

**ALPHA BOROUGH  
SCHOOL DISTRICT**

**Alpha Borough School District  
Board of Education  
Alpha, Warren County  
New Jersey**

**Annual Comprehensive Financial Report  
For The Fiscal Year Ended June 30, 2025**

# **Annual Comprehensive**

## **Financial Report**

**of the**

**Alpha Borough School District**

**Board of Education**

**Alpha, New Jersey**

**For the Fiscal Year Ending June 30, 2025**

**Prepared by**

**Alpha Borough School District**

**Board of Education**

**Finance Department**

# OUTLINE OF ACFR

## INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

## FINANCIAL SECTION

<b>Independent Auditor's Report</b>	7-9
-------------------------------------	-----

<b>Required Supplementary Information – Part I Management's Discussion and Analysis</b>	11-18
---------------------------------------------------------------------------------------------	-------

### Basic Financial Statements

A. District-Wide Financial Statements:	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	25
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Funds:	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	28
B-6 Statement of Cash Flows	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A

<b>Notes to the Financial Statements</b>	31-59
------------------------------------------	-------

### Required Supplementary Information – Part II

C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	62-70
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	71
<b>Notes to Required Supplementary Information</b>	
C-3 Budget-to-GAAP Reconciliation	72

## OUTLINE OF ACFR

<b>Required Supplementary Information – Part III</b>		<u>Page</u>
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1/L-3	Schedule of the District's Proportionate Share of the Net Pension Liability	73
L-2	Schedule of District Contributions	74
M.	Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1	Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	75
<b>Notes to Required Supplementary Information - Part III</b>		76
<b>Other Supplementary Information</b>		
D.	School Level Schedules:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	79
E-2	Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	N/A
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	N/A
F-2	Summary Schedule of Revenues and Expenditures	N/A
F-2a	Schedule of Project Revenues and Expenditures	N/A
G.	Proprietary Funds	
	Enterprise Fund:	
G-1	Combining Statement of Net Position	See B-4
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3	Combining Statement of Cash Flows	See B-6
	Internal Service Fund:	
G-4	Combining Statement of Net Position	N/A
G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6	Combining Statement of Cash Flows	N/A

## OUTLINE OF ACFR

<b>Other Supplementary Information</b>		<u>Page</u>
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	N/A
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds	N/A
I-2	Schedule of Obligations Under Capital Leases	N/A
I-3	Budgetary Comparison Schedule Debt Service Fund	N/A

## STATISTICAL SECTION (Unaudited)

### Introduction to the Statistical Section

#### Financial Trends

J-1	Net Position by Component	85
J-2	Changes in Net Position	86-87
J-3	Fund Balances - Governmental Funds	88
J-4	Changes in Fund Balances - Governmental Funds	89
J-5	General Fund Other Local Revenue by Source	90

#### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property	91
J-7	Direct and Overlapping Property Tax Rates	92
J-8	Principal Property Taxpayers	93
J-9	Property Tax Levies and Collections	94

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type	95
J-11	Ratios of General Bonded Debt Outstanding	96
J-12	Direct and Overlapping Governmental Activities Debt	97
J-13	Legal Debt Margin Information	98

#### Demographic and Economic Information

J-14	Demographic and Economic Statistics	99
J-15	Principal Employers	100

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	101
J-17	Operating Statistics	102
J-18	School Building Information	103
J-19	Schedule of Required Maintenance Expenditures by School Facility	104
J-20	Insurance Schedule	105

## OUTLINE OF ACFR

SINGLE AUDIT SECTION		<u>Page</u>
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	107-108
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by <i>New Jersey OMB's Circular 15-08</i>	109-111
K-3	Schedule of Expenditures of Federal Awards, Schedule A	112
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	113
K-5	Notes to the Schedules of Awards and Financial Assistance	114-115
K-6	Schedule of Findings and Questioned Costs	116-118
K-7	Summary Schedule of Prior Audit Findings	119

## **Introductory Section**

# Alpha Board of Education

817 North Boulevard

Alpha, NJ 08864

(908) 454-3388 Tel.

(908) 454-4685 Fax

Honorable President and  
Members of the Board of Education  
Alpha School District  
County of Warren, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Township of Alpha School District (District) for the fiscal year ended June 30, 2025, 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 various funds and account groups 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 list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, "Audits of State and Local Governments and Non Profit Organizations", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**REPORTING ENTITY AND ITS SERVICES:** The Alpha School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report.

The Alpha Board of Education and all its schools constitute the District's reporting entity.

The district provides a full range of educational services appropriate to grade levels PreK through 8. These include regular as well as special education for handicapped students. The district

completed the 2024-25 fiscal year with an enrollment of 210 students. The following details the changes in the student enrollment over the last five years.

Fiscal Year	<u>Average Daily Enrollment</u>	
	Student Enrollment	Percentage Change
2024-25	210	-2.7
2023-24	216	7.46
2022-23	201	3.07
2021-22	195	7.14
2020-21	182	-11.2
2019-20	205	-2.38
2018-19	210	1.0

**TUITION PUPILS:** Alpha School District sends our grade 9 to 12 students to Phillipsburg High School on a tuition basis. Approximately 77 students attended Phillipsburg High School while 22 students attended the Warren County Technical School District.

Currently the district sends approximately 16 children, ages three through twenty-one, for special educational instruction outside the Alpha School District as per the individual student's educational placement requirements.

**PRESENT CONDITION AND OUTLOOK**

Our enrollment has slightly inclined in the last several years.

The Alpha School receives regular cleaning and maintenance of all building systems. Community groups and sports teams hold many activities and events on nights and weekends inside and outside of the building. Student activities and events at night cause heavy use of the facilities.

**MAJOR INITIATIVES/PLANNING:**

The Alpha School District has been focusing on improving instructional practices to address the Common Core State Standards and the new PARCC testing requirements. This year we are continuing to expand the Workshop Model for Language Arts. This is a proven best-practice that allows teachers to individualize instruction. This requires investment in class libraries and training. We will continue to partner with Debbie Diller Associates, an industry leader, to train the staff. We are also supporting the Math curriculum with a new text that has a spiraled approach and an online component to better engage and prepare the students.

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. The final budget amount 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 at June 30, 2025.

**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 and account groups.

**ECONOMIC CONDITION:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

**BUDGET INFORMATION SHEET - OVERALL COMMENTS:**

The Alpha School District's 2024-25 School Budget encompassed the educational programs for students from grades kindergarten through twelfth grade in regular education, and preschool through age twenty-one in special education. In addition, the district's budget included the operational expenses for the township school.

The 2024-25 budget was developed to stay within the "Maximum Permitted Net Budget" as defined by the State of New Jersey Department of Education. The 2024-25 budget needed to support the educational and operational costs of delivering a thorough and efficient education was developed using the allowable spending growth limitation adjustments in the area of non-remote transportation.

Revenues to support the 2024-25 budget were principally derived from local tax levy.

**DEBT ADMINISTRATION:** The district has no debt.

**CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government 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 the funds are secured in accordance with the Act. Cash, not immediately required for district payments, is invested in a Municipal Sweep account with PNC.

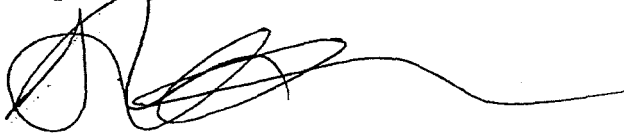
**RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability and hazard and theft insurance on property and contents. During 2024-25, the district participated in the School Alliance Insurance Fund. This is a joint insurance fund specializing in insurance for public education entities.

**OTHER INFORMATION:** State statutes require an annual audit by independent certified public

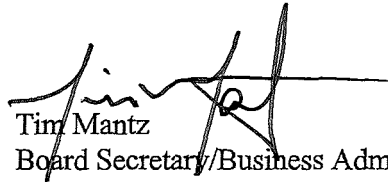
**OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The Board selected the accounting firm of Ardito & Co. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Alpha 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 diligent auditing services of the firm of Ardito & Co.

Respectfully submitted,



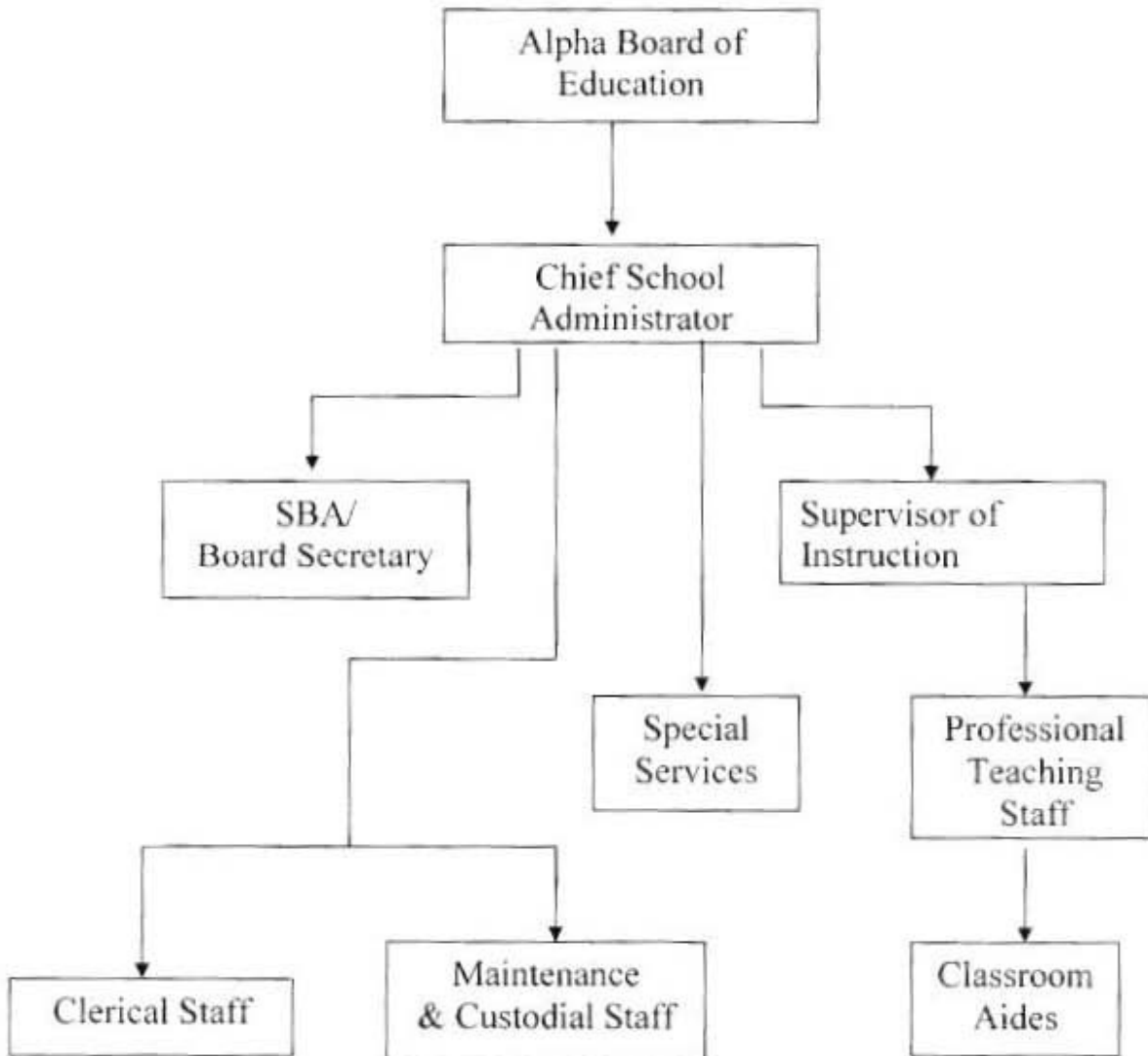
Seth Cohen  
Superintendent



Tim Mantz  
Board Secretary/Business Administrator

# Alpha Board of Education

## Organization Chart



**ALPHA BOROUGH SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**June 30, 2025**

**Members of the Board of Education**

**Term Expires**

Patrick Smith, President	2025
Christopher McGee, Vice President	2026
Jennifer Pettinelli	2027
Loretta Reed	2026
Open Seat - 1 year unexpired term	2025
Lindsey Culcasi	2027
Brian Williams	2027

**Other Officials**

Seth Cohen, Chief School Administrator  
Tim Mantz, Board Secretary/School Business Administrator  
Lorraine England, Treasurer

**ALPHA BOROUGH SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ATTORNEY**

**Appruzzese, McDermott, Mastro, & Murphy**  
P.O. Box 112  
Liberty Corner, NJ 07938

**AUDIT FIRM**

**Ardito & Company LLC**  
1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825

**ARCHITECT**

**USA Architects**  
1 South Third Street - 7th Floor  
Easton, PA 18042

**OFFICIAL DEPOSITORIES**

**PNC Bank**  
331 3rd Avenue  
Alpha, NJ 08865

## **Financial Section**

# **Independent Auditor's Report**



# **ARDITO & COMPANY LLC**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

## **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Alpha Borough School District  
County of Warren  
Alpha, New Jersey 08865

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alpha Borough School District Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alpha Borough School District Board of Education, as of June 30, 2025, 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 (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 the Alpha Borough School District 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 the District'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.

