14,656,097	16,066,497	15,143,796	16,405,499	17,699,512	18,284,619	18,277,391	19,089,630	19,236,515	19,678,756
Excess (Deficiency) of revenues over (under) expenditures	903,597	777,964	2,024,532	707,758	212,868	196,192	443,137	(232,733)	310,565	334,378

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	247	104,366	\$ 110,951	733,437	629,039	1,048,478	\$ 325,626	\$ 444,815	\$ 5,401	\$ 3,682
Transfers out	(247)	(104,366)	(110,951)	(733,437)	(629,039)	(1,042,066)	(325,626)	(444,815)	(5,401)	(3,682)
Total other financing sources (uses)	<u>235,672</u>	<u>45,000</u>	<u>-</u>	<u>172,166</u>	<u>84,311</u>	<u>208,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<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>	<u>\$ (232,733)</u>	<u>\$ 310,565</u>	<u>\$ 334,378</u>
Debt service as a percentage of noncapital expenditures	6.91%	6.68%	6.87%	6.72%	6.41%	6.38%	6.11%	2.88%	2.83%	2.43%

* 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
GENERAL FUND										
Interest on Investments	\$ 33,561	\$ 15,791	\$ 19,729	\$ 20,742	\$ 16,715	\$ 16,545	\$ 19,844		\$ 65,461	\$ 55,010
Prior Year's Refunds		38,987	2,479					\$ 7,084		
Rentals		25,725	32,068	38,507	49,626					
Insurance		28,354	8,942	22,864						
E-Rate Reimbursements						29,249	23,570	24,936	-	
Miscellaneous	<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>	<u>1,817</u>	<u>33,141</u>	<u>32,762</u>
Total Miscellaneous	<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>	<u>33,837</u>	<u>98,602</u>	<u>87,772</u>
Tuition	79,036	75,859	82,898	89,332	41,933	74,063	64,647	96,711	89,334	114,560
Rentals						59,322	20,115	46,696	35,420	25,094
Interest Earned on Capital Reserve Funds	<u>1,258</u>	<u>607</u>	<u>755</u>	<u>655</u>	<u>590</u>	<u>6,050</u>	<u>16,596</u>	<u>71,858</u>	<u>79,419</u>	<u>54,133</u>
Total General Fund	<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>	<u>215,265</u>	<u>204,173</u>	<u>193,787</u>
Total Other Local Revenue	<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>	<u>\$ 249,102</u>	<u>\$ 302,775</u>	<u>\$ 281,559</u>

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
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	\$ 1.7040
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
2018	13,968,900	1,481,806,700	968,200	6,800	93,411,200	99,762,000	-	1,689,923,800	100,000	1,690,023,800	1,775,331,133	1.465
2019	13,525,600	1,488,000,800	968,200	6,800	88,767,800	99,762,000	-	1,691,031,200	100,000	1,691,131,200	1,775,915,153	1.515
2020	11,996,800	1,494,252,900	978,200	8,300	88,031,800	88,887,000	-	1,684,155,000	100,000	1,684,255,000	1,785,680,219	1.549

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Calendar <u>Year</u>	<u>Total</u>	School <u>District</u>	*	<u>Library</u>	<u>Municipality</u>	<u>County</u>
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
2018	2.297	1.465		0.035	0.535	0.262
2019	2.349	1.515		0.035	0.545	0.254
2020	2.413	1.549		0.035	0.565	0.264

