

ALLENDALE BOARD OF EDUCATION
OF BERGEN COUNTY

Allendale Board of Education
Allendale, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Allendale Board of Education
of Bergen County

Allendale, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Allendale Board of Education
Business Office

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
INTRODUCTORY SECTION	
Letter of Introduction	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	9-11
Required Supplementary Information - Part I	
Management's Discussion and Analysis	13-22
Basic Financial Statements	
A. District Wide Financial Statements	
A-1 Statement of Net Position	24
A-2 Statement of Activities	25
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	26
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	28
Proprietary Funds	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to Financial Statements	32-73

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	75-79
	C-1a Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual	N/A
	C-1b Community Development Block Grant - Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	80

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	81
-----	-------------------------------	----

Required Supplementary Information - Part III

L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	83
	L-2 Schedule of District Contributions - PERS	84
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	85
M.	Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
	M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	86

	Notes to the Required Supplementary Information - Part III	87
--	--	----

Other Supplementary Information

D.	School Based Budget Schedules	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
E.	Special Revenue Fund	
	E-1 Combining Schedules of Program Revenues and Expenditures - Budgetary Basis	91-92
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

F.	Capital Projects Fund	
	F-1 Summary Schedule of Project Expenditures	N/A
	F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance- Budgetary Basis	N/A
G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Combining Schedule of Net Position	N/A
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
	G-3 Combining Schedule of Cash Flows	N/A
H.	Fiduciary Funds	
	H-1 Combining Schedule of Fiduciary Net Position	N/A
	H-2 Combining Schedule of Changes in Fiduciary Net Position	N/A
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	97
	I-2 Schedule of Obligations Under Capital Leases	98
	I-3 Debt Service Fund Budgetary Comparison Schedule	99
	I-4 Statement of Loans Payable - N.J.D.E.A.	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends		
	J-1 Net Position by Component	102
	J-2 Changes in Net Position	103-104
	J-3 Fund Balances - Governmental Funds	105
	J-4 Changes in Fund Balances - Governmental Funds	106
	J-5 General Fund - Other Local Revenue by Source	107
	Revenue Capacity	
	J-6 Assessed Value and Estimated Actual Value of Taxable Property	108
	J-7 Direct and Overlapping Property Tax Rates	109
	J-8 Principal Property Taxpayers	110
	J-9 Property Tax Levies and Collections	111

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	112
J-11 Ratios of General Bonded Debt Outstanding	113
J-12 Direct and Overlapping Governmental Activities Debt	114
J-13 Legal Debt Margin Information	115

Demographic and Economic Information	
J-14 Demographic and Economic Statistics	116
J-15 Principal Employers	117

Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	118
J-17 Operating Statistics	119
J-18 School Building Information	120
J-19 Schedule of Required Maintenance Expenditures by School Facility	121
J-20 Insurance Schedule	122

SINGLE AUDIT SECTION

K-1 Independent Auditor's 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	124-125
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	126-128
K-3 Schedule of Expenditures of Federal Awards, Schedule A	129
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	130
K-5 Notes to Schedules of Awards and Financial Assistance	131-132
K-6 Schedule of Findings and Questioned Costs - Section I - Summary of Auditor's Results - Section II - Financial Statements Findings - Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs	133-135
K-7 Summary Schedule of Prior Audit Findings	136

INTRODUCTORY SECTION

Allendale Public Schools

100 Brookside Avenue
Allendale, NJ 07401-1795

PHONE: 201-327-2020

FAX 201-825-6553

MICHAEL J. BARCADEPONE, Ed.D.
SUPERINTENDENT OF SCHOOLS
mbarcadepone@allendalek8.com

MARIA L. ENGELEIT
BUSINESS ADMINISTRATOR/BOARD SECRETARY
mengeleit@allendalek8.com

January 06, 2022

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

The Annual Comprehensive Financial Report of the Borough of Allendale School District (District) for the fiscal year ended June 30, 2021, 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 Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the 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 3.12 square miles, with a density factor of approximately 2,168.3 persons per square mile, based upon the Borough's July 1, 2019 estimated population of 6765 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 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, and a Grades Four-Eight configuration, providing a full range of educational services. These include regular as well as special education for special needs students. The District completed the 2020-2021 fiscal year with an average daily enrollment of 855 students. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	857	(1.7%)
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%)

3. ECONOMIC CONDITION AND OUTLOOK: The Borough of Allendale is does well within the confines of the region's economy. While the County of Bergen median household income is \$101,144 (2019), 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:

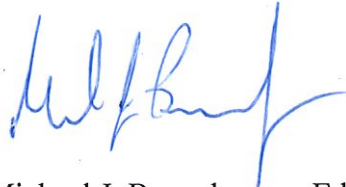
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP was appointed by Board. In addition to meeting the requirements set forth in state statutes, the audit also was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



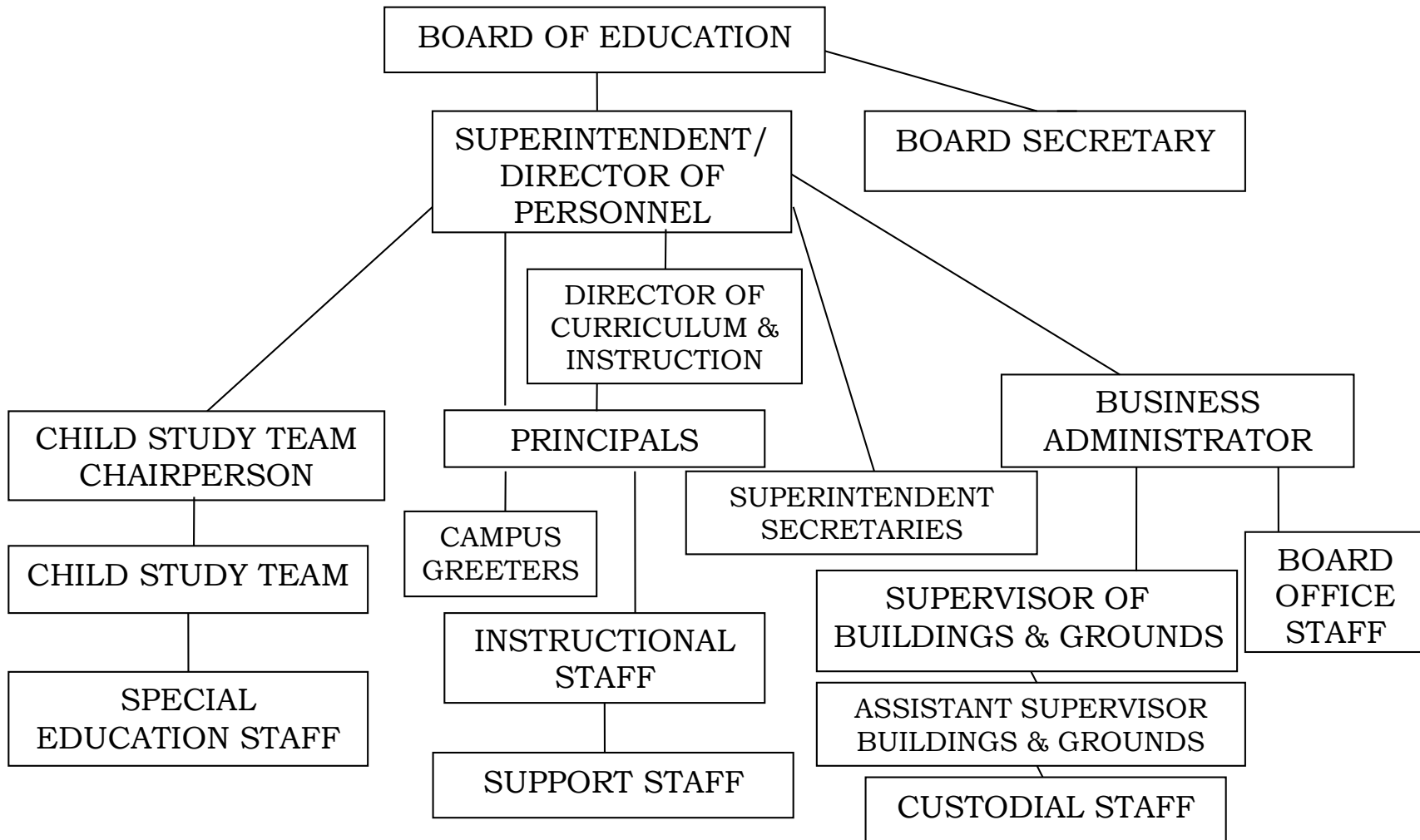
Maria L. Engeleit
School Business Administrator



Michael J. Barcadepone, Ed.D.
Superintendent

BOROUGH OF ALLENDALE BOARD OF EDUCATION

Organization Chart (Unit Control)



Allendale Board of Education
Allendale, New Jersey

Roster of Officials
June 30, 2021

Members of the Board of Education

Term Expires

Natalie Capano, President

2021

Amy Gundersen, Vice President

2022

Todd Fliegel

2023

Kimberly Rosner

2022

David Verbel

2021

Other Officials

Dr. Michael K. Barcadepone, Superintendent

Maria L. Engeleit, School Business Administrator/Board Secretary

Maureen Alissa Mayer, Treasurer

Allendale Board of Education
Consultants and Advisors

Audit Firm

Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, New Jersey 08753

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 07446

NJ ARM
3625 Nottingham Way
Hamilton, New Jersey 08690

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of 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 Allendale Board of Education in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District'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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District'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 School District'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 Allendale Board of Education in the County of Bergen, State of New Jersey as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the schedules related to accounting and reporting for pensions and post-retirement benefits, as listed in the table of contents 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 and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining fund financial statements and schedules and the schedule of expenditures of federal and state awards 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 and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 06, 2022 on our consideration of the Allendale Board of Education in the County of Bergen, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Allendale Board of Education in the County of Bergen, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry & Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

January 06, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Allendale Board of Education
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

The discussion and analysis of Allendale Board of Education's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2021 are as follows:

Net position totaled \$21,203,624, which represents a 10.85 percent increase from June 30, 2020.

General revenues accounted for \$18,131,813 in revenue or 93.61 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,283,693 or 6.61 percent of total revenues of \$19,415,506.

Total assets increased by \$1,675,819 as current assets increased by \$1,643,677 and capital assets, net increased by \$32,142.

The School Board had \$17,567,499 in expenses; only \$1,283,693 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$18,131,813 were adequate to provide for these programs.

Among major funds, the General Fund had \$18,751,694 in revenues and \$17,302,104 in expenditures and transfers. The General Fund's balance increased \$1,449,590 over June 30, 2020. The General Fund's balance is \$12,598,909.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School Board's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2021 and 2020.

Table 1

Net Position as of June 30, 2021 and June 30, 2020

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 12,751,453	\$ 41,127	\$ 12,792,580	\$ 11,095,657	\$ 53,246	\$ 11,148,903
Capital assets, net	<u>15,243,422</u>	<u>53,248</u>	<u>15,296,670</u>	<u>15,195,412</u>	<u>69,116</u>	<u>15,264,528</u>
Total assets	<u>27,994,875</u>	<u>94,375</u>	<u>28,089,250</u>	<u>26,291,069</u>	<u>122,362</u>	<u>26,413,431</u>
Deferred outflow of resources	<u>818,526</u>	<u>-</u>	<u>818,526</u>	<u>762,738</u>	<u>-</u>	<u>762,738</u>
Liabilities:						
Current liabilities	127,155	9,172	136,327	123,609	18,002	141,611
Long-term liabilities outstanding	<u>5,968,890</u>	<u>-</u>	<u>5,968,890</u>	<u>6,427,916</u>	<u>-</u>	<u>6,427,916</u>
Total liabilities	<u>6,096,045</u>	<u>9,172</u>	<u>6,105,217</u>	<u>6,551,525</u>	<u>18,002</u>	<u>6,569,527</u>
Deferred inflow of resources	<u>1,598,935</u>	<u>-</u>	<u>1,598,935</u>	<u>1,479,061</u>	<u>-</u>	<u>1,479,061</u>
Net position:						
Net investment in capital assets	13,260,717	53,248	13,313,965	13,247,312	69,116	13,316,428
Restricted	11,427,036	-	11,427,036	7,509,369	-	7,509,369
Unrestricted	<u>(3,569,332)</u>	<u>31,955</u>	<u>(3,537,377)</u>	<u>(1,733,460)</u>	<u>35,244</u>	<u>(1,698,216)</u>
Total Net Position	<u>\$ 21,118,421</u>	<u>\$ 85,203</u>	<u>\$ 21,203,624</u>	<u>\$ 19,023,221</u>	<u>\$ 104,360</u>	<u>\$ 19,127,581</u>

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$21,203,624 on June 30, 2021. This is a change of 10.85% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2021 and 2020.

Table 2

Changes in Net Position

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 140,953	\$ 1,903	\$ 142,856	\$ 139,654	\$ 195,353	\$ 335,007
Operating and capital grants and contributions	1,140,698	139	1,140,837	4,378,297	-	4,378,297
General revenues:						
Property taxes	16,412,979	-	16,412,979	16,095,716	-	16,095,716
Federal and state aid	1,712,775	-	1,712,775	119,672	-	119,672
Investment earnings	19,294	-	19,294	-	-	-
Miscellaneous	30,650	-	30,650	145,587	575	146,162
Loss on disposal of equipment	(43,885)	-	(43,885)	-	-	-
Total revenues	19,413,464	2,042	19,415,506	20,878,926	195,928	21,074,854
Expenses						
Instructional services	7,687,235	-	7,687,235	12,127,989	-	12,127,989
Support services	9,801,058	21,199	9,822,257	7,263,016	210,884	7,473,900
Interest on long-term liabilities	58,007	-	58,007	92,194	-	92,194
Total expenses	17,546,300	21,199	17,567,499	19,483,199	210,884	19,694,083
Change in net position	1,867,164	(19,157)	1,848,007	1,395,727	(14,956)	1,380,771
Net position - beginning	19,023,221	104,360	19,127,581	17,627,494	119,316	17,746,810
Prior period adjustment	228,036	-	228,036	-	-	-
Net position - beginning, restated	<u>19,251,257</u>	<u>104,360</u>	<u>19,355,617</u>	<u>17,627,494</u>	<u>119,316</u>	<u>17,746,810</u>
Net position (deficit) - ending	<u>\$ 21,118,421</u>	<u>\$ 85,203</u>	<u>\$ 21,203,624</u>	<u>\$ 19,023,221</u>	<u>\$ 104,360</u>	<u>\$ 19,127,581</u>

The tax levy increase was due in general to cover increased costs in salaries and benefits, equipment, and materials. The Federal and State aid-restricted increased due to the increase in grants available.

