

ALLENDALE BOARD OF EDUCATION
OF BERGEN COUNTY

Allendale Board of Education
Allendale, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Of the

Allendale Board of Education
of Bergen County

Allendale, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Allendale Board of Education
Business Office

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INTRODUCTORY SECTION



ALLENDALE PUBLIC SCHOOL DISTRICT

100 Brookside Avenue • Allendale, NJ 07401-1795

Phone 201-327-2020 • Fax 201-825-6553

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

MARIA L. ENGELEIT
BUSINESS ADMINISTRATOR / BOARD SECRETARY

December 4, 2023

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, 2023, 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 2,202.1 persons per square mile, based upon the US Census' 2021 estimated population of 6803 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 2022-2023 fiscal year with an average daily enrollment of 911 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>
2022-2023	915	3.3%
2021-2022	885	3.3%
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%)

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 \$165,599 (2022), 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:

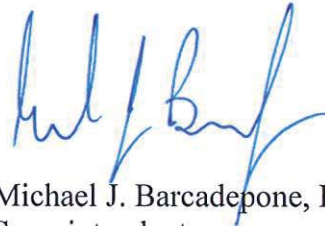
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP was appointed by Board. In addition to meeting the requirements set forth in state statutes, the audit also was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

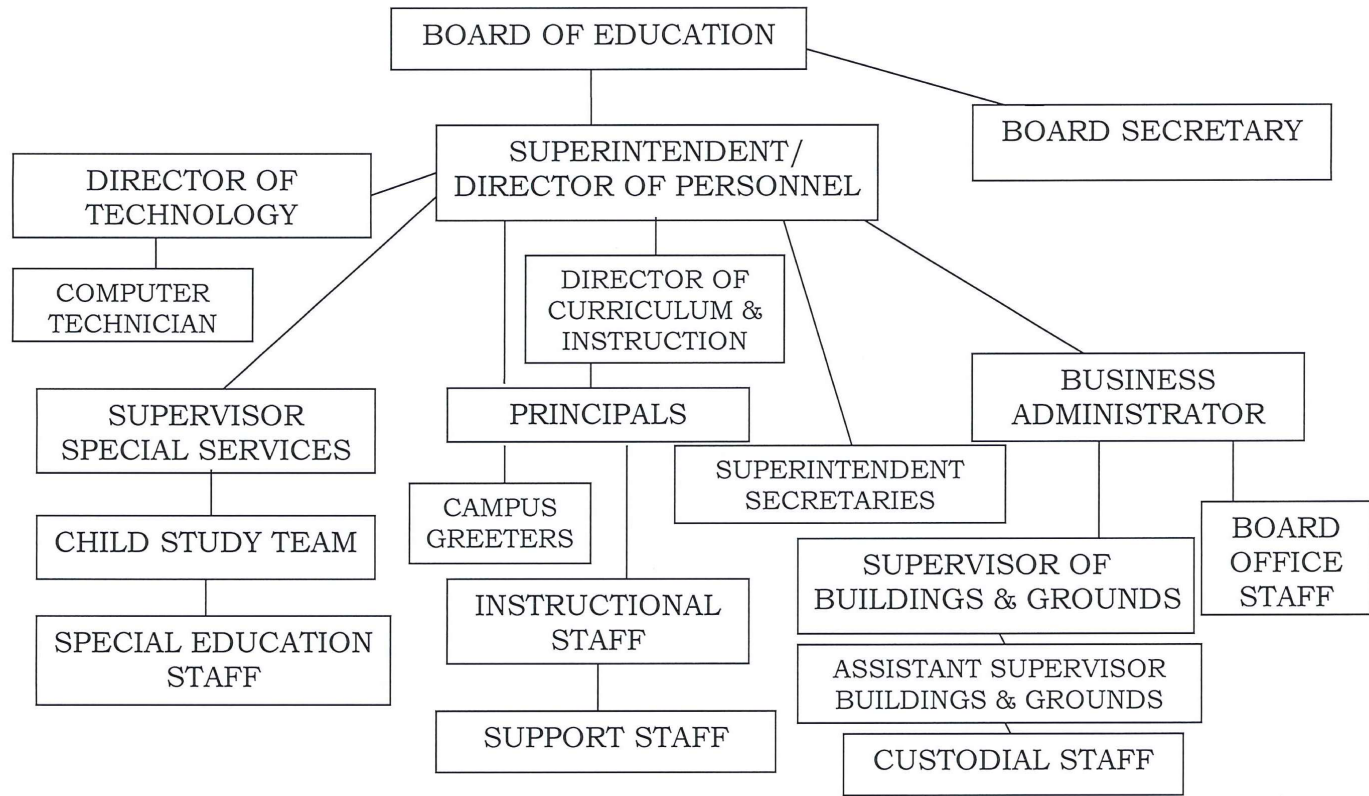


Maria L. Engeleit
School Business Administrator



Michael J. Barcadepone, Ed.D.
Superintendent

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



EDUCATION ATTACHMENT I

Allendale Board of Education
Allendale, New Jersey

Roster of Officials
June 30, 2023

Members of the Board of Education

Term Expires

Amy Gundersen, President

2025

Kimberly Rosner, Vice President

2025

Natalie Capano

2024

Todd Fliegel

2023

David Verbel

2024

Other Officials

Dr. Michael J. Barcadepone, Superintendent

Maria L. Engeleit, School Business Administrator/Board Secretary

Alison Altano, 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 on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Allendale Board of Education in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2023, 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.

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, 2023 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.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Allendale Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedules related to accounting and reporting for pensions and the schedules related to accounting and reporting for postemployment benefits other than pensions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Allendale Board of Education's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023 on our consideration of Allendale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Allendale Board of Education 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's 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

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Allendale Board of Education
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
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, 2023. 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, 2023 are as follows:

Net position totaled \$23,668,366, which represents a 8.66 percent increase from June 30, 2022.

General revenues accounted for \$19,103,441 in revenue or 89.94 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 \$2,137,397 or 10.06 percent of total revenues of \$21,240,838.

Total assets increased by \$1,145,329 as current assets increased by \$1,486,590 and capital assets, net decreased by \$341,261.

The School Board had \$19,353,954 in expenses; only \$2,137,397 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$19,103,441 were adequate to provide for these programs.

Among major funds, the General Fund had \$19,706,140 in revenues and \$18,393,552 in expenditures and transfers. The General Fund's balance increased \$1,312,588 over June 30, 2022. The General Fund's balance is \$15,803,013.

Using this Annual Comprehensive Financial Report (ACFR)

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, 2023 and 2022.

Table 1

Net Position as of June 30, 2023 and June 30, 2022

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 16,162,149	\$ 121,671	\$ 16,283,820	\$ 14,726,871	\$ 70,359	\$ 14,797,230
Capital assets, net	<u>12,611,893</u>	<u>21,512</u>	<u>12,633,405</u>	<u>12,937,286</u>	<u>37,380</u>	<u>12,974,666</u>
Total assets	<u>28,774,042</u>	<u>143,183</u>	<u>28,917,225</u>	<u>27,664,157</u>	<u>107,739</u>	<u>27,771,896</u>
Deferred outflow of resources	<u>823,118</u>	<u>-</u>	<u>823,118</u>	<u>853,336</u>	<u>-</u>	<u>853,336</u>
Liabilities:						
Current liabilities	290,669	-	290,669	196,082	1,935	198,017
Long-term liabilities outstanding	<u>5,151,931</u>	<u>-</u>	<u>5,151,931</u>	<u>4,815,282</u>	<u>-</u>	<u>4,815,282</u>
Total liabilities	<u>5,442,600</u>	<u>-</u>	<u>5,442,600</u>	<u>5,011,364</u>	<u>1,935</u>	<u>5,013,299</u>
Deferred inflow of resources	<u>629,377</u>	<u>-</u>	<u>629,377</u>	<u>1,830,451</u>	<u>-</u>	<u>1,830,451</u>
Net position:						
Net investment in capital assets	11,512,833	21,512	11,534,345	11,420,464	37,380	11,457,844
Restricted	15,039,852	-	15,039,852	13,586,652	-	13,586,652
Unrestricted	<u>(3,027,502)</u>	<u>121,671</u>	<u>(2,905,831)</u>	<u>(3,331,438)</u>	<u>68,424</u>	<u>(3,263,014)</u>
Total Net Position	<u>\$ 23,525,183</u>	<u>\$ 143,183</u>	<u>\$ 23,668,366</u>	<u>\$ 21,675,678</u>	<u>\$ 105,804</u>	<u>\$ 21,781,482</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 \$23,668,366 on June 30, 2023. This is a change of 8.66% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2023 and 2022.

Table 2

Changes in Net Position

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 459,384	\$ 434,342	\$ 893,726	\$ 163,217	\$ 271,424	\$ 434,641
Operating and capital grants and contributions	1,243,671	-	1,243,671	1,196,739	123	1,196,862
General revenues:						
Property taxes	16,999,172	-	16,999,172	16,737,001	-	16,737,001
Federal and state aid	1,726,314	-	1,726,314	1,616,904	-	1,616,904
Investment earnings	328,962	2,256	331,218	6,472	-	6,472
Miscellaneous	46,737	-	46,737	25,419	-	25,419
Loss on disposal of equipment	-	-	-	(505,774)	-	(505,774)
Total revenues	20,804,240	436,598	21,240,838	19,239,978	271,547	19,511,525
Expenses						
Instructional services	8,111,549	-	8,111,549	9,136,875	-	9,136,875
Support services	10,818,050	399,219	11,217,269	9,501,403	250,946	9,752,349
Interest on long-term liabilities	25,136	-	25,136	44,443	-	44,443
Total expenses	18,954,735	399,219	19,353,954	18,682,721	250,946	18,933,667
Change in net position	1,849,505	37,379	1,886,884	557,257	20,601	577,858

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 decreased due to the decrease in grants available.

Expenses for Fiscal Year June 30, 2023

Business-Type Activities

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

Total Enterprise Fund revenue exceeded expenses by \$37,379.

Charges for services represent \$434,342 of revenue. This represents the amount paid by patrons for daily food service.

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			
	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 8,111,549	\$ 7,941,567	\$ 9,136,875	\$ 9,011,767
Support Services:				
Pupils and Instructional Staff	4,503,102	2,970,029	3,941,379	2,706,531
General Administration, School Administration, Business Operation and Maintenance of Facilities	6,021,548	6,021,548	5,325,611	5,325,611
Pupil Transportation	293,400	293,400	234,413	234,413
Interest and Fiscal Charges	25,136	25,136	44,443	44,443
Total Expenses	\$ 18,954,735	\$ 17,251,680	\$ 18,682,721	\$ 17,322,765

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, 2023, it reported a combined fund balance of \$15,881,739, which is an increase of \$1,336,170. 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, 2023.

<u>Revenue</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 17,834,255	85.72 %	\$ 902,146	5.33 %
State Sources	2,569,202	12.35	161,017	6.69
Federal Sources	<u>400,783</u>	<u>1.93</u>	<u>(4,675)</u>	<u>(1.15)</u>
Total	<u>\$ 20,804,240</u>	<u>100.00 %</u>	<u>\$ 1,058,488</u>	<u>5.36 %</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, 2023.

<u>Expenditures</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 7,508,602	38.58 %	\$ (113,060)	(1.48)%
Undistributed Expenditures	10,860,057	55.78	1,120,738	11.51
Capital Outlay	738,736	3.79	685,940	1,299.23
Debt Service:				
Principal	310,000	1.59	(55,000)	(15.07)
Interest	<u>50,675</u>	<u>0.26</u>	<u>(13,976)</u>	<u>(21.62)</u>
Total	<u>\$ 19,468,070</u>	<u>100.00 %</u>	<u>\$ 1,624,642</u>	<u>9.10 %</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 ACFR, 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 \$2,859,229 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$738,073 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	\$ 1,468,145
Capital Reserve	10,883,104
Maintenance Reserve	836,836
Emergency Reserve	130,000
Unemployment Compensation	179,255
Excess Surplus - Current Year	1,463,786

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 lower 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 2022-2023 fiscal year and will be used to reduce the local tax levy for the 2024-2025 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2023, the School Board had \$12,633,405 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2023 and June 30, 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Construction in Progress	\$ 448,810	\$ -	\$ -	\$ -	\$ 448,810	\$ -
Site Improvements	\$ 229,589	\$ -	\$ -	\$ -	\$ 229,589	\$ -
Building and Improvements	11,546,214	12,199,503	-	-	11,546,214	12,199,503
Machinery and Equipment	387,280	508,194	21,512	37,380	408,792	545,574
Total	\$ 12,611,893	\$ 12,707,697	\$ 21,512	\$ 37,380	\$ 12,633,405	\$ 12,745,077

During the current fiscal year, \$- 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, 2023	June 30, 2022
Bonds Payable (net)	\$ 1,005,000	\$ 1,315,000
Capital Leases Payable	83,801	166,024
Pension Liability-PERS	3,564,409	2,854,693
Compensated Absences Payable	498,721	479,565
Total Long-Term Liabilities	\$ 5,151,931	\$ 4,815,282

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 2022-2023 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 14.28% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 85.72% of total revenue is from local tax levy.

