

SCHOOL DISTRICT
OF
ALLAMUCHY TOWNSHIP

Allamuchy Township School District
Board of Education
Allamuchy Township, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

Annual Comprehensive Financial Report

of the

Allamuchy Township School District
Board of Education

Allamuchy Township, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

Allamuchy Township School District
Board of Education

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)



January 31, 2025

The Honorable President and Members of
the Board of Education
Allamuchy Township School District
County of Warren, New Jersey

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Allamuchy Township School District (the “District”) for the fiscal year ended June 30, 2024 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 Allamuchy Board of Education (the “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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes The Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Allamuchy Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) in codification section 2100. All funds of the District are included in this report. The Allamuchy Township School District's elementary schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education, for handicapped youngsters. The District completed the 2023-2024 fiscal year with an average daily enrollment of 457 students, which is 36 students more than the prior year's enrollment.

2. ECONOMIC CONDITION AND OUTLOOK: The Allamuchy area has developed at a faster rate than was experienced in the last decade due to a housing development that is located within the Township. This has resulted in an increase in the tax base. Construction is coming to an end, however, enrollment is expected to increase at a slower pace and the Allamuchy area will continue to prosper.
3. MAJOR INITIATIVES: Student Achievement and Growth remains as the major focus of activities within the District. Professional staff continue to work hard to review and revise curriculum to align to the New Jersey Student Learning Standards. State assessment results and data analysis in grades 3-8 are utilized to strengthen both program offerings and teaching strategies. Computerized assessment programs continue to be incorporated and staff have received professional development. Extended block scheduling allows for 400 minutes/week of math and 400 minutes/week of language arts in all grades. School wide enrichment activities are geared to reach all students and are supplemented by an active after school program through both the school and educational enhancement facility and community center, Rutherford Hall. Of particular note is our commitment to activities outside the traditional classroom, emphasizing authentic and inquiry-based learning with two outdoor classrooms in the district. Staff and students have access to one of the most beautiful natural resource areas in the state. During the year, the administration and staff make a major effort in the area of environmental education by utilizing the unique and rich environment. Initiatives include fishing, kayaking, hiking and team building. Transportation is provided to all students and for all activities, including Extended School Year programs and extracurricular clubs and sports. Professional staff development is stressed and Allamuchy has a relationship with Centenary University as a Professional Development School. Students utilize technology through Chromebooks, iPads and other state of the art technologies. Recent improvements have assured that all district classrooms are equipped with SmartBoards, and students in grades 3-8 have access to a 1-to-1 Chromebook.
4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws, regulations, contracts, and grants.

5. 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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2024.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution 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.
8. RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

The Honorable President and Members of
the Board of Education
Allamuchy Township School District
Page 4
January 31, 2025

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Allamuchy Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



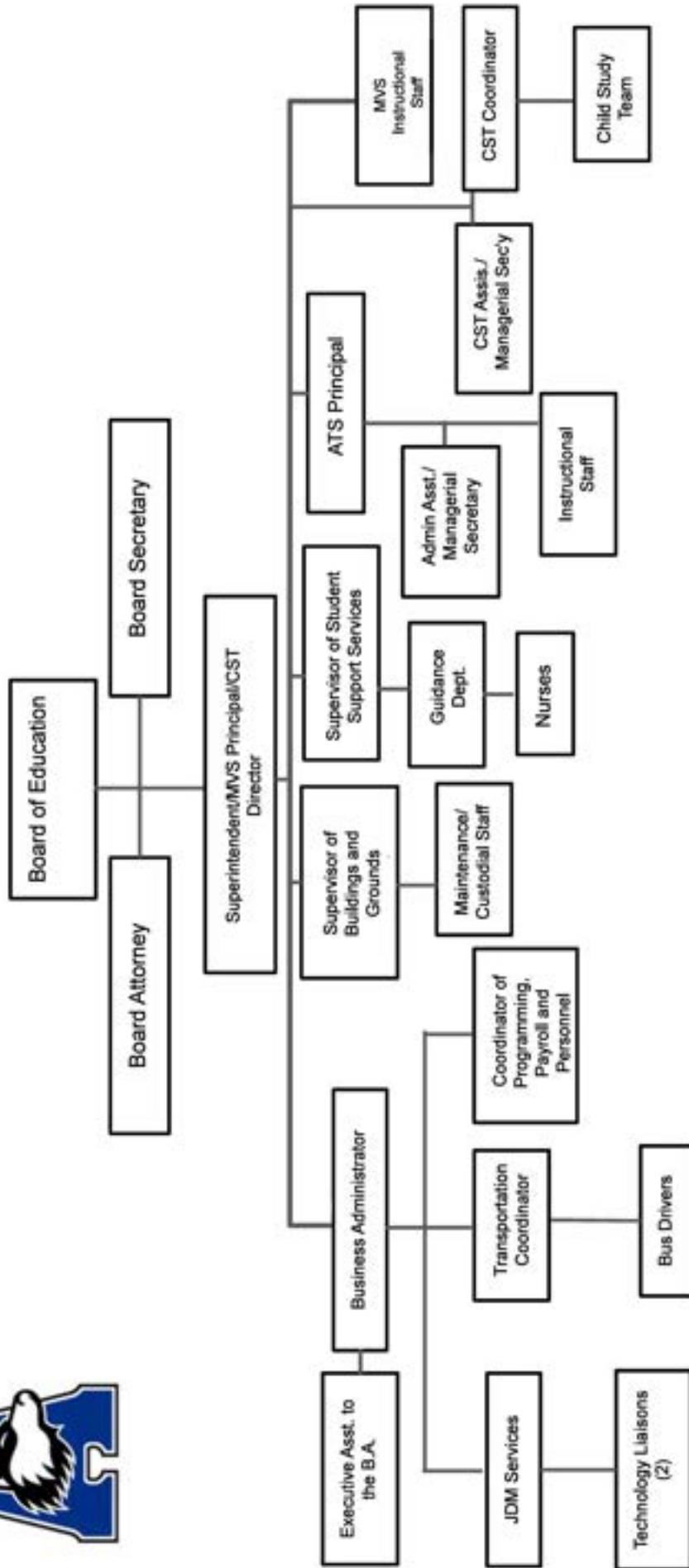
Louis F. Caruso, Ed. D
Superintendent



Kerry Keane
Interim Business Administrator/Board Secretary



Allamuchy Board of Education Organizational Chart 2023-2024



ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Stephanie Bolen, President	2026
Stacy Bockbrader, Vice President	2025
Abigail Christmann	2024
Kelly Lestrangle	2025
Jennifer Mandery	2026
Lauren Mela	2026
Mary Renaud	2025
Lisa Strutin	2024

<u>Other Officials</u>	<u>Title</u>
Dr. Melissa Sabol	Superintendent of Schools (To August 2024)
Louis F. Caruso, Ed.D.	Business Administrator/Board Secretary (From June, 2023 to July 2024) Superintendent of Schools (From August 2024)
Kerry Keane	Business Administrator (From September, 2024)
Theresa Linskey	Treasurer of School Monies (From January, 2024)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
YEAR ENDED JUNE 30, 2024

Audit Firm

Nisivoccia LLP
200 Valley Road Suite 300
Mount Arlington, New Jersey 07856
and
11 Lawrence Road
Newton, NJ 07860
and
1140 Route 22 East, Suite 203
Bridgewater, NJ 08807

Attorney

Busch Law Group
450 Main Street
Metuchen, NJ 08840

Special Projects Attorney

Coughlin Duffy LLP
350 Mount Kemble Ave.
PO Box 1917
Morristown, NJ 07962

Special Education Attorney

Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue
PO Box 790
Lyndhurst, NJ 07071

Official Depository

Investors Bank
388 State Rt. 517 West
Washington, NJ 07882

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Allamuchy Township School District
County of Warren, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Allamuchy Township School District (the "District"), in the County of Warren, as of and for the fiscal year ended June 30, 2024, 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 District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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 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, 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, which follows this report, the pension and postemployment benefit schedules in exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

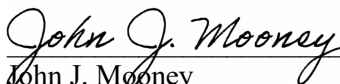
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

January 31, 2025
Mount Arlington, New Jersey


NISIVOCCIA LLP


John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Allamuchy Township School District Management Discussion and Analysis

This section of Allamuchy Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

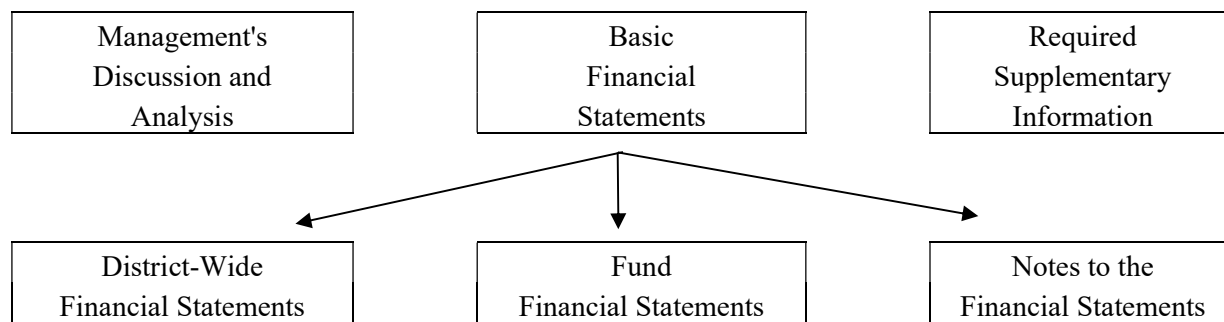
Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and Rutherford Hall.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of Allamuchy Township School District's Financial Report



Allamuchy Township School District Management Discussion and Analysis

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services, Rutherford Hall
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

Allamuchy Township School District Management Discussion and Analysis

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and Rutherford Hall are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

Allamuchy Township School District Management Discussion and Analysis

Notes to the Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was (\$1,458,365) on June 30, 2024, which was \$165,415 or 10.19% more than the prior year (See Figure A-3).