Regular instructional costs increased due to full operations resuming after COVID-19 related building closures in the spring of 2020.

Expenses for Fiscal Year June 30, 2021

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services.

Total Enterprise Fund expenses exceeded revenue by \$(19,157).

Charges for services represent \$1,903 of revenue. This represents the amount paid by patrons for daily food service.

During the 2021 school year due to Covid-19, the District's cafeteria was non-operational. The cafeteria at each school was closed and no school meals or snacks were served.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 7,687,235	\$ 7,585,409	\$ 12,127,989	\$ 8,754,718
Support Services:				
Pupils and Instructional Staff	4,133,611	2,953,786	2,862,051	2,264,638
General Administration, School Administration, Business Operation and Maintenance of Facilities	5,455,702	5,455,702	4,261,714	3,736,672
Pupil Transportation	211,745	211,745	139,251	117,026
Interest and Fiscal Charges	58,007	58,007	92,194	92,194
Total Expenses	\$ 17,546,300	\$ 16,264,649	\$ 19,483,199	\$ 14,965,248

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

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

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

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

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

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

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough's of Allendale, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2021, it reported a combined fund balance of \$12,643,245, which is an increase of \$1,648,264. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2021.

<u>Revenue</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 16,603,876	85.34 %	\$ 221,808	1.35 %
State Sources	2,617,862	13.45	(893,532)	(25.45)
Federal Sources	<u>235,611</u>	<u>1.21</u>	<u>12,720</u>	<u>5.71</u>
Total	<u>\$ 19,457,349</u>	<u>100.00 %</u>	<u>\$ (659,004)</u>	<u>(3.28)%</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2021.

<u>Expenditures</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 6,713,018	37.22 %	\$ (4,444,593)	(39.83)%
Undistributed				
Expenditures	9,938,761	55.10	3,139,006	46.16
Capital Outlay	955,308	5.30	(318,900)	(25.03)
Debt Service:				
Principal	352,000	1.95	16,000	4.76
Interest	<u>78,034</u>	<u>0.43</u>	<u>(33,148)</u>	<u>(29.81)</u>
Total	<u>\$ 18,037,121</u>	<u>100.00 %</u>	<u>\$ (1,641,635)</u>	<u>(8.34)%</u>

General Fund Budgeting Highlights

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$3,078,536 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$515,059 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 1,508,593
Capital Reserve	7,405,365
Maintenance Reserve	836,836
Emergency Reserve	130,000
Unemployment Compensation	163,655
Excess Surplus - Current Year	1,338,251

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were higher due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. Through efforts made in finding jointures with other local districts, and increase students on district owned vehicles the district transportation costs were lowered for special needs students.

The excesses, if any, will be carried forward into the beginning fund balance from the 2020-2021 fiscal year and will be used to reduce the local tax levy for the 2022-2023 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2021, the School Board had \$15,296,670 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Construction in Progress	\$ -	\$ 33,570	\$ -	\$ -	\$ -	\$ 33,570
Site Improvements	229,589	229,589	-	-	229,589	229,589
Building and Improvements	13,381,776	13,216,182	-	-	13,381,776	13,216,182
Machinery and Equipment	1,632,057	1,716,071	53,248	69,116	1,685,305	1,785,187
Total	\$ 15,243,422	\$ 15,195,412	\$ 53,248	\$ 69,116	\$ 15,296,670	\$ 15,264,528

During the current fiscal year, \$1,288,335 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities :

	June 30, 2021	June 30, 2020
Bonds Payable (net)	\$ 1,680,000	\$ 2,143,645
Capital Leases Payable	246,699	-
Pension Liability-PERS	3,605,127	3,891,930
Compensated Absences Payable	<u>437,064</u>	<u>392,341</u>
Total Long-Term Liabilities	\$ <u>5,968,890</u>	\$ <u>6,427,916</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2020-2021 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 14.66% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 85.34% of total revenue is from local tax levy.

The \$(3,569,332) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have insufficient assets.

The 2020-2021 budget was adopted in May 2020 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal.

The School Board anticipates a slight decrease in enrollment for the 2021-2022 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Allendale Board of Education, 100 Brookside Avenue, Allendale, NJ, 07401.

BASIC FINANCIAL STATEMENTS

ALLENDALE SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,133,472	\$ 41,127	\$ 7,174,599
Capital reserve cash	3,755,027	-	3,755,027
Maintenance reserve cash	1,150,000	-	1,150,000
Emergency reserve cash	130,000	-	130,000
Receivables - state	574,624	-	574,624
Receivables - federal	8,330	-	8,330
Capital assets, non depreciable	229,589	-	229,589
Capital assets, depreciable net:	15,013,833	53,248	15,067,081
Total assets	<u>27,994,875</u>	<u>94,375</u>	<u>28,089,250</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	778,900	-	778,900
Deferred charge on refunding	39,626	-	39,626
Total deferred outflows of resources	<u>818,526</u>	<u>-</u>	<u>818,526</u>
LIABILITIES			
Accounts payable	\$ 76,143	\$ 9,172	\$ 85,315
Accrued interest on bonds	18,947	-	18,947
Other liabilities	31,105	-	31,105
Unearned revenue	960	-	960
Noncurrent liabilities:			
Due within one year	445,675	-	445,675
Due beyond one year	5,523,215	-	5,523,215
Total liabilities	<u>6,096,045</u>	<u>9,172</u>	<u>6,105,217</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	1,522,250	-	1,522,250
Deferred premium on refunding	76,685	-	76,685
Total deferred inflows of resources	<u>1,598,935</u>	<u>-</u>	<u>1,598,935</u>
NET POSITION			
Net investment in capital assets	13,260,717	53,248	13,313,965
Restricted for:			
Debt service	3,776	-	3,776
Capital projects	7,405,365	-	7,405,365
Unemployment compensation	163,655	-	163,655
Student activities	40,560	-	40,560
Other purposes	3,813,680	-	3,813,680
Unrestricted	(3,569,332)	31,955	(3,537,377)
Total net position	<u>\$ 21,118,421</u>	<u>\$ 85,203</u>	<u>\$ 21,203,624</u>

ALLEDALE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 6,454,296	\$ 101,826	\$ -	\$ -	\$ (6,352,470)	\$ -	\$ (6,352,470)
Special education instruction	740,765	-	-	-	(740,765)	-	(740,765)
Other special instruction	492,174	-	-	-	(492,174)	-	(492,174)
Support services and undistributed costs:							
Instruction	799,697	-	-	-	(799,697)	-	(799,697)
Attendance and social work	38,820	-	-	-	(38,820)	-	(38,820)
Health services	139,192	-	-	-	(139,192)	-	(139,192)
Other support services	1,491,858	39,127 *	-	-	(1,452,731)	-	(1,452,731)
Improvement of instruction	262,551	-	-	-	(262,551)	-	(262,551)
Educational media services	255,051	-	-	-	(255,051)	-	(255,051)
Instruction staff training	5,744	-	-	-	(5,744)	-	(5,744)
General administrative services	437,620	-	-	-	(437,620)	-	(437,620)
School administrative services	632,816	-	-	-	(632,816)	-	(632,816)
School central services	323,682	-	-	-	(323,682)	-	(323,682)
School admin info technology	14,605	-	-	-	(14,605)	-	(14,605)
Allowed maintenance for school facilities	371,449	-	-	-	(371,449)	-	(371,449)
Other operation & maintenance of plant	935,844	-	-	-	(935,844)	-	(935,844)
Care & upkeep of grounds	108,019	-	-	-	(108,019)	-	(108,019)
Security	51,257	-	-	-	(51,257)	-	(51,257)
Student transportation services	211,745	-	-	-	(211,745)	-	(211,745)
Unallocated employee benefits	2,580,410	-	-	-	(2,580,410)	-	(2,580,410)
Non-budgeted expenses	1,140,698	-	1,140,698	-	-	-	-
Interest expense	58,007	-	-	-	(58,007)	-	(58,007)
Total governmental activities	<u>17,546,300</u>	<u>140,953</u>	<u>1,140,698</u>	<u>-</u>	<u>(16,264,649)</u>	<u>-</u>	<u>(16,264,649)</u>
Business-type activities:							
Food Service	21,199	1,903	139	-	-	(19,157)	(19,157)
Total business-type activities	<u>21,199</u>	<u>1,903</u>	<u>139</u>	<u>-</u>	<u>-</u>	<u>(19,157)</u>	<u>(19,157)</u>
Total primary government	<u>\$ 17,567,499</u>	<u>\$ 142,856</u>	<u>\$ 1,140,837</u>	<u>\$ -</u>	<u>\$ (16,264,649)</u>	<u>\$ (19,157)</u>	<u>\$ (16,283,806)</u>

General revenues:

Taxes:				
Property taxes levied for general purpose		16,110,363	-	16,110,363
Taxes levied for debt service		302,616	-	302,616
Federal and state aid		1,712,775	-	1,712,775
Miscellaneous income		30,650	-	30,650
Investment income - restricted		234	**	234
Investment income		19,060	-	19,060
Loss on disposal of equipment		(43,885)	-	(43,885)
Total general revenues		<u>18,131,813</u>	<u>-</u>	<u>18,131,813</u>
Change in net position		1,867,164	(19,157)	1,848,007
Net position, July 1		19,023,221	104,360	19,127,581
Prior Period Adjustments		228,036	-	228,036
Net position, July 1 (Restated)		19,251,257	104,360	19,355,617
Net position, June 30		<u>\$ 21,118,421</u>	<u>85,203</u>	<u>\$ 21,203,624</u>

* Student activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"

** Includes the interest earnings on the unemployment compensation bank account

ALLENDALE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,096,506 *	\$ 33,190 *	\$ -	\$ 3,776	\$ 7,133,472
Capital reserve account	3,755,027	-	-	-	3,755,027
Maintenance reserve account	1,150,000	-	-	-	1,150,000
Emergency reserve account	130,000	-	-	-	130,000
Receivables from state	574,624	-	-	-	574,624
Receivables from federal	-	8,330	-	-	8,330
Total assets	<u>\$ 12,706,157</u>	<u>\$ 41,520</u>	<u>\$ -</u>	<u>\$ 3,776</u>	<u>\$ 12,751,453</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ 76,143	\$ -	\$ -	\$ -	\$ 76,143
Payroll deductions and withholdings payable	30,812 **	-	-	-	30,812
Other current liabilities	293	-	-	-	293
Unearned revenue	-	960	-	-	960
Total liabilities	<u>107,248</u>	<u>960</u>	<u>-</u>	<u>-</u>	<u>108,208</u>
FUND BALANCES					
Restricted for:					
Capital reserve account	7,405,365	-	-	-	7,405,365
Maintenance reserve account	836,836	-	-	-	836,836
Emergency reserve account	130,000	-	-	-	130,000
Excess surplus - current year	1,338,251	-	-	-	1,338,251
Excess surplus -- designated for					
Subsequent year's expenditures	1,508,593	-	-	-	1,508,593
Debt service fund	-	-	-	3,776	3,776
Unemployment compensation	163,655	-	-	-	163,655
Student activities	-	40,560	-	-	40,560
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent year's expenditures	-	-	-	-	-
Other purposes	51,710	-	-	-	51,710
Unassigned to:					
General fund	1,164,499	-	-	-	1,164,499
Total fund balances	<u>12,598,909</u>	<u>40,560</u>	<u>-</u>	<u>3,776</u>	<u>12,643,245</u>
Total liabilities and fund balances	<u>\$ 12,706,157</u>	<u>\$ 41,520</u>	<u>\$ -</u>	<u>\$ 3,776</u>	

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 \$26,964,784 and the accumulated depreciation is \$11,721,362	15,243,422
Deferred outflows related to the PERS pension plan	778,900
Deferred inflows related to the PERS pension plan	(1,522,250)
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds.	39,626
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds.	(76,685)
Accrued interest on long-term liabilities is not reported as liabilities in the Funds.	(18,947)
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.	(5,968,890)
Net position of governmental activities	<u>\$ 21,118,421</u>

* Include former fiduciary fund cash and cash equivalents

** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

ALLENDALE SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	<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:					
Local tax levy	\$ 16,110,363	\$ -	\$ -	\$ 302,616	\$ 16,412,979
Tuition charges	101,826	-	-	-	101,826
Interest on investments	17,145	-	-	-	17,145
Interest earned on capital reserve funds	1,915	-	-	-	1,915
Interest earned on unemployment - restricted	234 *	-	-	-	234
Miscellaneous	24,367	45,317 **	-	93	69,777
Total - Local sources	<u>16,255,850</u>	<u>45,317</u>	<u>-</u>	<u>302,709</u>	<u>16,603,876</u>
State sources	2,495,844	-	-	122,018	2,617,862
Federal sources	-	235,611	-	-	235,611
Total revenues	<u>18,751,694</u>	<u>280,928</u>	<u>-</u>	<u>424,727</u>	<u>19,457,349</u>
EXPENDITURES					
Current:					
Regular instruction	5,309,517	212,437	-	-	5,521,954
Special education instruction	704,872	-	-	-	704,872
Other special instruction	486,192	-	-	-	486,192
Undistributed - current:					
Instruction	698,000	-	-	-	698,000
Attendance and social work	38,820	-	-	-	38,820
Health services	128,299	10,893	-	-	139,192
Other support services	1,428,676	63,182 ***	-	-	1,491,858
Improvement of instruction	255,091	7,460	-	-	262,551
Educational media services	255,051	-	-	-	255,051
Instruction staff training	5,744	-	-	-	5,744
General administrative services	437,620	-	-	-	437,620
School administrative services	552,200	-	-	-	552,200
School central services	323,682	-	-	-	323,682
School admin info technology	14,605	-	-	-	14,605
Required maintenance for school facilities	371,449	-	-	-	371,449
Other operation & maintenance of plant	937,539	-	-	-	937,539
Care & upkeep of grounds	108,019	-	-	-	108,019
Security	51,257	-	-	-	51,257
Student transportation services	211,745	-	-	-	211,745
Unallocated employee benefits	2,898,731	-	-	-	2,898,731
Non-budgeted expenditures	1,140,698	-	-	-	1,140,698
Debt service:					
Principal	-	-	-	352,000	352,000
Interest and other charges	-	-	-	78,034	78,034
Capital outlay	944,297	11,011	-	-	955,308
Total expenditures	<u>17,302,104</u>	<u>304,983</u>	<u>-</u>	<u>430,034</u>	<u>18,037,121</u>
Excess (Deficiency) of revenues over expenditures	<u>1,449,590</u>	<u>(24,055)</u>	<u>-</u>	<u>(5,307)</u>	<u>1,420,228</u>
Fund balance—July 1	10,985,898	-	-	9,083	10,994,981
Prior period adjustments	163,421 ****	64,615 *****	-	-	228,036
Fund balance—July 1, restated	<u>11,149,319</u>	<u>64,615</u>	<u>-</u>	<u>9,083</u>	<u>11,223,017</u>
Fund balance—June 30	<u>\$ 12,598,909</u>	<u>\$ 40,560</u>	<u>\$ -</u>	<u>\$ 3,776</u>	<u>\$ 12,643,245</u>

* Includes interest earnings on the unemployment compensation bank account.