The \$(3,027,502) 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 2022-2023 budget was adopted in May 2022 based in part on the state education aid the School Board anticipated receiving. 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 2023-2024 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, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 14,407,737	\$ 121,671	\$ 14,529,408
Capital reserve cash	-	-	-
Maintenance reserve cash	1,150,000		1,150,000
Emergency reserve cash	130,000		130,000
Receivables - other	-	-	-
Receivables - state	376,973	-	376,973
Receivables - federal	97,439	-	97,439
Capital assets, non depreciable	678,399	-	678,399
Capital assets, depreciable net:	11,933,494	21,512	11,955,006
Total assets	<u>28,774,042</u>	<u>143,183</u>	<u>28,917,225</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	823,118	-	823,118
Total deferred outflows of resources	<u>823,118</u>	<u>-</u>	<u>823,118</u>
LIABILITIES			
Accounts payable	\$ 146,786	\$ -	\$ 146,786
Accrued interest on bonds	10,259	-	10,259
Other liabilities	120,596	-	120,596
Unearned revenue	13,028	-	13,028
Noncurrent liabilities:			
Due within one year	403,801	-	403,801
Due beyond one year	4,748,130	-	4,748,130
Total liabilities	<u>5,442,600</u>	<u>-</u>	<u>5,442,600</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	629,377	-	629,377
Total deferred inflows of resources	<u>629,377</u>	<u>-</u>	<u>629,377</u>
NET POSITION			
Net investment in capital assets	11,512,833	21,512	11,534,345
Restricted for:			
Debt service	4	-	4
Capital projects	10,883,104	-	10,883,104
Unemployment compensation	179,255	-	179,255
Student activities	78,722	-	78,722
Other purposes	3,898,767	-	3,898,767
Unrestricted	(3,027,502)	121,671	(2,905,831)
Total net position	<u>\$ 23,525,183</u>	<u>\$ 143,183</u>	<u>\$ 23,668,366</u>

ALLEDALE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Current:							
Regular instruction	\$ 6,481,127	\$ 169,982	\$ -	\$ -	\$ (6,311,145)	\$ -	\$ (6,311,145)
Special education instruction	931,053	-	-	-	(931,053)	-	(931,053)
Other special instruction	699,369	-	-	-	(699,369)	-	(699,369)
Support services and undistributed costs:							
Instruction	673,374	-	-	-	(673,374)	-	(673,374)
Attendance and social work	-	-	-	-	-	-	-
Health services	236,854	-	-	-	(236,854)	-	(236,854)
Other support services	1,675,113	289,402	-	-	(1,385,711)	-	(1,385,711)
Improvement of instruction	335,988	-	-	-	(335,988)	-	(335,988)
Educational media services	329,481	-	-	-	(329,481)	-	(329,481)
Instruction staff training	8,621	-	-	-	(8,621)	-	(8,621)
General administrative services	522,421	-	-	-	(522,421)	-	(522,421)
School administrative services	606,480	-	-	-	(606,480)	-	(606,480)
School central services	353,578	-	-	-	(353,578)	-	(353,578)
School admin info technology	38,909	-	-	-	(38,909)	-	(38,909)
Allowed maintenance for school facilities	265,477	-	-	-	(265,477)	-	(265,477)
Other operation & maintenance of plant	1,295,098	-	-	-	(1,295,098)	-	(1,295,098)
Care & upkeep of grounds	50,062	-	-	-	(50,062)	-	(50,062)
Security	129,713	-	-	-	(129,713)	-	(129,713)
Student transportation services	293,400	-	-	-	(293,400)	-	(293,400)
Unallocated employee benefits	2,759,810	-	-	-	(2,759,810)	-	(2,759,810)
Non-budgeted expenses	1,243,671	-	1,243,671	-	-	-	-
Interest expense	25,136	-	-	-	(25,136)	-	(25,136)
Total governmental activities	<u>18,954,735</u>	<u>459,384</u>	<u>1,243,671</u>	<u>-</u>	<u>(17,251,680)</u>	<u>-</u>	<u>(17,251,680)</u>
Business-type activities:							
Food Service	399,219	434,342	-	-	-	35,123	35,123
Total business-type activities	<u>399,219</u>	<u>434,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,123</u>	<u>35,123</u>
Total primary government	<u>\$ 19,353,954</u>	<u>\$ 893,726</u>	<u>\$ 1,243,671</u>	<u>\$ -</u>	<u>\$ (17,251,680)</u>	<u>\$ 35,123</u>	<u>\$ (17,216,557)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					16,761,221	-	16,761,221
Taxes levied for debt service					237,951	-	237,951
Federal and state aid					1,726,314	-	1,726,314
Miscellaneous income					46,737	-	46,737
Investment Income - restricted					3,491	-	3,491
Investment income					325,471	2,256	327,727
Loss on disposal of equipment					-	-	-
Total general revenues					<u>19,101,185</u>	<u>2,256</u>	<u>19,103,441</u>
Change in net position					1,849,505	37,379	1,886,884
Net position, July 1					21,675,678	105,804	21,781,482
Net position, June 30					<u>\$ 23,525,183</u>	<u>\$ 143,183</u>	<u>\$ 23,668,366</u>

**ALLENDALE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 14,417,768	\$ (10,035)	\$ -	\$ 4	\$ 14,407,737
Maintenance reserve account	1,150,000	-	-	-	1,150,000
Emergency reserve account	130,000	-	-	-	130,000
Receivables from state	370,973	6,000	-	-	376,973
Receivables from federal	-	97,439	-	-	97,439
Other receivables	-	-	-	-	-
Total assets	<u>\$ 16,068,741</u>	<u>\$ 93,404</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 16,162,149</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ 145,132	\$ 1,654	\$ -	\$ -	\$ 146,786
Payroll deductions and withholdings payable	68,781	-	-	-	68,781
Other current liabilities	51,815	-	-	-	51,815
Unearned revenue	-	13,028	-	-	13,028
Total liabilities	<u>265,728</u>	<u>14,682</u>	<u>-</u>	<u>-</u>	<u>280,410</u>
FUND BALANCES					
Restricted for:					
Capital reserve account	10,883,104	-	-	-	10,883,104
Maintenance reserve account	836,836	-	-	-	836,836
Emergency reserve account	130,000	-	-	-	130,000
Excess surplus - current year	1,463,786	-	-	-	1,463,786
Excess surplus -- designated for Subsequent year's expenditures	1,468,145	-	-	-	1,468,145
Debt service fund	-	-	-	4	4
Unemployment compensation	179,255	-	-	-	179,255
Student activities	-	78,722	-	-	78,722
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent year's expenditures	-	-	-	-	-
Other purposes	266,435	-	-	-	266,435
Unassigned to:					
General fund	575,452	-	-	-	575,452
Total fund balances	<u>15,803,013</u>	<u>78,722</u>	<u>-</u>	<u>4</u>	<u>15,881,739</u>
Total liabilities and fund balances	<u>\$ 16,068,741</u>	<u>\$ 93,404</u>	<u>\$ -</u>	<u>\$ 4</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 \$25,406,448 and the accumulated depreciation is \$12,469,162	12,611,893
Deferred outflows related to the PERS pension plan	823,118
Deferred inflows related to the PERS pension plan	(629,377)
Accrued interest on long-term liabilities is not reported as liabilities in the Funds.	(10,259)
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.	<u>(5,151,931)</u>
Net position of governmental activities	<u>\$ 23,525,183</u>

ALLENDALE SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 16,761,221	\$ -	\$ -	\$ 237,951	\$ 16,999,172
Tuition charges	169,982	-	-	-	169,982
Interest on investments	183,918	-	-	-	183,918
Interest earned on capital reserve funds	141,553	-	-	-	141,553
Interest earned on unemployment - restricted	3,491	-	-	-	3,491
Rent and Royalties	21,925	-	-	-	21,925
Miscellaneous	23,521	290,693	-	-	314,214
Total - Local sources	17,305,611	290,693	-	237,951	17,834,255
State sources	2,400,529	46,043	-	122,630	2,569,202
Federal sources	-	400,783	-	-	400,783
Total revenues	19,706,140	737,519	-	360,581	20,804,240
EXPENDITURES					
Current:					
Regular instruction	5,674,785	230,493	-	-	5,905,278
Special education instruction	907,826	-	-	-	907,826
Other special instruction	695,498	-	-	-	695,498
Undistributed - current:					
Instruction	595,542	12,025	-	-	607,567
Attendance and social work	-	-	-	-	-
Health services	160,714	76,140	-	-	236,854
Other support services	1,409,387	265,726	-	-	1,675,113
Improvement of instruction	325,529	10,459	-	-	335,988
Educational media services	329,481	-	-	-	329,481
Instruction staff training	8,621	-	-	-	8,621
General administrative services	522,421	-	-	-	522,421
School administrative services	564,098	-	-	-	564,098
School central services	353,578	-	-	-	353,578
School admin info technology	38,909	-	-	-	38,909
Required maintenance for school facilities	265,477	-	-	-	265,477
Other operation & maintenance of plant	1,005,172	-	-	-	1,005,172
Care & upkeep of grounds	50,062	-	-	-	50,062
Security	129,713	-	-	-	129,713
Student transportation services	293,400	-	-	-	293,400
Unallocated employee benefits	3,199,932	-	-	-	3,199,932
Non-budgeted expenditures	1,243,671	-	-	-	1,243,671
Debt service:					
Principal	-	-	-	310,000	310,000
Interest and other charges	-	-	-	50,675	50,675
Capital outlay	619,736	119,000	-	-	738,736
Total expenditures	18,393,552	713,843	-	360,675	19,468,070
Excess (Deficiency) of revenues over expenditures	1,312,588	23,676	-	(94)	1,336,170
Fund balance—July 1	14,490,425	55,046	-	98	14,545,569
Fund balance—June 30	\$ 15,803,013	\$ 78,722	\$ -	\$ 4	\$ 15,881,739

**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, 2023**

Total net change in fund balances - governmental funds (from B-2) \$ 1,336,170

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 \$ (774,203)	
	Capital outlays <u>448,810</u>	(325,393)

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.	440,122
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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.	310,000
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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.	41,725
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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.	(20,707)
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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.	82,223
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In the Statement of Activities, accrued interest is recorded as interest expense .	4,521
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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>(19,156)</u>
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Change in net position of governmental activities \$ 1,849,505

ALLENDALE SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 121,671	\$ 121,671
Total current assets	121,671	121,671
Noncurrent assets:		
Furniture, machinery & equipment	219,480	219,480
Less accumulated depreciation	(197,968)	(197,968)
Total noncurrent assets	21,512	21,512
Total assets	143,183	143,183
LIABILITIES		
Current liabilities:		
Deferred revenue	-	-
Total current liabilities	-	-
Total liabilities	-	-
NET POSITION		
Investment in capital assets	21,512	21,512
Unrestricted	121,671	121,671
Total net position	143,183	143,183
Total liabilities and net position	\$ 143,183	\$ 143,183

ALLENDALE SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Local sources:		
Daily sales non-reimbursable programs	\$ 433,952	\$ 433,952
Special functions	-	-
Miscellaneous	390	390
Total operating revenues	434,342	434,342
Operating expenses:		
Salaries	90,298	90,298
Employee benefits	34,916	34,916
Purchased property	-	-
Other purchased services	7,316	7,316
Supplies and materials	19,195	19,195
Other objects	34,070	34,070
Depreciation	15,868	15,868
Cost of sales - reimbursable programs	-	-
Cost of sales - non-reimbursable programs	197,556	197,556
Total operating expenses	399,219	399,219
Operating income (loss)	35,123	35,123
Nonoperating revenues (expenses):		
Interest income	2,256	2,256
Total nonoperating revenues (expenses)	2,256	2,256
Income before contributions & transfers	37,379	37,379
Transfers in (out)	-	-
Change in net position	37,379	37,379
Total net position—beginning	105,804	105,804
Total net position—ending	\$ 143,183	\$ 143,183

ALLENDALE SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and other funds	\$ 432,407	\$ 432,407
Payments to employees & benefits	(125,214)	(125,214)
Payments to suppliers	(258,137)	(258,137)
Net cash provided by (used in) operating activities	49,056	49,056
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	2,256	2,256
Net cash provided by (used in) investing activities	2,256	2,256
Net increase (decrease) in cash and cash equivalents	51,312	51,312
Balances—beginning of year	70,359	70,359
Balances—end of year	\$ 121,671	\$ 121,671
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 35,123	\$ 35,123
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	(1,935)	(1,935)
Total adjustments	13,933	13,933
Net cash provided by (used in) operating activities	\$ 49,056	\$ 49,056

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2023

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.