-Continued-

## ***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 GAAS, ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 GAAS, ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 the District'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 the District'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 and pension and post-employment benefit trend information as noted in the table of contents 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 the Alpha Borough School District Board of Education's basic financial statements. The combining and individual non-major

-Continued-

fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the 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 October 22, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

*Ardito & Company LLC*

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 22, 2025

***Anthony Ardito***

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 22, 2025

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

ALPHA BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

UNAUDITED

The discussion and analysis of Alpha Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District'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 District's financial performance.

**Financial Highlights**

Key financial highlights for 2025 are as follows:

- ◆ In total, Net Position decreased \$153,207 which represents a 9.7% decrease from 2024.
- ◆ General revenues accounted for \$4,303,083 in revenue or 57.4% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,195,679 or 42.6% of total revenues of \$7,498,762.
- ◆ Total assets of governmental activities decreased by \$183,436, as cash and cash equivalents decreased by \$197,755, receivables increased by \$46,966, and capital assets decreased by \$32,875.
- ◆ The School District had \$7,651,969 in expenses; only \$3,195,679 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,303,083 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$7,899,516 in revenues and \$8,029,745 in expenditures. The General Fund's surplus balance decreased \$130,229 over 2024, which compares favorably to the budgeted decrease of \$808,599.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Alpha Borough School District 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 whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental 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 District's most significant funds with all other non-major funds presented in total in one column. In the case of Alpha Borough School District, the General Fund is by far the most significant fund.

ALPHA BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

UNAUDITED

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 24. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

ALPHA BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

UNAUDITED

**Governmental Funds**

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, 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 District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District’s Net Position for 2025 compared to 2024.

**Table 1  
Net Position**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current and Other Assets	\$ 1,881,606	\$ 2,032,167
Capital Assets	<u>489,975</u>	<u>522,850</u>
<b>Total Assets</b>	<u>2,371,581</u>	<u>2,555,017</u>
<b>Deferred Outflows of Resources</b>	<u>221,076</u>	<u>312,027</u>
<b>Liabilities</b>		
Long-Term Liabilities	638,661	754,618
Other Liabilities	<u>417,476</u>	<u>426,978</u>
<b>Total Liabilities</b>	<u>1,056,137</u>	<u>1,181,596</u>
<b>Deferred Inflows of Resources</b>	<u>117,379</u>	<u>113,100</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	489,975	522,850
Restricted	1,301,450	1,456,020
Unrestricted	<u>(372,284)</u>	<u>(406,522)</u>
<b>Total Net Position</b>	<u>\$ 1,419,141</u>	<u>\$ 1,572,348</u>

ALPHA BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

UNAUDITED

Total assets of governmental activities decreased by \$183,436, as cash and cash equivalents decreased by \$197,755, receivables increased by \$46,966, and capital assets decreased by \$32,875.

The cash decrease was due to use of surplus to fund the operating budget and the receivable increase was due to additional extraordinary state aid. Capital assets decreased due to depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2024.

**Table 2**  
**Changes in Net Position**

	<u>2025</u>	<u>2024</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 50,420	\$ 37,995
Operating Grants and Contributions	3,145,259	2,930,948
General Revenues:		
Property Taxes	4,243,118	4,159,920
Other	<u>59,965</u>	<u>63,968</u>
<b>Total Revenues</b>	<u>7,498,762</u>	<u>7,192,831</u>
<b>Program Expenses</b>		
Instruction	3,125,045	2,759,327
Support Services:		
Pupils and Instructional Staff	2,941,866	2,757,928
General Administration, School Administration, Business	450,970	458,278
Operations and Maintenance of Facilities	450,977	477,524
Pupil Transportation	586,132	469,611
Business-Type Activities	<u>96,979</u>	<u>107,766</u>
<b>Total Expenses</b>	<u>7,651,969</u>	<u>7,030,434</u>
Increase in Net Position	<u>\$ (153,207)</u>	<u>\$ 162,397</u>

ALPHA BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 56.6% percent of revenues for governmental activities for the Alpha Borough School District for the fiscal year 2025.

Instruction comprises 40.8% of district expenses. Support services expenses make up 57.9% of the expenses.

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 cost of services and the net cost of services compared to 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2025</u>	<u>Net Cost of Services 2025</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>
Instruction	3,125,045	1,818,908	\$2,759,327	\$1,597,696
Support Services:				
Pupils and Instructional Staff	2,941,866	1,715,778	2,757,928	1,590,309
General Admin., School Admin., Business	450,970	276,740	458,278	281,607
Operation and Maintenance of Facilities	450,977	276,606	477,524	293,291
Pupil Transportation	586,132	359,503	469,611	288,431
Business-Type Activities	<u>96,979</u>	<u>8,755</u>	<u>107,766</u>	<u>10,157</u>
<b>Total Expenses</b>	<u>\$ 7,651,969</u>	<u>\$ 4,456,290</u>	<u>\$ 7,030,434</u>	<u>\$ 4,061,491</u>

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

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

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, as well as to and from school activities, as provided by state law.

ALPHA BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

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

The dependence upon tax revenues is apparent. Over 58.2% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 59.3%. The community, as a whole, is the primary support for the Alpha Borough School District.

**The School District's Funds**

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$8,092,467 and expenditures of \$8,224,771. The General Fund's surplus balance decreased \$130,229 over 2024, which compares favorably to the budgeted decrease of \$808,599.

**General Fund Budgeting Highlights**

The School District'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.

During the course of the fiscal 2025 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$6,821,172, \$150,444 over original budgeted estimates of \$6,670,728. This difference was due primarily to non-budgeted revenue of extraordinary aid and interest earned.

General fund revenues fell short of expenditures by \$115,401. Again this deficit compares to a budgeted deficit of \$808,599, which was due to the budgeted use of prior year's excess surplus in the 2024-2025 budget. The budgeted deficit was reduced due to cost savings in instruction, tuition, and maintenance.

Overall general fund balance (budget basis) was \$1,641,474, and amounts ear-marked and reserved for future purposes were \$1,269,490, creating a surplus in unreserved fund balance of \$371,984. Management believes the district can maintain unreserved fund balances at or near the statutory maximum 2% level of \$371,984.

ALPHA BOROUGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

UNAUDITED

**Capital Assets**

At the end of the fiscal year 2025, the School District had \$489,975 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

**Table 4**  
**Capital Assets (Net of Depreciation) at June 30,**

	<u>2025</u>	<u>2024</u>
Land	\$ 291,300	\$ 291,300
Land Improvements	1	1
Buildings and Improvements	198,674	231,549
Machinery and Equipment	<u>-</u>	<u>-</u>
Totals	<u>\$ 489,975</u>	<u>\$ 522,850</u>

Overall capital assets decreased \$32,875 from fiscal year 2024 to fiscal year 2025 due to depreciation expense for the year.

No major capital improvements were purchased during fiscal year 2025.

**Debt Administration**

At June 30, 2025, the School District had \$179,888 as outstanding long term debt. Of this amount, \$179,888 is for compensated absences.

At June 30, 2025, the School District's overall legal debt margin was \$8,340,293 and the unvoted debt margin was the same.

ALPHA BOROUGH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

UNAUDITED

**For the Future**

The Alpha Borough School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes and future decreases in state aid.

In conclusion, the Alpha Borough School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Tim Mantz, School Business Administrator/Board Secretary at Alpha Borough School District, 817 North Blvd., Alpha, NJ 08865.

## **Basic Financial Statements**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2025

	GOVERNMENTAL BUSINESS-TYPE		TOTAL
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,731,983	\$ 6,958	\$ 1,738,941
Receivables, Net	129,581	392	129,973
Inventory		5,985	5,985
Restricted Assets:			
Capital Reserve Account - Cash	3,519		3,519
Emergency Reserve Account - Cash	3,188		3,188
Capital Assets, Net (Note 5):	489,975		489,975
<b>Total Assets</b>	<u>2,358,246</u>	<u>13,335</u>	<u>2,371,581</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	<u>221,076</u>		<u>221,076</u>
<b>LIABILITIES</b>			
Accounts Payable		1,275	1,275
Payroll Deductions and Withholdings	92,748		92,748
Unearned Revenue	321,532	1,921	323,453
Net Pension Liability (Note 7)	458,773		458,773
Noncurrent Liabilities (Note 6):			
Due Within One Year			
Due Beyond One Year	179,888		179,888
<b>Total Liabilities</b>	<u>1,052,941</u>	<u>3,196</u>	<u>1,056,137</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	<u>117,379</u>		<u>117,379</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	489,975		489,975
Restricted for:			
Capital Reserve Account	3,519		3,519
Emergency Reserve Account	3,188		3,188
Other Purposes	1,294,743		1,294,743
Unrestricted	(382,423)	10,139	(372,284)
<b>Total Net Position</b>	<u>\$ 1,409,002</u>	<u>\$ 10,139</u>	<u>\$ 1,419,141</u>

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

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Instruction:							
Regular	\$ 2,277,997	\$ 17,800	\$ 960,825		\$ (1,299,372)		\$ (1,299,372)
Special Education	734,305		283,920		(450,385)		(450,385)
Other Special Instruction	112,743		43,592		(69,151)		(69,151)
Support Services:							
Tuition	2,153,672		832,720		(1,320,952)		(1,320,952)
Student & Instruction Related Services	788,194		393,368		(394,826)		(394,826)
School Administrative Services	52,593		20,335		(32,258)		(32,258)
General and Business Admin. Services	398,377		153,895		(244,482)		(244,482)
Plant Operations and Maintenance	450,977		174,371		(276,606)		(276,606)
Pupil Transportation	586,132		226,629		(359,503)		(359,503)
Total Governmental Activities	7,554,990	17,800	3,089,655		(4,447,535)		(4,447,535)
Business-Type Activities:							
Food Service	96,979	\$ 32,620	55,604			\$ (8,755)	(8,755)
Total Business-Type Activities	96,979	32,620	55,604	-	-	(8,755)	(8,755)
<b>Total Primary Government</b>	<b>\$ 7,651,969</b>	<b>\$ 50,420</b>	<b>\$ 3,145,259</b>		<b>\$ (4,447,535)</b>	<b>\$ (8,755)</b>	<b>\$ (4,456,290)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 4,243,118		\$ 4,243,118
Investment Earnings					36,163	-	36,163
Miscellaneous Income					23,802		23,802
Total General Revenues, Special Items, Extraordinary Items and Transfers					4,303,083	-	4,303,083
Change in Net Position					(144,452)	(8,755)	(153,207)
Net Position—Beginning					1,553,454	18,894	1,572,348
Prior Period Adjustment					-		-
Net Position—Beginning (As Restated)					1,553,454	18,894	1,572,348
Net Position—Ending					\$ 1,409,002	\$ 10,139	\$ 1,419,141

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

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

## ALPHA BOROUGH SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,699,200	\$ 39,490	\$ 1,738,690
Receivables from Other Governments	129,581		129,581
<b>TOTAL ASSETS</b>	<b>\$ 1,828,781</b>	<b>\$ 39,490</b>	<b>\$ 1,868,271</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Payroll Deductions and Withholdings	\$ 92,748		\$ 92,748
Unearned Revenue	321,532		321,532
<b>Total Liabilities</b>	<b>414,280</b>	<b>-</b>	<b>414,280</b>
<b>Fund Balances:</b>			
<u>Restricted for:</u>			
Capital Reserve Account	3,519		3,519
Emergency Reserve	3,188		3,188
Excess Surplus - Designated for Subseq. Year's Expenditures	599,154		599,154
Excess Surplus	595,935		595,935
Student Activities		\$ 39,490	39,490
<u>Assigned to:</u>			
Year-End Encumbrances	7,530		7,530
Designated for Subsequent Year's Expenditures	60,164		60,164
<u>Unassigned:</u>			
General Fund - Undesignated	145,011		145,011
<b>Total Fund Balances</b>	<b>1,414,501</b>	<b>39,490</b>	<b>1,453,991</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,828,781</b>	<b>\$ 39,490</b>	<b>\$ 1,868,271</b>

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 \$1,711,308 and the accumulated depreciation is \$1,188,458 (see Note 5).	\$ 489,975
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not report in the fund statements. (See Note 7)	221,076
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)	(117,379)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(458,773)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(179,888)
Net Position of governmental activities	<u>\$ 1,409,002</u>

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

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
<b>Local sources:</b>			
Local Tax Levy	\$ 4,243,118		\$ 4,243,118
Tuition	17,800		17,800
Interest on Capital Reserve	5		5
Miscellaneous	35,655	\$ 24,305	59,960
<b>Total - Local Sources</b>	<u>4,296,578</u>	<u>24,305</u>	<u>4,320,883</u>
<b>State Sources</b>	3,602,938		3,602,938
<b>Federal Sources</b>		168,646	168,646
<b>Total Revenues</b>	<u>7,899,516</u>	<u>192,951</u>	<u>8,092,467</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Regular Instruction	1,854,383	106,414	1,960,797
Special Education Instruction	642,140		642,140
Other Special Instruction	98,592		98,592
Support services and undistributed costs:			
Tuition	2,153,672		2,153,672
Student and Instruction Related Services	597,694	88,612	686,306
School Administrative Services	45,006		45,006
Other Administrative Services	345,761		345,761
Plant Operations and Maintenance	390,100		390,100
Pupil Transportation	586,132		586,132
Unallocated Benefits	1,315,908		1,315,908
Transfer to Charter School	-		-
<b>Capital Outlay</b>	357		357
<b>Total Expenditures</b>	<u>8,029,745</u>	<u>195,026</u>	<u>8,224,771</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(130,229)</u>	<u>(2,075)</u>	<u>(132,304)</u>
Net Change in Fund Balances	(130,229)	(2,075)	(132,304)
Fund Balance—July 1	1,544,730	41,565	1,586,295
Prior Period Adjustment		-	-
Fund Balance—July 1 (Restated)	<u>1,544,730</u>	<u>41,565</u>	<u>1,586,295</u>
<b>Fund Balance—June 30</b>	<u><u>\$ 1,414,501</u></u>	<u><u>\$ 39,490</u></u>	<u><u>\$ 1,453,991</u></u>

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

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit B-3

**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, 2025**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$(132,304)

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	\$ (32,875)	
Capital Outlays	_____ -	(32,875)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption.