** Special revenue fund now includes revenues from scholarships and student activities.

*** Special revenue fund now includes expenditures from scholarships and student activities.

**** Unemployment fund net position as of June 30, 2020.

***** Scholarship fund and student activity fund net position as of June 30, 2020.

ALLENDALE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Total net change in fund balances - governmental funds (from B-2)		\$	1,420,228
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.			
	Depreciation expense	\$ (1,196,440)	
	Capital outlays	<u>957,003</u>	(239,437)
In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.			
		190,478	
		<u>(234,363)</u>	(43,885)
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey.			
			318,321
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.			
			352,000
In the Statement of Activities, the amortization of bond premium is recorded as a reduction to interest expense. In the governmental funds, the amortization is not recorded.			
			34,960
In the Statement of Activities, the amortization of bond cost is recorded as a reduction to interest expense. In the governmental funds, the amortization is not recorded.			
			(18,919)
In the Statement of Activities, the principal payments on capital leases are recorded as an expenditure. In the governmental funds, the payments is a reduction in long-term debt.			
			84,633
In the Statement of Activities, accrued interest is recorded as interest expense .			
			3,986
In the Statement of Activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid.			
			<u>(44,723)</u>
Change in net position of governmental activities		\$	<u>1,867,164</u>

ALLENDALE SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 41,127	\$ 41,127
Total current assets	41,127	41,127
Noncurrent assets:		
Furniture, machinery & equipment	219,480	219,480
Less accumulated depreciation	(166,232)	(166,232)
Total noncurrent assets	53,248	53,248
Total assets	94,375	94,375
LIABILITIES		
Current liabilities:		
Deferred revenue	9,172	9,172
Total current liabilities	9,172	9,172
Noncurrent Liabilities:		
Compensated absences	-	-
Total noncurrent liabilities	-	-
Total liabilities	9,172	9,172
NET POSITION		
Investment in capital assets	53,248	53,248
Unrestricted	31,955	31,955
Total net position	85,203	85,203
Total liabilities and net position	\$ 94,375	\$ 94,375

ALLENDALE SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Local sources:		
Daily sales reimbursable programs		
School breakfast	\$ -	\$ -
School lunch	-	-
Total daily sales reimbursable programs	-	-
Daily sales non-reimbursable programs	-	-
Special functions	-	-
Miscellaneous	1,903	1,903
Total operating revenues	<u>1,903</u>	<u>1,903</u>
Operating expenses:		
Salaries	-	-
Employee benefits	-	-
Purchased property	-	-
Other purchased services	-	-
Supplies and materials	-	-
Depreciation	15,868	15,868
Cost of sales - reimbursable programs	-	-
Cost of sales - non-reimbursable programs	5,331	5,331
Total operating expenses	<u>21,199</u>	<u>21,199</u>
Operating income (loss)	<u>(19,296)</u>	<u>(19,296)</u>
Nonoperating revenues (expenses):		
Interest income	139	139
State sources:		
State school lunch program	-	-
State school breakfast program	-	-
Federal sources:		
School breakfast program	-	-
National school lunch program	-	-
Food distribution program	-	-
After school snack program	-	-
Total nonoperating revenues (expenses)	<u>139</u>	<u>139</u>
Income before contributions & transfers	<u>(19,157)</u>	<u>(19,157)</u>
Transfers in (out)	-	-
Change in net position	<u>(19,157)</u>	<u>(19,157)</u>
Total net position—beginning	104,360	104,360
Total net position—ending	<u>\$ 85,203</u>	<u>\$ 85,203</u>

ALLENDALE SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and other funds	\$ (6,927)	\$ (6,927)
Payments to employees & benefits	-	-
Payments to suppliers	-	-
Net cash provided by (used in) operating activities	(6,927)	(6,927)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources	-	-
Federal sources	-	-
Board interfund loans	-	-
Net cash provided by (used in) non-capital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in capital contributions	-	-
Purchases of capital assets	-	-
Gain/Loss on sale of capital assets (proceeds)	-	-
Net cash provided by (used in) capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	139	139
Proceeds from sale/maturities of investments	-	-
Net cash provided by (used in) investing activities	139	139
Net increase (decrease) in cash and cash equivalents	(6,788)	(6,788)
Balances—beginning of year	47,915	47,915
Balances—end of year	\$ 41,127	\$ 41,127
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (19,296)	\$ (19,296)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and net amortization	15,868	15,868
Increase (decrease) in deferred revenue	(8,830)	(8,830)
(Increase) decrease in inventories	5,331	5,331
Total adjustments	12,369	12,369
Net cash provided by (used in) operating activities	\$ (6,927)	\$ (6,927)

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Allendale Board of Education is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. 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 primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include Hillside School and Brookside School in Allendale. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation, Basis of Accounting

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd)

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 13.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Capital Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for all proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes. The implementation of GASB 84 moved the Student Activities Fund and Scholarship Fund to the Special Revenue Fund. The Student Activities Fund and Scholarship Fund have been previously included in the Agency Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

The District reports the following proprietary fund:

Enterprise Fund - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

Depreciation of all capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 Years
-----------	------------

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others.

C. Basis of Accounting

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

C. Basis of Accounting (Cont'd)

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds, if general long-term debt and acquisitions under capital releases, are reported as other financing sources.

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

D. Property Taxes

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue 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 6A:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year.)

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Cont'd)

E. Budgets/Budgetary Control (Cont'd)

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund-types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. 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.

F. Encumbrance Accounting

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 reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end.

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

G. Assets, Liabilities, and Equity

Cash, Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd)

Cash, Cash Equivalents (Cont'd)

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:2037 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution.

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

Interfund Transactions

Transfers between Governmental and Business-Type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and as non-operating revenues/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Cont'd)

G. Assets, Liabilities, and Equity (Cont'd)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent 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.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The board has 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.

Capital Assets

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd)

Capital Assets (Cont'd)

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and Improvements	7-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's Policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, no liability existed for compensated absences in the Food Service Fund.

Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd):

Accrued Liabilities and Long-Term Obligations

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables are accrued liabilities that, once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net Position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Fund Balance Reserves

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. **Nonspendable** - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. **Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. **Committed** - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd)

Fund Balance Reserves (Cont'd)

4. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. Unassigned - includes all spendable amounts not contained in the other classifications

H. Revenues - Exchange and Nonexchange Transactions

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

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

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

I. Operating Revenues and Expenses

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

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

J. Allocation of Indirect Expenses

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

K. Extraordinary and Special Items

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

L. Management Estimates

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

M . GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact on the School District's financial statements.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Cont'd)**

M. GASB Pronouncements (Cont'd)

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 92, *Omnibus 2020*, The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 92 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of Statement No. 95 are effective immediately.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Cont'd)

M. GASB Pronouncements (Cont'd)

Statement 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 primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Objectives 1 and 2 above are effective immediately. Objective 3 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

2. Capital Reserve Account

A Capital Reserve Account was established by the Allendale Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

2. Capital Reserve Account (Cont'd)

The activity of the Capital Reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance July 1, 2020	\$ 6,663,450
Add:	
Increase per Resolution	1,300,000
Transfer from Capital Projects	-
Interest Earnings	1,915
Less:	
Budgeted withdrawals	<u>(560,000)</u>
Ending Balance, June 30, 2021	\$ <u>7,405,365</u>

The June 30, 2021 LRFPP balance of local support costs of uncompleted Capital Projects is \$12,362,475.

3. Maintenance Reserve Account

A Maintenance Reserve Account was established by the Allendale Board of Education for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The 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. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the Maintenance Reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2021.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

3. Maintenance Reserve Account (Cont'd)

The activity of the Maintenance Reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance, July 1, 2020	\$	836,836
Add:		
Increase per Resolution		125,000
Less:		
Budgeted withdrawals		<u>(125,000)</u>
Balance, June 30, 2021	\$	<u>836,836</u>

4. Emergency Reserve Account

An Emergency Reserve Account was established by the Allendale Board of Education for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance, July 1, 2020	\$	<u>130,000</u>
Add:		
Interest transfer to Maintenance Reserve		-
Less:		
Budgeted withdrawals		<u>-</u>
Balance, June 30, 2021	\$	<u>130,000</u>

5. Deposits and Investments

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

5. **Deposits and Investments (Cont'd)**

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2021, the Board's bank balances of \$12,403,870 were exposed to Custodial Credit Risk as follows:

	<u>2021</u>
Insured under FDIC and GUDPA	\$ 12,125,346
Uninsured and Uncollateralized	<u>278,524</u>
	<u>\$ 12,403,870</u>

Investments

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

As of June 30, 2021, the Board had the following investments.

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Moody's Rating</u>	<u>S & P Rating</u>
U.S. Government Securities			
New Jersey ARM (Cash Equivalent)	\$3,755,027	A3	AAAm

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

5. Deposits and Investments (Cont'd)

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 further limits its investment choices.

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

New Jersey Asset and Rebate Management Program

The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

As of June 30, 2021, the District had \$3,755,027 on deposit with the New Jersey Asset and Rebate Management Program.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

6. Receivables

Receivables at June 30, 2021, consisted of state aid, interfund, intergovernmental, and other. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
State Aid	\$ 574,624	\$ 574,624
Federal Aid	<u>8,330</u>	<u>8,330</u>
	582,954	582,954
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 582,954</u>	<u>\$ 582,954</u>

7. Interfund Balances and Transfers

There were no balances due to/from other funds at June 30, 2021.

8. Inventory

The cost of inventoried 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) methods and consist of food and expendable supplies. The cost of such inventoried is recorded as expenses when consumed rather than when purchased.

As of June 30, 2021, the District had no ending inventory.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

9. Capital Assets

Capital assets consisted of the following at June 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ <u>33,570</u>	\$ <u>-</u>	\$ <u>(33,570)</u>	\$ <u>-</u>
Total Capital Assets Not Being Depreciated	<u>33,570</u>	<u>-</u>	<u>(33,570)</u>	<u>-</u>
Capital Assets Being Depreciated				
Site Improvements	229,589	-	-	229,589
Building and Building Improvements	23,931,582	297,660	-	24,229,242
Machinery and Equipment	<u>1,716,071</u>	<u>1,024,245</u>	<u>(234,363)</u>	<u>2,505,953</u>
Totals at Historical Cost	<u>25,877,242</u>	<u>1,321,905</u>	<u>(234,363)</u>	<u>26,964,784</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(10,007,869)	(839,597)	-	(10,847,466)
Machinery and Equipment	<u>(707,531)</u>	<u>(356,843)</u>	<u>190,478</u>	<u>(873,896)</u>
Total Accumulated Depreciation	<u>(10,715,400)</u>	<u>(1,196,440)</u>	<u>190,478</u>	<u>(11,721,362)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>15,161,842</u>	<u>125,465</u>	<u>(43,885)</u>	<u>15,243,422</u>
Government Activity Capital Assets, Net	<u>\$ 15,195,412</u>	<u>125,465</u>	<u>(77,455)</u>	<u>\$ 15,243,422</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 219,480	-	-	\$ 219,480
Less Accumulated Depreciation	<u>(150,364)</u>	<u>(15,868)</u>	<u>-</u>	<u>(166,232)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 69,116</u>	<u>\$ (15,868)</u>	<u>\$ -</u>	<u>\$ 53,248</u>

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

9. Capital Assets (Cont'd)

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$163,655.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 1,016,975
Student and Instruction Related Services	101,697
School Administration Services	35,893
Other Special Instruction	5,982
Special Education Instruction	<u>35,893</u>
 Total	 <u>\$ 1,196,440</u>

10. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2021, are as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 392,341	\$ 44,723	\$ 437,064	\$ -
PERS Pension Liability	3,891,930	(286,803)	3,605,127	-
Bonds Payable	2,143,645	(463,645)	1,680,000	365,000
Capital Leases	-	246,699	246,699	80,675
	<u>\$ 6,427,916</u>	<u>\$ (459,026)</u>	<u>\$ 5,968,890</u>	<u>\$ 445,675</u>

For the governmental activities, the bonds payable are liquidated from the School's District's debt service fund. Compensated absences payable, capital leases and PERS pension liability are liquidated by the general fund.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Long-Term Obligations (Cont'd)

B. Bonds Payable

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, 2021 are comprised of the following issues:

2012 Bonds of \$586,000, due in an annual installment of \$70,000 through March 1, 2022, interest at 3.109%	\$ 70,000
2014 Refunding Bonds of \$2,940,000, due in annual installments of \$295,000 to \$350,000 through March 15, 2026, interest at 3.50% to 5.00%	
	<u>1,610,000</u>
	<u><u>\$ 1,680,000</u></u>

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

Fiscal Year Ending	<u>Serial Bonds</u>		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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><u>\$ 1,680,000</u></u>	<u><u>186,726</u></u>	<u><u>\$ 1,866,726</u></u>

C. Bonds Authorized But Not Issued

As of June 30, 2021, the District had no authorized but not issued bonds.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Long-Term Obligations (Cont'd)

D. Capital Leases

The District is leasing equipment under various capital leases. During 2020, equipment of \$331,332 financed by the lease was recorded in machinery and equipment. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2021:

Year ended June 30,		
2022	\$	85,410
2023		85,409
2024		<u>85,409</u>
Total minimum lease payments		256,228
Less: amounts representing interest		<u>(9,529)</u>
Present value of lease payments	\$	<u><u>246,699</u></u>

Amortization of the leased equipment under capital assets is included with depreciation expense.

11. Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 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>
2022	<u>\$39,250</u>
Total	<u><u>\$39,250</u></u>

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

12. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (cont'd)

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

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At

June 30, 2021, the School District reported a liability of \$3,605,127 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, \$40,560, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was .0221073264%, which was an increase of .0005076733% from its proportion measured as of June 30, \$40,560.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$407,209 in the government-wide financial statements consisting of employer contributions of \$241,843 and non-employer contributions of \$165,366. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 65,643	\$ 12,749
Changes of assumptions	116,954	1,509,501
Net difference between projected and actual earnings on pension plan investments	123,226	-
Changes in proportion and differences between District contributions and proportionate share of contributions	231,234	-
District contributions subsequent to the measurement date	<u>241,843</u>	<u>-</u>
Total	<u>\$ 778,900</u>	<u>\$ 1,522,250</u>

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

12. Pension Plans (cont'd)

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

\$241,843 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (366,383)
2022	(334,031)
2023	(190,890)
2024	(77,193)
2025	(16,696)
Thereafter	-
Total	\$ <u>(985,193)</u>

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

12. Pension Plans (cont'd)

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

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for the 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

12 Pension Plans (cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, \$40,560, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

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%
---------------------------	-------

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

12. Pension Plans (cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. Equity	27.00 %	7.71 %
Non-U.S. Developed Markets Equity	13.50 %	8.57 %
Emerging Markets Equity	5.50 %	10.23 %
Private Equity	13.00 %	11.42 %

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

12. Pension Plans (cont'd)

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	4,573,939	3,605,127	2,835,466

Additional Information - The following is a summary of the collective balances of the local group:

	6/30/21	6/30/20
Collective Deferred Outflows of Resources	2,347,583,337	3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,654,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
School District's Portion	.0221073264%	.0215996531%

B. Teachers' Pension and Annuity (TPAF)

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

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

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

12. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

12. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$43,027,690. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, \$40,560, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was .0653431675%, which was a decrease of .0014093846% from its proportion measured as of June 30, \$40,560

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$1,977,170 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, \$40,560, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% based on years of service
Thereafter	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement, post-retirement were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

12. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-term Expected Rate of Return -In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 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 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. Equity	27.00 %	7.71 %
Non-U.S. Developed Markets Equity	13.50 %	8.57 %
Emerging Markets Equity	5.50 %	10.23 %
Private Equity	13.00 %	11.42 %

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability	50,652,124	43,027,690	36,869,940

Pension Plan Fiduciary Net Position - 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 Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	9,626,548,228	10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
School District's Portion	.0653431675%	.0667525521%

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

13. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

13. Post-Retirement Benefits (cont'd)

Employees covered by benefit terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	149,304
Active plan members	<u>216,804</u>
Total	<u><u>366,108</u></u>

Total Nonemployer OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified returned PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.00%-6.00% PFRS 3.25%-15.25% TPAF 1.55%-3.05%
Salary Increases after 2026	PERS 3.00%-7.00% PFRS 3.25%-15.25% TPAF 1.55%-3.05%
Discount Rate	3.50%
Healthcare Cost Trend Rates	4.5%-5.6%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

13. **Post-Retirement Benefits (cont'd)**

Actuarial assumptions and other inputs (cont'd)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

The actuarial assumptions used in the June 30, 2098 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at June 30, 2019	\$ 41,729,081,045
Changes for the year:	
Service cost	1,790,973,822
Interest on the total OPEB liability	1,503,341,357
Differences Between Expected and Actual Experience	11,544,750,637
Changes in assumptions	12,386,549,981
Gross benefit payments by the state	(1,180,516,618)
Contributions from members	<u>35,781,381</u>
Net changes	<u>26,080,880,560</u>
Balance at June 30, 2020	<u>\$ 67,809,961,605</u>

Discount rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2021

13. **Post-Retirement Benefits (cont'd)**

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2020 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability of the State for School Retirees	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160
Total OPEB Liability of the State Associated with the School District for School Retirees	\$44,325,433	\$36,767,761	\$30,858,388

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% 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 rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% 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%.

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following presents the June 30, 2020 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975
Total OPEB Liability of the State Associated with the School District for School Retirees	\$29,680,176	\$36,767,761	\$45,207,499

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

13. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$619,614 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Allendale Board of Education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,295,318,750	\$ (9,170,703,615)
Changes of assumptions	11,534,251,250	(7,737,500,827)
Contributions made in fiscal year ending 2020 after June 30, 2019 measurement date	-	-
Total	<u>\$ 21,829,570,000</u>	<u>\$(16,908,204,442)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
Total	<u>\$ 4,921,365,558</u>

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. Deferred Compensation

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

AXA Equitable

Valic

15. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 234	\$ -	\$ -	\$ 163,655
2020	-	11,255	4,421	163,421
2019	-	13,769	8,962	155,837

16. Contingent Liabilities

Grant Programs

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

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

17. Fund Balances

General Fund - of the \$12,598,909 General Fund balance at June 30, 2021, \$51,710 of encumbrances is assigned to other purposes, \$7,405,365 is restricted for capital reserve, \$836,836 is restricted for maintenance reserve, \$130,000 is restricted for emergency reserve, \$163,655 is restricted for unemployment compensation \$1,338,251 is restricted for excess surplus, \$1,508,593 is restricted for excess surplus for subsequent year expenditures, and \$1,164,499 is unassigned.

Special Revenue Fund - of the \$40,560 Special Revenue Fund balance at June 30, 2021, \$40,560 is restricted for student activities.

18. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$1,338,251.

19. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2021. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2018.

20. Subsequent Events

The school district Management has evaluated subsequent events through January 06, 2022, the date the financial statements were available to be issued.

The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the School District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the School District's customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the School District's financial condition or results of operations is uncertain.

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

21. Tax Abatement

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

22. Economic Dependency

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

23. Prior Period Adjustment

GASB Statement No. 84 established criteria for identifying funds to be included as Fiduciary Funds. The implementation of GASB 84 created new accounting and reporting requirements for funds previously included in Fiduciary Funds as follows:

- Unemployment Compensation Fund is included in the General Fund
- Scholarship Fund is included in the Special Revenue Fund
- Student Activity Fund are included in the Special Revenue Fund
- Payroll Agency and, Flexible Spending Accounts are included in the General Fund

The Unemployment Compensation Fund had a fund balance of \$163,421 at June 30, 2020. This balance is shown as a prior period adjustment to the General Fund's beginning fund balance. The restated beginning fund balance is \$11,149,319.

The Student Activity Fund had a fund balance of \$64,541 at June 30, 2020 and the Scholarship Fund had a fund balance of \$74 at June 30, 2020. The combined balance of \$64,615 is shown as a prior period adjustment to the Special Revenue Fund's beginning fund balance. The restated beginning fund balance is \$64,615.

The adoption of GASB 84 and the inclusion of the activity of the above referenced funds in the General Fund and Special Revenue Fund that were previously included in the Fiduciary Funds also created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

ALLENDALE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 16,110,363	\$ -	\$ 16,110,363	\$ 16,110,363	\$ -
Interest on investments	-	-	-	17,145	17,145
Interest earned on emergency reserve	120	-	120	-	(120)
Interest earned on maintenance reserve	625	-	625	-	(625)
Interest earned on capital reserve funds	32,500	-	32,500	1,915	(30,585)
Interest earned on unemployment - restricted	-	-	-	234	234
Tuition - from individuals	80,900	-	80,900	101,826	20,926
Rents and Royalties	35,200	-	35,200	-	(35,200)
Miscellaneous	79,000	-	79,000	24,367	(54,633)
Total - local sources	16,338,708	-	16,338,708	16,255,850	(82,858)
State sources:					
Categorical Special Education Aid	551,541	(79,574)	471,967	495,260	23,293
Categorical Transportation Aid	22,726	-	22,726	22,726	-
Security aid	71,109	-	71,109	71,109	-
Extraordinary aid	-	-	-	574,624	574,624
TPAF -LTDI (on-behalf - Non-budgeted)	-	-	-	902	902
TPAF - post retirement medical (on-behalf-Non-budgeted)	-	-	-	619,614	619,614
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,977,170	1,977,170
TPAF social security (reimbursed - Non-budgeted)	-	-	-	520,182	520,182
Total state sources	645,376	(79,574)	565,802	4,281,587	3,715,785
Total revenues	16,984,084	(79,574)	16,904,510	20,537,437	3,632,927
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Kindergarten - Salaries of teachers	326,594	50,000	376,594	369,060	7,534
Grades 1-5 - Salaries of teachers	2,437,582	(138,700)	2,298,882	2,126,157	172,725
Grades 6-8 - Salaries of teachers	2,255,609	8,000	2,263,609	2,229,568	34,041
Regular Programs - Home Instruction:					
Salaries of teachers	5,000	(4,500)	500	-	500
Purchased professional-educational services	2,000	7,500	9,500	2,806	6,694
Regular Programs - Undistributed Instruction					
Purchased professional-educational services	-	-	-	-	-
Purchased technical services	65,200	-	65,200	40,694	24,506
Other purchased services (400-500 series)	344,525	-	344,525	289,885	54,640
General supplies	409,942	25,817	435,759	249,485	186,274
Textbooks	6,400	-	6,400	-	6,400
Other objects	15,439	-	15,439	1,862	13,577
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,868,291	(51,883)	5,816,408	5,309,517	506,891
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	67,362	-	67,362	65,357	2,005
Other salaries for instruction	25,545	-	25,545	22,023	3,522
Other Purch. Serv. (400-500 series)	-	6,000	6,000	-	6,000
General supplies	-	10,000	10,000	6,839	3,161
Total Multiple Disabilities	92,907	16,000	108,907	94,219	14,688
Resource Room/Resource Center:					
Salaries of Teachers	590,375	-	590,375	542,668	47,707
General supplies	4,906	-	4,906	1,404	3,502
Total Resource Room/Resource Center	595,281	-	595,281	544,072	51,209
Preschool Disabilities - Part-Time:					
Salaries of Teachers	63,562	2,800	66,362	65,727	635
General Supplies	2,000	-	2,000	854	1,146
Total Preschool Disabilities - Part-Time	65,562	2,800	68,362	66,581	1,781
TOTAL SPECIAL EDUCATION- INSTRUCTION	753,750	18,800	772,550	704,872	67,678
Basic Skills/Remedial - Instruction					
Salaries of Teachers	434,107	30,000	464,107	462,626	1,481
General Supplies	8,080	-	8,080	3,092	4,988
Total Basic Skills/Remedial - Instruction	442,187	30,000	472,187	465,718	6,469