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	
Current and Other Assets	\$ 3,142,763	\$ 1,369,182	\$ 139,813	\$ 141,716	\$ 3,282,576	\$ 1,510,898	
Capital Assets, Net	6,735,451	7,274,273	10,531	16,020	6,745,982	7,290,293	
Total Assets	9,878,214	8,643,455	150,344	157,736	10,028,558	8,801,191	13.95%
Deferred Outflow of Resources	420,365	302,298			420,365	302,298	39.06%
Other Liabilities	3,145,644	1,215,634	202,111	227,276	3,347,755	1,442,910	
Long-Term Liabilities	8,330,855	8,827,028			8,330,855	8,827,028	
Total Liabilities	11,476,499	10,042,662	202,111	227,276	11,678,610	10,269,938	13.72%
Deferred Inflows of Resources	228,678	457,331			228,678	457,331	-50.00%
Net Position:							
Net Investment in Capital Assets	613,523	448,747	10,531	16,020	624,054	464,767	
Restricted	328,500	331,126			328,500	331,126	
Unrestricted/(Deficit)	(2,348,621)	(2,334,113)	(62,298)	(85,560)	(2,410,919)	(2,419,673)	
Total Net Position/ (Deficit)	\$ (1,406,598)	\$ (1,554,240)	\$ (51,767)	\$ (69,540)	\$ (1,458,365)	\$ (1,623,780)	10.19%

Changes in Net Position. Net position in the Governmental Activities increased primarily due to the maturity of long term liabilities, changes in deferred inflows and deferred outflows related to pensions and net pension liability, and excess revenues in the General Fund. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

Allamuchy Township School District Management Discussion and Analysis

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 597,020	\$ 354,254	\$ 292,081	\$ 342,589	\$ 889,101	\$ 696,843	
Operating Grants & Contribution	2,579,117	2,572,489	61,111	94,036	2,640,228	2,666,525	
General Revenue:							
Property Taxes	10,612,400	10,422,714			10,612,400	10,422,714	
Unrestricted Federal and State Aid	62,750	63,159			62,750	63,159	
Other	99,176	54,693	698	584	99,874	55,277	
Total Revenue	13,950,463	13,467,309	353,890	437,209	14,304,353	13,904,518	2.88%
Expenses:							
Instruction	5,985,640	5,691,493			5,985,640	5,691,493	
Pupil and Instruction Services	4,131,542	3,913,771			4,131,542	3,913,771	
Administrative and Business	1,148,279	1,056,129			1,148,279	1,056,129	
Maintenance and Operations	1,103,909	1,123,418			1,103,909	1,123,418	
Transportation	1,186,093	1,076,085			1,186,093	1,076,085	
Other	247,358	305,990	336,117	382,869	583,475	688,859	
Total Expenses	13,802,821	13,166,886	336,117	382,869	14,138,938	13,549,755	4.35%
Increase/(Decrease) in Net Position	\$ 147,642	\$ 300,423	\$ 17,773	\$ 54,340	\$ 165,415	\$ 354,763	-53.37%

Governmental Activities

The financial position of the District's governmental activities increased \$147,642 primarily due to the maturity of long term liabilities, changes in deferred inflows and deferred outflows related to pensions and net pension liability, and excess revenues in the General Fund.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instruction services, administrative and business, maintenance and operations, transportation and other expenses and shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs – the financial obligation or burden placed on the District's taxpayers by each of these functions).

**Allamuchy Township School District
Management Discussion and Analysis**

**Figure A-5
Net Cost of Governmental Activities**

	Total Costs of Services		Net Cost of Services	
	2023/24	2022/23	2023/24	2022/23
Instruction	\$ 5,985,640	\$ 5,691,493	\$ 3,938,458	\$ 3,679,572
Pupil and Instruction Services	4,131,542	3,913,771	3,982,848	3,725,277
Administrative and Business	1,148,279	1,056,129	1,049,570	936,953
Maintenance and Operations	1,103,909	1,123,418	1,045,453	1,048,150
Transportation	1,186,093	1,076,085	362,997	544,201
Other	247,358	305,990	247,358	305,990
	<u>\$ 13,802,821</u>	<u>\$ 13,166,886</u>	<u>\$ 10,626,684</u>	<u>\$ 10,240,143</u>

Business-Type Activities

Net position from the District's business-type activities increased by \$17,774 primarily due to a decrease in expenses. (Refer to Figure A-4).

Financial Analysis of the District's Funds

To maintain a stable financial position, the District must continue to practice sound fiscal management, including but not limited to cost containment practices, seeking out all available efficiencies and a continual evaluation of all offered services and programs.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- Changes in budgetary line accounts to more accurately reflect current requirements.

**Allamuchy Township School District
Management Discussion and Analysis**

Capital Asset Administration

Figure A-6

Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Percentage</u>
	<u>2023/24</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2022/23</u>	<u>Change</u>
Sites	\$ 2,311,034	\$ 2,311,034			\$ 2,311,034	\$ 2,311,034	
Site Improvements	193,004	201,870			193,004	201,870	
Buildings & Building Improvements	4,231,413	4,661,369			4,231,413	4,661,369	
Machinery and Equipment		100,000	\$ 10,531	\$ 16,020	10,531	116,020	
Total	<u>\$ 6,735,451</u>	<u>\$ 7,274,273</u>	<u>\$ 10,531</u>	<u>\$ 16,020</u>	<u>\$ 6,745,982</u>	<u>\$ 7,290,293</u>	-7.47%

- The change in Capital Assets is a result of depreciation expense of \$544,311.

Long-Term Liabilities

At year-end, the District had \$5,785,000 in general obligation bonds outstanding as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the basic financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	<u>Total School District</u>		<u>Percentage</u>
	<u>2023/24</u>	<u>2022/23</u>	<u>Change</u>
General Obligation Bonds (Financed with Property Taxes)	\$ 5,785,000	\$ 6,300,000	
Obligations Under Financed Purchases	336,928	525,526	
Net Pension Liability	1,870,532	1,735,275	
Compensated Absences Payable	<u>338,395</u>	<u>266,227</u>	
Total	<u>\$ 8,330,855</u>	<u>\$ 8,827,028</u>	-5.62%

- The District continued to pay down its debt, retiring \$515,000 of outstanding bonds.
- Obligations Under Financed Purchases decreased \$188,598.
- Compensated Absences Payable increased \$72,168.
- Net Pension Liability increased by \$135,257.

Allamuchy Township School District Management Discussion and Analysis

Factors Bearing on the District's Future

The District closed the 2023-24 fiscal year with an Unassigned General Fund fund balance deficit of (\$75,637) on the budgetary basis of accounting. The State imposed tax levy cap limit of 2% leaves the District with little protection in the event of costly emergencies.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office at P.O. Box B, Allamuchy, New Jersey 07820.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,505,477	\$ 65,342	\$ 2,570,819
Receivables from State Government	110,377	123	110,500
Receivables from Federal Government	262,391	1,800	264,191
Receivables from Other Governments	5,142		5,142
Internal Balances	(69,124)	69,124	
Inventory		3,424	3,424
Restricted Cash and Cash Equivalents	328,500		328,500
Capital Assets:			
Sites (Land)	2,311,034		2,311,034
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	4,424,417	10,531	4,434,948
Total Assets	<u>9,878,214</u>	<u>150,344</u>	<u>10,028,558</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pensions	420,365		420,365
Total Deferred Outflows of Resources	<u>420,365</u>		<u>420,365</u>
LIABILITIES:			
Accounts Payable	3,028,822	121,758	3,150,580
Payable to Federal Government	5,304		5,304
Unearned Revenue	44,026	80,353	124,379
Accrued Interest Payable	67,492		67,492
Noncurrent Liabilities:			
Due Within One Year	676,416		676,416
Due Beyond One Year	7,654,439		7,654,439
Total Liabilities	<u>11,476,499</u>	<u>202,111</u>	<u>11,678,610</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	228,678		228,678
Total Deferred Inflows of Resources	<u>228,678</u>		<u>228,678</u>
NET POSITION:			
Net Investment in Capital Assets	613,523	10,531	624,054
Restricted for:			
Capital Projects	203,532		203,532
Maintenance Reserve	71,813		71,813
Unemployment Compensation	14,303		14,303
Student Activities	38,852		38,852
Unrestricted/(Deficit)	(2,348,621)	(62,298)	(2,410,919)
Total Net Position/(Deficit)	<u>\$ (1,406,598)</u>	<u>\$ (51,767)</u>	<u>\$ (1,458,365)</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,371,130	\$ 224,016	\$ 873,043		\$ (3,274,071)	\$	\$ (3,274,071)
Special Education	1,341,304		902,324		(438,980)		(438,980)
Other Special Instruction	2,795		316		(2,479)		(2,479)
Other Instruction	270,411		47,483		(222,928)		(222,928)
Support Services:							
Tuition	2,945,281				(2,945,281)		(2,945,281)
Student & Instruction Related Services	1,186,261		98,459		(1,037,567)		(1,037,567)
General Administrative Services	547,489	50,235	28,300		(519,189)		(519,189)
School Administrative Services	264,980		70,409		(194,571)		(194,571)
Central Services	335,810				(335,810)		(335,810)
Plant Operations and Maintenance	1,103,909		58,456		(1,045,453)		(1,045,453)
Pupil Transportation	1,186,093	322,769	500,327		(362,997)		(362,997)
Capital Outlay	1,366				(1,366)		(1,366)
Interest on Long-Term Debt	245,992				(245,992)		(245,992)
Total Governmental Activities	13,802,821	597,020	2,579,117	\$ -0-	(10,626,684)		(10,626,684)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 191,328	\$ 131,099	\$ 61,111			\$ 882	\$ 882
Rutherford Hall	144,789	160,982				16,193	16,193
Total Business-Type Activities	336,117	292,081	61,111			17,075	17,075
Total Primary Government	\$ 14,138,938	\$ 889,101	\$ 2,640,228	\$ -0-	\$ (10,626,684)	17,075	(10,609,609)
General Revenue:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					9,908,150		9,908,150
Taxes Levied for Debt Service					704,250		704,250
Federal and State Aid not Restricted					62,750		62,750
Miscellaneous Income					99,176	698	99,874
Total General Revenue					10,774,326	698	10,775,024
Change in Net Position					147,642	17,773	165,415
Net Position/(Deficit) - Beginning					(1,554,240)	(69,540)	(1,623,780)
					\$ (1,406,598)	\$ (51,767)	\$ (1,458,365)

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 2,505,477		\$ 2,505,477
Receivables From State Government	110,377		110,377
Receivables From Federal Governments		\$ 262,391	262,391
Other Receivables	5,142		5,142
Interfund Receivable	246,266		246,266
Restricted Cash and Cash Equivalents	289,648	38,852	328,500
Total Assets	<u>\$ 3,156,910</u>	<u>\$ 301,243</u>	<u>\$ 3,458,153</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 2,840,570		\$ 2,840,570
Interfunds Payable	69,124	\$ 246,266	315,390
Payable to Federal Government		5,304	5,304
Unearned Revenue	33,205	10,821	44,026
Total Liabilities	<u>2,942,899</u>	<u>262,391</u>	<u>3,205,290</u>
Fund Balances:			
Restricted:			
Capital Reserve Account	203,532		203,532
Maintenance Reserve Account	71,813		71,813
Unemployment Compensation	14,303		14,303
Student Activities		38,852	38,852
Unassigned/(Deficit)	<u>(75,637)</u>		<u>(75,637)</u>
Total Fund Balances	<u>214,011</u>	<u>38,852</u>	<u>252,863</u>
Total Liabilities and Fund Balances	<u>\$ 3,156,910</u>	<u>\$ 301,243</u>	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	\$ 6,735,451
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(67,492)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	232,113
Deferred Inflows	(228,678)
Long-term liabilities, including bonds payable, net pension liability and other long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(8,330,855)</u>
Net Position of Governmental Activities	<u>\$ (1,406,598)</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 9,908,150		\$ 704,250	\$ 10,612,400
Tuition	224,016			224,016
Transportation From Other LEA's	322,769			322,769
Rents and Royalties	4,415			4,415
Restricted Miscellaneous Revenues	142	\$ 52,335		52,477
Unrestricted Miscellaneous Revenues	94,619			94,619
Total - Local Sources	10,554,111	52,335	704,250	11,310,696
State Sources	2,861,126	10,110	62,750	2,933,986
Federal Sources		217,284		217,284
Total Revenues	13,415,237	279,729	767,000	14,461,966
EXPENDITURES:				
Current:				
Regular Instruction	2,562,923	120,436		2,683,359
Special Education Instruction	903,170	109,058		1,012,228
Other Special Instruction	1,000			1,000
Other Instruction	151,656			151,656
Support Services and Undistributed Costs:				
Tuition	2,945,281			2,945,281
Student & Instruction Related Services	830,071	53,003		883,074
General Administrative Services	411,250			411,250
School Administrative Services	158,861			158,861
Central Services	225,240			225,240
Plant Operations and Maintenance	879,604			879,604
Pupil Transportation	968,507			968,507
Unallocated/Allocated Benefits	3,492,726			3,492,726
Capital Outlay	1,366			1,366