This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

29,652

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This amount is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

(8,925)

**Change in Net Position of Governmental Activities (A-2)** \$(144,452)

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

## ALPHA BOROUGH SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION  
PROPRIETARY FUNDS

June 30, 2025

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b><u>Food Service</u></b>	<b><u>Totals</u></b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and Cash Equivalents	\$ 6,958	\$ 6,958
Accounts Receivable	392	392
Inventories	5,985	5,985
<b>Total Current Assets</b>	<b>13,335</b>	<b>13,335</b>
<b>Noncurrent Assets:</b>		
Furniture, Machinery and Equipment	46,812	46,812
Less Accumulated Depreciation	(46,812)	(46,812)
<b>Total Noncurrent Assets</b>		
<b>Total Assets</b>	<b>13,335</b>	<b>13,335</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts Payable	1,275	1,275
Deferred Revenue	1,921	1,921
<b>Total Current Liabilities</b>	<b>3,196</b>	<b>3,196</b>
<b>Total Liabilities</b>	<b>3,196</b>	<b>3,196</b>
<b>NET POSITION</b>		
Invested in Capital Assets Net of Related Debt		
Unrestricted	10,139	10,139
<b>Total Net Position</b>	<b>\$ 10,139</b>	<b>\$ 10,139</b>

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2025

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 17,978	\$ 17,978
Daily Sales - Non-Reimb. Programs	14,642	14,642
Miscellaneous Income	-	-
<b>Total Operating Revenues</b>	<u>32,620</u>	<u>32,620</u>
 <b>Operating Expenses:</b>		
Cost of Sales - Reimbursable Programs	35,505	35,505
Cost of Sales - Non-reimbursable Programs	7,041	7,041
Salaries	28,585	28,585
Employee Benefits	9,239	9,239
Other Purchased Professional Services	9,676	9,676
Supplies	5,185	5,185
Miscellaneous	1,748	1,748
Depreciation	-	-
<b>Total Operating Expenses</b>	<u>96,979</u>	<u>96,979</u>
 Operating Income (Loss)	<u>(64,359)</u>	<u>(64,359)</u>
 <b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	1,502	1,502
Federal Sources:		
National School Lunch Program	43,906	43,906
National Breakfast Program	2,830	2,830
P-EBT Administrative Cost Reimbursement	643	643
Food Distribution Program	6,723	6,723
<b>Total Nonoperating Revenues (Expenses)</b>	<u>55,604</u>	<u>55,604</u>
 Income (Loss)	<u>(8,755)</u>	<u>(8,755)</u>
 Change in Net Position	<u>(8,755)</u>	<u>(8,755)</u>
 Total Net Position—Beginning	18,894	18,894
<b>Total Net Position—Ending</b>	<u>\$ 10,139</u>	<u>\$ 10,139</u>

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

## ALPHA BOROUGH SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2025

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 32,620	\$ 32,620
Payments to Employees	(28,585)	(28,585)
Payments for Employee Benefits	(9,239)	(9,239)
Payments to Suppliers	(53,656)	(53,656)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(58,860)</b>	<b>(58,860)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	1,503	1,503
Federal Sources	47,365	47,365
Operating Transfers from Other Funds	-	-
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>48,868</b>	<b>48,868</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(9,992)	(9,992)
Balances—Beginning of Year	16,950	16,950
<b>Balances—End of Year</b>	<b>\$ 6,958</b>	<b>\$ 6,958</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (64,359)	\$ (64,359)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization		
Federal Commodities	6,723	6,723
(Increase) Decrease in Accounts Receivable, Net	-	-
(Increase) Decrease in Inventories	(228)	(228)
Increase (Decrease) in Accounts Payable	(996)	(996)
Total Adjustments	5,499	5,499
Net Cash Provided by (used for) Operating Activities	\$ (58,860)	\$ (58,860)

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

# **Notes to Financial Statements**

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Alpha Borough School District (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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years was phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions, GASB 98, Annual Comprehensive Financial Report, GASB 100, Accounting Changes and Error Corrections, and GASB 101, Compensated Absences. The implementation of these statements did not effect net position balances as previously

**A. Reporting Entity:**

The Alpha Borough School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Alpha Borough School District had an approximate enrollment at June 30, 2025, of 210 students.

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 whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Basis of Presentation**

*District-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School 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 School District.

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School 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 in accordance with the option noted in GASB No.34, paragraph 76. 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.

**GOVERNMENTAL FUNDS**

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 expendable 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.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**GOVERNMENTAL FUNDS (Continued)**

As required by the New Jersey State Department of Education, 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 fixed 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 the 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.

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

**Enterprise (Food Service) Fund** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent 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.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

Additionally, the District reports the following fund type:

**Fiduciary Funds** - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund and Payroll Agency Fund.

**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 use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey 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". 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 of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. 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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. 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 unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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.

**D. 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 deferred 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.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

**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 after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Inventories:**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**Allowance for Uncollectible Accounts:**

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

**Capital Assets:**

The District has established a 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 fair market 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 School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

**Compensated Absences:**

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

District employees are granted varying amounts of vacation and sick leave with the District's personnel policies. Upon termination, employees are paid 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.

The liability for compensated absences was accrued and determined based on 1.) leave that has not been used, and 2.) leave that has been used but not yet paid in cash or settled through noncash means. For leave that has not been used, a liability is recognized if, 1.) the leave is attributable to services already rendered, 2.) the leave accumulates (no-use-it-or-lose-it), and, the leave is more likely to than not to be used for time off or otherwise paid in cash or settled through noncash means. For leave that has been used, a liability should be recognized when leave has been used for time off but has not been paid in cash or settled through noncash means.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance subsequent fiscal year operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

**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 and 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.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Net Position:**

Net Position represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt 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 is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**Revenues—Exchange and Nonexchange Transactions**

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

Nonexchange transactions, in which the School 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School 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.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**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.

**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 attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**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.

**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 amounts could differ from those estimates.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The Board has no policy regarding custodial risk for deposits.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2025, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents (A-1)
Checking Accounts	\$1,745,648
	<u>\$1,745,648</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$1,745,648 and the bank balance was \$1,825,082. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,575,082 was covered by collateral pool.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2025, consisted of intergovernmental grants and aid. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$ 129,581	\$ 129,591
Federal Aid	-	382
Gross Receivable	<u>129,581</u>	<u>129,973</u>
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 129,581</u></u>	<u><u>\$ 129,973</u></u>

**NOTE 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2025, consisted of the following:

Food	<u>\$5,985</u>
------	----------------

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Land	\$ 291,300			\$ 291,300
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	47,500			47,500
Buildings and Building Improvements	1,308,208			1,308,208
Machinery and Equipment	64,300			64,300
Total at Historical Cost	1,711,308	-	-	1,711,308
Less Accumulated Depreciation for:				
Land Improvements	(47,499)			(47,499)
Building and Improvements	(1,076,659)	\$ (32,875)		(1,109,534)
Equipment	(64,300)			(64,300)
Total Accumulated Depreciation	(1,188,458)	(32,875)		(1,221,333)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	522,850	(32,875)	-	489,975
<b>Government Activity Capital Assets, Net</b>	<b>\$ 522,850</b>	<b>\$ (32,875)</b>	<b>\$ -</b>	<b>\$ 489,975</b>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 22,355
Support - Students	2,959
General Administration	1,644
School Administration	986
Business Administration	658
Plant and Operations	4,273
Total	\$ 32,875

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 6: LONG-TERM OBLIGATIONS**

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Balance <u>7/1/24</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/25</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$170,963	\$8,925		\$179,888	-
<b>Total</b>	\$170,963	\$8,925		\$179,888	-

Compensated absences have been liquidated in the General Fund.

As of June 30, 2025, the District had no authorized but not issued bonds.

**NOTE 7: DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits 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:

Equitable  
Lincoln Financial Group

**NOTE 8: PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 8: PENSION PLANS (Continued)**

*Summary of Significant Accounting Policies* - 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.

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) 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 district (employer) 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 district. However, the state's portion of the net pension liability that was associated with the district was \$8,403,686 as measured on June 30, 2024 and \$8,384,727 measured on June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of (\$30,655) and revenue of (\$30,655) for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2025 is based upon changes in the collective net pension liability with a measurement period of June 30, 2023 through June 30, 2024. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2023 and June 30, 2024.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$2,498,730,891	\$1,176,934,477
Collective deferred inflows of resources	\$14,719,080,314	\$10,530,833,639
Collective net pension liability (Nonemployer-State of New Jersey)	\$51,032,669,551	\$49,425,106,602
State's portion of the net pension liability that was associated with the district	\$8,384,727	\$8,403,686
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.016430%	0.017003%

*Actuarial assumptions* - The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 8: PENSION PLANS (Continued)**

Inflation:	
Price	2.75%
Wage	3.25%

Salary Increases           2.75-5.65% based on years of service

Investment Rate of Return       7.00%

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Pre-retirement mortality rates 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.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2024) 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 real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 8: PENSION PLANS (Continued)**

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 in determining the total pension liability.

*Sensitivity of the State's net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2024, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>

State's Collective Net Pension Liability	\$	58,828,334,396	\$	49,492,072,325	\$	41,629,174,739
------------------------------------------	----	----------------	----	----------------	----	----------------

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2024 was \$30,316,295,787.

*Amortization of Deferred Outflows and Inflows of Resources* - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

	<u>Year Ended June 30:</u>
2025	(\$3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	<u>(34,177,408)</u>
Total	<u>(\$9,436,989,313)</u>

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 8: PENSION PLANS (Continued)**

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	\$1,395,143,002
Interest on total pension liability	5,402,862,412
Member contributions	(968,116,740)
Administrative expense	23,998,868
Expected investment return net of investment expenses	(1,880,215,821)
Pension expense related to specific liabilities of individual employers	(521,718)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	163,003,839
Changes in assumptions	(4,175,839,758)
Difference between projected and actual investment earnings on pension plan investments	<u>(140,853,575)</u>
Total pension expense	<u>(\$180,539,491)</u>

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

*Summary of Significant Accounting Policies* - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

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

At June 30, 2025, the District reported a liability of \$458,773 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2022 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2024 and 2023. At June 30, 2024, the District's proportion was 0.00339% which was an decrease of 0.00068% from its proportion measured as of June 30, 2023.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 8: PENSION PLANS (Continued)**

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of \$8,378. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 9,190	\$ 1,221
Changes of assumptions	570	5,220
Net difference between projected and actual earnings on pension plan investments	-	21,272
Changes in proportion and differences between District contributions and proportionate share of contributions	165,373	89,666
District contributions subsequent to the measurement date	45,943	
Total	\$ 221,076	\$ 117,379

\$45,943 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability measured as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>	
	2025	\$62,664
	2026	(48,487)
	2027	27,896
	2028	16,101
	2029	(419)
	Total	\$57,754
	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$1,080,204,730	\$289,074,215
Collective deferred inflows of resources	1,780,216,457	820,816,333
Collective net pension liability	\$14,484,374,047	\$13,588,045,796
District's portion of net pension liability	\$583,655	\$458,773
District's proportion %	0.00402955%	0.00337630%

*Actuarial assumptions* - The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 8: PENSION PLANS (Continued)**

Inflation:	
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, 2023 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, 2024) 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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 8: PENSION PLANS (Continued)**

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate* - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2024, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 609,597	\$458,773	\$ 330,423

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	\$18,582
Interest on total Pension liability	69,408
Member contributions	(15,218)
Administrative expense	537
Other - Chapter 19 Adjustment	(560)
Expected investment return net of investment expenses	(41,927)
Pension expense related to specific liabilities of individual employers	(535)
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	2,115
Changes in assumptions	(16,963)
Difference between projected and actual investment earnings on pension plan investments	<u>(7,061)</u>
Total pension expense	<u>\$8,378</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 8: PENSION PLANS (Continued)**

**Defined Contribution Retirement Plan (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**PERS and TPAF Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 8: PENSION PLANS (Continued)**

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee’s annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78’s effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems’ unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

<u>Three-Year Trend Information for PERS</u>		
Year <u>Funding</u>	Annual Pension <u>Cost</u>	Percentage of APC <u>Contributed</u>
6/30/2025	\$45,943	100%
6/30/2024	\$53,856	100%
6/30/2023	\$43,279	100%

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>		
Year <u>Funding</u>	Annual Pension/ <u>PMR Cost</u>	Percentage of APC <u>Contributed</u>
6/30/2025	\$935,738	100%
6/30/2024	\$932,491	100%
6/30/2023	\$860,111	100%

During the fiscal year ended June 30, 2025, the State of New Jersey did contribute \$935,738 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$157,434 during the year ended June 30, 2025, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 9: POST-RETIREMENT BENEFITS**

**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 OPES 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 countycollege 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. 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>.