Basis of Presentation:

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

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

Basis of Presentation (Cont'd):

General Fund (Cont'd)- 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.

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.

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

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

Enterprise Fund (Cont'd)

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

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.

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

C. Basis of Accounting (Cont'd)

Governmental Fund Financial Statements (Cont'd): 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.)

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

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.

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.

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

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.

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

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

Deferred Outflows/Inflows of Resources (Cont'd)

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.

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

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

Compensated Absences (Cont'd)

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, 2023, 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.

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

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

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.
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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

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

H. Revenues - Exchange and Nonexchange Transactions (Cont'd)

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.

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

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. Change in Accounting Principles

On June 30, 2023, the District implemented the Governmental Accounting Standards Boards 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. These changes were reviewed for the District's June 30, 2023 financial statements and had no effect on the beginning net position of the District. The District did not have any subscriptions that rose to an amount that required disclosure. The District will review new subscriptions annually to determine proper disclosure.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

N . GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years (Cont'd)

Statement No. 100, *Accounting Changes and Error Corrections - An Amendment GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decision or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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, 2023

2. Capital Reserve Account

The activity of the Capital Reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance July 1, 2022	\$	9,586,551
Add:		
Increase per Resolution		1,715,000
Interest Earnings		141,553
Less:		
Budgeted withdrawals		<u>(560,000)</u>
Ending Balance, June 30, 2023	\$	<u>10,883,104</u>

The June 30, 2023 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, 2023.

The activity of the Maintenance Reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance, July 1, 2022	\$	836,836
Add:		
Increase per Resolution		325,000
Less:		
Budgeted withdrawals		<u>(325,000)</u>
Balance, June 30, 2023	\$	<u>836,836</u>

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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, 2022 to June 30, 2023 fiscal year is as follows:

Balance, July 1, 2022	\$	130,000
Add:		
Interest transfer to Emergency Reserve		-
Less:		
Budgeted withdrawals		-
		-
Balance, June 30, 2023	\$	130,000

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.

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

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

Custodial Credit Risk Related to Deposits (Cont'd)

At June 30, 2023, the Board's bank balances of \$16,287,626 were exposed to Custodial Credit Risk as follows:

	<u>2023</u>
Insured under FDIC and GUDPA	\$ 15,960,870
Uninsured and Uncollateralized	<u>326,756</u>
	<u>\$ 16,287,626</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, 2023, 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)	\$3,902,767	A3	AAAm

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

5. Deposits and Investments (Cont'd)

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, 2023, the District had \$3,902,767 on deposit with the New Jersey Asset and Rebate Management Program.

6. Receivables

Receivables at June 30, 2023, 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	\$ 376,973	\$ 376,973
Federal Aid	97,439	97,439
	474,412	474,412
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	\$ 474,412	\$ 474,412

7. Interfund Balances and Transfers

There were no balances due to/from other funds at June 30, 2023.

8. Inventory

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

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2023

8. Inventory (Cont'd)

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, 2023, the District had no ending inventory.

9. Capital Assets

Capital assets consisted of the following at June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Site Improvements	\$ <u>229,589</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>229,589</u>
Construction in Progress	\$ <u>-</u>	\$ <u>448,810</u>	\$ <u>-</u>	\$ <u>448,810</u>
Total Capital Assets Not Being Depreciated	<u>229,589</u>	<u>448,810</u>	<u>-</u>	<u>678,399</u>
Capital Assets Being Depreciated				
Building and Building Improvements	22,769,791	-	-	22,769,791
Machinery and Equipment	<u>2,407,068</u>	<u>-</u>	<u>-</u>	<u>2,407,068</u>
Totals at Historical Cost	<u>25,176,859</u>	<u>-</u>	<u>-</u>	<u>25,176,859</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(10,570,288)	(653,289)	-	(11,223,577)
Machinery and Equipment	<u>(1,898,874)</u>	<u>(120,914)</u>	<u>-</u>	<u>(2,019,788)</u>
Total Accumulated Depreciation	<u>(12,469,162)</u>	<u>(774,203)</u>	<u>-</u>	<u>(13,243,365)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>12,707,697</u>	<u>(774,203)</u>	<u>-</u>	<u>11,933,494</u>
Government Activity Capital Assets, Net	<u>\$ 12,937,286</u>	<u>(325,393)</u>	<u>-</u>	<u>\$ 12,611,893</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 219,480	-	-	\$ 219,480
Less Accumulated Depreciation	<u>(182,100)</u>	<u>(15,868)</u>	<u>-</u>	<u>(197,968)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 37,380</u>	<u>(15,868)</u>	<u>\$ -</u>	<u>\$ 21,512</u>

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2023

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 \$2,000.

Depreciation expense of governmental activities was charged to functions as follows:

Regular Instruction	\$ 658,072
Student and Instruction Related Services	65,807
School Administration Services	23,226
Other Special Instruction	3,871
Special Education Instruction	<u>23,227</u>
Total	<u>\$ 774,203</u>

10. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2023, are as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 479,565	\$ 19,156	\$ 498,721	\$ -
PERS Pension Liability	2,854,693	709,716	3,564,409	-
Bonds Payable	1,315,000	(310,000)	1,005,000	320,000
Financed Purchases	<u>166,024</u>	<u>(82,223)</u>	<u>83,801</u>	<u>83,801</u>
	<u>\$ 4,815,282</u>	<u>\$ 336,649</u>	<u>\$ 5,151,931</u>	<u>\$ 403,801</u>

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

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.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

10. Long-Term Obligations (cont'd)

B. Bonds Payable (cont'd)

Bonds payable at June 30, 2023 are comprised of the following issues:

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>1,005,000</u> \$ <u>1,005,000</u>
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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>
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>\$ 1,005,000</u>	<u>71,400</u>	<u>\$ 1,076,400</u>

C. Bonds Authorized But Not Issued

As of June 30, 2023, the District had no authorized but not issued bonds.

D. Financed Purchases

The District has financed equipment, buses and textbooks. The financed purchases do not exceed five years. The following schedule are the payment requirements at June 30, 2023:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ <u>83,801</u>	\$ <u>1,608</u>	\$ <u>85,409</u>

The original value of the financed purchases is included in Machinery and Equipment for \$331,332 and the amortization of the financed purchase is included with depreciation expense.

11. 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 annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

11. Pension Plans (cont'd)

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

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 2022, 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, 2023

11. 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, 2023, the School District reported a liability of \$3,564,409 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The School District's proportion measured as of June 30, 2022, was .0236188468%, which was a decrease of .0004785053% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense of \$171,030 in the government-wide financial statements consisting of employer contributions of \$297,845 and non-employer contributions of \$(126,815). This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,726	\$ 22,687
Changes of assumptions	11,044	533,733
Net difference between projected and actual earnings on pension plan investments	147,528	-
Changes in proportion and differences between District contributions and proportionate share of contributions	340,975	72,957
District contributions subsequent to the measurement date	<u>297,845</u>	<u>-</u>
Total	<u>\$ 823,118</u>	<u>\$ 629,377</u>

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

11. Pension Plans (cont'd)

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

\$297,845 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:	
2023	\$ (85,536)
2024	(43,577)
2025	(21,252)
2026	46,364
2027	(103)
Thereafter	-
Total	<u>\$ (104,104)</u>

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

11. 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, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
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
June 30, 2021	5.00	5.00
June 30, 2022	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 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years for the 2022, 2021, 2020, 2019, 2018, and 2017, respectively

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

11. Pension Plans (cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55%
	Based on years of service
Investment Rate of Return	7.00%

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

11. 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>
U.S. Equity	27.00 %	8.12 %
Non-U.S. Developed Markets Equity	13.50 %	8.83 %
Emerging Markets Equity	5.50 %	10.33 %
Private Equity	13.00 %	11.80 %
Real Estate	8.00 %	11.19 %
Real Assets	3.00 %	7.60 %
High Yield	4.00 %	4.95 %
Private Credit	8.00 %	8.10 %
Investment Grade Credit	7.00 %	3.38 %
Cash Equivalents	4.00 %	1.75 %
U.S. Treasuries	4.00 %	1.75 %
Risk Mitigation Strategies	3.00 %	4.91 %

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

11. 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, 2022 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	4,618,003	3,564,409	2,723,636

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

	<u>6/30/23</u>	<u>6/30/22</u>
Collective Deferred Outflows of Resources	1,660,772,008	1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
School District's Portion	.0236188468%	.0240973521%

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 annual financial statements 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, 2023

11. 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. 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 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 2022, 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, 2023

11. 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, 2022 was \$33,672,917. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was .0652646541%, which was a decrease of .0014823377% from its proportion measured as of June 30, 2021

For the fiscal year ended June 30, 2022, the State of New Jersey recognized a pension expense in the amount of \$2,604,011 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, 2022 measurement date.

Actuarial Assumptions - The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

2.75% - 5.65%
Based on years of service

Investment Rate of Return

7.00%

Pre-retirement, 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-2021.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

11. Pension Plans (cont'd)

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

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

Long-term Expected Rate of Return -In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.12 %
Non-U.S. Developed Markets Equity	13.50 %	8.83 %
Emerging Markets Equity	5.50 %	10.33 %
Private Equity	13.00 %	11.80 %
Real Estate	8.00 %	11.19 %
Real Assets	3.00 %	7.60 %
High Yield	4.00 %	4.95 %
Private Credit	8.00 %	8.10 %
Investment Grade Credit	7.00 %	3.38 %
Cash Equivalents	4.00 %	1.75 %
U.S. Treasuries	4.00 %	1.75 %
Risk Mitigation Strategies	3.00 %	4.91 %

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

11 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 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions to the State. 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 projected benefit payments 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, 2022 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%)
State's proportionate share of the net pension liability	39,545,092	33,672,917	28,825,152

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>6/30/23</u>	<u>6/30/22</u>
Collective Deferred Outflows of Resources	5,004,259,312	6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
School District's Portion	.0652646541%	.0667469918%

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

12. 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.

12. Post-Retirement Benefits (cont'd)

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Post-Retirement Benefits (cont'd)

Employees covered by benefit terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	151,669
Active plan members	<u>213,148</u>
Total	<u><u>364,817</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.75%-6.55%
	PFRS 3.25%-16.25%
	TPAF 2.75%-4.25%
Discount Rate	3.54%
Healthcare Cost Trend Rates	4.5%-6.25%
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, 2023

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

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

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

Balance at June 30, 2021	\$ 60,007,650,970
Changes for the year:	
Service cost	2,770,618,025
Interest on the total OPEB liability	1,342,187,139
Changes of benefit terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes in assumptions	(13,586,368,097)
Gross benefit payments by the state	(1,329,476,059)
Contributions from members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. 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, 2023

12. Post-Retirement Benefits (cont'd)

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

The following presents the June 30, 2022 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 (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability of the State for School Retirees	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995
Total OPEB Liability of the State Associated with the School District for School Retirees	\$32,483,026	\$27,635,843	\$23,751,067

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

The following presents the June 30, 2022 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	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635
Total OPEB Liability of the State Associated with the School District for School Retirees	\$22,842,713	\$27,635,843	\$33,931,979

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2023

12. 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, 2023, the board of education recognized OPEB expense of \$684,067 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, 2022, 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 <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 9,042,402,619	\$ 15,462,950,679
Changes of assumptions	8,765,620,577	17,237,289,230
Contributions made in fiscal year ending 2023 after June 30, 2022 measurement date	-	-
Total	<u>\$ 17,808,023,196</u>	<u>\$ 32,700,239,909</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:	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
Total	<u>\$ (14,892,216,713)</u>

13. 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

Allendale Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2023

14. 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 Annual Comprehensive 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>
2023	\$ 3,490	\$ 16,273	\$ (12,233)	\$ 179,255
2022	286	7,784	-	171,725
2021	234	-	-	163,655

15. 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.