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Debt Service:				
Principal			\$ 515,000	\$ 515,000
Interest and Other Charges			252,000	252,000
Total Expenditures	\$ 13,531,655	\$ 282,497	767,000	14,581,152
Excess/(Deficiency) of Revenue over/(under) Expenditures	(116,418)	(2,768)		(119,186)
Net Change in Fund Balances	(116,418)	(2,768)		(119,186)
Fund Balance - July 1	330,429	41,620		372,049
Fund Balance - June 30	\$ 214,011	\$ 38,852	\$ - 0 -	\$ 252,863

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF
THIS STATEMENT

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ (119,186)
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 depreciation differs from the capital asset additions for the current year.	Depreciation Expense
	(538,822)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).	6,008
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(72,168)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	(135,257)
Change in Deferred Outflows	74,816
Change in Deferred Inflows	228,653
Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	188,598
Repayment of serial bonds and financed purchases payable is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	515,000
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 147,642</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund Rutherford Hall	Total Enterprise
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 65,342		\$ 65,342
Interfund Receivable	69,124		69,124
Intergovernmental Accounts Receivable:			
State	123		123
Federal	1,800		1,800
Inventories	3,424		3,424
Total Current Assets	139,813		139,813
Non-Current Assets:			
Capital Assets	82,920		82,920
Less: Accumulated Depreciation	(72,389)		(72,389)
Total Non-Current Assets	10,531		10,531
Total Assets	150,344		150,344
LIABILITIES:			
Current Liabilities:			
Accounts Payable	8,703	\$ 113,055	121,758
Unearned Revenue - Summer Events		74,890	74,890
Unearned Revenue - Donations		3,725	3,725
Unearned Revenue - Donated Commodities	811		811
Unearned Revenue - Prepaid Sales	927		927
Total Current Liabilities	10,441	191,670	202,111
Total Liabilities	10,441	191,670	202,111
NET POSITION:			
Investment in Capital Assets	10,531		10,531
Unrestricted/(Deficit)	129,372	(191,670)	(62,298)
Total Net Position/(Deficit)	\$ 139,903	\$ (191,670)	\$ (51,767)

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund	Total Enterprise
		Rutherford Hall	
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 93,643		\$ 93,643
Non-Reimbursable Programs	35,697		35,697
Program Fees		\$ 160,434	160,434
Miscellaneous Revenue	1,759		1,759
Total Operating Revenue	131,099	160,434	291,533
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	52,367		52,367
Non-Reimbursable Programs	20,946		20,946
Salaries	67,791	105,707	173,498
Purchased Professional Technical Services		7,790	7,790
Supplies and Materials	15,447	30,508	45,955
Miscellaneous Expenses	20,194	784	20,978
Management Fee	9,094		9,094
Depreciation Expense	5,489		5,489
Total Operating Expenses	191,328	144,789	336,117
Operating Income/(Loss)	(60,229)	15,645	(44,584)
Non-Operating Revenue:			
Local Sources:			
Interest Income	698	548	1,246
State Sources:			
State School Lunch Program	2,225		2,225
Federal Sources:			
National School Lunch Program	35,460		35,460
COVID-19 P-EBT Administrative Cost Reimbursement	653		653
Supply Chain Assistance Funding	14,523		14,523
Food Distribution Program	8,250		8,250
Total Non-Operating Revenue	61,809	548	62,357
Change in Net Position	1,580	16,193	17,773
Net Position/(Deficit) - Beginning of Year	138,323	(207,863)	(69,540)
Net Position/(Deficit)- End of Year	\$ 139,903	\$ (191,670)	\$ (51,767)

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN
 INTEGRAL PART OF THIS STATEMENT

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund Rutherford Hall	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 129,248	\$ 160,434	\$ 289,682
Payments to Food Service Company	(155,410)		(155,410)
Payments to/for Employees		(105,707)	(105,707)
Payments to Suppliers	(20,212)	(55,275)	(75,487)
Net Cash (Used for) Operating Activities	(46,374)	(548)	(46,922)
Cash flows from Financing Activities:			
Interest Income	698	548	1,246
Net Cash Provided by Financing Activities	698	548	1,246
Cash Flows from Noncapital Financing Activities:			
State Sources	2,191		2,191
Federal Sources	50,548		50,548
Net Cash Provided by Noncapital Financing Activities	52,739		52,739
Net Increase in Cash and Cash Equivalents	7,063		7,063
Cash and Cash Equivalents, July 1	58,278		58,278
Cash and Cash Equivalents, June 30	<u>\$ 65,341</u>	<u>\$ -0-</u>	<u>\$ 65,341</u>
Adjustment to Reconcile Operating Income/(Loss)			
Net Cash (Used for) Operating Activities:			
Operating Income/(Loss)	\$ (60,229)	\$ 15,645	\$ (44,584)
Depreciation	5,489		5,489
Food Distribution Program	8,250		8,250
Changes in Assets and Liabilities:			
(Increase)/Decrease in Other Accounts Receivable		9,590	9,590
Increase/(Decrease) in Accounts Payable	2,450	(39,632)	(37,182)
Increase/(Decrease) in Unearned Revenue - Summer Events		13,849	13,849
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(1,851)		(1,851)
(Increase)/Decrease in Inventory	(483)		(483)
Net Cash (Used for) Operating Activities	<u>\$ (46,374)</u>	<u>\$ (548)</u>	<u>\$ (46,922)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$8,268 and utilized U.S.D.A. Commodities valued at \$8,250.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the 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. Separate statements for each fund category – *governmental and proprietary* - 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 governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

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 and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following governmental funds:

Enterprise (Food Service and Rutherford Hall) Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria and Rutherford Hall operations. The food service fund and Rutherford Hall funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students or public on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. 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. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting: (Cont'd)

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program.

D. Budgets/Budgetary Control:

It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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 made by School Board resolution. All budgeting 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 budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 13,432,079	\$ 297,780
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.		
Current Year Encumbrances		(19,000)
Prior Year Encumbrances		949
Prior Year State Aid Payments Recognized for GAAP Statements not Recognized for Budgetary Purposes	89,325	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(106,167)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 13,415,237</u>	<u>\$ 279,729</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 13,531,655	\$ 300,548
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(18,051)</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 13,531,655</u>	<u>\$ 282,497</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

Transfers between governmental activities on the District-wide statements are reported in the same manner as general revenues. 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position.

G. Allowance for Uncollectible Accounts:

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances:

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 restricted, committed, and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

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

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company.

Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 Years
Site Improvements	20 Years
Machinery and Equipment	10 to 15 Years
Vehicles	8 Years

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

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

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the District-wide statement of net position, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond discounts, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2024.

P. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

T. Fund Balance Appropriated:

General Fund: Of the \$214,011 General Fund fund balance at June 30, 2024, \$203,532 is restricted in the capital reserve account; \$71,813 is restricted in the maintenance reserve account; \$14,303 is restricted for unemployment compensation; and (\$75,637) is unassigned which is \$106,167 less than the budgetary basis due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2024 is \$38,852 and is restricted for student activities.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General 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 year's budget. The District had no excess surplus at June 30, 2024.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$106,167 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Deficit Net Position/Fund Balance:

The District has a \$2,348,621 deficit in its governmental activities unrestricted net position as well as a \$1,406,598 total deficit net position in its governmental activities at June 30, 2024. This is primarily a result of the net pension liability and deferred inflows related to pensions. These deficits do not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles. The District has a \$75,637 deficit fund balance in the general fund due to the final two state aid payments not recognized on a GAAP basis. The District will review their budget and monitor their spending on a regular basis to eliminate a deficit fund balance.

The District has a \$62,298 deficit in Business type Activities unrestricted net position as well as a \$51,767 total deficit net position at June 30, 2024 primarily as a result of the deficit in unrestricted net position in the Rutherford Hall enterprise fund of \$191,670. The Board has a plan in place to address the Rutherford Hall fund deficit net position in the upcoming years.

V. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's, highest level of decision making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, student activities and for unemployment compensation insurance.

The Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has no assigned resources at June 30, 2024.

X. Revenue - 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, 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 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, interest and tuition.

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales for food service and program fees in Rutherford Hall. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Z. Management Estimates:

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

AA. Pensions:

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 State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB required disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following pages.

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk but ensures that funds are only deposited in financial institutions permitted by NJ statute.

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.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

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.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	<u>\$ 2,570,819</u>	<u>\$ 328,500</u>	<u>\$ 2,899,319</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$2,899,319 and the bank balance was \$3,058,951. The District did not hold any investments during the fiscal year ended June 30, 2024.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established 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 State Department of Education, 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 amount or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023	<u>\$ 203,532</u>
Balance at June 30, 2024	<u><u>\$ 203,532</u></u>

The June 30, 2024 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2024.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2024, the District had no transfers to capital outlay accounts.

NOTE 6. CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 315,229
Special Education	25,602
Other Instruction	1,149
Student and Instruction Related Services	6,827
General Administrative Services	15,656
School Administrative Services	15,656
Plant Operations and Maintenance	27,964
Pupil Transportation	<u>130,739</u>
Total Depreciation Expense	<u><u>\$ 538,822</u></u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 2,311,034			\$ 2,311,034
Total Capital Assets not Being Depreciated	2,311,034			2,311,034
Capital Assets Being Depreciated				
Site Improvements	346,591			346,591
Buildings and Building Improvements	11,204,585			11,204,585
Machinery and Equipment	1,336,684			1,336,684
Total Capital Assets Being Depreciated	12,887,860			12,887,860
Governmental Activities Capital Assets	15,198,894			15,198,894
Less Accumulated Depreciation for:				
Site Improvements	(144,721)	\$ (8,866)		(153,587)
Buildings and Building Improvements	(6,543,216)	(429,956)		(6,973,172)
Machinery and Equipment	(1,236,684)	(100,000)		(1,336,684)
Total Accumulated Depreciation	(7,924,621)	(538,822)		(8,463,443)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,274,273</u>	<u>\$ (538,822)</u>	<u>\$ -0-</u>	<u>\$ 6,735,451</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 82,920			\$ 82,920
Less Accumulated Depreciation	(66,900)	\$ (5,489)		(72,389)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 16,020</u>	<u>\$ (5,489)</u>	<u>-0-</u>	<u>\$ 10,531</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Issued/ Accrued	Retired	Balance 6/30/2024
Serial Bonds Payable	\$ 6,300,000		\$ 515,000	\$ 5,785,000
Net Pension Liability	1,735,275	\$ 135,257		1,870,532
Financed Purchases Payable	525,526		188,598	336,928
Compensated Absences Payable	266,227	72,168		338,395
	<u>\$ 8,827,028</u>	<u>\$ 207,425</u>	<u>\$ 703,598</u>	<u>\$ 8,330,855</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The Debt Service Fund will be used to liquidate the serial bonds.

Principal and interest due on serial bonds outstanding are as follows:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2025	\$ 540,000	\$ 231,400	\$ 771,400
2026	565,000	209,800	774,800
2027	585,000	187,200	772,200
2028	615,000	163,800	778,800
2029	640,000	139,200	779,200
2030-2033	<u>2,840,000</u>	<u>290,000</u>	<u>3,130,000</u>
	<u>\$ 5,785,000</u>	<u>\$ 1,221,400</u>	<u>\$ 7,006,400</u>

The District had serial bonds outstanding as of June 30, 2024 as follows:

Purpose	Issue Dates	Interest Rates	Final Date of Maturity	Balance June 30, 2024
2016 Refunding Bonds	2/11/2016	4.00%	3/15/2033	<u>\$ 5,785,000</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board has no bonds authorized but not issued.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

C. Financed Purchases Payable:

The District has financed purchases agreements for buses, smartboards, and various capital equipment under financed purchases. All finance purchase agreements are for terms of four to five years. The District has entered into the financed purchase agreements totaling \$1,202,283 of which \$865,355 has been liquidated. The following is a schedule of the future minimum financed purchases payments under these agreements, and the present value of the net minimum financed purchases payments at June 30, 2024. The general fund will be used to liquidate the financed purchases.