* 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	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Giancarlo Holdings and Services LLC	\$ 20,160,000	0.011969684		
Allendale Plaza	18,500,000	0.010984085		
LPR Allendale	15,448,000	0.009172008		
Allendale Property LLC	10,448,000	0.006203336		
Allendale Corporate Center LLC	9,056,000	0.005376858		
Allendale Corporate Center LLC	6,590,000	0.003912709		
Allendale Property LLC	5,987,000	0.003554687		
Allendale Corporate Center LLC	5,890,000	0.003497095		
Allendale Corporate Center LLC	4,952,000	0.002940172		
Allendale Property LLC	4,380,000	0.002600556		
Allendale Nursing Home			\$ 15,296,900	0.91%
Allendale Plaza			13,221,400	0.78%
Riggs & Co.			12,500,000	0.74%
Allendale Associates			11,082,100	0.66%
Allendale Associates			7,750,000	0.46%
Black Mill Work Co. Inc.			6,849,500	0.41%
Pearl Investor			6,657,500	0.40%
Allendale Associates			6,579,800	0.39%
Allendale Associates			4,772,700	0.28%
Allendale Associates			4,414,200	0.26%
	<u>\$ 101,411,000</u>	<u>6.02%</u>	<u>\$ 89,124,100</u>	<u>5.02%</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	
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
2018	15,488,494	14,248,698	92.00%	\$ 1,239,796
2019	15,787,539	14,522,949	92.00%	1,264,590
2020	16,095,716	14,832,158	92.00%	1,263,558

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)			
2011	\$ 7,859,000	N/A	N/A	N/A		\$ 7,859,000	6,585	\$ 1,193
2012	7,185,000	N/A	N/A	N/A		7,185,000	6,625	1,085
2013	6,416,000	N/A	N/A	N/A		6,416,000	6,686	960
2014	5,621,000	N/A	\$ 156,352	N/A		5,777,352	6,711	861
2015	4,713,000	N/A	123,830	N/A		4,836,830	6,734	718
2016	3,862,000	N/A	90,077	\$ 149,922		4,101,999	6,773	606
2017	3,010,000	N/A	55,047	100,786		3,165,833	6,791	466
2018	2,692,000	N/A	18,691	50,817		2,761,508	6,765	408
2019	2,368,000	N/A	N/A	N/A		2,368,000	6,734	352
2020	2,032,000	N/A	N/A	N/A		2,032,000	6,734 *	302

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		
2011	\$ 7,859,000	-	\$ 7,859,000	0.60%	\$ 1,193
2012	7,185,000	-	7,185,000	0.47%	1,085
2013	6,416,000	-	6,416,000	0.42%	960
2014	5,621,000	-	5,621,000	0.37%	838
2015	4,713,000	-	4,713,000	0.28%	700
2016	3,862,000	-	3,862,000	0.23%	570
2017	3,010,000	-	3,010,000	0.18%	443
2018	2,692,000	-	2,692,000	0.16%	398
2019	2,368,000	\$ 8,376	2,359,624	0.14%	350
2020	2,032,000	9,083	2,022,917	0.12%	300 *

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, 2019
(Unaudited)**

	<u>Total Net Debt</u>
Municipal Debt: (1)	
Borough of Allendale School District	\$ 2,165,000
Northern Highlands Regional School District	1,971,437
Borough of Allendale	<u>25,760,360</u>
	<u>29,896,797</u>
Overlapping Debt Apportioned to the Municipality:	
County of Bergen (2)	13,873,982
Northwest Utilities Authority (3)	<u>1,952,834</u>
Total Direct and Overlapping Debt	<u><u>\$ 45,723,613</u></u>

- (1)- Based on 2019 equalized valuations
(2) Based on Usage

Sources:

- (1) Borough of Allendale 2019 Annual Debt Statement
(2) County of Bergen 2019 Audit
(3) NBCUA 2019 Audit

ALLENDALE BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN YEARS

Legal Debt Margin Calculation for Calendar Year 2019

Equalized valuation basis	
2019	\$ 1,790,777,507
2018	1,772,523,390
2017	<u>1,760,581,481</u>
	<u>\$ 5,323,882,378</u>
Average equalized valuation of taxa	\$ 1,774,627,459
Debt limit (3 % of average equalizat	53,238,824
Total Net Debt Applicable to Limit	<u>2,165,000</u>
Legal debt margin	<u>\$ 51,073,824</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>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 54,345,472	\$ 52,725,493	\$ 51,210,955	\$ 50,309,282	\$ 49,981,992	\$ 50,281,403	\$ 51,208,878	\$ 51,957,992	\$ 52,740,261	\$ 53,238,824
Total net debt applicable to limit	<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>	<u>2,680,000</u>	<u>2,425,000</u>	<u>2,165,000</u>
Legal debt margin	<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>	<u>\$ 49,277,992</u>	<u>\$ 50,315,261</u>	<u>\$ 51,073,824</u>
Total net debt applicable to the limit as a percentage of debt limit	13.30%	12.43%	13.05%	11.17%	9.43%	7.68%	5.88%	5.16%	4.60%	4.07%