ALLEDALE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction					
Salaries of Teachers	\$ 43,589	\$ -	\$ 43,589	\$ 11,582	\$ 32,007
General Supplies	2,000	-	2,000	-	2,000
Total Bilingual Education - Instruction	<u>45,589</u>	<u>-</u>	<u>45,589</u>	<u>11,582</u>	<u>34,007</u>
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	59,247	(15,000)	44,247	7,792	36,455
Supplies and Materials	19,675	-	19,675	900	18,775
Total School-Spon. Cocurricular Actvts. - Instruction	<u>78,922</u>	<u>(15,000)</u>	<u>63,922</u>	<u>8,692</u>	<u>55,230</u>
School-Spon. Athletics - Instruction					
Salaries	54,570	(35,000)	19,570	-	19,570
Purchased Services (300-500 series)	8,740	-	8,740	200	8,540
Supplies and Materials	8,941	-	8,941	-	8,941
Total School-Spon. Cocurricular Actvts. - Instruction	<u>72,251</u>	<u>(35,000)</u>	<u>37,251</u>	<u>200</u>	<u>37,051</u>
Total Instruction	<u>7,260,990</u>	<u>(53,083)</u>	<u>7,207,907</u>	<u>6,500,581</u>	<u>707,326</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the State - Special	406,000	(36,795)	369,205	301,462	67,743
Tuition to Private Sch for Disbl W/I State	581,165	(60,000)	521,165	396,538	124,627
Total Undistributed Expenditures - Instruction:	<u>987,165</u>	<u>(96,795)</u>	<u>890,370</u>	<u>698,000</u>	<u>192,370</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	38,773	200	38,973	38,820	153
Total Undistributed Expend. - Attend. & Social Work	<u>38,773</u>	<u>200</u>	<u>38,973</u>	<u>38,820</u>	<u>153</u>
Undist. Expend. - Health Services					
Salaries	131,974	-	131,974	127,199	4,775
Purchased professional and technical services	15,000	-	15,000	-	15,000
Other purchased services (400-500 series)	1,500	-	1,500	270	1,230
Supplies and materials	7,820	-	7,820	635	7,185
Other objects	678	-	678	195	483
Total Undistributed Expenditures - Health Services	<u>156,972</u>	<u>-</u>	<u>156,972</u>	<u>128,299</u>	<u>28,673</u>
Undist. Expend. - Speech, OT, PT and Related Services					
Salaries	185,002	12,100	197,102	193,572	3,530
Purchased Prof. Ed. Services	120,000	4,100	124,100	109,451	14,649
Supplies and Materials	3,250	(1,800)	1,450	454	996
Total Undist. Expend. - Speech, OT, PT and Related Services	<u>308,252</u>	<u>14,400</u>	<u>322,652</u>	<u>303,477</u>	<u>19,175</u>
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	547,816	(15,000)	532,816	367,027	165,789
Supplies and materials	16,900	(10,000)	6,900	1,800	5,100
Purchased Prof. Ed. Services	109,000	65,000	174,000	147,858	26,142
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>673,716</u>	<u>40,000</u>	<u>713,716</u>	<u>516,685</u>	<u>197,031</u>
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	172,171	15,000	187,171	184,033	3,138
Purchased Professional - Educational Services	3,200	-	3,200	1,265	1,935
Other Purch. Prof. & Tech. Svc.	3,000	-	3,000	-	3,000
Supplies and Materials	3,500	-	3,500	123	3,377
Total Undistributed Expenditures - Guidance	<u>181,871</u>	<u>15,000</u>	<u>196,871</u>	<u>185,421</u>	<u>11,450</u>
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	343,446	-	343,446	328,359	15,087
Salaries of Secretarial and Clerical assistants	54,110	2,500	56,610	56,261	349
Purchased Professional - Educational Services	49,000	(3,400)	45,600	14,804	30,796
Other Purchased Prof. & Tech. Services	9,625	-	9,625	3,074	6,551
Other Purchased Services (400-500 series)	6,690	3,400	10,090	8,556	1,534
Supplies and Materials	12,200	-	12,200	11,319	881
Other Objects	1,600	-	1,600	720	880
Total Undistributed Expenditures - Child Study Teams	<u>476,671</u>	<u>2,500</u>	<u>479,171</u>	<u>423,093</u>	<u>56,078</u>
Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	140,000	500	140,500	121,735	18,765
Salaries Other Prof. Staff	44,000	24,000	68,000	66,679	1,321
Salaries Secr. & Clerical Asst.	22,910	-	22,910	21,334	1,576
Purchased Professional - Educational Services	60,800	(16,000)	44,800	25,912	18,888
Other Purchased Services (400-500 series)	22,450	-	22,450	17,576	4,874
Supplies and Materials	19,700	(4,000)	15,700	1,696	14,004
Other objects	3,845	-	3,845	159	3,686
Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.	<u>313,705</u>	<u>4,500</u>	<u>318,205</u>	<u>255,091</u>	<u>63,114</u>

ALLEDALE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Educational Media Services/School Library					
Salaries	\$ 132,900	\$ 700	\$ 133,600	\$ 133,035	\$ 565
Salaries of Technology Coordinators	106,605	1,900	108,505	108,250	255
Purchased Prof & Tech Svc.	2,034	-	2,034	-	2,034
Other Purchased Services (400-500)	15,274	(1,900)	13,374	6,274	7,100
Supplies and Materials	15,130	-	15,130	7,492	7,638
Other Objects	500	-	500	-	500
Total Undist. Expend. - Educational Media Services/School Library	272,443	700	273,143	255,051	18,092
Undist. Expend. - Instruction Staff Training Services					
Purchased Professional - Educational Services	29,450	(4,000)	25,450	4,512	20,938
Other Purchased Services (400-500 series)	5,000	-	5,000	112	4,888
Supplies and Materials	350	4,000	4,350	1,120	3,230
Total Undist. Expend. - Instruction Staff Training Services	34,800	-	34,800	5,744	29,056
Undist. Expend. - Support Service - General Administration					
Salaries	290,235	8,900	299,135	289,865	9,270
Legal Services	61,525	-	61,525	27,284	34,241
Audit Fees	35,000	32,000	67,000	28,835	38,165
Architectural/Engineering Services	23,000	-	23,000	5,000	18,000
Other Purchased Professional Services	28,250	-	28,250	19,084	9,166
Communications/Telephone	39,780	-	39,780	35,004	4,776
BOE Other Purchased Services	2,600	-	2,600	-	2,600
Misc. Purch. Serv.(400-500)	23,170	-	23,170	19,649	3,521
General Supplies	4,000	-	4,000	176	3,824
Miscellaneous Expenditures	4,900	-	4,900	1,513	3,387
BOE Membership Dues and Fees	15,500	-	15,500	11,210	4,290
Total Undist. Expend. - Support Service - General Administration	527,960	40,900	568,860	437,620	131,240
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	351,871	11,000	362,871	351,871	11,000
Salaries of Secretarial and Clerical Assistants	193,158	17,000	210,158	192,171	17,987
Purchased Professional and Technical Services	2,500	-	2,500	-	2,500
Other Purchased Services (400-500 series)	13,000	-	13,000	-	13,000
Supplies and Materials	8,225	(120)	8,105	4,319	3,786
Other Objects	6,259	120	6,379	3,839	2,540
Total Undist. Expend. - Support Service - School Administration	575,013	28,000	603,013	552,200	50,813
Undistributed Expenditures- Central Services					
Salaries	327,167	-	327,167	294,084	33,083
Misc. Purchased Services	28,300	-	28,300	23,126	5,174
Supplies and Materials	8,000	-	8,000	4,149	3,851
Miscellaneous Expenditures	4,425	-	4,425	2,323	2,102
Total Central Services	367,892	-	367,892	323,682	44,210
Administration Information Technology					
Salaries	11,850	6,195	18,045	11,828	6,217
Purchased technical services	25,000	-	25,000	540	24,460
Supplies and Materials	8,000	-	8,000	2,237	5,763
Other Objects	1,500	-	1,500	-	1,500
Total Admin info tech	46,350	6,195	52,545	14,605	37,940
Required Maint for School Facilities					
Salaries	219,305	700	220,005	215,876	4,129
Cleaning, Repair and Maintenance Services	223,000	17,054	240,054	133,456	106,598
Lead Testing of Drinking Water	5,600	-	5,600	-	5,600
General Supplies	41,000	-	41,000	22,117	18,883
Total Required Maintenance for School Facilities	488,905	17,754	506,659	371,449	135,210
Custodial Services					
Salaries	469,098	2,000	471,098	385,900	85,198
Salaries of Non-Instructional Aides	124,832	-	124,832	86,792	38,040
Purchased Professional and Technical Services	5,500	16,500	22,000	18,142	3,858
Cleaning, Repair and Maintenance Services	55,000	91,500	146,500	125,403	21,097
Rental of Land and Building Other than Lease	1,500	-	1,500	-	1,500
Other Purchased Property Services	38,000	(2,500)	35,500	7,034	28,466
Insurance	94,125	4,000	98,125	97,412	713
Miscellaneous Purchased Services	16,700	-	16,700	6,848	9,852
General Supplies	48,000	-	48,000	33,383	14,617
Energy (Natural Gas)	85,000	(2,000)	83,000	65,447	17,553
Energy (Electricity)	145,000	(2,000)	143,000	110,367	32,633
Other objects	2,000	-	2,000	811	1,189
Total Custodial services	1,084,755	107,500	1,192,255	937,539	254,716

ALLEDALE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	\$ 114,500	\$ 11,000	\$ 125,500	\$ 107,584	\$ 17,916
General Supplies	13,000	-	13,000	435	12,565
Total Care and Upkeep of Grounds	127,500	11,000	138,500	108,019	30,481
Security					
Salaries	58,000	-	58,000	39,775	18,225
Cleaning, Repair and Maintenance Services	8,000	-	8,000	-	8,000
Purchased Professional and Technical Services	19,900	(9,500)	10,400	4,727	5,673
General Supplies	13,000	-	13,000	6,755	6,245
Total Security	98,900	(9,500)	89,400	51,257	38,143
Total Oper. And Maintenance of Plant Services	1,800,060	126,754	1,926,814	1,468,264	458,550
Student Transportation Services					
Contr Serv (Oth.than Bet Home & Sch) - Vend	38,400	(10,000)	28,400	-	28,400
Contract Serv. (Sp Ed Stds) - Vendors	14,000	(3,000)	11,000	-	11,000
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	216,000	-	216,000	211,745	4,255
Total Student Transportation Services	268,400	(13,000)	255,400	211,745	43,655
Interest Earned on Current Expense Emergency Reserve					
Interest earned on Maintenance Reserve	625	-	625	-	625
Interest earned on current expense Emergency Reserve	120	-	120	-	120
Total Interest Earned on Current Expense Emergency Reserve	745	-	745	-	745
Personal Services- Employee Benefits					
Social Security Contributions	192,000	(8,000)	184,000	166,561	17,439
Other Retirement Contributions - PERS	232,000	10,000	242,000	241,843	157
Other Retirement Contributions-Regular	7,100	-	7,100	3,094	4,006
Unemployment Compensation	10,000	-	10,000	-	10,000
Workmen's Compensation	75,000	-	75,000	41,241	33,759
Health Benefits	2,902,050	(10,000)	2,892,050	2,348,379	543,671
Tuition Reimbursement	70,900	-	70,900	46,940	23,960
Other Employee Benefits	24,700	8,000	32,700	24,248	8,452
Unused Sick Pymt to Term./Retired Staff	32,750	-	32,750	26,425	6,325
Total Personal Services-Employee Benefits	3,546,500	-	3,546,500	2,898,731	647,769
On-behalf Contributions					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	902	(902)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	619,614	(619,614)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,977,170	(1,977,170)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	520,182	(520,182)
Total On-behalf Contributions	-	-	-	3,117,868	(3,117,868)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,546,500	-	3,546,500	6,016,599	(2,470,099)
TOTAL UNDISTRIBUTED EXPENDITURES	10,577,288	169,354	10,746,642	11,834,396	(1,087,754)
TOTAL GENERAL CURRENT EXPENDITURES	17,838,278	116,271	17,954,549	18,334,977	(380,428)
CAPITAL OUTLAY					
Capital Reserve - Transfer to Capital Projects	560,000	(560,000)	-	-	-
Interest Deposit to Capital Reserve	32,500	-	32,500	-	32,500
Equipment					
Special Education- Instruction:					
Undistributed expenditures - Instruction	22,000	-	22,000	6,838	15,162
Undist.Exp.-Req. Maint. Schl Facilities					
Undist. Exp.-Req. Maint. Schl Facilities	25,000	-	25,000	13,169	11,831
Undistributed exp.-Non-Instructional services					
Undistributed expenditures - Security	35,000	12,000	47,000	42,489	4,511
Total Equipment	82,000	12,000	94,000	62,496	31,504
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	75,000	(57,000)	18,000	3,903	14,097
Construction Services	-	914,500	914,500	854,605	59,895
Assessment for Debt Service on SDA Funding	23,293	-	23,293	23,293	-
Other Objects	-	203,100	203,100	-	203,100
Capital Outlay - Transfer to Capital Projects	565,600	(565,600)	-	-	-
Total Facilities Acquisition and Construction Services	663,893	495,000	1,158,893	881,801	277,092
TOTAL CAPITAL OUTLAY	1,338,393	(53,000)	1,285,393	944,297	341,096
TOTAL EXPENDITURES	19,176,671	63,271	19,239,942	19,279,274	(39,332)

ALLENDALE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,192,587)	\$ (142,845)	\$ (2,335,432)	\$ 1,258,163	\$ 3,593,595
Fund Balance, July 1	11,233,906	-	11,233,906	11,233,906	-
Prior Period Adjustment	-	-	-	163,421	(163,421)
Fund Balance, July 1, Restated	11,233,906	-	11,233,906	11,397,327 **	(163,421)
Fund Balance, June 30	<u>\$ 9,041,319</u>	<u>\$ (142,845)</u>	<u>\$ 8,898,474</u>	<u>\$ 12,655,490</u>	<u>\$ 3,430,174</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 836,836	
Emergency Reserve				130,000	
Excess surplus - current year				1,338,251	
Excess surplus-designated for subsequent year's expenditures				1,508,593	
Capital reserve				7,405,365	
Unemployment compensation				163,655	
Assigned Fund Balance:					
Year-end encumbrances				51,710	
Designated for subsequent year's expenditures				-	
Unassigned				<u>1,221,080</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				12,655,490	
Last state aid payment not recognized on GAAP basis				(56,581)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 12,598,909</u>	

* Include interest earnings on the unemployment compensation bank account

** Represents unemployment fund net position as of June 30, 2020

ALLENDALE SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
REVENUES						
Local sources	\$ -	\$ 6,660	\$ 6,660	\$ 45,317	\$ 38,657	
State sources	-	-	-	-	-	
Federal sources	184,465	89,464	273,929	229,147	(44,782)	
Total Revenues	<u>184,465</u>	<u>96,124</u>	<u>280,589</u>	<u>274,464</u>	<u>(6,125)</u>	
EXPENDITURES						
Instruction:						
Personal services-salaries	12,000	(11,000)	1,000	-	1,000	
Purchased professional and technical services	-	5,700	5,700	5,700	-	
General supplies	5,900	40,122	46,022	27,814	18,208	
Tuition	150,190	23,829	174,019	174,019	-	
Total instruction	<u>168,090</u>	<u>58,651</u>	<u>226,741</u>	<u>207,533</u>	<u>19,208</u>	
Support services:						
Purchased professional and technical services	16,375	(16,375)	-	-	-	
Other purchased services	-	35,433	35,433	10,893	24,540	
Supplies- materials	-	7,404	7,404	5,900	1,504	
Scholarships Awarded	-	-	-	74	(74)	Note 1
Student Activities	-	-	-	63,108	(63,108)	Note 1
Total support services	<u>16,375</u>	<u>26,462</u>	<u>42,837</u>	<u>79,975</u>	<u>(37,138)</u>	
EXPENDITURES:						
Facilities acquisition and const. serv.:						
Instructional equipment	-	11,011	11,011	11,011	-	
Total facilities acquisition and const. serv.	<u>-</u>	<u>11,011</u>	<u>11,011</u>	<u>11,011</u>	<u>-</u>	
Total expenditures	<u>184,465</u>	<u>96,124</u>	<u>280,589</u>	<u>298,519</u>	<u>(17,930)</u>	
Other financing sources (uses)						
Transfer in from general fund	-	-	-	-	-	
Contribution to whole school reform	-	-	-	-	-	
Total outflows	<u>184,465</u>	<u>96,124</u>	<u>280,589</u>	<u>298,519</u>	<u>(17,930)</u>	
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,055)</u>	<u>(24,055)</u>	
Fund Balance, July 1				-		
Prior Period Adjustment				64,615		
Fund Balance, July 1 (Restated)				64,615		
Fund Balance, June 30				<u>\$ 40,560</u>		
Recapitulation:						
Restricted:						
Student Activities				40,560		
Total Fund Balance				<u>\$ 40,560</u>		