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

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.

Actuarial assumptions and other imputes. The June 30, 2025 GASB 75 reporting is based on a measurement date of June 30, 2024. The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. 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:

Total Nonemployer OPEB Liability:       \$       59,650,630,530

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75% to 5.65%	2.75% to 6.55%	3.25% to 16.25%
	Based on service years		

**(a) Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**(b) Discount Rate**

The discount rate used to measure the total OPEB liability was 3.93%. 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.

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.

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

	<u>Total OPEB Liability</u>
<b>The State's Total OPEB Liability Balance at 6/30/2023</b>	<b>\$52,361,668,239</b>
<u>Changes for the year:</u>	
Service Cost	2,152,062,729
Interest on the Total OPEB Liability	1,963,557,443
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Gross Benefit Payments	(1,499,600,607)
Contributions from Members/Employers	<u>51,347,810</u>
Net changes	<u>7,288,962,291</u>
<b>The State's Total OPEB Liability Balance at 6/30/2024</b>	<b><u>\$59,650,630,530</u></b>

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

**The State's total OPEB liability attributable to the District: \$13,409,514**

Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024 and other changes.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

		June 30, 2024		
		At 1% Decrease <u>2.93%</u>	At Discount Rate <u>3.93%</u>	At 1% Increase <u>4.93%</u>
Total OPEB Liability (School Retirees)	\$69,863,663,542	\$59,650,630,530	\$51,437,232,141	
		June 30, 2023		
		At 1% Decrease <u>2.65%</u>	At Discount Rate <u>3.65%</u>	At 1% Increase <u>4.65%</u>
Total OPEB Liability (School Retirees)	\$61,385,066,712	\$52,361,668,239	\$45,116,926,835	

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

		June 30, 2024		
		Health Care Cost		
		At 1% Decrease	Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$49,689,409,509	\$59,650,630,530	\$72,625,778,279	

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

	June 30, 2023		
	<u>At 1% Decrease</u>	<u>Health Care Cost Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$43,468,257,358	\$52,361,668,239	\$63,998,719,320

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

For the year ended June 30, 2024, the board of education recognized OPEB expense and related revenue of \$284,464 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 GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$6,378,932,312	\$11,139,706,892
Changes of assumptions or other inputs	<u>10,004,978,073</u>	<u>11,662,607,882</u>
Total	<u>\$16,383,910,385</u>	<u>\$22,802,314,774</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:	
2025	(\$2,115,877,507)
2026	(\$1,774,175,666)
2027	(\$842,677,045)
2028	\$221,470,185
2029	(1,537,725,697)
Thereafter	<u>(369,418,659)</u>
	<u>(\$6,418,404,389)</u>

**NOTE 10: COMPENSATED ABSENCES**

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of retirement within the state pension plan, an employee is reimbursed for accumulated vacation and/or unused sick days. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial employment. The balance at June 30, 2025 is \$179,888.

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 10: COMPENSATED ABSENCES-(Continued)**

In the district-wide *Statement of Assets*, 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, 2025, no liability existed for compensated absences in the proprietary fund types.

**NOTE 11: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit the entire employee deduction of unemployment compensation to the State of New Jersey. Any claim for unemployment are paid for by the State of New Jersey.

**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.

**Joint Insurance Fund** - The District participates in the School Alliance Insurance Fund (SAIF) comprised of state-wide boards of education. It was formed July 1, 1996 under the provisions of NJSA 18A:18B-1 et. seq. The group offers its member districts worker's compensation and employer's liability, automobile and equipment liability, general liability and property damage, school board legal liability, and boiler and machinery coverage.

The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency or provision has been made in these financial statements, as no deficiencies occurred as of June 30, 2025 for the joint insurance pool. The coverage in this program is shown on exhibit J-20.

**NOTE 12: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any 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.

**LITIGATION**

The Board is not involved in claims and lawsuits incidental to its operations

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 13: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$1,414,501 General Fund fund balance at June 30, 2025, \$1,195,089 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$599,154 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026); \$3,519 is reserved in the Capital Reserve Account; \$3,188 is reserved in the Emergency Reserve Account; \$7,530 is reserved for encumbrances; \$60,164 has been appropriated and included as anticipated revenue for the year ending June 30, 2026; and \$145,011 is unreserved and undesignated.

**NOTE 14: 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, 2025 is \$595,935.

**NOTE 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was initially established in a prior year by the Alpha Borough School District Board of Education by inclusion of \$1, 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 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:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 3,514
Interest Earnings	5
Ending Balance, June 30, 2025	<u>\$ 3,519</u>

**NOTE 16: EMERGENCY RESERVE ACCOUNT**

An emergency reserve account was established by the School District Board of Education in fiscal year 2024, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the emergency reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance July 1, 2024	\$ 3,188
Ending balance June 30, 2025	<u>\$ 3,188</u>

ALPHA BOROUGH  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**NOTE 17: INTERFUND RECEIVABLES AND PAYABLES**

There are no interfund balances as of June 30, 2025.

**NOTE 18: TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential 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.

**NOTE 19: UNEARNED REVENUE**

The Borough of Alpha is the collection agent for the school district and turns over the levy to the school on a monthly basis. The \$321,532 in unearned revenue is a pre-payment of the subsequent year's school levy.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

ALPHA BOROUGH SCHOOL DISTRICT  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
Fiscal Year Ended June 30, 2025

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 4,243,118		\$ 4,243,118	\$ 4,243,118	
Tuition from Other Sources - Pre-K	-		-	17,800	\$ 17,800
Interest on Capital Reserve	-		-	5	5
Miscellaneous	25,000		25,000	35,655	10,655
<b>Total - Local Sources</b>	4,268,118		4,268,118	4,296,578	28,460
<b>State Sources:</b>					
Equalization Aid	1,911,330		1,911,330	1,911,330	
Transportation Aid	94,939		94,939	94,939	
Special Education Aid	323,909		323,909	323,909	
Security Aid	72,432		72,432	72,432	
Other State Aid				121,984	121,984
TPAF Pension (On-Behalf - Non-Budgeted)				723,947	723,947
TPAF Post Retirement Medical (PRM) (On-Behalf - Non-Budgeted)				211,538	211,538
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				253	253
TPAF Social Security (Reimbursed - Non-Budgeted)				157,434	157,434
<b>Total State Sources</b>	2,402,610		2,402,610	3,617,766	1,215,156
<b>TOTAL REVENUES</b>	6,670,728		6,670,728	7,914,344	1,243,616

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Pre-Kindergarten - Salaries of Teachers	80,765		80,765	79,505	1,260
Kindergarten - Salaries of Teachers	94,022		94,022	93,211	811
Grades 1-5 - Salaries of Teachers	621,306	(1,685)	619,621	614,142	5,479
Grades 6-8 - Salaries of Teachers	601,654	1,685	603,339	602,814	525
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Technical Services	62,135		62,135	55,799	6,336
Other Purchased Services (400-500 series)	80,400		80,400	63,256	17,144
General Supplies	95,504	18,622	114,126	88,467	25,659
Other Objects	750		750	628	122
Employee Benefits	426,804	(17,149)	409,655	248,783	160,872
Tuition Reimbursement	15,000		15,000	7,778	7,222
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>2,078,340</b>	<b>1,473</b>	<b>2,079,813</b>	<b>1,854,383</b>	<b>225,430</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	384,780		384,780	354,926	29,854
Other Salaries for Instruction	133,280		133,280	107,117	26,163
General Supplies	1,500		1,500	1,440	60
Employee Benefits	178,657		178,657	178,657	
<b>Total Resource Room/Resource Center</b>	<b>698,217</b>		<b>698,217</b>	<b>642,140</b>	<b>56,077</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>698,217</b>		<b>698,217</b>	<b>642,140</b>	<b>56,077</b>

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	65,690		65,690	65,255	435
General Supplies	300		300		300
Employee Benefits	25,472		25,472	25,472	
<b>Total Basic Skills/Remedial - Instruction</b>	<u>91,462</u>		<u>91,462</u>	<u>90,727</u>	<u>735</u>
<b>School Sponsored Co/Extra Curricular Activities-Instruction:</b>					
Salaries	8,665		8,665	7,865	800
<b>Total School Sponsored Co/Extra Curricular Activities-Instr.</b>	<u>8,665</u>		<u>8,665</u>	<u>7,865</u>	<u>800</u>
<b>TOTAL INSTRUCTION</b>	<u><b>2,876,684</b></u>	<u><b>1,473</b></u>	<u><b>2,878,157</b></u>	<u><b>2,595,115</b></u>	<u><b>283,042</b></u>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEAs Within the State-Regular	1,244,734		1,244,734	1,244,733	1
Tuition to Other LEAs Within the State-Special	479,848	30,973	510,821	510,821	
Tuition to County Voc. School Dist. - Regular	48,843		48,843	47,343	1,500
Tuition to Private Schools for the Disabled - Within State	376,550	(78,961)	297,589	251,382	46,207
Tuition to State		99,393	99,393	99,393	
<b>Total Instruction</b>	<u>2,149,975</u>	<u>51,405</u>	<u>2,201,380</u>	<u>2,153,672</u>	<u>47,708</u>

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Health Services:</b>					
Salaries	65,330	(14,804)	50,526	49,447	1,079
Employee Benefits	38,747		38,747	38,747	
Purchased Professional and Technical Services	3,500	26,392	29,892	29,892	
Supplies and Materials	3,000	(750)	2,250	1,996	254
Other Objects	360		360	147	213
<b>Total Health Services</b>	<b>110,937</b>	<b>10,838</b>	<b>121,775</b>	<b>120,229</b>	<b>1,546</b>
<b>Other Supp. Services Students-Related Services:</b>					
Purchased Professional - Educational Services	125,000		125,000	103,221	21,779
<b>Total Other Supp. Services Students-Related Services</b>	<b>125,000</b>		<b>125,000</b>	<b>103,221</b>	<b>21,779</b>
<b>Other Supp. Services Students-Extra. Services:</b>					
Salaries	20,110		20,110		20,110
<b>Other Supp. Services Students-Extra. Services</b>	<b>20,110</b>		<b>20,110</b>		<b>20,110</b>
<b>Health Services:</b>					
Salaries of Other Professional Staff	93,710		93,710	93,710	
Employee Benefits	14,055		14,055	14,055	
Supplies and Materials	2,700	(738)	1,962	1,869	93
Other Objects	100	(100)			
<b>Total Health Services</b>	<b>110,565</b>	<b>(838)</b>	<b>109,727</b>	<b>109,634</b>	<b>93</b>

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Secretarial and Clerical Assistants	18,753		18,753	18,571	182
Purchased Professional - Educational Services	90,000		90,000	65,396	24,604
<b>Total Other Supp. Services Students-Special</b>	<u>108,753</u>		<u>108,753</u>	<u>83,967</u>	<u>24,786</u>
<b>Educational Media Services/School Library:</b>					
Salaries	66,690		66,690	65,505	1,185
Purchased Prof. and Tech. Services	1,800		1,800	1,723	77
Supplies and Materials	2,000	129	2,129	2,060	69
<b>Total Educational Media Services/School Library</b>	<u>70,490</u>	<u>129</u>	<u>70,619</u>	<u>69,288</u>	<u>1,331</u>
<b>Instructional Staff Training Services:</b>					
Salary of Supervisor of Instruction	96,477		96,477	91,237	5,240
Other Purchased Services (400-500 series)	21,300		21,300	20,118	1,182
<b>Total Instructional Staff Training Services</b>	<u>117,777</u>		<u>117,777</u>	<u>111,355</u>	<u>6,422</u>

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Supp. Services - General Administration:</b>					
Salaries	228,603		228,603	227,171	1,432
Employee Benefits					
Legal Services	10,000		10,000	9,110	890
Audit Fees	13,000	(178)	12,822	12,086	736
Other Purchased Professional Services	8,600	178	8,778	8,778	
Communications/Telephone	6,250		6,250	3,512	2,738
BOE Other Purchased Services	3,500		3,500	2,084	1,416
Other Purchased Services (400-500)	12,200	776	12,976	6,513	6,463
General Supplies	2,000		2,000	1,993	7
BOE Membership Dues and Fees	6,400		6,400	4,514	1,886
<b>Total Supp. Services - General Administration</b>	<b>290,553</b>	<b>776</b>	<b>291,329</b>	<b>275,761</b>	<b>15,568</b>
<b>Support Services - School Administration:</b>					
Salaries of Secretarial and Clerical Assistants	19,753		19,753	18,571	1,182
Employee Benefits	25,472		25,472	25,472	
Supplies and Materials	1,000		1,000	963	37
<b>Total Support Services - School Administration</b>	<b>46,225</b>		<b>46,225</b>	<b>45,006</b>	<b>1,219</b>
<b>Central Services:</b>					
Purchased Professional Services	70,000		70,000	70,000	
<b>Total Central Services</b>	<b>70,000</b>		<b>70,000</b>	<b>70,000</b>	
<b>Required Maintenance for School Facilities:</b>					
Salaries	49,843		49,843	49,843	
Cleaning, Repair and Maintenance Services	70,000	(12,500)	57,500	15,245	42,255
General Supplies	8,500	4,691	13,191	13,154	37
<b>Total Required Maintenance for School Facilities</b>	<b>128,343</b>	<b>(7,809)</b>	<b>120,534</b>	<b>78,242</b>	<b>42,292</b>