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 8 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>
2011	5.70%	69,053	6,585
2012	8.10%	72,152	6,625
2013	7.10%	71,679	6,686
2014	5.40%	74,452	6,711
2015	4.30%	77,666	6,734
2016	3.90%	79,145	6,773
2017	3.50%	81,483	6,791
2018	3.00%	85,951	6,765
2019	2.70%	85,951 *	6,734
2020	2.70% *	85,951 *	6,734 *

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>2020</u>		<u>2011</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	72	71	71	70	70	70	71	72	71	72
Special education	14	14	14	11	5	9	9	8	8	8
Other special education	15	15	15	13	13	14	14	13	13	13
Support Services:										
Student & instruction related services	5	5	5	5	10	12	12	12	12	12
General administration	6	6	6	6	6	6	6	6	6	6
School administrative services	2	2	2	2	6	6	6	6	6	6
Other administrative services	1	1	1	2	8	8	6	6	6	6
Plant operations and maintenance	8	8	8	9	9	9	9	9	9	9
Total	<u>123</u>	<u>122</u>	<u>122</u>	<u>118</u>	<u>127</u>	<u>134</u>	<u>133</u>	<u>132</u>	<u>131</u>	<u>132</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School				
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	7.31%	80	13:01	11:01	903	874	-0.44%	96.79%
2017	909	16,500,727	18,153	1.49%	80	13:01	11:01	905	879	0.22%	97.13%
2018	911	17,463,895	19,170	5.60%	80	13:01	11:01	919	886	1.55%	96.41%
2019	881	17,798,882	20,203	5.39%	79	13:01	11:01	909	877	-1.09%	96.48%
2020	872	17,957,366	20,593	1.93%	80	13:01	11:01	887	863	-2.42%	97.29%

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<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	322	391	354	379	357	356	356	356	356	360
<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	623	534	559	526	550	548	553	553	553	512

Number of Schools at June 30, 2020

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)

		<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
School Facilities	Project #										
Brookside Avenue Elem.	N/A	\$ 194,614	\$ 271,227	\$ 247,961	\$ 229,355	\$ 274,488	\$ 255,327	\$ 269,650	\$ 241,248	\$ 195,948	\$ 257,471
Hillside Avenue Elem.	N/A	<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>	<u>121,340</u>	<u>98,555</u>	<u>125,272</u>
Grand Total		<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>	<u>\$ 362,588</u>	<u>\$ 294,503</u>	<u>\$ 382,743</u>

113

Source: School District Financial Statements

**ALLENDALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2020
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Blanket Building and Contents,	\$ 33,757,231	\$ 5,000
Comprehensive General Liability	5,000,000	
General Automobile Liability	1,000,000	-
Employee Benefits Liability	1,000,000/2,000,000	1,000
Excess Board of Education Liability	1,000,000 excess of \$4,000,000	
Athletic Equipment	500,000	1,000
Cameras	250,000	
Data Processing Equipment	1,000,000	1,000
Musical Instruments	250,000	
Valuable Papers and Records	5,000,000	1,000
Contractors Equipment	250,000	
Miscellaneous Property	100,000	
Flood/Earthquake	5,000,000	50,000
Fine Arts	25,000	
Extra Expense	250,000	
Crime Coverage, Employee Dishonesty	500,000	100,000
Crime - Inside/Outside	50,000 each	1,000 each
Excess Property	5,000,000	
Environmental Impairment	4,000,000	15,000
Boiler and Machinery	1,000,000	1,000
Excess Liability	50,000,000 excess of \$10,000,000	
Board of Education - Wrongful Acts	1,000,000	2,500
Workers Compensation	Statutory	
Surety Bonds		
Treasurer of School Moneys	210,000	N/A
School Board Secretary	100,000	N/A

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Allendale Board of Education as of and for the fiscal year ended June 30, 2020 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 January 27, 2021.