Note 1 - Not required to budget for these funds

**ALLENDALE SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2021**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 20,537,437	[C-2]	\$ 274,464
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		6,464
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,977,170)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(56,581)		-
State aid payment and extraordinary aid recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		248,008		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 18,751,694</u>	[B-2]	<u>\$ 280,928</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 19,279,274	[C-2]	\$ 298,519
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,977,170)		-
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.		-		6,464
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 17,302,104</u>	[B-2]	<u>\$ 304,983</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

ALLENDALE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2021

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.0222100000%	0.0184200000%	0.0196400000%	0.0202200000%	0.0208800000%	0.0212200000%	0.0216000000%	0.0221073264%
District's proportionate share of the net pension liability	\$ 4,245,563	\$ 3,448,550	\$ 4,408,856	\$ 5,988,698	\$ 4,861,387	\$ 4,179,153	\$ 3,891,930	\$ 3,605,127
District's covered-employee payroll	1,328,508	1,282,525	1,324,720	1,423,066	1,459,154	1,524,527	1,445,190	1,700,992
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	319.57%	268.89%	332.81%	420.83%	333.16%	274.13%	269.30%	211.94%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

**ALLENDALE SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions-PERS
For the Year Ended June 30, 2021**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contributions	\$ 167,379	\$ 167,379	\$ 168,854	\$ 179,635	\$ 193,465	\$ 211,123	\$ 210,100	\$ 241,843
Contributions in relation to the contractually required contribution	<u>167,379</u>	<u>167,379</u>	<u>168,854</u>	<u>179,635</u>	<u>193,465</u>	<u>211,123</u>	<u>210,100</u>	<u>241,843</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,282,525	\$ 1,282,525	\$ 1,423,066	\$ 1,459,154	\$ 1,524,527	\$ 1,445,190	\$ 1,700,992	\$ 1,684,375
Contributions as a percentage of covered-employee payroll	13.05%	13.05%	11.87%	12.31%	12.69%	14.61%	12.35%	14.36%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

**ALLENDALE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Year Ended June 30, 2021**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the net pension liability associated with the District	0.0583562876%	0.0603431835%	0.0626326444%	0.0636181692%	0.0635534865%	0.0656143106%	0.0667525521%	0.0653431675%
State's proportionate share of the net pension liability associated with the District	\$ 29,492,809	\$ 32,251,468	\$ 39,856,506	\$ 50,046,103	\$ 42,850,052	\$ 41,742,415	\$ 40,966,671	\$ 43,027,690
District's covered-employee payroll	6,028,199	6,380,317	6,404,960	6,654,718	7,027,642	6,995,888	7,229,215	7,227,431
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	489.25%	505.48%	622.28%	752.04%	609.74%	596.67%	566.68%	595.34%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the CAFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

ALLENDALE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2021
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the OPEB liability associated with the District				
Service cost	\$ 1,285,411	\$ 1,073,462	\$ 914,431	\$ 976,216
Interest cost	955,797	1,105,796	1,008,770	828,945
Differences between expected and actual experiences	-	(3,245,233)	(4,056,705)	5,851,488
Changes in assumptions	(3,982,040)	(2,925,278)	343,165	6,716,206
Member contributions	24,620	23,558	20,943	19,401
Gross benefit payments	(668,617)	(681,634)	(706,510)	(640,096)
Net change in total OPEB liability	(2,384,829)	(4,649,329)	(2,475,906)	13,752,160
Total OPEB liability - beginning	<u>32,525,665</u>	<u>30,140,836</u>	<u>25,491,507</u>	<u>23,015,601</u>
Total OPEB liability - ending	<u>\$ 30,140,836</u>	<u>\$ 25,491,507</u>	<u>\$ 23,015,601</u>	<u>\$ 36,767,761</u>
District's covered employee payroll	<u>\$ 8,486,796</u>	<u>\$ 8,441,078</u>	<u>\$ 8,930,207</u>	<u>\$ 9,504,905</u>
Total State's OPEB liability as a percentage of covered employee payroll	355%	302%	258%	387%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

Allendale Board of Education

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2021

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

ALLEDALE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2021

	Title I 20/21	Title II Part A 20/21	Title III Immigrant 20/21	Title IV 20/21	I.D.E.A. B-Basic Reg Prog 20/21	Scholarship 20/21
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	7,921	1,938	547	6,300	166,128	-
Total revenues	<u>7,921</u>	<u>1,938</u>	<u>547</u>	<u>6,300</u>	<u>166,128</u>	<u>-</u>
Expenditures:						
Instruction:						
Salaries	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
General supplies	7,921	-	547	-	-	-
Tuition	-	-	-	-	166,128	-
Other objects	-	-	-	-	-	-
Total instruction	<u>7,921</u>	<u>-</u>	<u>547</u>	<u>-</u>	<u>166,128</u>	<u>-</u>
Support services:						
Other support services - students - special:						
Salaries	-	-	-	-	-	-
Purchased prof. and tech. services	-	-	-	-	-	-
Other purchased services	-	1,938	-	6,000	-	-
Employee benefits	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Supplies and materials	-	-	-	300	-	-
Scholarship	-	-	-	-	-	74
Student activities	-	-	-	-	-	-
Total other support services - students - special	<u>-</u>	<u>1,938</u>	<u>-</u>	<u>6,300</u>	<u>-</u>	<u>74</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,921</u>	<u>\$ 1,938</u>	<u>\$ 547</u>	<u>\$ 6,300</u>	<u>\$ 166,128</u>	<u>\$ 74</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74)</u>
Fund Balance, July 1	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	74 *
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Represents scholarship fund net position as of June 30, 2020

ALLENDALE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2021

	I.D.E.A. Preschool 20/21	Coronavirus Relief Fund 20/21	ESSER 20/21	OTHER	Student Activity 20/21	Total 2021
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ 6,190	\$ 39,127	\$ 45,317
State sources	-	-	-	-	-	-
Federal sources	7,891	21,868	16,554	-	-	229,147
Total revenues	<u>7,891</u>	<u>21,868</u>	<u>16,554</u>	<u>6,190</u>	<u>39,127</u>	<u>274,464</u>
Expenditures:						
Instruction:						
Salaries	-	-	-	-	-	-
Purchased professional services	-	-	-	5,700	-	5,700
General supplies	-	15,951	3,395	-	-	27,814
Tuition	7,891	-	-	-	-	174,019
Other objects	-	-	-	-	-	-
Total instruction	<u>7,891</u>	<u>15,951</u>	<u>3,395</u>	<u>5,700</u>	<u>-</u>	<u>207,533</u>
Support services:						
Other support services - students - special:						
Salaries	-	-	-	-	-	-
Purchased prof. and tech. services	-	-	-	-	-	-
Other purchased services	-	-	2,955	-	-	10,893
Employee benefits	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Supplies and materials	-	-	5,110	490	-	5,900
Scholarship	-	-	-	-	-	74
Student activities	-	-	-	-	63,108	63,108
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>8,065</u>	<u>490</u>	<u>63,108</u>	<u>79,975</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	5,917	5,094	-	-	11,011
Total equipment	<u>-</u>	<u>5,917</u>	<u>5,094</u>	<u>-</u>	<u>-</u>	<u>11,011</u>
Total expenditures	<u>\$ 7,891</u>	<u>\$ 21,868</u>	<u>\$ 16,554</u>	<u>\$ 6,190</u>	<u>\$ 63,108</u>	<u>\$ 298,519</u>
Excess (deficiency) of revenues						
Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,981)</u>	<u>(24,055)</u>
Fund Balance, July 1	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	64,541	64,615
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,541</u>	<u>64,615</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,560</u>	<u>\$ 40,560</u>

**Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

F. Capital Projects Fund
Not Applicable

G. Proprietary Funds
See B-4 through B-6

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

ALLENDALE SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2021

Issue	Date of Issue	Amount Of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2020	Issued	Retired	Refinanced	Balance June 30, 2021
Government Loan Revenue Bond Series 2012 ERIP Refunding - Through Bergen County Improvement Authority	5/17/2012	586,000	3/1/2022	70,000	3.109%	137,000	-	(67,000)		70,000
Refunding Bonds	11/20/2014	2,940,000	3/15/2022	295,000	4.000%	1,895,000	-	(285,000)		1,610,000
			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>\$ 2,032,000</u>	<u>\$ -</u>	<u>\$ (352,000)</u>	<u>\$ -</u>	<u>\$ 1,680,000</u>

ALLENDALE SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Lease
 June 30, 2021

<u>Lessor</u>	<u>Date of Lease</u>	<u>Amount of Original Lease Principle</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Amount Outstanding July 1, 2020</u>	<u>Issued Current Year</u>	<u>Canceled Current Year</u>	<u>Payments Current Year</u>	<u>Amount Outstanding June 30, 2021</u>
U.S Bancorp Government Leasing and Finance, Inc.	6/1/2020	331,332		1.919%	\$ -	\$ 331,332	\$ -	\$ (84,633)	\$ 246,699
					<u>\$ -</u>	<u>\$ 331,332</u>	<u>\$ -</u>	<u>\$ (84,633)</u>	<u>\$ 246,699</u>

**ALLENDALE SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 302,616	\$ -	\$ 302,616	\$ 302,616	\$ -
Interest on Investment	-	-	-	93	93
State Sources:					
Debt Service Aid Type II	122,018	-	122,018	122,018	-
Total Revenues	<u>424,634</u>	<u>-</u>	<u>424,634</u>	<u>424,727</u>	<u>93</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	78,035	-	78,035	78,034	(1)
Redemption of Principal	352,000	-	352,000	352,000	-
Total Regular Debt Service	<u>430,035</u>	<u>-</u>	<u>430,035</u>	<u>430,034</u>	<u>(1)</u>
Total Expenditures	<u>430,035</u>	<u>-</u>	<u>430,035</u>	<u>430,034</u>	<u>(1)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,401)	-	(5,401)	(5,307)	94
Fund Balance, July 1	9,083	-	9,083	9,083	-
Fund Balance, June 30	<u>\$ 3,682</u>	<u>\$ -</u>	<u>\$ 3,682</u>	<u>\$ 3,776</u>	<u>\$ 94</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ 3,682</u>	<u>\$ -</u>	<u>\$ 3,682</u>	<u>\$ 3,776</u>	<u>\$ 94</u>

STATISTICAL SECTION

**Allendale School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	102-107
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	108-111
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	112-115
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	116-117
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	118-122

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

ALLENDALE SCHOOL DISTRICT
Net Positions by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 13,260,717
Restricted	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	11,427,036
Unrestricted	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)	(3,569,332)
Total governmental activities net position	<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>	<u>21,118,421</u>
Business-type activities										
Net investment in capital assets	60,099	56,120	49,252	64,699	103,186	92,337	84,033	69,483	69,116	53,248
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	58,085	69,673	84,298	69,703	22,567	30,907	27,393	49,833	35,244	31,955
Total business-type activities net position	<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>	<u>85,203</u>
District-wide										
Net investment in capital assets	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	13,313,965
Restricted	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	11,427,036
Unrestricted	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)	(3,537,377)
Total district net position	<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>	<u>21,203,624</u>

Source: CAFR Schedule A-1 and District records.