16. Fund Balances

General Fund - of the \$15,803,013 General Fund balance at June 30, 2023, \$266,435 of encumbrances is assigned to other purposes, \$10,883,104 is restricted for capital reserve, \$836,836 is restricted for maintenance reserve, \$130,000 is restricted for emergency reserve, \$179,255 is restricted for unemployment compensation \$1,463,786 is restricted for excess surplus, \$1,468,145 is restricted for excess surplus for subsequent year expenditures, and \$575,452 is unassigned.

Special Revenue Fund - of the \$78,722 Special Revenue Fund balance at June 30, 2023, \$78,722 is restricted for student activities.

Allendale Board of Education
Notes to Financial Statements
For the Year Ended June 30, 2023

17. 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, 2023 is \$1,463,786.

18. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2023. 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, 2020.

19. Subsequent Events

The school district Management has evaluated subsequent events through December 4, 2023, the date the financial statements were available to be issued.

20. 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.

21. 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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**ALLENDALE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 16,761,221	\$ -	\$ 16,761,221	\$ 16,761,221	\$ -
Interest	-	-	-	183,918	183,918
Interest earned on capital reserve funds	1,000	(1,000)	-	141,553	141,553
Interest earned on unemployment - restricted	-	-	-	3,491	3,491
Tuition - from individuals	83,000	-	83,000	159,138	76,138
Tuition - from other LEA's within the state	-	-	-	10,844	10,844
Rents and Royalties	22,000	-	22,000	21,925	(75)
Miscellaneous	16,000	1,000	17,000	23,521	6,521
Total - local sources	<u>16,883,221</u>	<u>-</u>	<u>16,883,221</u>	<u>17,305,611</u>	<u>422,390</u>
State sources:					
Categorical Special Education Aid	761,754	-	761,754	761,754	-
Categorical Transportation Aid	22,726	-	22,726	22,726	-
Security aid	71,109	-	71,109	71,109	-
Extraordinary aid	-	-	-	315,683	315,683
TPAF -LTDI (on-behalf - Non-budgeted)	-	-	-	767	767
TPAF - post retirement medical (on-behalf-Non-budgeted)	-	-	-	684,067	684,067
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	2,604,011	2,604,011
TPAF social security (reimbursed - Non-budgeted)	-	-	-	558,837	558,837
Total state sources	<u>855,589</u>	<u>-</u>	<u>855,589</u>	<u>5,018,954</u>	<u>4,163,365</u>
Total revenues	<u>\$ 17,738,810</u>	<u>\$ -</u>	<u>\$ 17,738,810</u>	<u>\$ 22,324,565</u>	<u>\$ 4,585,755</u>
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Kindergarten - Salaries of teachers	\$ 366,065	\$ 3,135	\$ 369,200	\$ 361,862	\$ 7,338
Grades 1-5 - Salaries of teachers	2,299,152	(335)	2,298,817	2,290,926	7,891
Grades 6-8 - Salaries of teachers	2,513,027	13,915	2,526,942	2,332,679	194,263
Regular Programs - Home Instruction:					
Salaries of teachers	5,000	-	5,000	-	5,000
Purchased professional-educational services	8,000	-	8,000	1,391	6,609
Regular Programs - Undistributed Instruction					
Other salaries for instruction	28,601	4,655	33,256	32,827	429
Purchased professional-educational services	55,000	-	55,000	13,493	41,507
Purchased technical services	20,720	5,000	25,720	16,692	9,028
Other purchased services (400-500 series)	328,097	(5,000)	323,097	273,201	49,896
General supplies	591,465	(35,624)	555,841	338,517	217,324
Other objects	15,439	5,709	21,148	13,197	7,951
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>6,230,566</u>	<u>(8,545)</u>	<u>6,222,021</u>	<u>5,674,785</u>	<u>547,236</u>
Salaries of teachers	99,375	11,210	110,585	110,531	54
Other salaries for instruction	60,702	33,855	94,557	94,556	1
Other Purch. Serv. (400-500 series)	4,000	(3,900)	100	-	100
General supplies	8,000	3,900	11,900	8,436	3,464
Total Learning and/or Language Disabilities	<u>172,077</u>	<u>45,065</u>	<u>217,142</u>	<u>213,523</u>	<u>3,619</u>
Multiple Disabilities:					
Salaries of Teachers	70,410	-	70,410	56,507	13,903
Other salaries for instruction	88,473	2,255	90,728	83,212	7,516
General supplies	5,115	-	5,115	5,048	67
Total Multiple Disabilities	<u>163,998</u>	<u>2,255</u>	<u>166,253</u>	<u>144,767</u>	<u>21,486</u>
Resource Room/Resource Center:					
Salaries of Teachers	545,457	(600)	544,857	470,932	73,925
General supplies	5,400	-	5,400	3,200	2,200
Textbooks	3,000	-	3,000	-	3,000
Total Resource Room/Resource Center	<u>553,857</u>	<u>(600)</u>	<u>553,257</u>	<u>474,132</u>	<u>79,125</u>

**ALLENDALE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 73,425	\$ -	\$ 73,425	\$ 73,425	\$ -
General Supplies	2,500	-	2,500	1,979	521
Total Preschool Disabilities - Part-Time	<u>75,925</u>	<u>-</u>	<u>75,925</u>	<u>75,404</u>	<u>521</u>
TOTAL SPECIAL EDUCATION- INSTRUCTION	<u>965,857</u>	<u>46,720</u>	<u>1,012,577</u>	<u>907,826</u>	<u>104,751</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	486,721	-	486,721	486,280	441
General Supplies	6,350	-	6,350	3,523	2,827
Total Basic Skills/Remedial - Instruction	<u>493,071</u>	<u>-</u>	<u>493,071</u>	<u>489,803</u>	<u>3,268</u>
Bilingual Education - Instruction					
Salaries of Teachers	95,300	-	95,300	95,300	-
General Supplies	2,000	-	2,000	1,245	755
Total Bilingual Education - Instruction	<u>97,300</u>	<u>-</u>	<u>97,300</u>	<u>96,545</u>	<u>755</u>
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	71,008	(5,709)	65,299	49,053	16,246
Supplies and Materials	19,075	3,000	22,075	5,421	16,654
Total School-Spon. Cocurricular Actvts. - Instruction	<u>90,083</u>	<u>(2,709)</u>	<u>87,374</u>	<u>54,474</u>	<u>32,900</u>
School-Spon. Athletics - Instruction					
Salaries	63,386	-	63,386	43,714	19,672
Purchased Services (300-500 series)	8,740	-	8,740	6,189	2,551
Supplies and Materials	8,541	-	8,541	4,773	3,768
Total School-Spon. Cocurricular Actvts. - Instruction	<u>80,667</u>	<u>-</u>	<u>80,667</u>	<u>54,676</u>	<u>25,991</u>
Total Instruction	<u>7,957,544</u>	<u>35,466</u>	<u>7,993,010</u>	<u>7,278,109</u>	<u>714,901</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the State - Special	167,000	(33,000)	134,000	92,827	41,173
Tuition to Private Sch for Disbl W/I State	504,969	(40,000)	464,969	450,710	14,259
Tuition Priv Sch Disbl & Otr LEA o/s State	-	53,000	53,000	52,005	995
Total Undistributed Expenditures - Instruction:	<u>671,969</u>	<u>(20,000)</u>	<u>651,969</u>	<u>595,542</u>	<u>56,427</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	41,425	(39,000)	2,425	-	2,425
Total Undistributed Expend. - Attend. & Social Work	<u>41,425</u>	<u>(39,000)</u>	<u>2,425</u>	<u>-</u>	<u>2,425</u>
Undist. Expend. - Health Services					
Salaries	150,622	-	150,622	148,863	1,759
Purchased professional and technical services	14,000	-	14,000	5,710	8,290
Other purchased services (400-500 series)	1,385	-	1,385	245	1,140
Supplies and materials	11,055	352	11,407	5,896	5,511
Other objects	678	-	678	-	678
Total Undistributed Expenditures - Health Services	<u>177,740</u>	<u>352</u>	<u>178,092</u>	<u>160,714</u>	<u>17,378</u>
Undist. Expend. - Speech, OT, PT and Related Services					
Salaries	214,445	-	214,445	206,240	8,205
Purchased Prof. Ed. Services	145,000	-	145,000	108,721	36,279
Supplies and Materials	3,000	-	3,000	1,909	1,091
Total Undist. Expend. - Speech, OT, PT and Related Services	<u>362,445</u>	<u>-</u>	<u>362,445</u>	<u>316,870</u>	<u>45,575</u>
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	408,026	(40,765)	367,261	273,016	94,245
Supplies and materials	7,200	-	7,200	4,553	2,647
Purchased Prof. Ed. Services	116,000	85,500	201,500	132,789	68,711
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>531,226</u>	<u>44,735</u>	<u>575,961</u>	<u>410,358</u>	<u>165,603</u>
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	186,566	-	186,566	184,305	2,261
Purchased Professional - Educational Services	3,000	-	3,000	2,808	192
Other Purch. Prof. & Tech. Svc.	3,000	-	3,000	-	3,000
Supplies and Materials	2,000	-	2,000	156	1,844
Total Undistributed Expenditures - Guidance	<u>194,566</u>	<u>-</u>	<u>194,566</u>	<u>187,269</u>	<u>7,297</u>
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	465,513	(25,500)	440,013	399,755	40,258
Salaries of Secretarial and Clerical assistants	60,196	-	60,196	60,196	-
Purchased Professional - Educational Services	40,000	-	40,000	14,611	25,389
Other Purchased Prof. & Tech. Services	8,100	-	8,100	7,736	364
Other Purchased Services (400-500 series)	6,906	-	6,906	3,905	3,001
Supplies and Materials	12,500	-	12,500	7,397	5,103
Other Objects	1,800	-	1,800	1,290	510
Total Undistributed Expenditures - Child Study Teams	<u>595,015</u>	<u>(25,500)</u>	<u>569,515</u>	<u>494,890</u>	<u>74,625</u>

**ALLENDALE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	\$ 145,935	\$ -	\$ 145,935	\$ 145,019	\$ 916
Salaries Other Prof. Staff	37,650	-	37,650	25,980	11,670
Salaries Sec. & Clerical Asst.	24,300	-	24,300	22,545	1,755
Salaries Facilitators, Math & Literacy Coaches	91,300	9,000	100,300	99,425	875
Purchased Professional - Educational Services	28,000	-	28,000	7,325	20,675
Other Purchased Services (400-500 series)	35,500	-	35,500	21,399	14,101
Supplies and Materials	14,000	-	14,000	3,626	10,374
Other objects	3,995	-	3,995	210	3,785
Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.	380,680	9,000	389,680	325,529	64,151
Undist. Expend. - Educational Media Services/School Library					
Salaries	149,866	-	149,866	145,381	4,485
Salaries of Technology Coordinators	165,020	-	165,020	164,083	937
Purchased Prof & Tech Svc.	3,000	-	3,000	-	3,000
Other Purchased Services (400-500)	17,375	-	17,375	6,595	10,780
Supplies and Materials	13,930	1,000	14,930	13,422	1,508
Other Objects	500	-	500	-	500
Total Undist. Expend. - Educational Media Services/School Library	349,691	1,000	350,691	329,481	21,210
Undist. Expend. - Instruction Staff Training Services					
Purchased Professional - Educational Services	15,000	-	15,000	3,573	11,427
Other Purchased Services (400-500 series)	5,000	-	5,000	3,476	1,524
Supplies and Materials	3,000	-	3,000	1,572	1,428
Total Undist. Expend. - Instruction Staff Training Services	23,000	-	23,000	8,621	14,379
Undist. Expend. - Support Service - General Administration					
Salaries	312,285	-	312,285	306,921	5,364
Legal Services	59,750	(2,000)	57,750	27,800	29,950
Audit Fees	38,000	35,000	73,000	31,000	42,000
Architectural/Engineering Services	22,000	(14,694)	7,306	6,459	847
Other Purchased Professional Services	26,345	-	26,345	19,047	7,298
Communications/Telephone	43,500	1,000	44,500	38,233	6,267
BOE Other Purchased Services	2,600	-	2,600	925	1,675
Misc. Purch. Serv.(400-500)	18,212	999	19,211	15,824	3,387
General Supplies	3,500	-	3,500	2,668	832
Judgments Against the School District	-	53,000	53,000	52,005	995
Miscellaneous Expenditures	4,500	310	4,810	4,636	174
BOE Membership Dues and Fees	15,450	3,000	18,450	16,903	1,547
Total Undist. Expend. - Support Service - General Administration	546,142	76,615	622,757	522,421	100,336
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	372,220	-	372,220	372,213	7
Salaries of Secretarial and Clerical Assistants	211,290	(27,000)	184,290	183,348	942
Purchased Professional and Technical Services	2,500	-	2,500	-	2,500
Other Purchased Services (400-500 series)	10,000	-	10,000	2,451	7,549
Supplies and Materials	5,575	-	5,575	1,939	3,636
Other Objects	5,209	-	5,209	4,147	1,062
Total Undist. Expend. - Support Service - School Administration	606,794	(27,000)	579,794	564,098	15,696
Undistributed Expenditures- Central Services					
Salaries	342,165	-	342,165	314,630	27,535
Misc. Purchased Services	33,700	1,500	35,200	31,541	3,659
Supplies and Materials	8,000	-	8,000	5,142	2,858
Miscellaneous Expenditures	4,550	-	4,550	2,265	2,285
Total Central Services	388,415	1,500	389,915	353,578	36,337
Administration Information Technology					
Salaries	18,890	-	18,890	18,767	123
Purchased technical services	25,000	(1,500)	23,500	18,533	4,967
Supplies and Materials	8,000	(1,500)	6,500	1,609	4,891
Other Objects	1,500	(1,500)	-	-	-
Total Admin info tech	53,390	(4,500)	48,890	38,909	9,981
Required Maint for School Facilities					
Salaries	233,360	-	233,360	220,863	12,497
Cleaning, Repair and Maintenance Services	432,000	-	432,000	21,495	410,505
Lead Testing of Drinking Water	3,000	-	3,000	-	3,000
General Supplies	58,000	-	58,000	23,119	34,881
Total Required Maintenance for School Facilities	726,360	-	726,360	265,477	460,883