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.

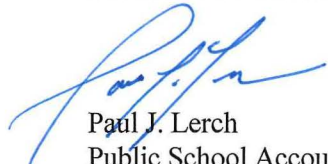
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Allendale Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 27, 2021.

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
January 27, 2021



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
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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, 2020. 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 state statutes, regulations, and the terms and conditions of its federal awards and 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; 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, 2020.

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.

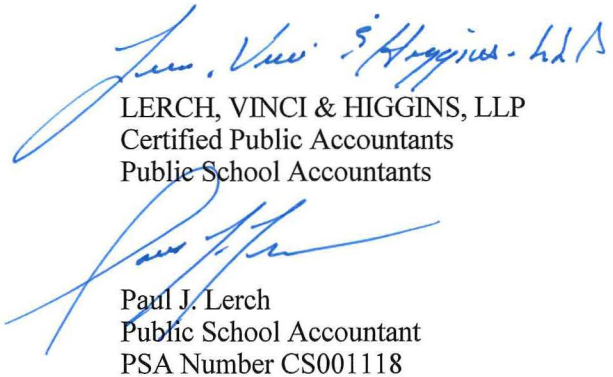
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 27, 2021, 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 is 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
January 27, 2021

ALLENDALE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant or State Number	Grant Period	Award Amount	Balance, July 1, 2019			Carrlover		Cash Received	Budgetary Expenditures	Adjustments		Balance, June 30, 2020			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>																		
IDEA Part B, Basic Regular	84.027	H027A200100	IDEA0040-20	7/1/19-9/30/20	\$ 168,645				\$ (326)	\$ 326	\$ 164,968	\$ 168,971			\$ (4,003)	-		\$ (4,003)
IDEA Part B, Basic Regular	84.027	H027A190100	IDEA0040-19	7/1/18-6/30/19	171,854	\$ (326)	\$ 326		326	(326)								
IDEA Part B, Preschool	84.173	H173A200114	IDEA0040-20	7/1/19-9/30/20	8,051				(2,593)	2,593	1,630	10,644			(9,014)	-		(9,014)
IDEA Part B, Preschool	84.173	H173A190114	IDEA0040-19	7/1/18-6/30/19	8,020	(3,933)	2,593		2,593	(2,593)	1,340	-						
Total Special Education Cluster (IDEA)												<u>179,615</u>						
Title I, Part A	84.010	S010A200030	NCLB0040-20	7/1/19-9/30/20	21,124				(7,653)	7,653	20,292	20,292			(8,485)	\$ 8,485		
Title I, Part A	84.010	S010A190030	NCLB0040-19	7/1/18-6/30/19	22,551	(12,852)	7,577		7,653	(7,653)	5,199		\$ 76					
Title II, Part A	84.367A	S367A200029	NCLB0040-20	7/1/19-9/30/20	9,853				(19)	19	4,053	8,153			(5,819)	1,719		(4,100)
Title II, Part A	84.367A	S367A190029	NCLB0040-19	7/1/18-6/30/19	9,869	(6,234)	20		19	(19)	6,215							
Title III, Part A	84.365	S365A190030	NCLB0040-19	7/1/18-6/30/19	38,474	(6,081)	6,054						\$ 6,081	(6,054)				
Title III, Immigrant	84.365A	S011A200030	NCLB0040-20	7/1/19-9/30/20					(953)	953	217	217			(736)	736		
Title III, Immigrant	84.365A	S011A190030	NCLB0040-19	7/1/18-6/30/19	1,679	(1,162)	953		953	(953)	209							
Title IV, Part A	84.424	S424A200031	NCLB0040-20	7/1/19-9/30/20	10,000				(5,400)	5,400	7,660	7,660			(7,740)	7,740		
Title IV, Part A	84.424	S424A190031	NCLB0040-19	7/1/18-6/30/19	10,000	(11,000)	5,400		5,400	(5,400)	5,600	-			-	-		
CARES Emergency Relief	84.425D	N/A	N/A	3/13/20-9/30/22	17,909	-	-	-	-	-	-	-	-	-	(17,909)	17,909	-	-
Total U.S. Department of Education						<u>(41,588)</u>	<u>22,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,383</u>	<u>215,937</u>	<u>6,081</u>	<u>(5,979)</u>	<u>(53,706)</u>	<u>36,589</u>	<u>-</u>	<u>(17,117)</u>
Total Federal Awards						<u>\$ (41,588)</u>	<u>\$ 22,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,383</u>	<u>\$ 215,937</u>	<u>\$ 6,081</u>	<u>\$ (5,979)</u>	<u>\$ (53,706)</u>	<u>\$ 36,589</u>	<u>\$ -</u>	<u>\$ (17,117)</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, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2020			MEMO		
				(Accounts Receivable)/ Deferred Revenue	Due to Grantor	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Expenditures	
State Department of Education														
General Fund														