Note - GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

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

ALLENDALE SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	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	6,454,296
Special education	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	740,765
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	564,380	754,638	799,218	782,693	970,860	1,319,257	1,046,138	1,050,032	1,027,248	492,174
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition										
Student & Instruction Related Services	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	-
Instruction	-	-	-	-	-	-	-	-	-	799,697
Attendance and social work	40,558	45,151	44,904	50,513	55,838	69,792	74,083	69,468	66,836	38,820
Health services	191,806	201,189	210,102	240,815	263,511	304,463	318,193	304,118	230,067	139,192
Improvement of instr. services	-	-	-	-	-	-	-	-	-	262,551
Educational media services	200,517	204,261	198,205	222,299	243,893	258,297	225,516	196,848	257,876	255,051
Instruction staff training	-	-	-	-	-	-	-	-	-	5,744
School Administrative services	794,064	816,826	730,028	785,652	876,963	977,091	1,033,024	659,537	682,807	632,816
General administration	578,080	521,372	458,844	532,841	609,592	615,997	714,032	1,020,584	949,715	437,620
Central Services	388,694	427,634	414,848	486,636	573,199	603,783	637,377	493,056	422,990	323,682
Plant operations and maintenance	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	1,466,569
Administrative information technology	-	-	-	-	-	-	-	-	-	14,605
Pupil transportation	91,546	123,385	101,794	149,971	174,322	88,178	151,503	140,392	139,251	211,745
Other support services	-	-	-	-	-	-	-	-	-	1,491,858
Non-budgeted expenditures	-	-	-	-	-	-	-	-	-	1,140,698
Interest on long-term debt	273,249	249,684	226,238	167,720	138,797	110,101	92,352	103,189	92,194	58,007
Unallocated employee benefits	-	-	-	-	-	-	-	-	-	2,580,410
Total governmental activities expenses	<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>	<u>17,546,300</u>
Business-type activities:										
Food service	250,187	242,061	249,442	239,376	269,954	275,881	285,593	291,163	210,884	21,199
Summer music	25,388	38,291	18,384	-	-	-	-	-	-	-
Total business-type activities expense	<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>	<u>21,199</u>
Total district expenses	<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>	<u>17,567,499</u>

ALLENDALE SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	75,859	82,898	89,332	41,933	74,063	64,647	96,711	89,334	114,560	140,953
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	59,322	20,115	46,696	35,420	25,094	-
Operating grants and contributions	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	1,140,698
Capital grants and contributions	-	-	-	427,748	293,052	43,282	-	-	-	-
Total governmental activities program revenues	<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>	<u>1,281,651</u>
Business-type activities:										
Charges for services:										
Food service	239,594	222,333	253,035	239,876	267,542	273,202	273,549	298,389	195,353	1,903
Summer music	27,488	36,588	22,006	-	-	-	-	-	-	-
Operating grants and contributions	24,815	28,713	94	-	-	-	-	-	-	139
Total business type activities program revenues	<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>	<u>2,042</u>
Total district program revenues	<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>	<u>1,283,693</u>
Net (Expense)/Revenue										
Governmental activities	(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)	(16,264,649)
Business-type activities	16,322	7,282	7,309	500	(2,412)	(2,679)	(12,044)	7,226	(15,531)	(19,157)
Total district-wide net expense	<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>	<u>(16,283,806)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	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	16,110,363
Taxes levied for debt service	848,696	891,449	890,133	784,912	887,669	847,316	307,339	302,861	301,242	302,616
Unrestricted grants and contributions	-	-	-	15,673	8,489	8,490	8,469	-	-	1,712,775
Federal and State Aid Restricted	123,222	-	-	-	-	-	-	119,808	119,672	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	16,398	20,546	21,439	17,344	23,006	37,569	74,833	-	-	19,294
Miscellaneous income	143,316	68,217	72,493	81,415	33,472	35,590	33,837	183,422	145,587	30,650
Loss on capital assets	-	-	-	-	-	-	-	(4,393)	-	(43,885)
Transfers	-	-	-	-	6,412	-	-	-	-	-
Total governmental activities	<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>	<u>18,131,813</u>
Business-type activities:										
Investment earnings	254	327	448	352	175	170	226	664	575	-
Transfers	-	-	-	-	(6,412)	-	-	-	-	-
Total business-type activities	<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>	<u>-</u>
Total district-wide	<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>	<u>18,131,813</u>
Change in Net Position										
Governmental activities	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	1,867,164
Business-type activities	16,576	7,609	7,757	852	(8,649)	(2,509)	(11,818)	7,890	(14,956)	(19,157)
Total district	<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>	<u>1,848,007</u>

Source: CAFR Schedule A-2 and District records.
 GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds.
 This required presentation did not impact any of the balances from prior years.

ALLENDALE SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 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	\$ 11,382,700
Committed	145,214	617,665	40,537	72,806	5,728	-	177,600	-	-	-
Assigned	518,681	873,144	254,916	327,649	60,685	104,280	108,642	191,076	63,272	51,710
Unassigned	248,675	234,466	267,479	260,409	283,406	272,174	295,225	280,970	276,160	1,164,499
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general fund	<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>	<u>\$ 12,598,909</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debt service fund	111,740	106,289	839,655	469,616	996,085	443,380	4,104	8,376	9,083	3,776
Special revenue fund	-	-	-	-	-	-	-	-	-	40,560
Total all other governmental funds	<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>	<u>\$ 44,336</u>

Source: CAFR Schedule B-1 and District records.

ALLEDALE SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 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	\$ 16,412,979
Tuition charges	75,859	82,898	89,332	41,933	74,063	64,647	96,711	89,334	114,560	101,826
Interest earnings	16,398	20,546	21,439	17,344	23,006	37,569	74,833	150,281	112,825	19,294
Miscellaneous	143,316	70,178	74,100	83,290	34,786	36,698	38,718	34,141	33,873	69,777
State sources	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	2,617,862
Federal sources	362,732	220,495	234,782	228,111	261,104	322,989	299,513	205,303	3,511,394	235,611
Other financing sources	-	-	-	-	59,322	20,115	46,696	35,420	25,094	-
Total revenue	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	19,457,349
Expenditures										
Instruction										
Regular Instruction	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	5,521,954
Special education instruction	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	704,872
School Sponsored/Other special instruction	544,422	709,041	761,195	679,237	821,538	1,035,438	826,746	911,333	934,684	486,192
Support Services:										
Instruction	-	-	-	-	-	-	-	-	-	698,000
Support Services Students	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	-
Attendance and social work	39,028	42,209	42,719	43,920	47,097	54,502	58,170	60,093	60,724	38,820
Health services	184,952	189,919	201,058	211,825	224,368	240,895	253,628	264,689	210,138	139,192
Other support services	-	-	-	-	-	-	-	-	-	1,491,858
Improvement of instruction	-	-	-	-	-	-	-	-	-	262,551
Educational media services	194,020	192,846	189,416	195,696	209,150	203,442	179,689	173,433	235,144	255,051
Instruction staff training	-	-	-	-	-	-	-	-	-	5,744
General administrative services	551,212	500,403	444,439	497,418	542,610	520,610	602,957	594,464	637,966	437,620
School administrative services	765,190	768,538	696,320	684,287	742,649	764,469	813,503	888,540	863,830	552,200
School central services	375,486	403,355	396,036	431,777	502,489	495,126	523,349	460,596	408,689	323,682
School admin info technology	-	-	-	-	-	-	-	-	-	14,605
Allowed maintenance for school facilities	-	-	-	-	-	-	-	-	-	371,449
Other operation & maintenance of plant	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	1,096,815
Student transportation services	91,546	123,385	101,794	149,971	174,322	88,178	151,503	140,392	139,251	211,745
Unallocated employee benefits	-	-	-	-	-	-	-	-	-	2,898,731
Non-budgeted expenditures	-	-	-	-	-	-	-	-	-	1,140,698
Capital outlay	1,059,153	443,160	1,016,033	1,465,132	1,013,393	702,057	1,106,943	919,970	1,274,208	955,308
Debt service:										
Principal	719,000	769,000	810,814	863,522	936,431	936,166	404,325	393,508	336,000	352,000
Interest and other charges	283,710	241,317	222,989	176,607	166,280	138,441	114,467	124,155	111,182	78,034
Cost of Issuances	18,412	-	-	76,543	-	-	-	-	-	-
Advance Refunding Escrow	26,588	-	-	-	-	-	-	-	-	-
Total expenditures	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	18,037,121
Excess (Deficiency) of revenues over (under) expenditures	777,964	2,024,532	707,758	212,868	196,192	443,137	(232,733)	310,565	334,378	1,420,228
Other Financing sources (uses)										
Proceeds from borrowing	586,000	-	-	2,940,000	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	172,166	-	201,600	-	-	-	-	-
Proceeds from refunding	-	-	-	335,283	-	-	-	-	-	-
Payments to escrow agent	(541,000)	-	-	(3,190,972)	-	-	-	-	-	-
Transfers in	104,366	110,951	733,437	629,039	1,048,478	325,626	444,815	5,401	3,682	-
Transfers out	(104,366)	(110,951)	(733,437)	(629,039)	(1,042,066)	(325,626)	(444,815)	(5,401)	(3,682)	-
Total other financing sources (uses)	45,000	-	172,166	84,311	208,012	-	-	-	-	-
Net change in fund balances	\$ 822,964	\$ 2,024,532	\$ 879,924	\$ 297,179	\$ 404,204	\$ 443,137	\$ (232,733)	\$ 310,565	\$ 334,378	\$ 1,420,228
Debt service as a percentage of noncapital expenditures	6.68%	6.87%	6.72%	6.41%	6.38%	6.11%	2.88%	2.83%	2.43%	2.52%

Source: CAFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

ALLENDALE SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND										
Interest on Investments	\$ 15,791	\$ 19,729	\$ 20,742	\$ 16,715	\$ 16,545	\$ 19,844	\$ -	\$ 65,461	\$ 55,010	\$ 17,145
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>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>	<u>7,100</u>
Total Miscellaneous	<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>	<u>24,245</u>
Tuition	75,859	82,898	89,332	41,933	74,063	64,647	96,711	89,334	114,560	101,826
Rentals	-	-	-	-	59,322	20,115	46,696	35,420	25,094	-
Interest Earned on Capital Reserve Funds	<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>	<u>1,915</u>
Total General Fund	<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>	<u>103,741</u>
Total Other Local Revenue	<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>	<u>\$ 127,986</u>

Source: District records

ALLENDALE SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b	Total Direct Regional Tax Rate
2012	26,672,000	1,333,766,900	954,800	6,600	82,518,900	90,783,000	0	1,534,702,200	-	0	1,534,702,200	1,757,516,449	1.485	0.000
2013	24,941,500	1,335,080,100	954,800	6,600	82,518,900	90,783,000	0	1,534,284,900	-	0	1,534,284,900	1,666,131,533	1.519	0.000
2014	19,866,500	1,345,055,500	954,800	6,600	52,518,900	90,783,000	0	1,539,185,300	-	0	1,539,185,300	165,667,792	1.539	0.000
2015	8,901,700	1,459,382,600	982,900	6,800	93,741,200	100,784,000	0	1,663,799,200	-	100,000	1,663,899,200	1,682,120,046	1.441	0.000
2016	9,175,800	1,465,156,100	982,900	6,800	93,741,200	99,262,000	0	1,668,324,800	-	100,000	1,668,424,800	1,701,093,830	1.480	0.000
2017	10,303,600	1,474,938,700	968,200	6,800	93,411,200	99,262,000	0	1,678,890,500	-	100,000	1,678,990,500	1,755,071,494	1.453	0.000
2018	13,968,900	1,481,806,700	968,200	6,800	93,411,200	99,262,000	0	1,689,923,800	-	100,000	1,690,023,800	1,775,331,133	1.465	0.000
2019	13,525,600	1,488,000,800	968,200	6,800	88,767,800	99,262,000	0	1,691,031,200	-	100,000	1,691,131,200	1,775,915,153	1.515	0.000
2020	11,996,800	1,494,252,900	978,200	8,300	88,031,800	88,887,000	0	1,684,155,000	-	100,000	1,684,255,000	1,785,680,219	1.549	0.000
2021	0	0	-	0	0	-	0	0	-	0	-	-	0.000	0.000

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100

N/A At the time of CAFR completion, this data was not yet available

ALLENDALE SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	School District Direct Rate			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate*	Library	Municipal	County
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
2021	2.349	-	1.486	0.033	0.578	0.252

Source: Municipal Tax Collector

Note:

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

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

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

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

ALLENDALE SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

	2021				2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	0	0		Taxpayer 1	0	0	
Taxpayer 2	0	0		Taxpayer 2	0	0	
Taxpayer 3	0	0		Taxpayer 3	0	0	
Taxpayer 4	0	0		Taxpayer 4	0	0	
Taxpayer 5	0	0		Taxpayer 5	0	0	
Taxpayer 6	0	0		Taxpayer 6	0	0	
Taxpayer 7	0	0		Taxpayer 7	0	0	
Taxpayer 8	0	0		Taxpayer 8	0	0	
Taxpayer 9	0	0		Taxpayer 9	0	0	
Taxpayer 10	0	0		Taxpayer 10	0	0	
Total	\$ -			Total	\$ -		

Source: Municipal Tax Assessor

**ALLENDALE SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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
2021	16,412,979	16,412,979	100.00%	N/A

Source: Municipal Chief Financial Officer

ALLENDALE SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Lease Purchase Agreements	Bond Anticipation Notes (BANs)	Total District	Population	Percentage of Personal Income ^a	Per Capita ^a
2012	7,185,000	N/A	N/A	N/A	-	7,185,000	6,625	0	1,085
2013	6,416,000	N/A	N/A	N/A	-	6,416,000	6,686	0	960
2014	5,621,000	N/A	156,352	N/A	-	5,777,352	6,711	0	861
2015	4,713,000	N/A	123,830	N/A	-	4,836,830	6,734	0	718
2016	3,862,000	N/A	90,077	149,922	-	4,101,999	6,773	0	606
2017	3,010,000	N/A	55,047	100,786	-	3,165,833	6,791	0	466
2018	2,692,000	N/A	18,691	50,817	-	2,761,508	6,765	0	408
2019	2,368,000	N/A	N/A	N/A	-	2,368,000	6,734	0	352
2020	2,032,000	N/A	N/A	331,332	-	2,363,332	6,734	0	351
2021	1,680,000	N/A	N/A	246,699	-	1,926,699	6,765	0	285

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

ALLENDALE SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding

RUMSON BOROUGH

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
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
2021	1,680,000	-	1,680,000	0.09%	248

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

a Use Estimated County equalized value from J-6

b Population data can be found in Exhibit NJ J-14.