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	104,467		104,467	79,862	24,605
Employee Benefits	77,494		77,494	77,494	
Purchased Prof. and Tech. Services	5,000	12,500	17,500	16,800	700
Cleaning, Repair and Maintenance Services	29,000	4,332	33,332	16,745	16,587
Other Purchased Property Services	4,500		4,500	3,767	733
Insurance	18,222		18,222	18,222	
General Supplies	30,000	3,706	33,706	22,493	11,213
Energy (Natural Gas)	500		500	476	24
Energy (Electricity)	85,000		85,000	75,549	9,451
Other Objects	500		500	450	50
<b>Total Other Operations and Maintenance of Plant</b>	<b>354,683</b>	<b>20,538</b>	<b>375,221</b>	<b>311,858</b>	<b>63,363</b>
<b>Student Transportation Services</b>					
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	15,145	(5,363)	9,782	9,320	462
Contracted Services (Other than Bet.Home & School)-Vendors	8,000		8,000	7,280	720
Contracted Services (Between Home and School)-Joint Agrmts.	185,000	5,363	190,363	190,363	
Contracted Services (Special Education Students)-Vendors	450,000	(44,256)	405,744	379,169	26,575
Contracted Services (Regular Students)-ESC's & CTSA's					
<b>Total Student Transportation Services</b>	<b>658,145</b>	<b>(44,256)</b>	<b>613,889</b>	<b>586,132</b>	<b>27,757</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	45,000		45,000	44,207	793
Other Retirement Contributions-Regular	60,000		60,000	45,943	14,057
Unemployment Compensation	12,000		12,000	10,651	1,349
Workmen's Compensation	72,179		72,179	72,174	5
Health Benefits	45,851		45,851	45,851	
Other Employee Benefits	5,700		5,700	3,910	1,790
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>240,730</b>		<b>240,730</b>	<b>222,736</b>	<b>17,994</b>

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
On-behalf TPAF pension Contrib. (non-budgeted)				723,947	(723,947)
On-behalf TPAF PRM Contrib. (non-budgeted)				211,538	(211,538)
On-behalf TPAF pension LTD Ins. (non-budgeted)				253	(253)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				157,434	(157,434)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				1,093,172	(1,093,172)
<b>TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS</b>	240,730		240,730	1,315,908	(1,075,178)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>4,602,286</b>	<b>30,783</b>	<b>4,633,069</b>	<b>5,434,273</b>	<b>(801,204)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>7,478,970</b>	<b>32,256</b>	<b>7,511,226</b>	<b>8,029,388</b>	<b>(518,162)</b>
Transfer of Funds to Charter Schools					
<b>CAPITAL OUTLAY</b>					
<b>Facilities Acquisition and Construction:</b>					
Assessment for Debt Service on SDA Funding	357		357	357	
<b>Total Facilities Acquisition and Construction</b>	<b>357</b>		<b>357</b>	<b>357</b>	
<b>TOTAL CAPITAL OUTLAY</b>	<b>357</b>		<b>357</b>	<b>357</b>	
<b>TOTAL EXPENDITURES</b>	<b>7,479,327</b>	<b>32,256</b>	<b>7,511,583</b>	<b>8,029,745</b>	<b>(518,162)</b>

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(808,599)	(32,256)	(840,855)	(115,401)	725,454
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(808,599)	(32,256)	(840,855)	(115,401)	725,454
<b>Fund Balance, July 1</b>	1,756,875		1,756,875	1,756,875	
<b>Fund Balance, June 30</b>	\$ 948,276	\$ (32,256)	\$ 916,020	\$ 1,641,474	\$ 725,454
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 3,519	
Emergency Reserve				3,188	
Excess Surplus				595,935	
Excess Surplus - Designated for Subseq. Year's Expenditures				599,154	
<b>Assigned to:</b>					
Year-End Encumbrances				7,530	
Designated for Subseq. Year's Expenditures				60,164	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>371,984</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				\$ 1,641,474	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Current Year Last State Aid Payment not recognized on GAAP basis until received				<u>(226,973)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u>\$ 1,414,501</u>	

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2025

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources		\$ 24,305	\$ 24,305	\$ 24,305	-
Federal Sources	\$ 168,646	-	168,646	168,646	\$ -
<b>Total Revenues</b>	<b>168,646</b>	<b>24,305</b>	<b>192,951</b>	<b>192,951</b>	<b>-</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries	14,720		14,720	14,720	
Tuition	71,913		71,913	71,913	
Other Purchased Services	11,281		11,281	11,281	
General Supplies	8,500		8,500	8,500	
<b>Total Instruction</b>	<b>106,414</b>		<b>106,414</b>	<b>106,414</b>	
<b>Support Services:</b>					
Other Salaries	62,232		62,232	62,232	
Student Activities	-	26,380	26,380	26,380	
<b>Total Support Services</b>	<b>62,232</b>	<b>26,380</b>	<b>88,612</b>	<b>88,612</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 168,646</b>	<b>\$ 26,380</b>	<b>\$ 195,026</b>	<b>\$ 195,026</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>		(2,075)	(2,075)	(2,075)	
<b>Fund Balance Beginning</b>				41,565	
<b>Prior Period Adjustment</b>				-	
<b>Fund Balance Beginning (Restated)</b>				41,565	
<b>Fund Balance Ending</b>				<u>\$ 39,490</u>	
<u>Recapitulation:</u>					
Restricted:					
Student Activities				\$ 39,490	
<b>Total Fund Balance</b>				<u>\$ 39,490</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2025

**Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 7,914,344	\$ 192,951
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	N/A	-
Current Year	N/A	-
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	212,145	
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(226,973)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 7,899,516</u>	<u>\$ 192,951</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 8,029,745	\$ 195,026
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	N/A	-
Current Year	N/A	-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 8,029,745</u>	<u>\$ 195,026</u>

**Alpha Borough School District  
Required Supplementary Information - Part III  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years**

**Exhibit L-3**

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 8,403,686	\$ 8,384,727	\$ 8,231,608	\$ 6,739,404	\$ 9,661,820	\$ 9,182,741	\$ 9,444,688	\$ 11,487,049	\$ 13,253,182	\$ 11,978,538
<b>Total</b>	<b>\$ 8,403,686</b>	<b>\$ 8,384,727</b>	<b>\$ 8,231,608</b>	<b>\$ 6,739,404</b>	<b>\$ 9,661,820</b>	<b>\$ 9,182,741</b>	<b>\$ 9,444,688</b>	<b>\$ 11,487,049</b>	<b>\$ 13,253,182</b>	<b>\$ 11,978,538</b>
District's covered employee payroll	\$ 2,189,368	\$ 1,987,364	\$ 2,060,985	\$ 1,619,574	\$ 1,893,514	\$ 1,753,384	\$ 1,586,629	\$ 1,524,827	\$ 1,522,199	\$ 1,622,768
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

**Public Employees' Retirement System (PERS)**

**Exhibit L-1**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.00339190%	0.00402955%	0.00343199%	0.00246901%	0.00182687%	0.00325926%	0.00357061%	0.00367932%	0.00329699%	0.00334023%
District's proportionate share of the net pension liability (asset)	\$ 458,773	\$ 583,655	\$ 517,934	\$ 292,491	\$ 297,914	\$ 587,269	\$ 703,035	\$ 856,488	\$ 976,474	\$ 749,814
District's covered employee payroll	\$ 241,254	\$ 199,027	\$ 283,521	\$ 280,900	\$ 197,534	\$ 175,272	\$ 225,061	\$ 218,578	\$ 245,439	\$ 456,860
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	190.16%	293.25%	182.68%	104.13%	150.82%	335.06%	312.38%	391.85%	397.85%	164.12%
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%

**Alpha Borough School District  
Required Supplementary Information - Part III  
Schedule of District Contributions  
Last Ten Fiscal Years**

**Exhibit L-2**

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 2,189,368	\$ 1,987,364	\$ 2,060,985	\$ 1,619,574	\$ 1,893,514	\$ 1,753,384	\$ 1,586,629	\$ 1,524,827	\$ 1,522,199	\$ 1,622,768
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

**Public Employees' Retirement System (PERS)**

	2025	2025	2024	2023	2022	2021	2019	2018	2017	2016
Contractually required contribution	\$ 45,943	\$ 53,856	\$ 43,279	\$ 28,915	\$ 19,985	\$ 31,771	\$ 35,600	\$ 34,409	\$ 29,290	\$ 28,717
Contributions in relation to the contractually required contribution	(45,943)	(53,856)	(43,279)	(28,915)	(19,985)	(31,771)	(35,600)	(34,409)	(29,290)	(28,717)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 241,254	\$ 199,027	\$ 283,521	\$ 280,900	\$ 197,534	\$ 175,272	\$ 225,061	\$ 218,578	\$ 245,439	\$ 456,860
Contributions as a percentage of covered-employee payroll	19.04%	27.06%	15.26%	10.29%	10.12%	18.13%	15.82%	15.74%	11.93%	6.29%

Alpha Borough School District  
Required Supplementary Information - Part III  
Schedule of Changes in the State's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years \*

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

<u>The State of New Jersey's Total OPEB Liability</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Service Cost	\$ 2,152,062,729	\$ 2,136,235,476	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319	
Interest	1,963,557,443	1,844,113,951	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792	
Change in Benefit Terms	-	-	-	(63,870,842)						
Differences Between Expected and Actual Experience	158,934,425	(980,424,863)	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)			
Benefit Payments	(1,499,600,607)	-	(13,586,368,097)	59,202,405	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)	
Contributions from Members	51,347,810	(1,390,258,754)	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747	
Changes of Assumptions or other inputs	4,462,660,491	105,539,463	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521	
<b>Net change in total OPEB liability</b>	<b>7,288,962,291</b>	<b>1,715,205,273</b>	<b>(9,361,188,004)</b>	<b>(7,802,311,638)</b>	<b>26,080,881,563</b>	<b>(4,381,751,937)</b>	<b>(7,529,008,876)</b>	<b>(4,191,942,326)</b>	<b>10,982,132,360</b>	
<b>Total OPEB Liability - Beginning</b>	<b>\$ 52,361,668,239</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>	<b>\$ 46,849,651,824</b>	
<b>Total OPEB Liability - Ending</b>	<b>\$ 59,650,630,530</b>	<b>\$ 52,361,668,239</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>	
<b>The State of New Jersey's total OPEB liability **</b>	<b>\$ 59,650,630,530</b>	<b>\$ 52,361,668,239</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>	
<b>The State of New Jersey's OPEB liability attributable to the District **</b>	<b>\$ 13,409,514</b>	<b>\$ 11,876,655</b>	<b>\$ 11,505,683</b>	<b>\$ 12,987,445</b>	<b>\$ 15,103,829</b>	<b>\$ 9,116,838</b>	<b>\$ 10,786,602</b>	<b>\$ 12,488,791</b>	<b>\$ 13,588,082</b>	
<b>The District's proportionate share of the total OPEB liability</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	
<b>District's covered employee payroll</b>	<b>\$ 2,430,622</b>	<b>\$ 2,186,391</b>	<b>\$ 2,344,506</b>	<b>\$ 1,900,474</b>	<b>\$ 2,091,048</b>	<b>\$ 1,928,656</b>	<b>\$ 1,811,690</b>	<b>\$ 1,767,638</b>	<b>\$ 2,079,628</b>	
<b>Total District's OPEB liability as a percentage of its covered-employee payroll</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
<b>District's contribution</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	
<b>State's covered employee payroll ***</b>	<b>\$ 15,845,935,573</b>	<b>\$ 15,314,749,297</b>	<b>\$ 14,753,355,408</b>	<b>\$ 14,425,669,769</b>	<b>\$ 14,267,738,657</b>	<b>\$ 13,929,083,479</b>	<b>\$ 13,640,275,833</b>	<b>\$ 13,493,400,208</b>	<b>\$ 13,493,400,208</b>	
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	<b>376.44%</b>	<b>341.90%</b>	<b>343.29%</b>	<b>415.98%</b>	<b>475.27%</b>	<b>299.58%</b>	<b>338.05%</b>	<b>397.53%</b>	<b>428.59%</b>	

\*\* Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

\*\*\* Covered payroll for the Measurement Period ending June 30, 2023 and June 30, 2024 is based on the payroll on the June 30, 2022 and June 30, 2023 census data, respectively

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

ALPHA BOROUGH SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III  
Pension and Other Post Employment Benefits (OPEB) Schedules**

For the Fiscal Year Ended June 30, 2025

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

**Pension Schedules**

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

Changes of assumptions. Pre-retirement mortality rates 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.

**OPEB Schedules**

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

**Public Employees' Retirement System (PERS)**

**Pension Schedules**

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

Changes of assumptions. Pre-retirement mortality rates 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.