<u>Year</u>	<u>Amount</u>
2025	\$ 169,332
2026	156,094
2027	24,168
Total Minimum Financed Purchases Payments	349,594
Less: Amount representing interest	(12,666)
Present value of net minimum financed purchases payments	<u>\$ 336,928</u>

The current portion of Financed Purchases payable at June 30, 2024 is \$161,417, the long term portion payable is \$175,511. Financed purchases will be liquidated through the General Fund.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. There is no current portion of the compensated absences balance of the governmental funds in the current year. The long-term portion of compensated absences is \$338,395. The General Fund will be used to liquidate compensated absences payable.

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, 2024, no liability existed for compensated absences in the Food Service or Rutherford Hall Funds.

E. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long term portion is \$1,870,532. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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

District contributions to PERS amounted to \$226,253 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$5,833 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2024, the District reported a liability of \$1,870,532 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0129%, which was an increase of 0.00147% from its proportion measured as of June 30, 2022.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

For the fiscal year ended June 30, 2024, the District recognized an actual pension expense of \$226,253 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$5,833 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ (10,161)
	2020	5.16		(92,452)
	2021	5.13	\$ 4,109	
	2022	5.04		(10,749)
			<u>4,109</u>	<u>(113,362)</u>
Difference between Expected and Actual Experience	2019	5.21	777	
	2020	5.16	5,151	
	2021	5.13		(3,268)
	2022	5.04		(4,378)
	2023	5.08	11,957	
			<u>17,885</u>	<u>(7,646)</u>
Changes in Proportion	2019	5.21	5,227	
	2020	5.16		(71,898)
	2021	5.13		(35,772)
	2022	5.04	6,780	
	2023	5.08	189,498	
			<u>201,505</u>	<u>(107,670)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	28,968	
	2021	5.00	(240,909)	
	2022	5.00	286,623	
	2023	5.00	(66,068)	
			<u>8,614</u>	
District Contribution Subsequent to the Measurement Date	2023	1.00	188,252	
			<u>\$ 420,365</u>	<u>\$ (228,678)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense as follows:

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions
(Cont'd)

Fiscal Year Ending June 30,	Total
2024	\$ (123,625)
2025	(33,163)
2026	123,545
2027	32,758
2028	3,920
	<u>\$ 3,435</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 upon 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 in determining the total pension liability.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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 collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, 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:

	June 30, 2023		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,435,035	\$ 1,870,532	\$ 1,390,066

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are 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 local participating employers do 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 local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$1,151,843 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$1,109,427.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$13,588,212. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0266%, which was an increase of 0.0017% from its proportion measured as of June 30, 2022.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>13,588,212</u>
Total	<u><u>\$ 13,588,212</u></u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$1,109,427 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u><u>\$ 2,413,548,676</u></u>	<u><u>\$ 14,741,373,312</u></u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 4.25% based on years of service
Investment Rate of Return	7.00%

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 a 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.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returned, 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, 2023 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2023 calculated using the discount rate as disclosed 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:

	June 30, 2023		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 16,022,968	\$ 13,588,212	\$ 11,537,569

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$2,948 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$5,123 for the fiscal year ended June 30, 2024.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plans offered by the District are as follows:

AXA Equitable

VALIC

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The Allamuchy Township School District is currently a member of the School Alliance Insurance Fund ("SAIF"). The SAIF provides its members with Workers' Compensation, Property Building and Contents, General Liability, Automotive Liability, and Employer Liability Insurance. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The SAIF is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF is elected. As a member of the SAIF, the Board of Education could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF's liabilities.

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Below is selected financial information for the SAIF as of June 30, 2024 is as follows:

Total Assets	\$ 58,120,778
Net Position	\$ 19,408,763
Total Revenue	\$ 60,984,350
Total Expenses	\$ 61,472,363
Change in Net Position	\$ (488,013)
Members Dividends	\$ -0-

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

Financial statements for the SAIF are available at the respective SAIF's Executive Director's Office:

Risk and Loss Managers Inc.
51 Everett Drive, Suite B-40
West Windsor, NJ 08550
(609) 275-1155

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to remit the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the District's contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ -0-	\$ 4,856	\$ 1	\$ -0-	\$ 11,603
2022-2023	-0-	2,460	98	-0-	14,161
2023-2024	-0-	-0-	142	-0-	14,303

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the municipality and are remitted to the local school district on predetermined, agreed-upon schedules.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 13. INTERFUND RECEIVABLES, PAYABLES

The District had the following interfund payables or receivables on their various balance sheets as of June 30, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 246,266	\$ 69,124
Special Revenue Fund		246,266
Food Service Fund	69,124	
	<u>\$ 315,390</u>	<u>\$ 315,390</u>

The general fund receivable is to cover the cash deficit for grants receivable in the special revenue fund. Additionally, the payable in general fund is for subsidy reimbursements received in the general fund not turned over to the food service fund.

NOTE 14. ACCOUNTS PAYABLE

At year end June 30, 2024, the Board has the following accounts payable:

	<u>Governmental Funds</u>		<u>Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Governmental Funds</u>			
Vendors	\$ 249,994	\$ 249,994		\$ 249,994	\$ 121,758
Payroll Deductions and Withholdings	2,590,576	2,590,576		2,590,576	
Due to:					
State of New Jersey			\$ 188,252	188,252	
	<u>\$ 2,840,570</u>	<u>\$ 2,840,570</u>	<u>\$ 188,252</u>	<u>\$ 3,028,822</u>	<u>\$ 121,758</u>

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>\$ 19,000</u>	<u>\$ 19,000</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$19,000 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

Litigation

The Board is periodically involved in pending lawsuits. The Board estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the Board.

The District is potentially facing penalties and interest from the Federal Government for non-payment of payroll taxes. The amount of penalties is unknown at this time, however the exposure to the District could be material in nature. The District has hired a Tax Attorney to assist in this matter.

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

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

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retiree Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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.

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

Pre-retirement 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. Post-retirement 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 were 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.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rates used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 14,750,348
Changes for Year:	
Service Cost	718,920
Interest Cost	525,931
Changes in Assumptions	30,099
Differences between Expected and Actual Experience	(695,544)
Member Contributions	13,478
Gross Benefit Payments	<u>(409,972)</u>
Net Changes	<u>182,912</u>
Balance at June 30, 2023	<u><u>\$ 14,933,260</u></u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the District	\$ 17,506,684	\$ 14,933,260	\$ 12,867,100

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 12,396,908	\$ 14,933,260	\$ 18,252,083

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

For the fiscal year ended June 30, 2024 the District recognized OPEB expense of \$623,581 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2023, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 538,102
	2018	9.51		556,984
	2019	9.29	\$ 81,941	
	2020	9.24	2,003,322	
	2021	9.24	11,402	
	2022	9.13		3,025,960
	2023	9.30	26,863	
			<u>2,123,528</u>	<u>4,121,046</u>
Differences between Expected and Actual Experience	2018	9.51		526,523
	2019	9.29		964,451
	2020	9.24	1,867,175	
	2021	9.24		2,192,752
	2022	9.13	311,630	
	2023	9.30		249,546
			<u>2,178,805</u>	<u>3,933,272</u>
Changes in Proportion	N/A	N/A	<u>988,297</u>	<u>400,958</u>
			<u>\$ 5,290,630</u>	<u>\$ 8,455,276</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2024	\$ (869,926)
2025	(869,926)
2026	(756,089)
2027	(445,761)
2028	(91,242)
Thereafter	<u>(1,349,919)</u>
	<u>\$ (4,382,863)</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 17. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Allamuchy Township School District by board resolution. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The activity of the maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance at June 30, 2023	<u>\$ 71,813</u>
Balance at June 30, 2024	<u><u>\$ 71,813</u></u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0123819468%	0.0108838593%	0.0112990335%	0.0115549207%	0.0126826105%	0.0132548630%	0.0118344579%	0.0114393428%	0.0115443900%	0.0129141399%
District's proportionate share of the net pension liability	\$ 2,318,239	\$ 2,443,208	\$ 3,346,450	\$ 2,689,801	\$ 2,497,143	\$ 2,388,329	\$ 1,929,891	\$ 1,355,162	\$ 1,735,275	\$ 1,870,532
District's covered employee payroll	\$ 860,363	\$ 763,085	\$ 725,896	\$ 844,343	\$ 918,588	\$ 892,734	\$ 916,398	\$ 842,113	\$ 969,277	\$ 1,043,189
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	269.45%	320.18%	461.01%	318.57%	271.85%	267.53%	210.60%	160.92%	179.03%	179.31%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.92%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	81.07%	65.23%

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 105,282	\$ 96,798	\$ 114,798	\$ 112,949.01	\$ 130,461	\$ 133,160	\$ 132,822	\$ 147,294	\$ 145,001	\$ 226,253
Contributions in relation to the contractually required contribution	(105,282)	(96,798)	(114,798)	(112,949)	(130,461)	(133,160)	(132,822)	(147,294)	(145,001)	(226,253)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 763,085	\$ 725,896	\$ 844,343	\$ 918,588	\$ 892,734	\$ 916,398	\$ 842,113	\$ 969,277	\$ 1,043,189	\$ 1,011,975
Contributions as a percentage of covered employee payroll	13.80%	13.33%	13.60%	12.30%	14.61%	14.53%	15.77%	15.20%	13.90%	22.36%

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATES PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.0233772%	0.0221522183%	0.0235400819%	0.0229126128%	0.0217996390%	0.0210687927%	0.0234119774%	0.0244730793%	0.0249042977%	0.0266264969%
State's proportionate share of the net pension liability attributable to the District	\$ 12,494,391	\$ 14,001,148	\$ 18,516,127	\$ 15,448,510	\$ 13,868,462	\$ 12,923,980	\$ 15,416,502	\$ 11,765,479	\$ 12,849,227	\$ 13,588,212
District's covered employee payroll	\$ 2,290,291	\$ 2,343,733	\$ 2,022,353	\$ 2,209,360	\$ 2,439,181	\$ 2,602,542	\$ 2,805,161	\$ 2,973,390	\$ 3,111,521	\$ 3,324,551
District's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	545.54%	597.39%	915.57%	699.23%	568.57%	496.59%	549.58%	395.69%	412.96%	408.72%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 672,316	\$ 854,896	\$ 1,391,380	\$ 1,070,195	\$ 808,483	\$ 762,290	\$ 958,664	\$ 276,847	\$ 1,042,307	\$ 1,109,427
Contributions in relation to the contractually required contribution	-0-	-0-	-0-	328,822	422,845	522,718	711,403	1,025,225	(1,103,609)	(1,151,843)
Contribution deficiency/(excess)	\$ 672,316	\$ 854,896	\$ 1,391,380	\$ 1,399,017	\$ 1,231,328	\$ 1,285,008	\$ 1,670,067	\$ 1,302,072	\$ (61,302)	\$ (42,416)
District's covered employee payroll	\$ 2,343,733	\$ 2,022,353	\$ 2,209,360	\$ 2,439,181	\$ 2,602,542	\$ 2,805,161	\$ 2,973,390	\$ 3,111,521	\$ 3,324,551	\$ 3,188,509
Contributions as a percentage of covered employee payroll	28.69%	42.27%	62.98%	43.88%	31.07%	27.17%	32.24%	8.90%	31.35%	34.79%