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 469,043			\$ 423,824	\$ 469,043		\$ (45,219)				\$ 469,043	
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	415,550	\$ (34,649)		34,649								
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	71,109			64,254	71,109		(6,855)				71,109	
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	71,109	(5,916)		5,916								
Total State Aid-Public Cluster							<u>540,152</u>							
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	22,726			20,535	22,726		(2,191)				22,726	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	22,726	(1,690)		1,690								
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	193,743				193,743		(193,743)				193,743	
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	228,017	(228,017)		228,017								
TPAF Pension Benefit Contributions	20-495-034-5094-002	7/1/19-6/30/20	1,433,225			1,433,225	1,433,225						1,433,225	
TPAF Pension - NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	25,689			25,689	25,689						25,689	
TPAF Post Retirement Medical Contributions	20-495-034-5094-001	7/1/19-6/30/20	541,230			541,230	541,230						541,230	
TPAF Long-Term Disability Insurance Contributions	20-495-034-5094-004	7/1/19-6/30/20	843			843	843						843	
Reimbursed TPAF Social Security	20-495-034-5094-003	7/1/19-6/30/20	508,631			483,554	508,631		(25,077)			\$ (25,077)	508,631	
Reimbursed TPAF Social Security	19-495-034-5094-003	7/1/19-6/30/20		(24,569)	-	24,569	-	-	-	-	-	-	-	
Total General Fund				<u>(294,841)</u>	<u>-</u>	<u>3,287,995</u>	<u>3,266,239</u>	<u>-</u>	<u>(273,085)</u>	<u>-</u>	<u>-</u>	<u>(25,077)</u>	<u>3,266,239</u>	
Debt Service Fund														
Debt Service Aid Type II	20-495-034-5120-017	7/1/19-6/30/20	119,672	-	-	119,672	119,672	-	-	-	-	-	119,672	
Total State Financial Assistance Subject to Single Audit Determination				<u>\$ (294,841)</u>	<u>\$ -</u>	<u>\$ 3,407,667</u>	<u>\$ 3,385,911</u>	<u>\$ -</u>	<u>\$ (273,085)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,077)</u>	<u>\$ 3,385,911</u>	
State Financial Assistance														
Not Subject to Major Program Determination														
General Fund														
TPAF Pension Benefit Contributions							1,433,225							
TPAF Pension - NCGI Premium							25,689							
TPAF Post Retirement Medical Contributions							541,230							
TPAF Long-Term Disability Insurance Contributions							843							
							<u>2,000,987</u>							
Total State Financial Assistance Subject to Major Program Determination							<u>\$ 1,384,924</u>							

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, 2020**

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 an increase of \$22,264 for the general fund and an increase of \$6,954 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		\$ 3,288,503	\$ 3,288,503
Special Revenue Fund	\$ 222,891		222,891
Debt Service Fund	-	119,672	119,672
	<u>222,891</u>	<u>3,408,175</u>	<u>3,631,066</u>
Total Financial Assistance	<u>\$ 222,891</u>	<u>\$ 3,408,175</u>	<u>\$ 3,631,066</u>

**ALLENDALE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020****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 \$508,631 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$1,458,914, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$541,230 and TPAF Long-Term Disability Insurance in the amount of \$843 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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

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

ALLENDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**ALLENDALE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019

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, 2020**

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.