**OPEB Schedules**

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

ALPHA BOROUGH SCHOOL DISTRICT

Exhibit E-1

**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2025

	<b>Title I</b>	<b>Title II</b>	<b>Title IV</b>	<b>IDEA Basic</b>	<b>IDEA Pre-School</b>	<b>ARP Summer</b>	<b>Student Activities</b>	<b>Totals</b>
<b>REVENUES</b>								
Local Sources							\$ 24,305	\$ 24,305
Federal Sources	\$ 62,232	\$ 7,879	\$ 10,000	\$ 71,913	\$ 1,902	\$ 14,720		168,646
<b>TOTAL REVENUES</b>	<b>62,232</b>	<b>7,879</b>	<b>10,000</b>	<b>71,913</b>	<b>1,902</b>	<b>14,720</b>	<b>24,305</b>	<b>192,951</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Instructional Salaries						14,720		14,720
Tuition				71,913				71,913
Other Purchased Services		7,879	1,500		1,902			11,281
General Supplies			8,500					8,500
<b>Total Instruction</b>	<b>-</b>	<b>7,879</b>	<b>10,000</b>	<b>71,913</b>	<b>1,902</b>	<b>14,720</b>	<b>-</b>	<b>106,414</b>
<b>Support Services:</b>								
Other Salaries	62,232							62,232
Other Purchased Services								-
Supplies and Materials								-
Student Activities							26,380	26,380
<b>Total Support Services</b>	<b>62,232</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,380</b>	<b>88,612</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 62,232</b>	<b>\$ 7,879</b>	<b>\$ 10,000</b>	<b>\$ 71,913</b>	<b>\$ 1,902</b>	<b>\$ 14,720</b>	<b>\$ 26,380</b>	<b>\$ 195,026</b>
<b>Total Outflows</b>	<b>\$ 62,232</b>	<b>\$ 7,879</b>	<b>\$ 10,000</b>	<b>\$ 71,913</b>	<b>\$ 1,902</b>	<b>\$ 14,720</b>	<b>\$ 26,380</b>	<b>\$ 195,026</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,075)</b>	<b>(2,075)</b>
<b>Fund Balance Beginning Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,565</b>	<b>41,565</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,565</b>	<b>41,565</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 39,490</b>	<b>\$ 39,490</b>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

N/A

**PROPRIETARY FUND  
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** - This fund provides for the operation of food services in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**

<p style="text-align: center;"><b>FIDUCIARY FUND DETAIL STATEMENTS</b></p>
--------------------------------------------------------------------------------

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

Not Applicable; The District has no long-term debt

Alpha Borough School District  
**Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	85-90
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	91-94
<b>Debt Capacity (J-10 thru J-13)</b> 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.	95-98
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	99-100
<b>Operating Information (J-16 thru J-20)</b> 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.	101-105

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report (ACFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information subsequent to that year.

**Alpha Borough School District  
Net Position by Component,  
Last Ten Fiscal Years**

**Exhibit J-1**

*(accrual basis of accounting)*

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 648,240	\$ 615,191	\$ 582,142	\$ 552,794	\$ 519,884	\$ 546,475	\$ 588,600	\$ 555,725	\$ 522,850	\$ 489,975
Restricted	818,628	623,388	689,492	907,809	1,022,939	1,031,449	725,132	1,299,663	1,456,020	1,301,450
Unrestricted	<u>(767,719)</u>	<u>(599,124)</u>	<u>(751,655)</u>	<u>(793,810)</u>	<u>(769,785)</u>	<u>(663,388)</u>	<u>(221,295)</u>	<u>(474,488)</u>	<u>(425,416)</u>	<u>(382,423)</u>
Total governmental activities net position	<u>\$ 699,149</u>	<u>\$ 639,455</u>	<u>\$ 519,979</u>	<u>\$ 666,793</u>	<u>\$ 773,038</u>	<u>\$ 914,536</u>	<u>\$ 1,092,437</u>	<u>\$ 1,380,900</u>	<u>\$ 1,553,454</u>	<u>\$ 1,409,002</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 1,729	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>27,639</u>	<u>\$ 26,940</u>	<u>\$ 19,012</u>	<u>\$ 18,617</u>	<u>\$ 17,425</u>	<u>\$ 21,677</u>	<u>\$ 27,506</u>	<u>\$ 29,051</u>	<u>\$ 18,894</u>	<u>\$ 10,139</u>
Total business-type activities net position	<u>\$ 29,368</u>	<u>\$ 26,940</u>	<u>\$ 19,012</u>	<u>\$ 18,617</u>	<u>\$ 17,425</u>	<u>\$ 21,677</u>	<u>\$ 27,506</u>	<u>\$ 29,051</u>	<u>\$ 18,894</u>	<u>\$ 10,139</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 649,969	\$ 615,191	\$ 582,142	\$ 552,794	\$ 519,884	\$ 546,475	\$ 588,600	\$ 555,725	\$ 522,850	\$ 489,975
Restricted	818,628	623,388	689,492	907,809	1,022,939	1,031,449	725,132	1,299,663	1,456,020	1,301,450
Unrestricted	<u>(740,080)</u>	<u>(572,184)</u>	<u>(732,643)</u>	<u>(775,193)</u>	<u>(752,360)</u>	<u>(641,711)</u>	<u>(193,789)</u>	<u>(445,437)</u>	<u>(406,522)</u>	<u>(372,284)</u>
Total district net position	<u>\$ 728,517</u>	<u>\$ 666,395</u>	<u>\$ 538,991</u>	<u>\$ 685,410</u>	<u>\$ 790,463</u>	<u>\$ 936,213</u>	<u>\$ 1,119,943</u>	<u>\$ 1,409,951</u>	<u>\$ 1,572,348</u>	<u>\$ 1,419,141</u>

Source: ACFR Schedule A-1

**Alpha Borough School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 2,045,994	\$ 1,934,514	\$ 2,152,728	\$ 2,150,237	\$ 1,896,405	\$ 2,603,974	\$ 2,438,840	\$ 2,810,737	\$ 2,121,333	\$ 2,277,997
Special education	676,239	852,112	774,593	660,744	772,686	539,068	613,554	661,737	505,037	734,305
Other special education	270,312	198,156	205,697	53,438	82,103	80,765	123,111	120,644	132,957	112,743
Other Instruction										
Support Services:										
Tuition	1,655,924	1,606,884	1,649,816	1,560,540	1,518,956	1,642,391	2,065,101	1,704,433	2,013,532	2,153,672
Student & instruction related services	489,118	662,436	554,662	620,588	779,466	860,945	603,474	679,649	744,396	788,194
General administrative services	491,604	362,094	524,485	487,036	481,815	500,567	434,471	421,150	402,122	398,377
School administrative services	3,340	215,840	82,124	80,571	22,151	26,366	39,023	37,014	56,156	52,593
Plant operations and maintenance	441,079	451,237	755,121	470,864	477,765	454,283	440,558	433,456	477,524	450,977
Pupil transportation	184,319	265,746	259,916	284,729	286,767	263,167	329,891	501,058	469,611	586,132
Total governmental activities expenses	<u>6,257,929</u>	<u>6,549,019</u>	<u>6,959,142</u>	<u>6,368,747</u>	<u>6,318,114</u>	<u>6,971,526</u>	<u>7,088,023</u>	<u>7,369,878</u>	<u>6,922,668</u>	<u>7,554,990</u>
Business-type activities:										
Food service	78,702	68,951	88,070	74,136	62,411	60,945	114,073	95,695	107,766	96,979
Total business-type activities expense	<u>78,702</u>	<u>68,951</u>	<u>88,070</u>	<u>74,136</u>	<u>62,411</u>	<u>60,945</u>	<u>114,073</u>	<u>95,695</u>	<u>107,766</u>	<u>96,979</u>
Total district expenses	<u>\$ 6,336,631</u>	<u>\$ 6,617,970</u>	<u>\$ 7,047,212</u>	<u>\$ 6,442,883</u>	<u>\$ 6,380,525</u>	<u>\$ 7,032,471</u>	<u>\$ 7,202,296</u>	<u>\$ 7,465,573</u>	<u>\$ 7,030,434</u>	<u>\$ 7,651,969</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Regular Instruction	6,325	425	-	-	-	7,488	-	4,275	9,000	17,800
Special Education										
Other Special Education										
Other Instruction										
Student & instruction related services										
General administrative services										
Plant operations and maintenance										
Pupil transportation										
Operating grants and contributions	3,088,194	3,319,321	3,572,989	3,099,669	2,831,934	3,488,193	3,364,848	3,670,094	2,862,334	3,089,655
Capital grants and contributions										
Total governmental activities program revenues	<u>3,094,519</u>	<u>3,319,746</u>	<u>3,572,989</u>	<u>3,099,669</u>	<u>2,831,934</u>	<u>3,495,681</u>	<u>3,364,848</u>	<u>3,674,369</u>	<u>2,871,334</u>	<u>3,107,455</u>
Business-type activities:										
Charges for services:										
Food service	36,242	33,926	35,755	29,853	19,415	1,240	6,088	26,004	28,995	32,620
Operating grants and contributions	38,454	32,533	44,368	43,888	41,804	63,957	113,814	71,236	68,614	55,604
Total business type activities program revenues	<u>74,696</u>	<u>66,459</u>	<u>80,123</u>	<u>73,741</u>	<u>61,219</u>	<u>65,197</u>	<u>119,902</u>	<u>97,240</u>	<u>97,609</u>	<u>88,224</u>
Total district program revenues	<u>\$ 3,169,215</u>	<u>\$ 3,386,205</u>	<u>\$ 3,653,112</u>	<u>\$ 3,173,410</u>	<u>\$ 2,893,153</u>	<u>\$ 3,560,878</u>	<u>\$ 3,484,750</u>	<u>\$ 3,771,609</u>	<u>\$ 2,968,943</u>	<u>\$ 3,195,679</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (3,163,410)	\$ (3,229,273)	\$ (3,386,153)	\$ (3,269,078)	\$ (3,486,180)	\$ (3,475,845)	\$ (3,723,175)	\$ (3,695,509)	\$ (4,051,334)	\$ (4,447,535)
Business-type activities	(4,006)	(2,492)	(7,947)	(395)	(1,192)	4,252	5,829	1,545	(10,157)	(8,755)
Total district-wide net expense	<u>\$ (3,167,416)</u>	<u>\$ (3,231,765)</u>	<u>\$ (3,394,100)</u>	<u>\$ (3,269,473)</u>	<u>\$ (3,487,372)</u>	<u>\$ (3,471,593)</u>	<u>\$ (3,717,346)</u>	<u>\$ (3,693,964)</u>	<u>\$ (4,061,491)</u>	<u>\$ (4,456,290)</u>

**Alpha Borough School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,104,754	\$ 3,166,849	\$ 3,261,165	\$ 3,394,958	\$ 3,542,857	\$ 3,613,714	\$ 3,885,988	\$ 3,963,708	\$ 4,159,920	\$ 4,243,118
Unrestricted grants and contributions										
Investment earnings	926	1,016	5,512	5,544	4,755	3,629	199	739	48,413	36,163
Miscellaneous income	1	1,714	-	15,390	-	-	14,889	19,525	15,555	23,802
Transfers										
Special Items										
Total governmental activities	<u>3,105,681</u>	<u>3,169,579</u>	<u>3,266,677</u>	<u>3,415,892</u>	<u>3,547,612</u>	<u>3,617,343</u>	<u>3,901,076</u>	<u>3,983,972</u>	<u>4,223,888</u>	<u>4,303,083</u>
Business-type activities:										
Investment earnings	32	64	19	-	-	-	-	-	-	-
Miscellaneous Income										
Transfers										
Total business-type activities	<u>32</u>	<u>64</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 3,105,713</u>	<u>\$ 3,169,643</u>	<u>\$ 3,266,696</u>	<u>\$ 3,415,892</u>	<u>\$ 3,547,612</u>	<u>\$ 3,617,343</u>	<u>\$ 3,901,076</u>	<u>\$ 3,983,972</u>	<u>\$ 4,223,888</u>	<u>\$ 4,303,083</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (57,729)	\$ (59,694)	\$ (119,476)	\$ 146,814	\$ 61,432	\$ 141,498	\$ 177,901	\$ 288,463	\$ 172,554	\$ (144,452)
Business-type activities	(3,974)	(2,428)	(7,928)	(395)	(1,192)	4,252	5,829	1,545	(10,157)	(8,755)
Total district	<u>\$ (61,703)</u>	<u>\$ (62,122)</u>	<u>\$ (127,404)</u>	<u>\$ 146,419</u>	<u>\$ 60,240</u>	<u>\$ 145,750</u>	<u>\$ 183,730</u>	<u>\$ 290,008</u>	<u>\$ 162,397</u>	<u>\$ (153,207)</u>

Source: ACFR Schedule A-2

**Alpha Borough School District**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Reserved	\$ 837,533	\$ 845,423	\$ 756,086	\$ 957,066	\$ 1,022,799	\$ 1,111,515	\$ 802,476	\$ 1,280,193	\$ 1,446,711	\$ 1,269,490
Unreserved	69,577	67,626	64,341	57,739	58,749	52,285	382,645	117,119	98,019	145,011
Total general fund	<u>\$ 907,110</u>	<u>\$ 913,049</u>	<u>\$ 820,427</u>	<u>\$ 1,014,805</u>	<u>\$ 1,081,548</u>	<u>\$ 1,163,800</u>	<u>\$ 1,185,121</u>	<u>\$ 1,397,312</u>	<u>\$ 1,544,730</u>	<u>\$ 1,414,501</u>
All Other Governmental Funds										
Reserved	-	-	-	-	\$ 44,813	\$ 41,641	\$ 42,601	\$ 42,725	\$ 41,565	\$ 39,490
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,813</u>	<u>41,641</u>	<u>\$ 42,601</u>	<u>\$ 42,725</u>	<u>\$ 41,565</u>	<u>\$ 39,490</u>