**ALLENDALE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Custodial Services					
Salaries	\$ 491,125	\$ (25,000)	\$ 466,125	\$ 420,962	\$ 45,163
Salaries of Non-Instructional Aides	111,650	-	111,650	74,653	36,997
Purchased Professional and Technical Services	5,500	-	5,500	1,208	4,292
Cleaning, Repair and Maintenance Services	80,000	25,000	105,000	96,092	8,908
Rental of Land and Building Other than Lease	2,000	-	2,000	-	2,000
Other Purchased Property Services	40,000	-	40,000	40,847	(847)
Insurance	136,850	-	136,850	133,165	3,685
Miscellaneous Purchased Services	12,500	-	12,500	5,223	7,277
General Supplies	48,000	-	48,000	35,218	12,782
Energy (Natural Gas)	78,000	-	78,000	63,364	14,636
Energy (Electricity)	145,000	-	145,000	132,962	12,038
Other objects	2,000	-	2,000	1,478	522
Total Custodial services	<u>1,152,625</u>	<u>-</u>	<u>1,152,625</u>	<u>1,005,172</u>	<u>147,453</u>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	132,000	-	132,000	41,364	90,636
General Supplies	10,000	-	10,000	8,698	1,302
Total Care and Upkeep of Grounds	<u>142,000</u>	<u>-</u>	<u>142,000</u>	<u>50,062</u>	<u>91,938</u>
Security					
Salaries	70,250	(13,000)	57,250	56,459	791
Cleaning, Repair and Maintenance Services	8,000	66,000	74,000	59,640	14,360
Purchased Professional and Technical Services	16,000	(12,000)	4,000	3,718	282
General Supplies	19,000	(7,294)	11,706	9,896	1,810
Total Security	<u>113,250</u>	<u>33,706</u>	<u>146,956</u>	<u>129,713</u>	<u>17,243</u>
Total Oper. And Maintenance of Plant Services	<u>2,134,235</u>	<u>33,706</u>	<u>2,167,941</u>	<u>1,450,424</u>	<u>717,517</u>
Student Transportation Services					
Contr Serv (Oth.than Bet Home & Sch) - Vend	54,900	(25,000)	29,900	6,275	23,625
Contract Serv. (Sp Ed Stds) - Vendors	22,000	(15,000)	7,000	-	7,000
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	334,635	(20,000)	314,635	287,125	27,510
Total Student Transportation Services	<u>411,535</u>	<u>(60,000)</u>	<u>351,535</u>	<u>293,400</u>	<u>58,135</u>
Personal Services- Employee Benefits					
Group insurance	-	1,000	1,000	445	555
Social Security Contributions	198,000	-	198,000	196,295	1,705
Other Retirement Contributions - PERS	285,000	13,000	298,000	297,845	155
Other Retirement Contributions-Regular	6,000	-	6,000	4,045	1,955
Unemployment Compensation	7,000	-	7,000	-	7,000
Workmen's Compensation	88,100	(14,000)	74,100	56,769	17,331
Health Benefits	2,735,276	(3,000)	2,732,276	2,542,659	189,617
Tuition Reimbursement	70,900	-	70,900	47,382	23,518
Other Employee Benefits	20,960	2,675	23,635	20,540	3,095
Unused Sick Pymt to Term./Retired Staff	34,720	-	34,720	33,952	768
Total Personal Services-Employee Benefits	<u>3,445,956</u>	<u>(325)</u>	<u>3,445,631</u>	<u>3,199,932</u>	<u>245,699</u>
On-behalf Contributions					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	767	(767)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	684,067	(684,067)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	2,604,011	(2,604,011)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	558,837	(558,837)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,847,682</u>	<u>(3,847,682)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>3,445,956</u>	<u>(325)</u>	<u>3,445,631</u>	<u>7,047,614</u>	<u>(3,601,983)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>10,914,224</u>	<u>(9,417)</u>	<u>10,904,807</u>	<u>13,099,718</u>	<u>(2,194,911)</u>
TOTAL GENERAL CURRENT EXPENDITURES	<u>18,871,768</u>	<u>26,049</u>	<u>18,897,817</u>	<u>20,377,827</u>	<u>(1,480,010)</u>
CAPITAL OUTLAY					
Capital Reserve - Transfer to Capital Projects	560,000	(560,000)	-	-	-
Interest Deposit to Capital Reserve	1,000	(1,000)	-	-	-
Equipment					
Special Education- Instruction:					
Undistributed expenditures - Instruction	254,000	-	254,000	136,222	117,778
Undist.Exp.-Req. Maint. Schl Facilities					
Undist. Exp.-Req. Maint. Schl Facilities	45,000	-	45,000	-	45,000
Undistributed exp.-Non-instructional services					
Undistributed expenditures - Security	185,000	-	185,000	161,786	23,214
Total Equipment	<u>484,000</u>	<u>-</u>	<u>484,000</u>	<u>298,008</u>	<u>185,992</u>

ALLENDALE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 22,000	\$ 22,000	\$ 44,000	\$ 32,369	\$ 11,631
Construction Services	-	560,000	560,000	266,066	293,934
Assessment for Debt Service on SDA Funding	23,293	-	23,293	23,293	-
Total Facilities Acquisition and Construction Services	<u>45,293</u>	<u>582,000</u>	<u>627,293</u>	<u>321,728</u>	<u>305,565</u>
TOTAL CAPITAL OUTLAY	<u>1,090,293</u>	<u>21,000</u>	<u>1,111,293</u>	<u>619,736</u>	<u>491,557</u>
TOTAL EXPENDITURES	<u>19,962,061</u>	<u>47,049</u>	<u>20,009,110</u>	<u>20,997,563</u>	<u>(988,453)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,223,251)	(47,049)	(2,270,300)	1,327,002	3,597,302
Fund Balance, July 1	<u>14,559,240</u>	<u>-</u>	<u>14,559,240</u>	<u>14,559,240</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 12,335,989</u>	<u>\$ (47,049)</u>	<u>\$ 12,288,940</u>	<u>\$ 15,886,242</u>	<u>\$ 3,597,302</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 836,836	
Emergency Reserve				130,000	
Excess surplus - current year				1,463,786	
Excess surplus-designated for subsequent year's expenditures				1,468,145	
Capital reserve				10,883,104	
Unemployment compensation				179,255	
Assigned Fund Balance:					
Year-end encumbrances				266,435	
Designated for subsequent year's expenditures				-	
Unassigned				<u>658,681</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				15,886,242	
Last state aid payment not recognized on GAAP basis				(83,229)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 15,803,013</u>	

ALLENDALE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ 1,426	\$ 1,426	\$ 290,693	\$ 289,267
State sources	-	40,403	40,403	46,043	5,640
Federal sources	170,048	459,734	629,782	412,531	(217,251)
Total Revenues	<u>170,048</u>	<u>501,563</u>	<u>671,611</u>	<u>749,267</u>	<u>77,656</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	-	97,202	97,202	28,426	68,776
Purchased professional and technical services	-	-	-	20,402	(20,402)
Other purchased services	-	6,000	6,000	-	6,000
General supplies	-	67,099	67,099	38,338	28,761
Tuition	154,657	418	155,075	155,075	-
Total instruction	<u>154,657</u>	<u>170,719</u>	<u>325,376</u>	<u>242,241</u>	<u>83,135</u>
Support services:					
Personal services - salaries	-	18,000	18,000	12,025	5,975
Purchased professional and technical services	7,391	87,984	95,375	26,728	68,647
Other purchased services	8,000	53,351	61,351	49,412	11,939
Supplies- materials	-	52,509	52,509	10,459	42,050
Student Activities	-	-	-	265,726	(265,726) Note 1
Total support services	<u>15,391</u>	<u>211,844</u>	<u>227,235</u>	<u>364,350</u>	<u>(137,115)</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Instructional equipment	-	119,000	119,000	119,000	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>119,000</u>	<u>119,000</u>	<u>119,000</u>	<u>-</u>
Total expenditures	<u>170,048</u>	<u>501,563</u>	<u>671,611</u>	<u>725,591</u>	<u>(53,980)</u>
Total outflows	<u>170,048</u>	<u>501,563</u>	<u>671,611</u>	<u>725,591</u>	<u>(53,980)</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,676</u>	<u>23,676</u>
Fund Balance, July 1				<u>55,046</u>	
Fund Balance, June 30				<u>\$ 78,722</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>78,722</u>	
Total Fund Balance				<u>\$ 78,722</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, 2023**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 22,324,565	[C-2]	\$ 749,267
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(11,748)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(2,604,011)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(83,229)		-
State aid payment and extraordinary aid recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		68,815		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 19,706,140	[B-2]	\$ 737,519
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 20,997,563	[C-2]	\$ 725,591
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(2,604,011)		-
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.		-		(11,748)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 18,393,552	[B-2]	\$ 713,843

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, 2023

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>	<u>2022</u>	<u>2023</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%	0.0240973521%	0.0236188468%
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	\$ 2,854,693	\$ 3,564,409
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	1,684,375	1,877,387
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%	169.48%	189.86%
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%	70.33%	62.91%

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, 2023**

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>	<u>2022</u>	<u>2023</u>
Contractually required contributions	\$ 167,379	\$ 167,379	\$ 168,854	\$ 179,635	\$ 193,465	\$ 211,123	\$ 210,100	\$ 241,843	\$ 282,384	\$ 297,845
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>	<u>282,384</u>	<u>297,845</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<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	\$ 1,877,387	\$ 1,910,732
Contributions as a percentage of covered-employee payroll	13.05%	13.05%	11.87%	12.31%	12.69%	14.61%	12.35%	14.36%	15.04%	15.59%

* 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, 2023

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>	<u>2022</u>	<u>2023</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%	0.0667469918%	0.0652646541%
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	\$ 32,088,742	\$ 33,672,917
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	7,619,890	6,910,828
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%	421.12%	487.25%
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%	35.52%	32.29%

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 ACFR.