ALLENDALE SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
June 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Municipal Debt: (1)			
Borough of Allendale School District	\$ -	-	\$ -
Northern Highlands Regional School District	-	0.00%	-
Borough of Allendale	-	0.00%	-
Overlapping Debt Apportioned to the Municipality:			
County of Bergen (2)			-
Northwest Utilities Authority (3)			-
Total direct and overlapping debt			<u><u>\$ -</u></u>

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

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

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

**ALLENDALE SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years**

	Equalized valuation basis									
	Total									
2021	-									
2020	1,783,306,861									
2019	1,790,777,507									
[A]	\$ 3,574,084,368									
Average equalized valuation of taxat	[A/3]	\$ 1,191,361,456								
Debt limit (3 % of average equalizati	[B]	35,740,844 ^a								
	[C]	\$ 1,680,000								
	[B-C]	\$ 34,060,844								
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	51,210,955	50,309,282	49,981,992	50,281,403	51,208,878	51,957,992	52,740,261	53,238,824	53,466,078	35,740,844
Total net debt applicable to limit	<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>	<u>2,032,000</u>	<u>1,680,000</u>
Legal debt margin	<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>	<u>\$ 51,434,078</u>	<u>\$ 34,060,844</u>
Total net debt applicable to the limit as a percentage of debt limit	13.05%	11.17%	9.43%	7.68%	5.88%	5.16%	4.60%	4.07%	3.80%	4.70%

Source:

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

ALLENDALE SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	6,625		72,152	8.10%
2013	6,686		71,679	7.10%
2014	6,711		74,452	5.40%
2015	6,734		77,666	4.30%
2016	6,773		79,145	3.90%
2017	6,791		81,483	3.50%
2018	6,765		85,951	3.00%
2019	6,734		85,951	2.70%
2020	6,734		85,951	2.70%
2021	6,765		82,388	1.60%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

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

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

ALLENDALE SCHOOL DISTRICT
Principal Employers
Current Year and Ten Years Ago

Employer	2021			2012		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0.00%	-		0.00%

Source: Municipal Tax Collector

Municipality didn't have the information available at time of publication of this report.

**ALLENDALE SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</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>	<u>2021</u>
Instruction										
Regular	71	71	70	70	70	71	72	71	72	75
Special education	14	14	11	5	9	9	8	8	8	7
Other special education	15	15	13	13	14	14	13	13	13	13
Support Services:										
Student & instruction related services	5	5	5	10	12	12	12	12	12	8
General administration	6	6	6	6	6	6	6	6	6	6
School administrative services	2	2	2	6	6	6	6	6	6	6
Other administrative services	1	1	2	8	8	6	6	6	6	5
Plant operations and maintenance	8	8	9	9	9	9	9	9	9	10
Child Care										
Total	<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>	<u>130</u>

Source: District Personnel Records

ALLENDALE SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	925.0	13,959,634	15,091	8.82%	90.0	10:01	11:01	925	897	-4.34%	96.97%
2013	913.0	13,690,319	14,995	-0.64%	90.0	15:01	13:01	913	896	-1.30%	98.14%
2014	905.0	14,355,663	15,863	5.79%	82.0	13:01	11:01	905	888	-0.88%	98.12%
2015	907.0	15,117,708	16,668	5.08%	79.0	13:01	11:01	907	874	0.22%	96.36%
2016	904.0	16,168,515	17,886	7.31%	80.0	13:01	11:01	903	874	-0.44%	96.79%
2017	909.0	16,500,727	18,153	1.49%	80.0	13:01	11:01	905	879	0.22%	97.13%
2018	911.0	17,463,895	19,170	5.60%	80.0	13:01	11:01	919	886	1.55%	96.41%
2019	881.0	17,798,882	20,203	5.39%	79.0	13:01	11:01	909	877	-1.09%	96.48%
2020	872.0	17,957,366	20,593	1.93%	80.0	13:01	11:01	887	863	-2.42%	97.29%
2021	859.0	17,901,550	20,840	1.20%	82.0	13:01	11:01	855	835	-3.61%	97.63%

Sources: District records

Note: Enrollment based on annual October district count ASSA 10/15/20 count for FYE 2021.

- a Operating expenditures equal total expenditures less debt service, on behalf and capital outlay per schedule c -1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

ALLENDALE SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	47,884	47,884	47,884	47,884	47,884	47,884	47,884	47,884	47,884	47,884
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	391	354	379	357	356	356	356	356	360	351
<u>Middle School</u>										
Square Feet	98,416	98,416	98,416	98,416	98,416	98,416	98,416	98,416	98,416	98,416
Capacity (students)	629	629	629	629	629	629	629	629	629	629
Enrollment	534	559	526	550	548	553	553	553	512	508

Number of Schools at June 30, 2021

Elementary = 1

Middle School = 1

Source: District Facilities Office

**ALLENDALE SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years**

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

	School Facilities		Total
	Brookside Avenue	Hillside Avenue	
2012	271,227	185,227	456,454
2013	247,961	160,856	408,817
2014	229,355	107,744	337,099
2015	274,488	138,058	412,546
2016	255,327	125,758	381,085
2017	269,650	135,625	405,275
2018	241,248	121,340	362,588
2019	195,948	98,555	294,503
2020	257,471	125,272	382,743
2021	249,874	121,575	371,449
Total School Facilities	<u>\$ 2,492,549</u>	<u>\$ 1,320,010</u>	<u>\$ 3,812,559</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

ALLENDALE SCHOOL DISTRICT
Insurance Schedule
June 30, 2021

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Blanket Building and Contents, Boiler & Machinery	\$ 33,757,231	\$ 5,000
Comprehensive General Liability	1,000,000/2,000,000	-
General Automobile Liability	1,000,000	-
Employee Benefits Liability	1,000,000/2,000,000	1,000
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	100,000/500,000	5,000
Crime - Forgery / Altercation	50,000 each	1,000 each
Commerical Umbrella	9,000,000	10,000
Excess Commercial	30,000,000.00	
Environmental Impairment	4,000,000	15,000
Cyber Liability	1,000,000	25,000
Educator's Legal Liability	1,000,000	2,500
Workers Compensation	Statutory 1,000,000	
Surety Bonds		
Treasurer of School Moneys	210,000	N/A
School Board Secretary	100,000	N/A

Source: District records

SINGLE AUDIT SECTION

INDEPENDENT AUDITORS' 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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Allendale Board of Education in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Board of Education of the Allendale Board of Education basic financial statements, and have issued our report thereon dated January 06, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Board of Education of the Allendale Board of Education in the County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Board of Education of the Allendale Board of Education in the County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Board of Education of the Allendale Board of Education 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 School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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

Respectfully Submitted,

Jump, Perry and Company, LLP
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

January 06, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

We have audited Allendale Board of Education's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Allendale Board of Education's major federal programs for the year ended June 30, 2021. Allendale Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Allendale Board of Education's major federal and 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; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and the New Jersey OMB Circular 15-08 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about 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 federal and state program. However, our audit does not provide a legal determination of Allendale Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, 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 federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of 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 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 federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB 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 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 federal and state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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 Uniform Guidance and New Jersey State OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

January 06, 2022

ALLENDALE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2020	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2021	Accounts Receivable at June 30, 2021	Due to Grantor at June 30, 2021
U.S. Department of Education											
Passed-through State Department of Education:											
Title I, Part A	84.010	7/1/20-6/30/21	21,233	-	-	7,921	(7,921)	-	-	-	-
Title II - Part A	84.367A	7/1/20-6/30/21	1,938	-	-	554	(1,938)	-	-	(1,384)	-
Title II - Part A	84.367A	7/1/19-6/30/20	9,853	(4,100)	-	4,100	-	-	-	-	-
Title III, Immigrant	84.365A	7/1/20-6/30/21	547	-	-	480	(547)	-	-	(67)	-
Title IV - Part A	84.365A	7/1/20-6/30/21	10,000	-	-	-	(6,300)	-	-	(6,300)	-
ESSER II	84.425D	3/13/20-9/30/22	69,609	-	-	15,975	(16,554)	-	-	(579)	-
Coronavirus Relief Fund	84.425D	3/13/20-9/30/22	21,868	-	-	21,868	(21,868)	-	-	-	-
Special Education Cluster:											
I.D.E.A. Part B Basic Regular	84.027	7/1/20-6/30/21	166,128	-	-	166,128	(166,128)	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	7/1/19-6/30/20	168,645	(4,003)	-	4,003	-	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/20-6/30/21	7,891	-	-	7,891	(7,891)	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/19-6/30/20	8,051	(9,014)	-	9,014	-	-	-	-	-
Subtotal of Special Education Cluster:				(13,017)	-	187,036	(174,019)	-	-	-	-
Total Special Revenue Fund				(17,117)	-	237,934	(229,147)	-	-	(8,330)	-
Total Expenditures of Federal Awards				(17,117)	-	237,934	(229,147)	-	-	(8,330)	-

See accompanying notes to schedules of expenditures.

ALLENDALE SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2021

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2021	(Accounts Receivable) at June 30, 2021	Due to Grantor at June 30, 2021	MEMO										
												Budgetary Receivable	Cumulative Total Expenditures									
New Jersey Department of Education																						
General Fund:																						
Extraordinary Aid	20-100-034-5120-044	7/1/19-6/30/20	193,743	(193,743)	-	193,743	-	-	-	-	-	-	-	-								
Extraordinary Aid	21-100-034-5120-044	7/1/20-6/30/21	574,624	-	-	-	(574,624)	-	-	(574,624)	-	-	-	(574,624)								
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	469,043	(45,219)	-	45,219	-	-	-	-	-	-	-	-								
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	495,260	-	-	448,063	(495,260)	-	-	-	-	(47,197)	-	(495,260)								
Categorical Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	22,726	(2,191)	-	2,191	-	-	-	-	-	-	-	-								
Categorical Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	22,726	-	-	20,454	(22,726)	-	-	-	-	(2,272)	-	(22,726)								
Categorical Security Aid	20-495-034-5120-084	7/1/19-6/30/20	71,109	(6,855)	-	6,855	-	-	-	-	-	-	-	-								
Categorical Security Aid	21-495-034-5120-084	7/1/20-6/30/21	71,109	-	-	63,997	(71,109)	-	-	-	-	(7,112)	-	(71,109)								
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	1,977,170	-	-	1,977,170	(1,977,170)	-	-	-	-	-	-	(1,977,170)								
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	619,614	-	-	619,614	(619,614)	-	-	-	-	-	-	(619,614)								
On-Behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/20-6/30/21	902	-	-	902	(902)	-	-	-	-	-	-	(902)								
Reimbursed TPAF Social Security Tax Contribution	20-495-034-5094-003	7/1/19-6/30/20	508,631	(25,077)	-	25,077	-	-	-	-	-	-	-	-								
Reimbursed TPAF Social Security Tax Contribution	21-495-034-5094-003	7/1/20-6/30/21	520,182	-	-	520,182	(520,182)	-	-	-	-	-	-	(520,182)								
Total General Fund				<u>(273,085)</u>	<u>-</u>	<u>3,923,467</u>	<u>(4,281,587)</u>	<u>-</u>	<u>-</u>	<u>(574,624)</u>	<u>-</u>	<u>(56,581)</u>	<u>-</u>	<u>(4,281,587)</u>								
Debt Service Fund:																						
Debt Service Aid Type II	20-495-034-5120-017	7/1/20-6/30/21	122,018	-	-	122,018	(122,018)	-	-	-	-	-	-	-								
Total Expenditures of State Awards													<u>(273,085)</u>	<u>-</u>	<u>4,045,485</u>	<u>(4,403,605)</u>	<u>-</u>	<u>-</u>	<u>(574,624)</u>	<u>-</u>	<u>(56,581)</u>	<u>(4,281,587)</u>
State Financial Assistance Not Subject to Single Audit Determination																						
General Fund:																						
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	1,977,170	-	-	1,977,170	(1,977,170)	-	-	-	-	-	-	(1,977,170)								
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	619,614	-	-	619,614	(619,614)	-	-	-	-	-	-	(619,614)								
On-Behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/20-6/30/21	902	-	-	902	(902)	-	-	-	-	-	-	(902)								
Total State Financial Assistance Not Subject to Single Audit Determination				<u>-</u>	<u>-</u>	<u>2,597,686</u>	<u>(2,597,686)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,597,686)</u>								
Total for State Financial Assistance - Major Program Determination													<u>(273,085)</u>	<u>-</u>	<u>1,447,799</u>	<u>(1,805,919)</u>	<u>-</u>	<u>-</u>	<u>(574,624)</u>	<u>-</u>	<u>(56,581)</u>	<u>(1,683,901)</u>

See accompanying notes to schedules of expenditures.

Allendale Board of Education

Notes to Schedules of Awards and Financial Assistance

June 30, 2021

1. General

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

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on 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 Note 1 to the Board's basic financial statements.

3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 the modified accrual basis with the exception of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not.

Allendale Board of Education

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2021

3. Relationship to Basic Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,785,743 for the general fund and \$(6,464) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 2,495,844	\$ 2,495,844
Special Revenue Fund	235,611	-	235,611
Capital Projects Fund	-	-	-
Debt Service Fund	-	122,018	122,018
Food Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	<u>\$ 235,611</u>	<u>\$ 2,617,862</u>	<u>\$ 2,853,473</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2021.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

6. Indirect Costs

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

Allendale Board of Education

Schedule of Findings and Questioned Costs

June 30, 2021

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? _____ yes X none reported

Noncompliance material to general-purpose
financial statements noted? _____ yes X no

Federal Awards Section - N/A

Internal Control over major programs: N/A

- 1) Material weakness(es) identified? _____ yes ___no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? _____ yes ___none reported

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

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR section .516(a) of the Uniform Guidance? _____ yes ___no

Identification of major programs:

CFDA Number(s)
N/A

Name of Federal Program or Cluster

Dollar threshold used to distinguish between type A and type B programs: N/A

Auditee qualified as low-risk auditee? _____yes _____ no

Allendale Board of Education

Schedule of Findings and Questioned Costs (continued)

June 30, 2021

Section I - Summary of Auditor's Results (continued)

State Awards Section

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

Auditee qualified as low-risk auditee? X yes ___ none reported

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

Internal Control over major programs:

1) Material weakness(es) identified? ___ yes X no2) Significant deficiencies identified that
 are not considered to be material
 weaknesses? ___ yes X none reportedAny audit findings disclosed that are required
to be reported in accordance with NJ OMB
Circular 15-08? ___ yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

State Aid-Public (Cluster)

495-034-5120-089

Special Education Categorical Aid

495-034-5120-084

Security Aid

Allendale Board of Education

Schedule of Findings and Questioned Costs (continued)

June 30, 2021

Section II - Financial Statement Findings - N/A

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

Allendale Board of Education
Summary Schedule of Prior Audit Findings
June 30, 2021

Summary Schedule of Prior Year Audit Findings - N/A