Source: ACFR Schedule B-1

**Alpha Borough School District  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

**Exhibit J-4**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Revenues</b>										
Tax levy	\$ 3,104,754	\$ 3,166,849	\$ 3,261,165	\$ 3,394,958	\$ 3,542,857	\$ 3,613,714	\$ 3,885,988	\$ 3,963,708	\$ 4,159,920	\$ 4,243,118
Tuition Charges	6,325	425	-	-	-	-	-	4,275	9,000	17,800
Interest on Investments										
Miscellaneous	927	2,730	5,512	20,934	4,755	11,117	15,088	20,264	63,968	59,965
State sources	2,323,815	2,373,291	2,387,806	2,505,368	2,530,065	2,653,040	3,206,038	3,340,357	3,234,083	3,602,938
Federal sources	167,867	142,037	144,658	118,967	174,871	214,337	375,290	700,488	191,641	168,646
Total revenue	<u>5,603,688</u>	<u>5,685,332</u>	<u>5,799,141</u>	<u>6,040,227</u>	<u>6,252,548</u>	<u>6,492,208</u>	<u>7,482,404</u>	<u>8,029,092</u>	<u>7,658,612</u>	<u>8,092,467</u>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	1,471,791	1,333,866	1,448,069	1,557,256	1,524,740	1,786,034	2,014,051	2,405,513	1,777,966	1,960,797
Special education instruction	504,337	592,466	520,241	492,106	628,278	394,473	514,106	573,156	430,201	642,140
Other special instruction	201,598	137,776	138,139	39,799	66,759	59,101	103,157	104,494	113,256	98,592
Other instruction	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Tuition	1,655,924	1,606,884	1,649,816	1,560,540	1,518,956	1,642,391	2,065,101	1,704,433	2,013,532	2,153,672
Student & instruction related services	361,809	457,612	369,519	459,558	630,829	627,965	502,701	585,711	631,133	686,306
General Administrative services	299,137	159,357	284,913	295,679	325,122	299,901	296,449	292,163	269,930	275,761
School Administrative services	1,500	149,081	54,161	59,127	16,366	18,157	31,712	31,073	46,849	45,006
Central Services	65,186	60,000	65,000	65,000	65,000	65,000	65,000	70,000	70,000	70,000
Plant operations and maintenance	324,659	309,445	304,653	325,676	350,491	329,474	364,877	371,160	402,492	390,100
Pupil transportation	184,319	265,746	259,916	284,729	286,767	263,167	329,891	501,058	469,611	586,132
Unallocated employee benefits	526,022	576,713	599,221	685,182	727,201	801,718	1,093,048	1,166,615	1,287,027	1,315,908
Capital outlay	357	30,447	198,165	21,197	33,706	115,401	79,444	11,401	357	357
Transfer to Charter Schools					11,590	10,346	586	-	-	-
Total expenditures	<u>5,596,639</u>	<u>5,679,393</u>	<u>5,891,803</u>	<u>5,845,849</u>	<u>6,185,805</u>	<u>6,413,128</u>	<u>7,460,123</u>	<u>7,816,777</u>	<u>7,512,354</u>	<u>8,224,771</u>
Excess (Deficiency) of revenues over (under) expenditures	7,049	5,939	(92,662)	194,378	66,743	79,080	22,281	212,315	146,258	(132,304)
<b>Other Financing Sources (uses)</b>										
Prior Year Receivable Canceled										
Proceeds of Refunding Bonds										
Payment to Refunded Bond Escrow										
Transfers in										
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ 7,049	\$ 5,939	\$ (92,662)	\$ 194,378	\$ 66,743	\$ 79,080	\$ 22,281	\$ 212,315	\$ 146,258	\$ (132,304)

Source: ACFR Schedule B-2

ALPHA BOROUGH SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 926	\$ 6,325	\$ 1	\$ 7,252
2017	1,016	425	1,714	3,155
2018	5,512	-	-	5,512
2019	5,544	15,390	-	20,934
2020	4,755	-	-	4,755
2021	3,629	-	-	3,629
2022	199	-	2,045	2,244
2023	739	4,275	-	5,014
2024	48,413	9,000	-	57,413
2025	36,163	17,800	(503)	53,460

SOURCE: District Records

**Alpha Borough School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

**Exhibit J-6**

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax- Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2016	\$9,229,820	\$145,680,900	\$692,200	\$227,608	\$28,531,000	\$21,208,000	\$6,614,000	\$228,670,023	\$16,224,400	\$262,095	\$212,445,623	\$1.461	\$198,686,035
2017	8,498,300	145,484,900	911,000	590,208	28,274,300	21,004,200	6,614,000	228,148,877	16,532,100	239,869	211,616,777	1.497	211,101,403
2018	3,563,300	145,455,000	911,000	590,208	28,293,100	21,004,200	6,614,000	228,266,341	21,603,800	231,733	206,662,541	1.579	207,743,573
2019	3,146,300	145,794,000	911,000	223,787	28,235,800	21,004,200	6,620,700	228,635,521	22,461,400	238,334	206,174,121	1.647	202,568,218
2020	3,580,900	146,600,900	911,000	223,787	27,886,600	21,004,200	6,620,700	229,531,029	22,463,000	239,942	207,068,029	1.711	201,256,446
2021	4,067,800	146,663,300	692,200	206,630	39,464,100	20,959,700	6,672,300	241,674,014	22,706,100	241,884	218,967,914	1.650	218,967,914
2022	3,851,500	146,854,500	692,200	211,140	37,536,300	20,969,700	6,672,300	239,941,395	22,910,700	243,055	217,030,695	1.791	221,934,470
2023	3,851,500	147,025,800	692,200	213,070	37,486,300	20,969,700	6,672,300	240,066,438	22,910,700	244,868	217,155,738	1.825	231,653,853
2024	4,176,900	147,508,733	692,200	170,362	36,791,200	21,702,204	6,672,300	241,780,846	23,828,100	238,847	217,952,746	1.909	245,141,980
2025	3,695,400	147,734,600	692,200	160,500	36,602,200	21,702,200	6,672,300	241,290,395	23,828,100	202,895	217,462,295	1.951	275,989,857

Source: District records Tax list summary & 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 ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

**Alpha Borough School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Alpha Borough School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt		Borough	Warren County	
		Service <sup>b</sup>	Total Direct			
2016	\$1.461	N/A	\$1.461	\$0.899	\$0.676	\$3.036
2017	\$1.497	N/A	\$1.497	\$0.897	\$0.709	\$3.103
2018	\$1.579	N/A	\$1.579	\$0.897	\$0.714	\$3.190
2019	\$1.647	N/A	\$1.647	\$0.896	\$0.663	\$3.206
2020	\$1.711	N/A	\$1.711	\$0.874	\$0.647	\$3.232
2021	\$1.650	N/A	\$1.650	\$0.871	\$0.670	\$3.191
2022	\$1.791	N/A	\$1.791	\$0.873	\$0.657	\$3.321
2023	\$1.825	N/A	\$1.825	\$0.890	\$0.667	\$3.382
2024	\$1.909	N/A	\$1.909	\$0.886	\$0.660	\$3.455
2025	\$1.951	N/A	\$1.951	\$0.973	\$0.720	\$3.644

Source: District Records and 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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5%, whichever is greater, plus any spending growth adjustments.

**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.

**Alpha Borough School District  
Principal Property Tax Payers  
Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
BWS Properties LLC	\$ 8,283,300	1	3.81%			
GJ Oliver Inc.	4,999,700	2	2.30%	\$ 3,198,500	2	2.64%
Baramax LLC	4,359,700	3	2.00%	2,710,800	3	2.24%
962 High Street LLC	3,522,200	4	1.62%	3,230,000	1	2.67%
Hunterdon Transformer Co., Inc.	3,278,300	5	1.51%			
Trapaziod Associates	2,793,700	6	1.28%			
Alpha Press Company	1,389,900	7	0.64%			
Alpha Lehigh Tool and Machine	1,337,700	8	0.62%	866,340	7	0.72%
Shop and Save Shopping Center	1,150,000	9	0.53%			
Alphawarren Properties	1,006,200	10	0.46%			
Individual Property Owner				1,706,700	4	1.41%
Sheridan printing Company				1,075,800	5	0.89%
Woodhill Alpha LLC				899,790	6	0.74%
Alma School Landfill Inc.				805,000	8	0.67%
Alpha Lumber Co.				725,000	9	0.60%
Glen Magnetics				640,000	10	0.53%
Total	<u>\$ 32,120,700</u>		<u>14.77%</u>	<u>\$ 15,857,930</u>		<u>13.11%</u>

Source: District ACFR & Municipal Tax Assessor

**Alpha Borough School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 3,104,754	\$ 3,104,754	100.00%	-
2017	\$ 3,166,849	\$ 3,166,849	100.00%	-
2018	\$ 3,261,165	\$ 3,261,165	100.00%	-
2019	\$ 3,394,958	\$ 3,394,958	100.00%	-
2020	\$ 3,542,857	\$ 3,542,857	100.00%	-
2021	\$ 3,613,714	\$ 3,613,714	100.00%	-
2022	\$ 3,885,988	\$ 3,885,988	100.00%	-
2023	\$ 3,963,708	\$ 3,963,708	100.00%	-
2024	\$ 4,159,920	\$ 4,159,920	100.00%	-
2025	\$ 4,243,118	\$ 4,243,118	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in is the amount voted upon or certified prior to the end of the school year.

**Alpha Borough School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2016								
2017								
2018								
2019								
2020	Not Applicable; The district has no bonded debt for the last ten fiscal years							
2021								
2022								
2023								
2024								
2025								

Source: District ACFR Schedules I-1, I-2

**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

**Alpha Borough School District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016					
2017					
2018					
2019	Not Applicable; The district has no bonded debt for the last ten fiscal years				
2020					
2021					
2022					
2023					
2024					
2025					

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

**a** See Exhibit NJ J-6 for property tax data.

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

\* Current data unavailable

**Alpha Borough School District**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2025**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Alpha Borough	\$ 6,218,944	100.000%	\$ 6,218,944
<b>Other debt</b>			
Warren County	10,290,000	1.895%	<u>194,982</u>
Subtotal, overlapping debt			6,413,926
<b>Alpha Borough School District Direct Debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 6,413,926</u></u>

**Sources:** Constituent Boroughs Finance Officers, Warren County Finance Office and Utility Authorities

**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 district. 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.

**Alpha Borough School District  
Legal Debt Margin Information  
Last Ten Fiscal Years**

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2025**

	Equalized valuation basis
	2022 243,227,807
	2023 275,547,268
	2024 315,254,229
	[A] \$ <u>834,029,304</u>
Average equalized valuation of taxable property	[A/3] \$ 278,009,768
Debt limit (3 % of average equalization value)	[B] 8,340,293
Net bonded school debt	[C] -
Legal debt margin	[B-C] \$ <u>8,340,293</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>	<u>2024</u>	<u>2025</u>
Debt limit	\$6,151,758	\$6,198,726	\$6,235,801	\$6,120,776	\$6,126,822	\$6,340,518	\$6,654,128	\$6,966,168	\$7,493,003	\$8,340,293
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$6,128,710</u>	<u>\$6,151,758</u>	<u>\$6,198,726</u>	<u>\$6,235,801</u>	<u>\$6,120,776</u>	<u>\$6,126,822</u>	<u>\$6,340,518</u>	<u>\$6,654,128</u>	<u>\$7,493,003</u>	<u>\$8,340,293</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records ACFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**Alpha Borough School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2016	2,306	\$119,013,102	\$50,021 R	3.8%
2017	2,289	\$118,447,108	\$51,452 R	3.8%
2018	2,278	\$118,189,838	\$53,122 R	3.5%
2019	2,274	\$121,675,963	\$55,641 R	3.5%
2020	2,263	\$121,675,963	\$58,701 R	8.1%
2021	2,263	\$136,968,075	\$62,006 R	5.2%
2022	2,337	\$141,446,925	\$63,016 R	3.4%
2023	2,344	\$147,768,104	\$66,483 R	4.2%
2024	2,348	\$147,738,508	\$66,483 *	4.3%
2025	2,357	\$156,700,431	\$66,483 *	*

**Source:**

<sup>a</sup> Combined Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal Income provided by US Dept of Commerce

<sup>c</sup> Per Capita provided by NJ Dept of Labor

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

R =Revised

P =Projected

\* Current figure unavailable

Alpha Borough School District  
 Principal Employers,  
 Current Year and Nine Years Ago

Exhibit J-15

Employer	2025			2016		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		N/A			N/A	
	-		0.00%	-		0.00%

**Source:**  
 Information not available at municipal or county level

**Alpha Borough School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**Exhibit J-16**

<u>Function/Program</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>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	17.8	20.0	20.0	20.0	20.0	21.5	21.5	20.5	19.5	19.5
Special education	4.5	4.5	4.5	4.5	4.5	5.0	5.0	5.0	6.0	6.0
Other Special Education	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5	1.0
Support Services:										
Student & instruction related services	0.5	4.0	4.0	5.0	5.0	5.5	5.5	6.0	5.5	5.5
General administrative services	2.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
School administrative services	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Central services	-									
Plant operations and maintenance	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>Total</b>	<b>29.8</b>	<b>35.0</b>	<b>35.0</b>	<b>36.0</b>	<b>36.0</b>	<b>39.5</b>	<b>39.5</b>	<b>39.0</b>	<b>38.0</b>	<b>38.5</b>

**Source:** District Personnel Records

**Alpha Borough School District  
Operating Statistics  
Last Ten Fiscal Years**

**Exhibit J-17**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>	<b>Pupil/Teacher Ratio</b>	<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2016	209	\$5,596,282	\$26,776	13.67%	23.30	1:9.0	204.0	195.9	-8.05%	96.03%
2017	193	5,648,946	29,269	9.31%	25.50	1:7.6	193.3	183.6	-5.26%	94.98%
2018	211	5,693,598	26,984	-7.81%	25.50	1:8.3	208.4	198.5	7.81%	95.25%
2019	214	5,824,652	27,218	0.87%	25.50	1:8.4	209.8	200.5	0.67%	95.57%
2020	205	6,140,509	29,954	10.05%	25.50	1:8.0	206.7	200.7	-1.48%	97.10%
2021	182	6,287,381	34,546	15.33%	27.50	1:6.6	154.5	140.7	-25.25%	91.07%
2022	195	7,380,093	37,847	9.55%	27.50	1:7.1	191.4	173.4	23.88%	90.60%
2023	201	7,805,376	38,833	2.61%	26.50	1:7.6	201.5	187.6	5.27%	93.11%
2024	213	7,511,997	35,268	-9.18%	26.00	1:8.2	215.7	199.7	7.06%	92.58%
2025	210	8,224,414	39,164	11.05%	26.00	1:8.1	213.3	198.2	-1.11%	92.92%

**Sources:** District records, ASSA and Schedules J-4.

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-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).