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, 2023
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
State's proportion of the OPEB liability associated with the District						
Service cost	\$ 1,285,411	\$ 1,073,462	\$ 914,431	\$ 976,216	\$ 1,729,803	\$ 1,485,050
Interest cost	955,797	1,105,796	1,008,770	828,945	858,854	732,380
Changes of benefit terms	-	-	-	-	(35,239)	-
Differences between expected and actual experiences	-	(3,245,233)	(4,056,705)	5,851,488	(5,591,373)	426,257
Changes in assumptions	(3,982,040)	(2,925,278)	343,165	6,716,206	32,663	(7,413,563)
Member contributions	24,620	23,558	20,943	19,401	21,957	23,273
Gross benefit payments	(668,617)	(681,634)	(706,510)	(640,096)	(676,536)	(725,444)
Net change in total OPEB liability	(2,384,829)	(4,649,329)	(2,475,906)	13,752,160	(3,659,871)	(5,472,047)
Total OPEB liability - beginning	<u>32,525,665</u>	<u>30,140,836</u>	<u>25,491,507</u>	<u>23,015,601</u>	<u>36,767,761</u>	<u>33,107,890</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>	<u>\$ 33,107,890</u>	<u>\$ 27,635,843</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>	<u>\$ 10,258,752</u>	<u>\$ 10,539,084</u>
Total State's OPEB liability as a percentage of covered employee payroll	355%	302%	258%	387%	323%	262%

* 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, 2023

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2021, to 7.00% as of June 30, 2022.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2021, to 7.00% as of June 30, 2022.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

ALLENDALE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	<u>Title I</u> <u>22/23</u>	<u>Title II</u> <u>Part A</u> <u>22/23</u>	<u>Title III</u> <u>Immigrant</u>	<u>IDEA</u> <u>B-Basic</u> <u>Reg Prog</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>16,746</u>	<u>4,369</u>	<u>2,348</u>	<u>179,904</u>
Total revenues	<u>16,746</u>	<u>4,369</u>	<u>2,348</u>	<u>179,904</u>
Expenditures:				
Instruction:				
Salaries	-	-	-	-
Purchased professional services	-	-	-	14,402
General supplies	16,746	-	848	10,427
Tuition	-	-	-	155,075
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction	<u>16,746</u>	<u>-</u>	<u>848</u>	<u>179,904</u>
Support services:				
Other support services - students - special:				
Salaries	-	-	-	-
Purchased prof. and tech. services	-	-	-	-
Other purchased services	-	4,369	1,500	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Supplies and materials	-	-	-	-
Scholarship	-	-	-	-
Student activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services - students - special	<u>-</u>	<u>4,369</u>	<u>1,500</u>	<u>-</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>16,746</u>	<u>\$ 4,369</u>	<u>\$ 2,348</u>	<u>\$ 179,904</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALLEDALE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

(Continued from prior page)

	<u>I.D.E.A.</u> <u>Preschool</u>	<u>CRRSA</u> <u>ESSER II</u>	<u>Climate</u> <u>Change</u>
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	6,000
Federal sources	<u>8,936</u>	<u>29,507</u>	<u>-</u>
Total revenues	<u>8,936</u>	<u>29,507</u>	<u>6,000</u>
Expenditures:			
Instruction:			
Salaries	-	28,426	-
Purchased professional services	-	-	6,000
General supplies	8,936	1,081	-
Tuition	-	-	-
Other objects	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction	<u>8,936</u>	<u>29,507</u>	<u>6,000</u>
Support services:			
Other support services - students - special:			
Salaries	-	-	-
Purchased prof. and tech. services	-	-	-
Other purchased services	-	-	-
Employee benefits	-	-	-
Travel	-	-	-
Supplies and materials	-	-	-
Scholarship	-	-	-
Student activities	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>-</u>
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 8,936</u>	<u>\$ 29,507</u>	<u>\$ 6,000</u>
Excess (deficiency) of revenues			
Over (under) expenditures	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALLENDALE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

(Continued from prior page)

	American Rescue Plan				
	<u>Mental Health</u>	<u>Accelerated Learning</u>	<u>Summer Learning</u>	<u>I.D.E.A. Basic</u>	<u>ARP ESSER</u>
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	<u>3,500</u>	<u>20,243</u>	<u>300</u>	<u>27,678</u>	<u>119,000</u>
Total revenues	<u>3,500</u>	<u>20,243</u>	<u>300</u>	<u>27,678</u>	<u>119,000</u>
Expenditures:					
Instruction:					
Salaries	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	-	300	-	-
Tuition	-	-	-	-	-
Other objects	-	-	-	-	-
Total instruction	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>
Support services:					
Other support services - students - special:					
Salaries	-	-	-	12,025	-
Purchased prof. and tech. services	-	11,075	-	15,653	-
Other purchased services	3,500	-	-	-	-
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and materials	-	9,168	-	-	-
Scholarship	-	-	-	-	-
Student activities	-	-	-	-	-
Total other support services - students - special	<u>3,500</u>	<u>20,243</u>	<u>-</u>	<u>27,678</u>	<u>-</u>
Equipment:					
Regular programs instruction	-	-	-	-	119,000
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,000</u>
Total expenditures	<u>\$ 3,500</u>	<u>\$ 20,243</u>	<u>\$ 300</u>	<u>\$ 27,678</u>	<u>\$ 119,000</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALLENDALE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

(Continued from prior page)

	SDA Emergent and Capital Maint.	Other	Student Activity	Total
Revenues:				
Local sources	\$ -	\$ 1,291	\$ 289,402	290,693
State sources	40,043	-	-	46,043
Federal sources	-	-	-	412,531
Total revenues	<u>40,043</u>	<u>1,291</u>	<u>289,402</u>	<u>749,267</u>
Expenditures:				
Instruction:				
Salaries	-	-	-	28,426
Purchased professional services	-	-	-	20,402
General supplies	-	-	-	38,338
Tuition	-	-	-	155,075
Other objects	-	-	-	-
Total instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,241</u>
Support services:				
Other support services - students - special:				
Salaries	-	-	-	12,025
Purchased prof. and tech. services	-	-	-	26,728
Other purchased services	40,043	-	-	49,412
Employee benefits	-	-	-	-
Travel	-	-	-	-
Supplies and materials	-	1,291	-	10,459
Scholarship	-	-	-	-
Student activities	-	-	265,726	265,726
Total other support services - students - special	<u>40,043</u>	<u>1,291</u>	<u>265,726</u>	<u>364,350</u>
Equipment:				
Regular programs instruction	-	-	-	119,000
Non-instructional equipment	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,000</u>
Total expenditures	<u>\$ 40,043</u>	<u>\$ 1,291</u>	<u>\$ 265,726</u>	<u>\$ 725,591</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	23,676	23,676
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>55,046</u>	<u>55,046</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,722</u>	<u>\$ 78,722</u>

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, 2023

Issue	Date of Issue	Amount Of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2022	Issued	Retired	Refinanced	Balance June 30, 2023
Refunding Bonds	11/20/2014	2,940,000				1,315,000	-	(310,000)		1,005,000
			3/15/2024	320,000	3.500%					
			3/15/2025	335,000	3.500%					
			3/15/2026	350,000	3.500%					
						\$ 1,315,000	\$ -	\$ (310,000)	\$ -	\$ 1,005,000

ALLENDALE SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Financed Purchases
June 30, 2023

<u>Series</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Amount Outstanding July 1, 2022</u>	<u>Issued Current Year</u>	<u>Canceled Current Year</u>	<u>Payments Current Year</u>	<u>Amount Outstanding June 30, 2023</u>
U.S Bancorp Government Leasing and Finance, Inc.	331,332	1.919%	\$ 166,024	\$ -	\$ -	\$ (82,223)	\$ 83,801
			<u>\$ 166,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (82,223)</u>	<u>\$ 83,801</u>

**ALLENDALE SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2023**

	<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	\$ 237,951	\$ -	\$ 237,951	\$ 237,951	\$ -
State Sources:					
Debt Service Aid Type II	122,630	-	122,630	122,630	-
Other	94	-	94	-	(94)
Total - State Sources	<u>122,724</u>	<u>-</u>	<u>122,724</u>	<u>122,630</u>	<u>(94)</u>
Total Revenues	<u>360,675</u>	<u>-</u>	<u>360,675</u>	<u>360,581</u>	<u>(94)</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	50,675	-	50,675	50,675	-
Redemption of Principal	310,000	-	310,000	310,000	-
Total Regular Debt Service	<u>360,675</u>	<u>-</u>	<u>360,675</u>	<u>360,675</u>	<u>-</u>
Total Expenditures	<u>360,675</u>	<u>-</u>	<u>360,675</u>	<u>360,675</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(94)	(94)
Fund Balance, July 1	98	-	98	98	-
Fund Balance, June 30	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ 4</u>	<u>\$ (94)</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ 4</u>	<u>\$ (94)</u>

STATISTICAL SECTION

**Allendale School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>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.</p>	101-106
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	107-110
<p>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.</p>	111-114
<p>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.</p>	115-116
<p>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.</p>	117-121

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 6,716,882	\$ 8,493,592	\$ 9,947,263	\$ 10,852,697	\$ 11,671,584	\$ 12,285,172	\$ 13,247,312	\$ 13,260,717	\$ 11,420,464	\$ 11,512,833
Restricted	5,232,234	5,542,225	6,381,497	6,894,885	6,546,832	7,179,529	7,509,369	11,427,036	13,586,652	15,039,852
Unrestricted	(815,805)	(743,034)	(1,356,441)	(1,679,541)	(1,608,696)	(1,837,207)	(1,733,460)	(3,569,332)	(3,331,315)	(3,027,502)
Total governmental activities net position	<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>	<u>21,675,801</u>	<u>23,525,183</u>
Business-type activities										
Net investment in capital assets	49,252	64,699	103,186	92,337	84,033	69,483	69,116	53,248	37,380	21,512
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	84,298	69,703	22,567	30,907	27,393	49,833	35,244	31,955	68,424	121,671
Total business-type activities net position	<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>	<u>105,804</u>	<u>143,183</u>
District-wide										
Net investment in capital assets	6,766,134	8,558,291	10,050,449	10,945,034	11,755,617	12,354,655	13,316,428	13,313,965	11,457,844	11,534,345
Restricted	5,232,234	5,542,225	6,381,497	6,894,885	6,546,832	7,179,529	7,509,369	11,427,036	13,586,652	15,039,852
Unrestricted	(731,507)	(673,331)	(1,333,874)	(1,648,634)	(1,581,303)	(1,787,374)	(1,698,216)	(3,537,377)	(3,262,891)	(2,905,831)
Total district net position	<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>	<u>21,781,605</u>	<u>23,668,366</u>

Source: ACFR Schedule A-1 and District records.

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	6,697,974	7,579,645	8,569,910	9,334,819	9,933,101	9,574,462	9,161,676	6,454,296	7,474,591	6,481,127
Special education	1,325,138	1,601,344	1,774,856	1,937,877	2,012,577	1,828,433	1,939,065	740,765	1,052,933	931,053
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	799,218	782,693	970,860	1,319,257	1,046,138	1,050,032	1,027,248	492,174	609,351	699,369
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition										
Student & Instruction Related Services	2,140,008	2,643,740	2,517,569	2,712,597	3,012,238	2,906,786	2,862,051	-	-	-
Instruction	-	-	-	-	-	-	-	799,697	712,112	673,374
Attendance and social work	44,904	50,513	55,838	69,792	74,083	69,468	66,836	38,820	40,024	-
Health services	210,102	240,815	263,511	304,463	318,193	304,118	230,067	139,192	204,722	236,854
Improvement of instr. services	-	-	-	-	-	-	-	262,551	241,614	335,988
Educational media services	198,205	222,299	243,893	258,297	225,516	196,848	257,876	255,051	319,509	329,481
Instruction staff training	-	-	-	-	-	-	-	5,744	3,099	8,621
School Administrative services	730,028	785,652	876,963	977,091	1,033,024	659,537	682,807	632,816	666,856	606,480
General administration	458,844	532,841	609,592	615,997	714,032	1,020,584	949,715	437,620	489,399	522,421
Central Services	414,848	486,636	573,199	603,783	637,377	493,056	422,990	323,682	343,778	353,578
Plant operations and maintenance	1,828,602	1,905,856	1,946,138	2,121,323	2,228,370	1,756,771	1,651,423	1,466,569	1,558,755	1,740,350
Administrative information technology	-	-	-	-	-	-	-	14,605	16,445	38,909
Pupil transportation	101,794	149,971	174,322	88,178	151,503	140,392	139,251	211,745	234,413	293,400
Other support services	-	-	-	-	-	-	-	1,491,858	1,223,560	1,675,113
Non-budgeted expenditures	-	-	-	-	-	-	-	1,140,698	1,196,739	1,243,671
Interest on long-term debt	226,238	167,720	138,797	110,101	92,352	103,189	92,194	58,007	44,443	25,136
Unallocated employee benefits	-	-	-	-	-	-	-	2,580,410	2,250,378	2,759,810
Total governmental activities expenses	15,175,903	17,149,725	18,715,448	20,453,575	21,478,504	20,103,676	19,483,199	17,546,300	18,682,721	18,954,735
Business-type activities:										
Food service	249,442	239,376	269,954	275,881	285,593	291,163	210,884	21,199	250,946	399,219
Summer music	18,384	-	-	-	-	-	-	-	-	-
Total business-type activities expense	267,826	239,376	269,954	275,881	285,593	291,163	210,884	21,199	250,946	399,219
Total district expenses	15,443,729	17,389,101	18,985,402	20,729,456	21,764,097	20,394,839	19,694,083	17,567,499	18,933,667	19,353,954