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB
 LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS
 LAST SEVEN FISCAL YEARS
 UNAUDITED

	Fiscal Years Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 793,005	\$ 660,555	\$ 571,489	\$ 577,488	\$ 993,715	\$ 875,775	\$ 718,920
Interest Cost	456,982	532,946	494,751	411,215	439,035	390,900	525,931
Changes to Benefit Terms					(18,014)		
Differences between Expected and Actual Experiences		(1,457,901)	(1,945,421)	3,696,317	(3,372,818)	891,050	(695,544)
Changes in Assumptions	(1,945,262)	(1,420,662)	168,964	3,507,237	16,697	(3,956,913)	30,099
Member Contributions	12,268	11,441	10,312	10,131	11,224	12,422	13,478
Gross Benefit Payments	(333,178)	(331,036)	(347,864)	(334,262)	(345,836)	(387,199)	(409,972)
Net Change in Total OPEB Liability	(1,016,185)	(2,004,657)	(1,047,769)	7,868,126	(2,275,997)	(2,173,965)	182,912
Total OPEB Liability - Beginning	15,400,795	14,384,610	12,379,953	11,332,184	19,200,310	16,924,313	14,750,348
Total OPEB Liability - Ending	<u>\$ 14,384,610</u>	<u>\$ 12,379,953</u>	<u>\$ 11,332,184</u>	<u>\$ 19,200,310</u>	<u>\$ 16,924,313</u>	<u>\$ 14,750,348</u>	<u>\$ 14,933,260</u>
District's Covered Employee Payroll *	\$ 2,748,249	\$ 3,053,703	\$ 3,357,769	\$ 3,495,276	\$ 3,721,559	\$ 3,815,503	\$ 4,080,798
Total OPEB Liability as a Percentage of Covered Employee Payroll	19%	25%	30%	18%	22%	26%	27%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, 2020, 2021, 2022, and 2023 are based on the payroll on the June 30, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 census data.

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2018.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 9,908,150		\$ 9,908,150	\$ 9,908,150	
Tuition From Individuals	196,850		196,850	224,016	\$ 27,166
Transportation Fees From Other LEAs	285,140		285,140	322,769	37,629
Rents and Royalties	25,000		25,000	4,415	(20,585)
Unrestricted Miscellaneous Revenues	12,500		12,500	94,619	82,119
Other Restricted Miscellaneous Revenues				142	142
Total Revenues from Local Sources	10,427,640		10,427,640	10,554,111	126,471
Revenues from State Sources:					
Categorical Transportation Aid	432,405		432,405	432,405	
Extraordinary Aid	5,770		5,770	77,858	72,088
Categorical Special Education Aid	578,993		578,993	578,993	
Categorical Security Aid	51,637		51,637	51,637	
Nonpublic Transportation Aid				20,930	20,930
TPAF Post Retirement Contributions (Non-Budgeted)				317,065	317,065
TPAF Pension Contributions (Non-Budgeted)				1,151,843	1,151,843
TPAF Non-Contributory Insurance (Non-Budgeted)				13,136	13,136
TPAF Long-Term Disability Insurance (Non-Budgeted)				488	488
Reimbursed TPAF Social Security Contributions				233,613	233,613
Total Revenues from State Sources	1,068,805		1,068,805	2,877,968	1,809,163
TOTAL REVENUE	11,496,445		11,496,445	13,432,079	1,935,634

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 391,006	\$ (84,624)	\$ 306,382	\$ 316,474	\$ (10,092)
Grades 1-5 - Salaries of Teachers	1,146,970	43,672	1,190,642	1,224,296	(33,654)
Grades 6-8 - Salaries of Teachers	670,914	(47,963)	622,951	641,504	(18,553)
Regular Programs - Home Instruction:					
Salaries of Teachers	5,040	9,330	14,370	14,370	
Purchased Professional-Educational Services	2,500	16,637	19,137	19,137	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	38,000	28,456	66,456	66,456	
Purchased Professional-Educational Services	42,000	(42,000)			
Purchased Technical Services	96,488	46,620	143,108	143,108	
Other Purchased Services (400-500 series)	14,900	5,068	19,968	19,968	
General Supplies	58,393	(23,568)	34,825	34,825	
Textbooks	41,445	34,833	76,278	76,278	
Other Objects	12,000	(5,493)	6,507	6,507	
Total Regular Programs - Instruction	2,519,656	(19,032)	2,500,624	2,562,923	(62,299)
Special Education - Instruction:					
Behavioral Disabilities:					
Salaries of Teachers	67,528	(67,554)	(26)	1,981	(2,007)
Purchased Professional-Educational Services					
Total Behavioral Disabilities	67,528	(67,554)	(26)	1,981	(2,007)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 238,612	\$ (22,700)	\$ 215,912	\$ 221,225	\$ (5,313)
General Supplies	450	3,456	3,906	3,906	
Total Multiple Disabilities	239,062	(19,244)	219,818	225,131	(5,313)
Resource Room/Resource Center:					
Salaries of Teachers	202,224	(26,959)	175,265	181,156	(5,891)
Other Salaries for Instruction	334,769	87,542	422,311	444,379	(22,068)
General Supplies	403	(403)			
Total Resource Room/Resource Center	537,396	60,180	597,576	625,535	(27,959)
Preschool Disabilities - Part-Time:					
Salaries of Teachers	31,694		31,694	32,622	(928)
Other Salaries for Instruction	26,905	(9,937)	16,968	17,751	(783)
General Supplies	425	(425)			
Total Preschool Disabilities - Part-Time	59,024	(10,362)	48,662	50,373	(1,711)
Home Instruction:					
Other Objects	200	(43)	157	150	7
Total Home Instruction	200	(43)	157	150	7
TOTAL SPECIAL EDUCATION - INSTRUCTION	903,210	(37,023)	866,187	903,170	(36,983)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 99,980	\$ 51,156	\$ 151,136	\$ 151,136	
Supplies and Materials	2,000	(1,800)	200	200	
Other Objects	100	(100)			
	<u>102,080</u>	<u>49,256</u>	<u>151,336</u>	<u>151,336</u>	
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.					
School-Sponsored Athletics - Instruction:					
Salaries	10,030	(10,030)			
Purchased Services (300-500 series)	1,000	(680)	320	320	
Supplies and Materials	500	(500)			
	<u>11,530</u>	<u>(11,210)</u>	<u>320</u>	<u>320</u>	
Total School-Sponsored Athletics - Instruction					
Summer School - Instruction:					
Salaries of Teachers	5,895	(5,895)			
Other Salaries of Instruction	2,607	(1,607)	1,000	1,000	
	<u>8,502</u>	<u>(7,502)</u>	<u>1,000</u>	<u>1,000</u>	
Total Summer School - Instruction					
Total Summer School	<u>8,502</u>	<u>(7,502)</u>	<u>1,000</u>	<u>1,000</u>	
TOTAL INSTRUCTION	<u>3,544,978</u>	<u>(25,511)</u>	<u>3,519,467</u>	<u>3,618,749</u>	<u>\$ (99,282)</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 2,368,582	\$ (10,659)	\$ 2,357,923	\$ 2,357,923	
Tuition to Other LEAs Within the State-Special	125,062	13,715	138,777	136,953	\$ 1,824
Tuition to County Voc. School Dist.-Regular	33,800	(8,576)	25,224	25,224	
Tuition to Priv. Sch. for the Handicap. W/I State	268,842	125,586	394,428	394,428	
Tuition to Priv Sch Handicap & Oth LEAs-Spl,O/S St		7,316	7,316	7,316	
Tuition - Other	74,171	(50,734)	23,437	23,437	
Total Undistributed Expenditures - Instruction	2,870,457	76,648	2,947,105	2,945,281	1,824
Undistributed Expenditures - Health Services:					
Salaries	141,946	384	142,330	146,499	(4,169)
Purchased Professional and Technical Services	4,000	(500)	3,500	3,500	
Supplies and Materials	2,000	(294)	1,706	1,706	
Other Objects	190	(190)			
Total Undist. Expenditures - Health Services	148,136	(600)	147,536	151,705	(4,169)
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	85,188		85,188	87,699	(2,511)
Purchased Professional - Educational Services	29,900	(1,300)	28,600	28,600	
Supplies and Materials	825	(825)			
Total Undist. Expend. - Speech, OT, PT, Related Svcs	115,913	(2,125)	113,788	116,299	(2,511)
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	50,560	(29,695)	20,865	22,347	(1,482)
Purchased Professional - Educational Services	46,000	(16,496)	29,504	29,504	
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	96,560	(46,191)	50,369	51,851	(1,482)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	\$ 151,946		\$ 151,946	\$ 156,612	\$ (4,666)
Supplies and Materials	800	(415)	385	385	
Total Undist Expend. - Guidance	152,746	(415)	152,331	156,997	(4,666)
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	124,407	(35,546)	88,861	92,570	(3,709)
Salaries of Secretarial and Clerical Assistants	10,965	(8,523)	2,442	2,442	
Purchased Professional - Educational Services	76,118	58,458	134,576	134,576	
Supplies and Materials	2,600	95	2,695	2,695	
Total Undist Expend. - Child Study Team	214,090	14,484	228,574	232,283	(3,709)
Undist. Expend.-Improv. of Inst. Serv.:					
Purchased Professional - Educational Services	1,300	(1,300)			
Total Undist. Expend.-Improv. of Inst. Serv.	1,300	(1,300)			
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	78,348		78,348	80,653	(2,305)
Purchased Professional and Technical Services	5,000	26,226	31,226	31,226	
Supplies and Materials	1,900	(1,900)			
Total Undist Expend-Edu. Media Serv./Sch. Library	85,248	24,326	109,574	111,879	(2,305)
Undist.Expend.-Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	10,000	(943)	9,057	9,057	
Total Undist.Expend.-Instructional Staff Training Services	10,000	(943)	9,057	9,057	

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 150,858	\$ 18,388	\$ 169,246	\$ 169,246	
Legal Services	44,390	45,896	90,286	90,286	
Audit Fees	26,750	3,550	30,300	30,300	
Other Purchased Professional Services	71,500	(1,860)	69,640	69,640	
Communications / Telephone	7,963	(1,198)	6,765	6,541	\$ 224
Other Purch. Serv. (400-500 series other than 530 & 585)	27,251	4,192	31,443	31,443	
General Supplies	3,000	(2,492)	508	508	
Miscellaneous Expenditures	20,000	(6,714)	13,286	13,286	
Total Undist. Expend.-Support Serv.-Gen. Admin.	351,712	59,762	411,474	411,250	224
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	118,560	(45,650)	72,910	72,910	
Salaries of Secretarial and Clerical Assistants	100,725	(25,155)	75,570	75,570	
Purchased Professional and Technical Services	15,000	(4,619)	10,381	10,381	
Supplies and Materials	1,750	(1,750)			
Other Objects	100	(100)			
Total Undist. Expend.-Support Serv.-School Adm.	236,135	(77,274)	158,861	158,861	
Undist. Expend. - Central Services:					
Salaries	194,310	14,200	208,510	208,510	
Purchased Technical Services	14,990	1,740	16,730	16,730	
Miscellaneous Purchased Services (400-500 series other than 594)	775	(775)			
Supplies and Materials	200	(200)			
Total Undist. Expend. - Central Services	210,275	14,965	225,240	225,240	