**Alpha Borough School District  
School Building Information  
Last Ten Fiscal Years**

**Exhibit J-18**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Alpha Public School (1917)										
Square Feet	22,547	22,547	22,547	22,547	22,547	22,547	22,547	22,547	22,547	22,547
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	209	193	211	214	205	182	195	201	213	210

Number of Schools at June 30, 2025  
Elementary & Middle = 1

**Source:** District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and/or additions. Enrollment is based on the annual October district count.

Alpha Borough School District

**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**Last Ten Fiscal Years Ending June 30, 2025**

**Exhibit J-19**

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

<u>School Facilities</u>	<u>Project #</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>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Alpha Borough School	040	\$ 66,587	\$ 63,266	\$ 60,939	\$ 55,484	\$ 75,925	\$ 34,136	\$ 51,782	\$ 58,135	\$ 124,696	\$ 78,242	\$ 669,192
<b>Grand Total</b>		<b>\$ 66,587</b>	<b>\$ 63,266</b>	<b>\$ 60,939</b>	<b>\$ 55,484</b>	<b>\$ 75,925</b>	<b>\$ 34,136</b>	<b>\$ 51,782</b>	<b>\$ 58,135</b>	<b>\$ 124,696</b>	<b>\$ 78,242</b>	<b>\$ 669,192</b>

ALPHA BOROUGH SCHOOL DISTRICT

**INSURANCE SCHEDULE**

**June 30, 2025**

**UNAUDITED**

**Exhibit J-20**

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>COMMERCIAL PACKAGE POLICY - School Alliance Insurance fund</b>		
Property-Blanket Building and Contents (fund limit)	\$ 500,000,000	\$ 1,000
<b>LIABILITY - School Alliance Insurance Fund</b>		
Comprehensive General Liability	5,000,000	None
Automobile Liability	5,000,000	None
Employee Benefit Liability	5,000,000	1,000
<b>SCHOOL BOARD LEGAL LIABILITY - School Alliance Insurance Fund</b>		
(ACE) - Limit of Liability	5,000,000	5,000
<b>PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE</b>		
<b>BLANKET POSITION BOND-Selective Insurance Company</b>		
Treasurer	200,000	
<b>ENVIRONMENTAL SERVICE - School Alliance Insurance Fund</b>		
Pollution Liability	1,000,000	25,000

SOURCE: District Records

# Single Audit Section



## **ARDITO & COMPANY LLC**

1110 Harrison Street, Suite C  
 Frenchtown, New Jersey 08825-1192  
 908-996-4711 Fax: 908-996-4688  
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

#### Independent Auditor's Report

Honorable President and  
 Members of the Board of Education  
 Alpha Borough School District  
 County of Warren  
 Alpha, New Jersey 08865

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 Alpha Borough School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Alpha Borough School District Board of Education's basic financial statements, and have issued our report thereon dated October 22, 2025.

#### **Report on Internal Control Over Financial Reporting**

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

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

-Continued-

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

### **Purpose of this Report**

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

*Ardito & Company LLC*

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 22, 2025

*Anthony Ardito*

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 22, 2025



## **ARDITO & COMPANY LLC**

1110 Harrison Street, Suite C  
 Frenchtown, New Jersey 08825-1192  
 908-996-4711 Fax: 908-996-4688  
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

### **Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08**

Honorable President and  
 Members of the Board of Education  
 Alpha Borough School District  
 County of Warren  
 Alpha, New Jersey 08865

#### **Report on Compliance for Each Major State Program**

##### ***Opinion on Each Major State Program***

We have audited the Alpha Borough School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2025. The Alpha Borough School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Alpha Borough School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

##### ***Basis for Opinion on Each Major 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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Alpha Borough School District 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Alpha Borough School District 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 the District's state programs.

-Continued-

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 the District'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***, 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 the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, ***Government Auditing Standards***, 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 the District'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 the District'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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of District'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 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 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 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.

-Continued-

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 New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

*Ardito & Company LLC*

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 22, 2025

*Anthony Ardito*

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 22, 2025

Alpha Borough School District

K-3

Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2025

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2024	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2025			Cumulative Total Expenditures	
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
<b>U.S. Department of Education Passed-Through State Dept. of Education: Special Revenue Fund:</b>																	
TITLE I	84.010	S010A240030	N/A	\$ 62,232	7/1/24	6/30/25			\$ 62,232	\$ (62,232)							\$ 62,232
TITLE II (A)	84.367	S367B240027	N/A	7,879	7/1/24	6/30/25			7,879	(7,879)							7,879
TITLE IV	84.424A	S424B240027	N/A	10,000	7/1/24	6/30/25			10,000	(10,000)							10,000
Total ESEA							-	-	80,111	(80,111)	-	-	-	-	-	-	80,111
I.D.E.A. Part B, Basic Regular	84.027	H027A240100	FT-0070-24	71,913	7/1/24	6/30/25			71,913	(71,913)							71,913
I.D.E.A. Part B, Preschool	84.173	H173A240114	FT-0070-24	1,902	7/1/24	6/30/25			1,902	(1,902)							1,902
Total Special Education Cluster							-	-	73,815	(73,815)	-	-	-	-	-	-	73,815
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	1		14,719	(14,720)							40,000
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(690)		690	-							40,000
Total Education Stabilization Fund							(689)	-	15,409	(14,720)	-	-	-	-	-	-	80,000
<b>Total Special Revenue Fund</b>							<b>(689)</b>	<b>-</b>	<b>169,335</b>	<b>(168,646)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233,926</b>
<b>U.S. Dept. of Agriculture Passed-Through State Dept. of Agriculture: Enterprise Fund:</b>																	
<b>Child Nutrition Cluster:</b>																	
National School Lunch Program (Food Distribution)	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	\$ 1,314			(1,314)							1,314
National School Lunch Program (Food Distribution)	10.555	251NJ304N1199	N/A	7,330	7/1/24	6/30/25			7,330	(5,409)			\$ 1,921				5,409
School Breakfast Program	10.553	241NJ304N1199	N/A		7/1/23	6/30/24	(41)		41								
School Breakfast Program	10.553	251NJ304N1199	N/A	2,830	7/1/24	6/30/25			2,729	(2,830)			\$ (101)				2,830
National School Lunch Program	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	(327)		327								
National School Lunch Program	10.555	251NJ304N1199	N/A	43,906	7/1/24	6/30/25			43,625	(43,906)			(281)				43,906
P-EBT Administrative Cost	10.646	251NJ304N1803	N/A	643	7/1/24	6/30/25			643	(643)			-				643
<b>Total Enterprise Fund</b>							<b>946</b>	<b>-</b>	<b>54,695</b>	<b>(54,102)</b>	<b>-</b>	<b>-</b>	<b>(382)</b>	<b>1,921</b>	<b>-</b>	<b>-</b>	<b>54,102</b>
<b>TOTAL FEDERAL ASSISTANCE</b>							<b>\$ 257</b>	<b>-</b>	<b>\$ 224,030</b>	<b>\$ (222,748)</b>	<b>-</b>	<b>-</b>	<b>\$ (382)</b>	<b>\$ 1,921</b>	<b>-</b>	<b>-</b>	<b>\$ 288,028</b>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

Alpha Borough School District

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year Ended June 30, 2025

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2024	WALKOVER/ CARRY- OVER AMOUNT	CASH RECEIVED	BUDGETARY EXPEND.	ADJUST.	REPAY. OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2025			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>STATE DEPARTMENT OF EDUCATION</b>															
<b>General Fund:</b>															
Equalization Aid	25-495-034-5122-078	7/1/24-6/30/25	\$ 1,911,330			\$ 1,911,330	\$ (1,911,330)								
Transportation Aid	25-495-034-5122-014	7/1/24-6/30/25	94,939			94,939	(94,939)								
Special Education Aid	25-495-034-5122-089	7/1/24-6/30/25	323,909			323,909	(323,909)								
Security Aid	25-495-034-5122-084	7/1/24-6/30/25	72,432			72,432	(72,432)								
Extra-ordinary Aid	25-495-034-5125-044	7/1/24-6/30/25	119,649				(119,649)			\$ (119,649)					
Extra-ordinary Aid	24-495-034-5125-044	7/1/24-6/30/24	56,524	(56,524)		56,524	-								
Non-Public Transportation Aid	25-100-034-5125-068	7/1/24-6/30/25	2,335				(2,335)			(2,335)					2,335
Non-Public Transportation Aid	24-100-034-5125-068	7/1/24-6/30/24	3,640	(3,640)		3,640	-								
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	723,947			723,947	(723,947)								723,947
On Behalf TPAF Post Retirement Medical	25-495-034-5094-001	7/1/24-6/30/25	211,538			211,538	(211,538)								211,538
On Behalf TPAF LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	253			253	(253)								253
Reimbursed TPAF Soc. Secur. Contrib.	25-495-034-5094-003	7/1/24-6/30/25	157,434	(7,055)		156,892	(157,434)			(7,597)					157,434
<b>Total General Fund</b>				<b>(67,219)</b>		<b>3,555,404</b>	<b>(3,617,766)</b>			<b>(129,581)</b>				<b>226,973</b>	<b>3,617,766</b>
<b>Enterprise Fund:</b>															
Nat. School Lunch Prog. (State Share)	24-100-010-3350-023	7/1/24-6/30/24		(11)		11									
Nat. School Lunch Prog. (State Share)	25-100-010-3350-023	7/1/24-6/30/25	1,502			1,492	(1,502)			(10)					1,502
<b>Total Enterprise Fund</b>				<b>(11)</b>		<b>1,503</b>	<b>(1,502)</b>			<b>(10)</b>					<b>1,502</b>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<b>\$ (67,230)</b>		<b>- \$ 3,556,907</b>	<b>\$ (3,619,268)</b>			<b>- \$ (129,591)</b>				<b>\$ 226,973</b>	<b>\$ 3,619,268</b>
<b>Less On-behalf TPAF Pension Amounts:</b>															
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	723,947				723,947								
On Behalf TPAF Post Retirement Medical	25-495-034-5094-001	7/1/24-6/30/25	211,538				211,538								
On Behalf TPAF LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	253				253								
<b>Total State Expenditures Subject to Major Program Determination</b>							<b>\$ (2,683,530)</b>								

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2025

**NOTE 1. GENERAL**

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Alpha Borough School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance 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 bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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 last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$14,828) for the general fund and -0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2025

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 3,602,938	\$ 3,602,938
Special Revenue Fund	\$ 168,646	-	168,646
Food Service Fund	<u>54,102</u>	<u>1,502</u>	<u>55,604</u>
Total Financial Assistance	<u>\$ 222,748</u>	<u>\$ 3,604,440</u>	<u>\$ 3,827,188</u>

**NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2025. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2025.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_Yes xNo

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_Yes xNone Reported

Noncompliance material to financial statements noted? \_\_\_Yes xNo

**Federal Awards**

**Not Applicable**

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_Yes \_\_\_No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_Yes \_\_\_None

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 200 section .516(a) of ? \_\_\_Yes \_\_\_No

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

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

Auditee qualified as low-risk auditee? \_\_\_yes \_\_\_no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**State Financial Assistance Section**

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

Auditee qualified as low-risk auditee? x yes    no

Internal Control over major programs:

1) Material weakness(es) identified?    yes x no

2) Were significant deficiencies identified that were not considered to be material weaknesses?    yes x none

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable?    yes x no

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

25-495-034-5122-078  
25-495-034-5122-089  
25-495-034-5122-084

Equalization Aid (State Aid Cluster)  
Special Education Aid (State Aid Cluster)  
Security Aid (State Aid Cluster)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**Section II-Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

**Financial Statement**      N/A

**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

**Federal Awards**              N/A

**State Awards**                N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**STATUS OF PRIOR YEAR FINDINGS**

N/A

In accordance with *government auditing standards*, our procedures included a review of all prior year recommendations. There were no prior year findings.