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	89,332	41,933	74,063	64,647	96,711	89,334	114,560	140,953	163,217	459,384
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	59,322	20,115	46,696	35,420	25,094	-	-	-
Operating grants and contributions	1,945,734	3,564,160	4,345,967	5,752,132	6,271,143	4,910,220	4,378,297	1,140,698	1,196,739	1,243,671
Capital grants and contributions	-	427,748	293,052	43,282	-	-	-	-	-	-
Total governmental activities program revenues	2,035,066	4,033,841	4,772,404	5,880,176	6,414,550	5,034,974	4,517,951	1,281,651	1,359,956	1,703,055
Business-type activities:										
Charges for services:										
Food service	253,035	239,876	267,542	273,202	273,549	298,389	195,353	1,903	271,424	434,342
Summer music	22,006	-	-	-	-	-	-	-	-	-
Operating grants and contributions	94	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	275,135	239,876	267,542	273,202	273,549	298,389	195,353	1,903	271,424	434,342
Total district program revenues	2,310,201	4,273,717	5,039,946	6,153,378	6,688,099	5,333,363	4,713,304	1,283,693	1,631,380	2,137,397
Net (Expense)/Revenue										
Governmental activities	(13,140,837)	(13,115,884)	(13,943,044)	(14,573,399)	(15,063,954)	(15,068,702)	(14,965,248)	(16,264,649)	(17,322,765)	(17,251,680)
Business-type activities	7,309	500	(2,412)	(2,679)	(12,044)	7,226	(15,531)	(19,157)	20,478	35,123
Total district-wide net expense	<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>	<u>(17,302,287)</u>	<u>(17,216,557)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	14,094,129	14,376,012	14,663,532	14,956,803	15,181,155	15,484,778	15,794,474	16,110,363	16,432,570	16,761,221
Taxes levied for debt service	890,133	784,912	887,669	847,316	307,339	302,861	301,242	302,616	304,431	237,951
Unrestricted grants and contributions	-	15,673	8,489	8,490	8,469	-	-	1,712,775	1,616,904	1,726,314
Federal and State Aid Restricted	-	-	-	-	-	119,808	119,672	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	21,439	17,344	23,006	37,569	74,833	-	-	19,294	6,595	328,962
Miscellaneous income	72,493	81,415	33,472	35,590	33,837	183,422	145,587	30,650	25,419	46,737
Loss on capital assets	-	-	-	-	-	(4,393)	-	(43,885)	(505,774)	-
Transfers	-	-	6,412	-	-	-	-	-	-	-
Total governmental activities	15,078,194	15,275,356	15,622,580	15,885,768	15,605,633	16,086,476	16,360,975	18,131,813	17,880,145	19,101,185
Business-type activities:										
Investment earnings	448	352	175	170	226	664	575	139	-	2,256
Transfers	-	-	(6,412)	-	-	-	-	-	-	-
Total business-type activities	448	352	(6,237)	170	226	664	575	139	-	2,256
Total district-wide	15,078,642	15,275,708	15,616,343	15,885,938	15,605,859	16,087,140	16,361,550	18,131,813	17,880,145	19,103,441
Change in Net Position										
Governmental activities	1,937,357	2,159,472	1,679,536	1,312,369	541,679	1,017,774	1,395,727	1,867,164	557,380	1,849,505
Business-type activities	7,757	852	(8,649)	(2,509)	(11,818)	7,890	(14,956)	(19,157)	20,478	37,379
Total district	<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>	<u>577,858</u>	<u>1,886,884</u>

Source: ACFR Schedule A-2 and District records.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 8,035,664	\$ 8,604,950	\$ 8,793,730	\$ 9,762,937	\$ 9,764,467	\$ 10,180,181	\$ 10,646,466	\$ 11,382,700	\$ 13,531,508	\$ 14,961,126
Committed	40,537	72,806	5,728	-	177,600	-	-	-	-	-
Assigned	254,916	327,649	60,685	104,280	108,642	191,076	63,272	51,710	48,049	266,435
Unassigned	267,479	260,409	283,406	272,174	295,225	280,970	276,160	1,164,499	910,868	575,452
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general fund	<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>	<u>\$ 14,490,425</u>	<u>\$ 15,803,013</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debt service fund	839,655	469,616	996,085	443,380	4,104	8,376	9,083	3,776	98	4
Special revenue fund	-	-	-	-	-	-	-	40,560	55,046	78,722
Total all other governmental funds	<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>	<u>\$ 55,144</u>	<u>\$ 78,726</u>

Source: ACFR Schedule B-1 and District records.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 14,984,262	\$ 15,160,924	\$ 15,551,201	\$ 15,804,119	\$ 15,488,494	\$ 15,787,639	\$ 16,095,716	\$ 16,412,979	\$ 16,737,001	\$ 16,999,172
Tuition charges	89,332	41,933	74,063	64,647	96,711	89,334	114,560	101,826	125,108	169,982
Interest earnings	21,439	17,344	23,006	37,569	74,833	150,281	112,825	19,294	6,472	328,962
Miscellaneous	74,100	83,290	34,786	36,698	38,718	34,141	33,873	69,777	63,528	336,139
State sources	1,709,342	2,380,778	2,477,329	2,434,391	2,811,932	3,244,962	119,672	2,617,862	2,408,185	2,569,202
Federal sources	234,782	228,111	261,104	322,989	299,513	205,303	3,511,394	235,611	405,458	400,783
Other financing sources	-	-	59,322	20,115	46,696	35,420	-	-	-	-
Total revenue	17,113,257	17,912,380	18,480,811	18,720,528	18,856,897	19,547,080	20,013,134	19,457,349	19,745,752	20,804,240
Expenditures										
Instruction										
Regular Instruction	6,400,678	6,677,794	7,362,855	7,430,780	7,940,980	8,381,362	8,381,282	5,521,954	6,022,492	5,905,278
Special education instruction	1,287,902	1,476,705	1,616,671	1,672,170	1,740,042	1,685,697	1,841,645	704,872	998,835	907,826
School Sponsored/Other special instruction	761,195	679,237	821,538	1,035,438	826,746	911,333	934,684	486,192	600,335	695,498
Support Services:										
Instruction	-	-	-	-	-	-	-	698,000	558,835	607,567
Support Services Students	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	42,719	43,920	47,097	54,502	58,170	60,093	60,724	38,820	40,024	-
Health services	201,058	211,825	224,368	240,895	253,628	264,689	210,138	139,192	204,722	236,854
Other support services	-	-	-	-	-	-	-	1,491,858	1,223,560	1,675,113
Improvement of instruction	-	-	-	-	-	-	-	262,551	241,614	335,988
Educational media services	189,416	195,696	209,150	203,442	179,689	173,433	235,144	255,051	319,509	329,481
Instruction staff training	-	-	-	-	-	-	-	5,744	3,099	8,621
General administrative services	444,439	497,418	542,610	520,610	602,957	594,464	637,966	437,620	489,399	522,421
School administrative services	696,320	684,287	742,649	764,469	813,503	888,540	863,830	552,200	570,257	564,098
School central services	396,036	431,777	502,489	495,126	523,349	460,596	408,689	323,682	343,778	353,578
School admin info technology	-	-	-	-	-	-	-	14,605	16,445	38,909
Allowed maintenance for school facilities	-	-	-	-	-	-	-	371,449	350,052	265,477
Other operation & maintenance of plant	1,781,527	1,759,060	1,753,262	1,817,071	1,914,062	1,658,145	1,614,000	1,096,815	1,158,808	1,184,947
Student transportation services	101,794	149,971	174,322	88,178	151,503	140,392	139,251	211,745	234,413	293,400
Unallocated employee benefits	-	-	-	-	-	-	-	2,898,731	2,788,065	3,199,932
Non-budgeted expenditures	-	-	-	-	-	-	-	1,140,698	1,196,739	1,243,671
Capital outlay	1,016,033	1,465,132	1,013,393	702,057	1,106,943	919,970	1,274,208	955,308	52,796	738,736
Debt service:										
Principal	810,814	863,522	936,431	936,166	404,325	393,508	336,000	352,000	365,000	310,000
Interest and other charges	222,989	176,607	166,280	138,441	114,467	124,155	111,182	78,034	64,651	50,675
Cost of Issuances	-	76,543	-	-	-	-	-	-	-	-
Advance Refunding Escrow	-	-	-	-	-	-	-	-	-	-
Total expenditures	16,405,499	17,699,512	18,284,619	18,277,391	19,089,630	19,236,515	19,678,756	18,037,121	17,843,428	19,468,070
Excess (Deficiency) of revenues over (under) expenditures	707,758	212,868	196,192	443,137	(232,733)	310,565	334,378	1,420,228	1,902,324	1,336,170
Other Financing sources (uses)										
Proceeds from borrowing	-	2,940,000	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	172,166	-	201,600	-	-	-	-	-	-	-
Proceeds from refunding	-	335,283	-	-	-	-	-	-	-	-
Payments to escrow agent	-	(3,190,972)	-	-	-	-	-	-	-	-
Transfers in	733,437	629,039	1,048,478	325,626	444,815	5,401	3,682	-	-	-
Transfers out	(733,437)	(629,039)	(1,042,066)	(325,626)	(444,815)	(5,401)	(3,682)	-	-	-
Total other financing sources (uses)	172,166	84,311	208,012	-	-	-	-	-	-	-
Net change in fund balances	\$ 879,924	\$ 297,179	\$ 404,204	\$ 443,137	\$ (232,733)	\$ 310,565	\$ 334,378	\$ 1,420,228	\$ 1,902,324	\$ 1,336,170
Debt service as a percentage of noncapital expenditures	6.72%	6.41%	6.38%	6.11%	2.88%	2.83%	2.43%	2.52%	2.42%	1.93%

Source: ACFR Schedule B-2 and District records.

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

Fiscal Year Ending June 30,	Interest Earned on Capital Reserve Funds	Interest on Investments	Insurance	E-Rate Reimbursements	Rentals	Prior Year Refunds	Tuition	Miscellaneous	Annual Totals
2013	755	19,729	8,942	-	32,068	2,479	82,898	24,728	171,599
2014	655	20,742	22,864	-	38,507	-	89,332	11,122	183,222
2015	590	16,715	-	-	49,626	-	41,933	31,789	140,653
2016	6,050	16,545	-	29,249	59,322	-	74,063	4,223	189,452
2017	16,596	19,844	-	23,570	20,115	-	64,647	12,020	156,792
2018	71,858	-	-	24,936	46,696	7,084	96,711	1,817	249,102
2019	79,419	65,461	-	-	35,420	-	89,334	33,141	302,775
2020	54,133	55,010	-	-	25,094	-	114,560	32,762	281,559
2021	1,915	-	-	-	-	-	-	24,367	26,282
2022	-	-	-	-	-	-	-	23,521	23,521

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
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	9,520,800	1,557,253,300	998,700	8,300	94,097,700	138,710,900	0	1,800,589,700	-	100,000	1,800,689,700	1,799,684,938	1.486	0.000
2022	13,187,700	1,638,084,300	894,700	8,300	100,099,500	167,377,800	0	1,919,652,300	-	100,000	1,919,752,300	1,918,069,429	1.424	0.000
2023	16,094,500	1,739,133,500	1,218,600	8,300	96,217,600	183,159,000	0	2,035,831,500	-	100,000	2,035,931,500	2,067,091,532	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 ACFR 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
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
2022	2.277	-	1.424	0.033	0.577	0.243
2023	2.199	-	0.859	0.033	0.541	0.232

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**

	2023				2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Allendale Real Property LLC	26,000,000	0	0.00%	Taxpayer 1	0	0	
Allendale Plaza	22,759,300	0	0.00%	Taxpayer 2	0	0	
LPR Allendale	21,150,500	0	0.00%	Taxpayer 3	0	0	
Allendale Property LLC	19,925,800	0	0.00%	Taxpayer 4	0	0	
Allendale Corporate Center LLC	17,042,800	0	0.00%	Taxpayer 5	0	0	
Allendale Corporate Center LLC	12,337,900	0	0.00%	Taxpayer 6	0	0	
Allendale Corporate Center LLC	10,843,400	0	0.00%	Taxpayer 7	0	0	
Allendale Property LLC	10,578,200	0	0.00%	Taxpayer 8	0	0	
Allendale Property LLC	9,440,800	0	0.00%	Taxpayer 9	0	0	
Allendale Property LLC	9,052,300	0	0.00%	Taxpayer 10	0	0	
Total	<u>\$ 159,131,000</u>		<u>0.00%</u>	Total	<u>\$ -</u>		

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	
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
2022	16,432,570	15,177,964	92.00%	1,314,606
2023	16,761,221	16,761,221	100.00%	-