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	\$ 94,360	\$ (2,150)	\$ 92,210	\$ 94,984	\$ (2,774)
Cleaning, Repair, and Maintenance Services	102,419	(42,534)	59,885	59,885	
General Supplies	15,000	(8,851)	6,149	6,149	
Other Objects	1,000	(600)	400	400	
Total Undist. Expend.- Required Maint. for School Facilities	212,779	(54,135)	158,644	161,418	(2,774)
Undist. Expend.-Custodial Services:					
Salaries	240,073	(29,214)	210,859	214,330	(3,471)
Purchased Professional and Technical Services	15,065	(9,320)	5,745	5,745	
Cleaning, Repair, and Maintenance Services	60,000	58,284	118,284	118,284	
Other Purchased Property Services	18,000	(2,623)	15,377	15,377	
Insurance	34,650		34,650	34,650	
General Supplies	40,152	8,852	49,004	49,004	
Energy (Natural Gas)	7,944	(2,789)	5,155	5,155	
Energy (Electricity)	114,620	(5,309)	109,311	109,311	
Energy (Oil)	158,636	(41,501)	117,135	117,135	
Other Objects	10,000	(4,920)	5,080	5,080	
Total Undist. Expend.-Custodial Services	699,140	(28,540)	670,600	674,071	(3,471)
Care and Upkeep of Grounds:					
Salaries	39,130		39,130	40,275	(1,145)
Purchased Professional and Technical Services	13,000	(9,160)	3,840	3,840	
General Supplies	2,000	(2,000)			
Total Care And Upkeep Of Grounds	54,130	(11,160)	42,970	44,115	(1,145)
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	966,049	(93,835)	872,214	879,604	(7,390)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	\$ 44,880	\$ (19,192)	\$ 25,688	\$ 25,688	
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	234,585	65,990	300,575	300,575	
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	68,580	(37,701)	30,879	30,879	
Other Purchased Professional and Technical Services	3,300	722	4,022	4,022	
Cleaning, Repair, and Maint. Services	100,000	12,654	112,654	112,654	
Lease Purchase Payments - School Buses	85,744	85,744	171,488	171,488	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studs	50,000	5,704	55,704	61,745	\$ (6,041)
Contr Serv.-Aid in Lieu of Payments-Choice Stud.		2,330	2,330	2,330	
Contract. Serv.(Bet. Home & Sch.)-Vendors	15,000	(15,000)			
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	3,065	13,749	16,814	16,814	
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's		120,341	120,341	120,341	
Misc. Purchased Serv. - Transportation	30,057	3,730	33,787	33,787	
Transportation Supplies	80,000	1,359	81,359	81,359	
Other Objects	2,000	4,825	6,825	6,825	
Total Undist. Expend.-Student Trans. Serv.	717,211	245,255	962,466	968,507	(6,041)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 130,000	\$ 13,293	\$ 143,293	\$ 143,293	
T.P.A.F. Contributions - ERIP	10,000	(10,000)			
Other Retirement Contributions - PERS	140,000	35,937	175,937	226,253	\$ (50,316)
Other Retirement Contributions - Regular	5,000	(2,052)	2,948	2,948	
Unemployment Compensation	10,000	(10,000)		18,436	(18,436)
Workers Compensation	70,000	(18,777)	51,223	51,223	
Health Benefits	1,460,075	(161,509)	1,298,566	1,298,566	
Tuition Reimbursement	30,000		30,000	30,000	
Other Employee Benefits	15,000	(12,945)	2,055	2,055	
Unused Sick Payment to Terminated/Retired Staff	25,000	(21,193)	3,807	3,807	
TOTAL UNALLOCATED BENEFITS	1,895,075	(187,246)	1,707,829	1,776,581	(68,752)
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				317,065	\$ (317,065)
TPAF Pension Contributions (Non-Budgeted)				1,151,843	(1,151,843)
TPAF Non-Contributory Insurance (Non-Budgeted)				13,136	(13,136)
TPAF Long-Term Disability Insurance (Non-Budgeted)				488	(488)
Reimbursed TPAF Social Security Contributions				233,613	(233,613)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				1,716,145	(1,716,145)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,895,075	(187,246)	1,707,829	3,492,726	(1,784,897)
TOTAL UNDISTRIBUTED EXPENDITURES	8,070,907	25,511	8,096,418	9,911,540	(1,815,122)
TOTAL GENERAL CURRENT EXPENSE	\$ 11,615,885	\$ -0-	\$ 11,615,885	\$ 13,530,289	\$ (1,914,404)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Facilities Acquisition and Construction Serv.:					
Assessment for Debt Service on SDA Funding	\$ 1,366		\$ 1,366	\$ 1,366	
Total Facilities Acquisition and Const. Serv.	1,366		1,366	1,366	
TOTAL CAPITAL OUTLAY	1,366		1,366	1,366	
 Transfer of Funds to Charter Schools	26,738		26,738		\$ 26,738
Total Transfer of Funds to Charter Schools	26,738		26,738		26,738
TOTAL EXPENDITURES	11,643,989		11,643,989	13,531,655	(1,887,666)
 Excess/(Deficit) of Revenues Over/(Under) Expenditures	(147,544)		(147,544)	(99,576)	47,968
 Fund Balance, July 1	419,754		419,754	419,754	
 Fund Balance, June 30	\$ 272,210	\$ -0-	\$ 272,210	\$ 320,178	\$ 47,968

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 203,532	
Maintenance Reserve				71,813	
Unemployment Compensation				14,303	
Unassigned Fund Balance				30,530	
				<u>320,178</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(106,167)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 214,011</u>	

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources		\$ 9,161	\$ 9,161	\$ 9,161	
Federal Sources	\$ 203,030	156,171	359,201	236,284	\$ (122,917)
Local Sources		53,003	53,003	52,335	(668)
Total Revenues	203,030	218,335	421,365	297,780	(123,585)
EXPENDITURES:					
Instruction					
Salaries of Teachers	64,016	110,286	174,302	107,381	66,921
Other Purchased Services	103,120	25,000	128,120	105,220	22,900
General Supplies	1,733	5,046	6,779	783	5,996
Total Instruction	168,869	140,332	309,201	213,384	95,817
Support Services					
Purchased Professional/Technical Services	25,000	20,000	45,000	25,000	20,000
Cleaning, Repair, and Maintenance Services	9,161	5,000	14,161	9,161	5,000
Student Activities		53,003	53,003	53,003	
Total Support Services	34,161	78,003	112,164	87,164	25,000
Total Expenditures	203,030	218,335	421,365	300,548	120,817
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ (2,768)	\$ (2,768)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 13,432,079	\$ 297,780
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.		
Current Year Encumbrances		(19,000)
Prior year Encumbrances		949
Prior year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	89,325	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(106,167)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 13,415,237</u>	<u>\$ 279,729</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 13,531,655	\$ 300,548
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		(18,051)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 13,531,655</u>	<u>\$ 282,497</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary 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).

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, except for Student Activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted in the above paragraph. 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 General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act			
	Title I	Title II	Title III	Title IV
REVENUE:				
Local Sources				
State Sources				
Federal Sources	\$ 21,447	\$ 9,845	\$ 1,655	\$ 10,000
Total Revenue	21,447	9,845	1,655	10,000
EXPENDITURES:				
Instruction:				
Salaries of Teachers	21,447		1,655	
Other Purchased Services				783
General Supplies				
Total Instruction	21,447		1,655	783
Support Services:				
Purchased Professional/Technical Services		9,845		9,217
Cleaning, Repair, and Maintenance Services				
Student Activities				
Total Support Services		9,845		9,217
Total Expenditures	\$ 21,447	\$ 9,845	\$ 1,655	\$ 10,000

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Local Grants	I.D.E.A.		Emergent Capital & Maintenance Needs	COVID-19 ARP New Jersey High Impact Tutoring Competitive
		Preschool	Basic		
REVENUE:					
Local Sources	2,100				
State Sources					
Federal Sources		\$ 5,938	\$ 103,120	\$ 9,161	\$ 38,000
Total Revenue	2,100	5,938	103,120	9,161	38,000
EXPENDITURES:					
Instruction:					
Salaries of Teachers					38,000
Other Purchased Services	2,100		103,120		
General Supplies					
Total Instruction	2,100		103,120		38,000
Support Services:					
Purchased Professional/Technical Services		5,938		9,161	
Cleaning, Repair, and Maintenance Services					
Student Activities					
Total Support Services		5,938		9,161	
Total Expenditures	2,100	\$ 5,938	\$ 103,120	\$ 9,161	\$ 38,000

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	COVID-19 ARP				
	Evidence Based Summer Learning and Enrichment	Evidence Based Comprehensive Beyond the School Day	Student Activities	Totals	
REVENUE:					
Local Sources			\$ 50,235	\$ 52,335	
State Sources				9,161	
Federal Sources	\$ 21,878	\$ 24,401		236,284	
Total Revenue	21,878	24,401	50,235	297,780	
EXPENDITURES:					
Instruction:					
Salaries of Teachers	21,878	24,401		107,381	
Other Purchased Services				105,220	
General Supplies				783	
Total Instruction	21,878	24,401		213,384	
Support Services:					
Purchased Professional/Technical Services				25,000	
Cleaning, Repair, and Maintenance Services			53,003	9,161	
Student Activities				53,003	
Total Support Services			53,003	87,164	
Total Expenditures	\$ 21,878	\$ 24,401	\$ 53,003	\$ 300,548	