Source: Municipal Chief Financial Officer

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

Fiscal Year Ended June 30,	Governmental Activities					Total District	Population	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Lease Purchase Agreements	Bond Anticipation Notes (BANs)				
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	331,332	N/A	-	2,363,332	6,734	0	351
2021	1,680,000	N/A	246,699	N/A	-	1,926,699	6,765	0	285
2022	1,315,000	N/A	166,024	N/A	-	1,481,024	6,916	0	214
2023	1,005,000	N/A	85,410	N/A	-	1,090,410	6,803	0	160

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

ALLENDALE 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
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
2022	1,315,000	-	1,315,000	0.06%	190
2023	1,005,000	-	1,005,000	0.05%	148

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, 2023

<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	\$ 1,005,000	-	\$ 1,005,000
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>\$ 1,005,000</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
2023	<u>2,067,091,532</u>
2022	<u>1,918,069,429</u>
2021	<u>1,799,684,938</u>
[A]	\$ 5,784,845,899
Average equalized valuation of taxable property	[A/3] \$ 1,928,281,966
Debt limit (3 % of average equalization value)	[B] 57,848,459 ^a
	[C] \$ 1,005,000
	[B-C] \$ 56,843,459

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	49,981,992	50,281,403	51,208,878	51,957,992	52,740,261	53,238,824	53,466,078	53,468,078	55,034,346	57,848,459
Total net debt applicable to limit	<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>	<u>1,315,000</u>	<u>1,005,000</u>
Legal debt margin	<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>\$ 51,788,078</u>	<u>\$ 53,719,346</u>	<u>\$ 56,843,459</u>
Total net debt applicable to the limit as a percentage of debt limit	9.43%	7.68%	5.88%	5.16%	4.60%	4.07%	3.80%	3.24%	2.39%	1.74%

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
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%
2022	6,916		82,671	5.20%
2023	6,803		84,300	4.10%

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 Nine Years Ago

Employer	2023			2014		
	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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	70	70	70	71	72	71	72	75	74	73
Special education	11	5	9	9	8	8	8	7	7	6
Other special education	13	13	14	14	13	13	13	13	13	15
Support Services:										
Student & instruction related services	5	10	12	12	12	12	12	8	8	8
General administration	6	6	6	6	6	6	6	6	6	6
School administrative services	2	6	6	6	6	6	6	6	6	6
Other administrative services	2	8	8	6	6	6	6	5	5	5
Plant operations and maintenance	9	9	9	9	9	9	9	10	10	10
Child Care										
Total	<u>118</u>	<u>127</u>	<u>134</u>	<u>133</u>	<u>132</u>	<u>131</u>	<u>132</u>	<u>130</u>	<u>129</u>	<u>129</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				
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%
2022	877.0	15,854,402	18,078	-13.25%	79.0	13:01	10:01	874	836	2.22%	95.64%
2023	885.0	16,530,145	18,678	3.32%	79.0	13:01	10:01	911	870	4.23%	95.48%

Sources: District records

Note: Enrollment based on annual October district count ASSA 10/14/22 count for FYE 2023.

- 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

	2014	2015	2016	2017	2018	2019	2020	2021	2023	2023
District Building										
<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	379	357	356	356	356	356	360	351	357	370
<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	526	550	548	553	553	553	512	508	520	515

Number of Schools at June 30, 2022

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	
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
2022	235,480	114,572	350,052
2023	205,523	99,997	305,520
Total School Facilities	<u>\$ 2,414,364</u>	<u>\$ 1,188,496</u>	<u>\$ 3,602,860</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, 2023**

	<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



K-1

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, each major fund, and the aggregate remaining fund information of the Allendale Board of Education in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise of the Allendale Board of Education basic financial statements, and have issued our report thereon dated December 4, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Allendale Board of Education'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 Allendale Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Allendale Board of Education's internal control.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Allendale Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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

December 4, 2023



K-2

**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

Opinion on 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 and state programs for the year ended June 30, 2023. Allendale Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal and State Program

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* (Uniform Guidance) and the New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08, we:

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey 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

December 4, 2023

ALLEDALE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2022	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2023	Accounts Receivable at June 30, 2023	Due to Grantor at June 30, 2023
Special Revenue Fund												
U.S. Department of Education												
Passed-through State Department of Education:												
Title I, Part A	84.010	S010A220030	7/1/22-9/30/23	20,760	\$ -	\$ -	\$ 10,751	\$ (16,746)	\$ -	\$ -	\$ (5,995)	\$ -
Title I, Part A	84.010	S010A210030	7/1/21-6/30/22	21,797	(4,131)	-	4,131	-	-	-	-	-
Title II - Part A	84.367A	S367A220029	7/1/22-9/30/23	11,541	-	-	175	(4,369)	-	-	(4,194)	-
Title II - Part A	84.367A	S367A210029	7/1/21-6/30/22	9,239	(2,213)	-	2,213	-	-	-	-	-
Title III, Immigrant	84.365A	S365A220030	7/1/22-9/30/23	2,353	-	-	2,348	(2,348)	-	-	-	-
Title III, Immigrant	84.365A	S365A220030	7/1/21-6/30/22	189	(175)	-	175	-	-	-	-	-
Coronavirus Relief Fund Grant	84.425D	S425D220027	3/13/20-9/30/22	17,909	-	-	-	-	-	-	-	-
CRRSA ESSER II	84.425D	S425D220027	3/13/20-9/30/23	69,609	(1,580)	-	27,563	(29,507)	-	-	(3,524)	-
CRRSA Learning Acceleration	84.425D	S425D220027	3/13/20-9/30/23	25,000	-	-	-	-	-	-	-	-
CRRSA Mental Health	84.425D	S425D220027	3/13/20-9/30/23	45,000	(6,000)	-	-	-	-	-	(6,000)	-
ARP - ESSER	84.425U	S425U210027	3/13/20-9/30/24	156,443	(37,187)	-	156,187	(119,000)	-	-	-	-
ARP - Accelerated Learning Coach & Ed	84.425U	S425U210027	3/13/20-9/30/24	69,507	-	-	7,760	(20,243)	-	-	(12,483)	-
ARP - Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	-	-	(3,500)	-	-	(3,500)	-
ARP - Summer Learning	84.425U	S425U210027	3/13/20-9/30/24	40,000	-	-	-	(300)	-	-	(300)	-
Climate Change			7/1/22-6/30/23	6,660			(6,000)				(6,000)	
Special Education Cluster:												
I.D.E.A. Part B Basic Regular	84.027	H027A210100	7/1/22-6/30/23	183,225	-	-	155,075	(179,904)	-	-	(24,829)	-
ARP I.D.E.A. Part B Basic Regular	84.027X	H027X210100	7/1/21-9/30/22	36,030	-	-	-	(27,678)	-	-	(27,678)	-
I.D.E.A. Part B Preschool	84.173	H173A210114	7/1/22-6/30/23	9,017	-	-	-	(8,936)	-	-	(8,936)	-
ARP I.D.E.A. Part B Preschool	84.173X	H173X210114	7/1/21-9/30/22	3,077	(1,155)	-	1,155	-	-	-	-	-
Subtotal of Special Education Cluster:					(1,155)	-	156,230	(216,518)	-	-	(61,443)	-
Total Special Revenue Fund					(52,441)	-	367,533	(412,531)	-	-	(103,439)	-
Total Expenditures of Federal Awards					\$ (52,441)	\$ -	\$ 367,533	\$ (412,531)	\$ -	\$ -	\$ (103,439)	\$ -

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, 2023

												<u>MEMO</u>	
<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2022</u>	<u>Adjustments</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior Years' Balances</u>	<u>Deferred Revenue at June 30, 2023</u>	<u>(Accounts Receivable) at June 30, 2023</u>	<u>Due to Grantor at June 30, 2023</u>	<u>Budgetary Receivable</u>	<u>Cumulative Total Expenditures</u>
New Jersey Department of Education													
General Fund:													
Extraordinary Aid	22-100-034-5120-044	7/1/21-6/30/22	345,507	(345,507)	-	345,507	-	-	-	-	-	-	-
Extraordinary Aid	23-100-034-5120-044	7/1/22-6/30/23	315,683	-	-	-	(315,683)	-	-	(315,683)	-	-	(315,683)
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	617,608	(59,431)	-	59,431	-	-	-	-	-	-	-
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	761,754	-	-	687,905	(761,754)	-	-	-	-	(73,849)	(761,754)
Categorical Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	22,726	(2,273)	-	2,273	-	-	-	-	-	-	-
Categorical Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	22,726	-	-	20,456	(22,726)	-	-	-	-	(2,270)	(22,726)
Categorical Security Aid	22-495-034-5120-084	7/1/21-6/30/22	71,109	(7,111)	-	7,111	-	-	-	-	-	-	-
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	71,109	-	-	63,999	(71,109)	-	-	-	-	(7,110)	(71,109)
Securing our Childrens Future Bond Act	20-SS04-H03	7/1/22-6/30/23	-	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23	2,604,011	-	-	2,604,011	(2,604,011)	-	-	-	-	-	(2,604,011)
On-Behalf TPAF Post-Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	684,067	-	-	684,067	(684,067)	-	-	-	-	-	(684,067)
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	767	-	-	767	(767)	-	-	-	-	-	(767)
Reimbursed TPAF Social Security Tax Contribution	22-495-034-5094-003	7/1/21-6/30/22	559,351	(27,806)	-	27,806	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	23-495-034-5094-003	7/1/22-6/30/23	558,837	-	-	503,547	(558,837)	-	-	(55,290)	-	-	(558,837)
Total General Fund				<u>(442,128)</u>	<u>-</u>	<u>5,006,880</u>	<u>(5,018,954)</u>	<u>-</u>	<u>-</u>	<u>(370,973)</u>	<u>-</u>	<u>(83,229)</u>	<u>(5,018,954)</u>
Special Revenue Fund:													
SDA Emergency	23-100-034-5063-359	7/1/22-6/30/23	6,660	-	-	-	(6,000)	-	-	(6,000)	-	-	(6,000)
Total Special Revenue Fund	23-100-034-5120-519	7/1/22-6/30/23	40,043	-	-	40,043	(40,043)	-	-	-	-	-	(40,043)
Total Special Revenue Fund				<u>-</u>	<u>-</u>	<u>40,043</u>	<u>(46,043)</u>	<u>-</u>	<u>-</u>	<u>(6,000)</u>	<u>-</u>	<u>-</u>	<u>(46,043)</u>
Debt Service Fund:													
Debt Service Aid Type II	22-495-034-5120-017	7/1/22-6/30/23	122,630	-	-	122,630	(122,630)	-	-	-	-	-	-
Total Debt Service Fund				<u>-</u>	<u>-</u>	<u>122,630</u>	<u>(122,630)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures of State Awards				<u>(442,128)</u>	<u>-</u>	<u>5,169,553</u>	<u>(5,187,627)</u>	<u>-</u>	<u>-</u>	<u>(376,973)</u>	<u>-</u>	<u>(83,229)</u>	<u>(5,064,997)</u>
State Financial Assistance Not Subject to Single Audit Determination													
General Fund:													
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23	2,604,011	-	-	2,604,011	(2,604,011)	-	-	-	-	-	(2,604,011)
On-Behalf TPAF Post-Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	684,067	-	-	684,067	(684,067)	-	-	-	-	-	(684,067)
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	767	-	-	767	(767)	-	-	-	-	-	(767)
Total State Financial Assistance Not Subject to Single Audit Determination				<u>-</u>	<u>-</u>	<u>3,288,845</u>	<u>(3,288,845)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,288,845)</u>
Total for State Financial Assistance - Major Program Determination				<u>(442,128)</u>	<u>-</u>	<u>1,880,708</u>	<u>(1,898,782)</u>	<u>-</u>	<u>-</u>	<u>(376,973)</u>	<u>-</u>	<u>(83,229)</u>	<u>(1,776,152)</u>

See accompanying notes to schedules of expenditures.

Allendale Board of Education

Notes to Schedules of Awards and Financial Assistance

June 30, 2023

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

Allendale Board of Education

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2023

3. Relationship to Basic Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,618,425) for the general fund and \$(11,748) 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	\$ -	\$ 2,400,529	\$ 2,400,529
Special Revenue Fund	400,783	46,043	446,826
Capital Projects Fund	-	-	-
Debt Service Fund	-	122,630	122,630
Food Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	<u>\$ 400,783</u>	<u>\$ 2,569,202</u>	<u>\$ 2,969,985</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, 2023.

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, 2023

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, 2023

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

Categorical Security Aid

Allendale Board of Education

Schedule of Findings and Questioned Costs (continued)

June 30, 2023

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, 2023

Summary Schedule of Prior Year Audit Findings - N/A