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	<u>Food</u>	<u>Rutherford</u>	
	<u>Service</u>	<u>Hall</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 65,342		\$ 65,342
Interfund Receivable	69,124		69,124
Intergovernmental Accounts Receivable:			
State	123		123
Federal	1,800		1,800
Inventories	3,424		3,424
Total Current Assets	139,813		139,813
Non-Current Assets:			
Capital Assets	82,920		82,920
Less: Accumulated Depreciation	(72,389)		(72,389)
Total Non-Current Assets	10,531		10,531
Total Assets	150,344		150,344
LIABILITIES:			
Current Liabilities:			
Accounts Payable	8,703	\$ 113,055	121,758
Unearned Revenue - Summer Events		74,890	74,890
Unearned Revenue - Donations		3,725	3,725
Unearned Revenue - Donated Commodities	811		811
Unearned Revenue - Prepaid Sales	927		927
Total Current Liabilities:	10,441	191,670	202,111
Total Liabilities	10,441	191,670	202,111
NET POSITION:			
Investment in Capital Assets	10,531		10,531
Unrestricted/(Deficit)	129,372	(191,670)	(62,298)
Total Net Position/(Deficit)	\$ 139,903	\$ (191,670)	\$ (51,767)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Non-Major Fund</u> Food Service	<u>Major Fund</u> Rutherford Hall	<u>Totals</u>
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 93,643		\$ 93,643
Non-Reimbursable Programs	35,697		35,697
Program Fees		\$ 160,434	160,434
Miscellaneous Revenue	1,759		1,759
Total Operating Revenue	131,099	160,434	291,533
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	52,367		52,367
Non-Reimbursable Programs	20,946		20,946
Salaries	67,791	105,707	173,498
Purchased Professional Technical Services		7,790	7,790
Supplies and Materials	15,447	30,508	45,955
Miscellaneous Expenses	20,194	784	20,978
Management Fee	9,094		9,094
Depreciation Expense	5,489		5,489
Total Operating Expenses	191,328	144,789	336,117
Operating Income/(Loss)	(60,229)	15,645	(44,584)
Non-Operating Revenue:			
Interest Income	698	548	1,246
State Sources:			
State School Lunch Program	2,225		2,225
Federal Sources:			
National School Lunch Program	35,460		35,460
COVID-19 P-EBT Administrative Cost Reimbursement	653		653
Supply Chain Assistance Funding	14,523		14,523
Food Distribution Program	8,250		8,250
Total Non-Operating Revenue	61,809	548	62,357
Change in Net Position	1,580	16,193	17,773
Net Position / (Deficit) - Beginning of Year	138,323	(207,863)	(69,540)
Net Position / (Deficit) - End of Year	\$ 139,903	\$ (191,670)	\$ (51,767)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	Food Service	Rutherford Hall	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 129,248	\$ 160,434	\$ 289,682
Payments to Food Service Company	(155,410)		(155,410)
Payments to/for Employees		(105,707)	(105,707)
Payments to Suppliers	(20,212)	(55,275)	(75,487)
Net Cash (Used for) Operating Activities	(46,374)	(548)	(46,922)
Cash Flows from Financing Activities:			
Interest Income	698	548	1,246
Net Cash Provided by Financing Activities	698	548	1,246
Cash Flows by Noncapital Financing Activities:			
State Sources	2,191		2,191
Federal Sources	50,548		50,548
Net Cash Provided by Noncapital Financing Activities	52,739		52,739
Net Increase in Cash and Cash Equivalents	7,063		7,063
Cash and Cash Equivalents, July 1	58,278		58,278
Cash and Cash Equivalents, June 30	<u>\$ 65,341</u>	<u>\$ -0-</u>	<u>\$ 65,341</u>
Adjustment to Reconcile Operating Income/(Loss)			
Net Cash (Used for) Operating Activities:			
Operating Income/(Loss)	\$ (60,229)	\$ 15,645	\$ (44,584)
Depreciation	5,489		5,489
Food Distribution Program	8,250		8,250
Changes in Assets and Liabilities:			
(Increase)/Decrease in Other Accounts Receivable		9,590	9,590
Increase/(Decrease) in Accounts Payable	2,450	(39,632)	(37,182)
Increase/(Decrease) in Unearned Revenue - Summer Events		13,849	13,849
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(1,851)		(1,851)
(Increase)/Decrease in Inventory	(483)		(483)
Net Cash (Used for) Operating Activities	<u>\$ (46,374)</u>	<u>\$ (548)</u>	<u>\$ (46,922)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$8,268 and utilized U.S.D.A. Commodities valued at \$8,250.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds					Interest Rate	Balance	
			Outstanding		Matured	June 30, 2023	June 30, 2024			
			Date	Amount						
2016 Refunding Bonds	2/11/2016	\$ 8,740,000	3/15/2025	\$ 540,000	4.00%					
			3/15/2026	565,000	4.00%					
			3/15/2027	585,000	4.00%					
			3/15/2028	615,000	4.00%					
			3/15/2029	640,000	4.00%					
			3/15/2030	665,000	4.00%					
			3/15/2031	695,000	4.00%					
			3/15/2032	725,000	4.00%					
			3/15/2033	755,000	4.00%					
						\$ 6,300,000	\$ 515,000	\$ 5,785,000		
						\$ 6,300,000	\$ 515,000	\$ 5,785,000		

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES PAYABLE

Item	Interest Rate	Original Issue	Balance June 30, 2023	Matured	Balance June 30, 2024
Buses (5)	2.444%	\$ 569,850	\$ 185,202	\$ 60,250	\$ 124,952
Bus (1)	2.125%	96,000	20,044	20,044	
Various Capital Equipment	1.280%	325,000	196,401	64,636	131,765
Smartboards	4.135%	50,599	10,972	10,972	
Smartboards	3.380%	47,677	23,919	11,551	12,368
Bus (1)	3.398%	113,157	88,988	21,145	67,843
			<u>\$ 525,526</u>	<u>\$ 188,598</u>	<u>\$ 336,928</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Final to Actual
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 704,250	\$ 704,250	\$ 704,250	
State Sources:				
Debt Service State Aid Support	62,750	62,750	62,750	
Total Revenue	767,000	767,000	767,000	
EXPENDITURES:				
Regular Debt Service:				
Interest	252,000	252,000	252,000	
Redemption of Principal	515,000	515,000	515,000	
Total Regular Debt Service	767,000	767,000	767,000	
Total Expenditures	767,000	767,000	767,000	
Fund Balance, July 1				
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-

STATISTICAL SECTION
(UNAUDITED)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 1,092,433	\$ 1,455,944	\$ 1,768,330	\$ 2,039,067	\$ 2,438,843	\$ 2,743,305	\$ 70,921	\$ 300,284	\$ 448,747	\$ 613,523
Restricted	185,236	632,514	658,727	575,340	397,812	561,315	431,880	330,967	331,126	328,500
Unrestricted/(Deficit)	(2,232,235)	(2,140,552)	(2,426,355)	(2,509,767)	(2,619,617)	(2,610,450)	(2,560,033)	(2,485,914)	(2,334,113)	(2,348,621)
Total Governmental Activities Net Position/(Deficit)	\$ (954,566)	\$ (52,094)	\$ 702	\$ 104,640	\$ 217,038	\$ 694,170	\$ (2,057,232)	\$ (1,854,663)	\$ (1,554,240)	\$ (1,406,598)
Business-Type Activities										
Investment in Capital Assets	\$ 38,674	\$ 37,648	\$ 82,270	\$ 78,293	\$ 70,587	\$ 63,547	\$ 20,230	\$ 15,708	\$ 16,020	\$ 10,531
Unrestricted/(Deficit)	(192,891)	(200,312)	(208,173)	(207,366)	(141,750)	(195,797)	(142,526)	(139,588)	(85,560)	(62,298)
Total Business-Type Activities Net Position/(Deficit)	\$ (154,217)	\$ (162,664)	\$ (125,903)	\$ (129,073)	\$ (71,163)	\$ (132,250)	\$ (122,296)	\$ (123,880)	\$ (69,540)	\$ (51,767)
District-Wide										
Net Investment in Capital Assets	\$ 1,131,107	\$ 1,493,592	\$ 1,850,600	\$ 2,117,360	\$ 2,509,430	\$ 2,806,852	\$ 91,151	\$ 315,992	\$ 464,767	\$ 624,054
Restricted	185,236	632,514	658,727	575,340	397,812	561,315	431,880	330,967	331,126	328,500
Unrestricted/(Deficit)	(2,425,126)	(2,340,864)	(2,634,528)	(2,717,133)	(2,761,367)	(2,806,247)	(2,702,559)	(2,625,502)	(2,419,673)	(2,410,919)
Total District Net Position/(Deficit)	\$ (1,108,783)	\$ (214,758)	\$ (125,201)	\$ (24,433)	\$ 145,875	\$ 561,920	\$ (2,179,528)	\$ (1,978,543)	\$ (1,623,780)	\$ (1,458,365)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 2,619,331	\$ 2,516,299	\$ 2,924,138	\$ 4,074,799	\$ 4,112,068	\$ 3,992,227	\$ 4,628,872	\$ 4,632,400	\$ 4,202,148	\$ 4,371,130
Special Education	908,399	833,425	675,940	1,068,179	802,038	925,123	1,022,845	1,055,898	1,259,853	1,341,304
Other Special Education							63,445	97,678	37,084	2,795
Other Instruction	91,943	102,342	92,967	129,017	168,952	153,456	135,516	188,951	192,408	270,411
Support Services:										
Tuition	2,838,921	2,881,678	2,852,171	2,614,756	2,596,940	2,668,966	2,769,239	2,579,406	2,742,843	2,945,281
Student & Instruction Related Services	976,799	931,559	1,018,138	1,279,539	1,318,807	1,268,744	1,054,840	1,051,905	1,170,928	1,186,261
General and Business Administrative Services	470,840	393,524	457,865	508,343	560,621	546,884	276,997	330,569	464,732	547,489
School Administrative Services	303,508	334,263	366,243	492,093	592,203	456,226	544,713	427,699	307,253	264,980
Central Services							279,703	249,523	284,144	335,810
Plant Operations And Maintenance	779,532	783,662	936,449	1,017,558	1,016,189	979,494	967,329	1,136,425	1,123,418	1,103,909
Pupil Transportation	842,102	861,670	963,716	1,019,483	1,059,522	1,103,246	978,568	1,211,113	1,076,085	1,186,093
Charter Schools				20,230	39,986				38,457	
Interest On Long-Term Debt	451,622	259,588	366,004	348,442	331,831	318,950	304,233	285,600	266,167	245,992
Capital Outlay	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366
Total Governmental Activities Expenses	10,284,364	9,899,376	10,654,997	12,573,804	12,600,524	12,414,682	13,027,666	13,248,533	13,166,886	13,802,821
Business-Type Activities:										
Food Service	141,945	132,806	143,446	145,487	136,680	105,674	149,269	221,298	192,385	191,328
Rutherford Hall	215,580	201,541	214,470	215,375	219,399	193,199	63,246	152,163	190,484	144,789
Total Business-Type Activities Expenses	357,525	334,346	357,916	360,862	356,079	298,873	212,515	373,461	382,869	336,117
Total District Expenses	\$ 10,641,889	\$ 10,233,722	\$ 11,012,913	\$ 12,934,666	\$ 12,956,603	\$ 12,713,555	\$ 13,240,181	\$ 13,621,994	\$ 13,549,755	\$ 14,138,938

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Continued)

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 165,894	\$ 215,540	\$ 84,948	\$ 65,612	\$ 14,760	\$ 62,974	\$ 78,723	\$ 185,563	\$ 292,317	\$ 546,785
Student & Instruction Related Services	510,824	280,516	365,741	370,245	326,693	474,368	57,708	30,581	61,937	50,235
Operating Grants and Contributions	1,127,676	1,140,865	1,193,308	3,148,235	2,931,301	2,622,902	2,658,880	2,574,406	2,572,489	2,579,117
Total Governmental Activities Program Revenues	1,804,394	1,636,921	1,643,996	3,584,092	3,272,754	3,160,244	2,795,311	2,790,550	2,926,743	3,176,137
Business-Type Activities:										
Charges for Services:										
Food Service	114,777	114,531	120,104	118,562	101,055	70,699	2,280	8,456	119,545	131,099
Rutherford Hall	127,600	179,129	196,028	158,723	233,903	138,736	44,279	147,062	223,044	160,982
Operating Grants and Contributions	30,976	32,141	28,288	29,972	28,575	28,252	198,014	216,356	94,036	61,111
Total Business Type Activities Program Revenues	273,353	325,801	344,420	307,257	363,533	237,687	244,573	371,874	436,625	353,192
Total District Program Revenues	\$ 2,077,747	\$ 1,962,722	\$ 1,988,416	\$ 3,891,349	\$ 3,636,287	\$ 3,397,931	\$ 3,039,884	\$ 3,162,424	\$ 3,363,368	\$ 3,529,329
Net (Expense)/Revenue										
Governmental Activities	\$ (8,479,970)	\$ (8,262,455)	\$ (9,011,001)	\$ (8,989,712)	\$ (9,327,770)	\$ (9,254,438)	\$ (10,232,355)	\$ (10,457,983)	\$ (10,240,143)	\$ (10,626,684)
Business-Type Activities	(84,172)	(8,545)	(13,496)	(53,605)	7,454	(61,186)	32,058	(1,587)	53,756	17,075
Total District-Wide Net Expense	\$ (8,564,142)	\$ (8,271,000)	\$ (9,024,497)	\$ (9,043,317)	\$ (9,320,316)	\$ (9,315,624)	\$ (10,200,297)	\$ (10,459,570)	\$ (10,186,387)	\$ (10,609,609)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 8,089,997	\$ 8,345,824	\$ 8,512,609	\$ 8,666,893	\$ 8,811,890	\$ 9,075,073	\$ 9,336,672	\$ 9,523,405	\$ 9,713,873	\$ 9,908,150
Taxes Levied for Debt Service	65,853	554,962	395,046	363,241	428,719	443,850	706,637	708,106	708,841	704,250
Unrestricted Grants and Contributions	48,012	53,559	72,466	54,705	53,120	37,412	62,963	63,094	63,159	62,750
Investment Earnings	3,408	3,127	4,724	7,927	10,352	6,285	2	116		
Miscellaneous Income	58,484	102,455	128,953	50,883	186,087	91,515	280,672	608,392	54,693	99,176
Proceeds of Long-Term Debt		105,000		(50,000)	(50,000)					
Transfers			(50,000)							
Total Governmental Activities	8,265,754	9,164,927	9,063,797	9,093,649	9,440,168	9,654,136	10,386,946	10,903,113	10,540,566	10,774,326
Business-Type Activities:										
Investment Earnings	198	98	257	435	456	99	4	3	584	698
Miscellaneous Income							14,170			
Transfers			50,000	50,000	50,000					
Total Business-Type Activities	198	98	50,257	50,435	50,456	99	14,174	3	584	698
Total District-Wide	\$ 8,265,952	\$ 9,165,025	\$ 9,114,054	\$ 9,144,084	\$ 9,490,624	\$ 9,654,235	\$ 10,401,120	\$ 10,903,116	\$ 10,541,150	\$ 10,775,024
Change in Net Position										
Governmental Activities	(214,216)	902,472	52,796	103,937	112,399	399,698	154,591	445,130	300,423	147,642
Business-Type Activities	(83,974)	(8,447)	36,761	(3,170)	57,910	(61,087)	46,232	(1,584)	54,340	17,773
Total District	\$ (298,190)	\$ 894,025	\$ 89,557	\$ 100,767	\$ 170,309	\$ 338,611	\$ 200,823	\$ 443,546	\$ 354,763	\$ 165,415

Source: School District Financial Reports

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 163,175	\$ 497,893	\$ 549,775	\$ 564,484	\$ 423,504	\$ 531,988	\$ 382,997	\$ 286,948	\$ 289,506	\$ 289,648
Assigned	266,071	290,777	173,221	118,295	68,458	53,000	181,481	161,892	58,219	
Unassigned/(Deficit)	189,111	218,650	211,064	235,785	215,885	217,264	180,366	253,874	(17,296)	(75,637)
Total General Fund	\$ 618,357	\$ 1,007,320	\$ 934,060	\$ 918,564	\$ 707,847	\$ 802,252	\$ 744,844	\$ 702,714	\$ 330,429	\$ 214,011
All Other Governmental Funds:										
Restricted		\$ 52,067	\$ 52,067			\$ 66,627	\$ 48,883	\$ 44,019	\$ 41,620	\$ 38,852
Total All Other Governmental Funds	\$ -0-	\$ 52,067	\$ 52,067	\$ -0-	\$ -0-	\$ 66,627	\$ 48,883	\$ 44,019	\$ 41,620	\$ 38,852
Total Governmental Funds:										
Restricted	\$ 163,175	\$ 549,960	\$ 601,842	\$ 564,484	\$ 423,504	\$ 598,615	\$ 431,880	\$ 330,967	\$ 331,126	\$ 328,500
Assigned	266,071	290,777	173,221	118,295	68,458	53,000	181,481	161,892	58,219	
Unassigned/(Deficit)	189,111	218,650	211,064	235,785	215,885	217,264	180,366	253,874	(17,296)	(75,637)
Total Governmental Funds	\$ 618,357	\$ 1,059,387	\$ 986,127	\$ 918,564	\$ 707,847	\$ 868,879	\$ 793,727	\$ 746,733	\$ 372,049	\$ 252,863

Source: School District Financial Reports

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	\$ 8,565,136	\$ 9,093,734	\$ 9,207,135	\$ 9,324,611	\$ 9,510,217	\$ 9,775,467	\$ 10,043,309	\$ 10,231,511	\$ 10,422,714	\$ 10,612,400
Tuition Charges	165,894	215,540	84,948	65,612	14,760	62,974	78,723	185,563	292,317	224,016
Transportation Fees	101,538	87,568	66,261	75,768	57,085	217,824		384,788		322,769
Rents and Royalties							9,349	1,325		4,415
Restricted Miscellaneous Revenues	61,892	105,582	152,713	59,305	196,603	97,800	80,119	45,530	65,998	52,477
Unrestricted Miscellaneous Revenues	1,021,244	1,058,077	1,077,370	1,448,322	1,547,626	1,703,835	271,321	217,538	52,135	94,619
State Sources	154,444	136,348	169,368	165,599	183,266	199,377	1,994,676	2,463,712	2,755,322	2,933,986
Federal Sources							276,199	746,505	221,563	217,284
Total Revenue	10,070,148	10,696,849	10,757,794	11,139,217	11,509,557	12,057,277	12,753,696	14,276,472	13,810,049	14,461,966
Expenditures:										
Instruction:										
Regular Instruction	1,742,486	1,778,728	1,944,333	2,172,355	2,210,020	2,294,592	2,597,989	3,068,240	2,537,503	2,683,359
Special Education Instruction	678,835	616,800	489,385	602,118	445,373	545,283	693,358	726,251	840,126	1,012,228
Other Special Instruction							34,037	60,652	22,309	1,000
Other Instruction	66,137	73,653	63,558	68,203	90,320	87,306	70,754	112,335	117,682	151,656
Support Services:										
Tuition	2,838,921	2,881,678	2,852,171	2,614,756	2,596,940	2,668,966	2,769,239	2,579,406	2,742,843	2,945,281
Student & Instruction Related Services	724,673	683,149	736,365	781,018	808,071	802,732	769,998	832,222	895,822	883,074
General And Business Administrative Services	350,194	370,722	367,961	351,879	394,441	430,328	277,363	277,427	395,874	411,250
School Administrative Services	220,446	230,125	249,145	260,423	331,238	264,292	311,954	270,794	191,864	158,861
Central Services							165,850	193,427	204,117	225,240
Plant Operations And Maintenance	729,007	651,735	792,099	758,766	740,218	739,693	800,612	982,159	934,300	879,604
Pupil Transportation	795,870	745,652	835,149	759,838	806,013	861,338	792,050	1,040,521	890,037	968,507
Allocated and Unallocated Benefits	1,442,129	1,447,358	1,521,103	1,895,726	2,196,917	2,392,281	2,722,793	3,235,175	3,290,722	3,492,726
Debt Service:										
Principal	65,000	480,000	390,000	410,000	425,000	440,000	460,000	480,000	500,000	515,000
Interest And Other Charges	452,475	282,483	371,050	353,750	335,550	322,800	309,600	291,200	272,000	252,000
Capital Outlay	8,717	609,036	168,735	107,720	250,185	220,067	378,251	221,334	181,673	1,366
Charter Schools				20,230	39,988				38,457	
Total Expenditures	10,114,890	10,851,119	10,781,054	11,156,781	11,670,273	12,069,678	13,153,848	14,371,143	14,055,329	14,581,152
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	(44,742)	(154,271)	(23,260)	(17,563)	(160,716)	(12,401)	(400,152)	(94,671)	(245,280)	(119,186)
Other Financing Sources (Uses)										
Financed Purchases (Non-Budgeted) Transfers Out		595,301	(50,000)	(50,000)	(50,000)	96,000	325,000	47,677	113,157	
Total Other Financing Sources (Uses)		595,301	(50,000)	(50,000)	(50,000)	96,000	325,000	47,677	113,157	
Net Change In Fund Balances	\$ (44,742)	\$ 441,030	\$ (73,260)	\$ (67,563)	\$ (210,716)	\$ 83,599	\$ (75,152)	\$ (46,994)	\$ (132,123)	\$ (119,186)
Debt Service As A Percentage Of Noncapital Expenditures	5.12%	7.44%	7.17%	6.91%	6.66%	6.44%	6.00%	5.43%	5.54%	5.24%

Source: School District Financial Reports

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Prior Year Refunds	Other	Total
2015	\$ 3,408	\$ 165,894		\$ 160,022	\$ 329,324
2016	3,127	215,540	\$ 43,335	148,122	410,124
2017	4,724	87,448	29,485	165,898	287,555
2018	7,927	65,612	14,810	112,866	201,215
2019	10,352	14,760	33,274	209,898	268,284
2020	6,285	62,974	8,649	300,690	378,598
2021	231	78,723	1,032	279,409	359,395
2022	116	185,563	3,594	604,798	794,071
2023	9,104	142,644	19,866	175,396	347,010
2024	48,980	224,016	9,583	363,382	645,961

Source: Allamuchy Township School District records

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Farm		Commercial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
		Regular	Qualified							
2014	\$ 10,325,300	\$ 479,465,200	\$ 22,054,500	\$ 19,604,700		\$ 531,449,700	\$ 906,575	\$ 532,356,275	\$ 1.526	\$ 575,790,232
2015	6,991,900	492,125,700	22,373,000	18,971,700		540,462,300		540,462,300	1.609	584,260,244
2016	7,160,000	501,673,600	22,372,200	18,041,700		549,247,500		549,247,500	1.664	602,220,217
2017	5,230,900	511,499,900	22,310,700	18,225,700		557,267,200		557,267,200	1.664	614,775,390
2018	5,359,200	521,386,900	22,511,400	13,722,900	\$ 4,337,800	567,318,200		567,318,200	1.676	628,189,791
2019	7,407,400	527,255,300	22,551,500	13,887,900	4,337,800	575,439,900		575,439,900	1.699	654,727,387
2020	5,216,600	540,280,500	22,564,700	13,802,600	4,337,800	586,202,200		586,202,200	1.689	694,305,579
2021	2,598,000	553,041,700	22,117,300	13,802,600	4,337,800	595,897,400		595,897,400	1.696	763,011,808
2022	1,862,400	556,613,300	23,314,900	13,802,600	4,337,800	599,931,000		599,931,000	1.720	759,543,059
2023	1,992,800	555,875,800	22,460,000	\$ 1,173,300	4,337,800	599,642,300		599,642,300	1.770	845,264,964

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 of assessed valuation.

Source: Municipal Tax Assessor

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Allamuchy Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Allamuchy Township	Warren County	
2014	\$ 1.38	\$ 0.15	\$ 1.53	\$ 0.45	\$ 0.77	\$ 2.75
2015	1.51	0.10	1.61	0.43	0.84	2.87
2016	1.53	0.14	1.66	0.43	0.83	2.91
2017	1.53	0.14	1.66	0.43	0.84	2.94
2018	1.54	0.14	1.68	0.43	0.85	2.96
2019	1.57	0.13	1.70	0.45	0.82	2.96
2020	1.57	0.12	1.69	0.45	0.82	2.95
2021	1.58	0.12	1.70	0.45	0.83	2.97
2022	1.60	0.12	1.72	0.45	0.86	3.03
2023	1.65	0.12	1.77	0.45	0.89	3.11

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

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b Rates for debt service are based on each year's requirements.

Source: Municipal Tax Collector and School Business Administrator

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2023			2014		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Baker Residential Ltd. Partnership	\$ 6,647,800	1.12%	Baker Residential Ltd. Partnership	\$ 7,362,400	1.38%
Colonial Manor at Panther Valley LLC	4,337,800	0.73%	Allamuchy Mall Partners LLC	4,500,000	0.84%
Allamuchy Mall Partners LLC	4,049,000	0.68%	Colonial Manor at Panther Valley LLC	4,337,800	0.81%
EMS Partnership LLC	2,700,000	0.45%	EMS Partnership LLC	2,900,000	0.54%
Van Vugt	2,140,200	0.36%	Bowers Glen, Inc.	2,107,900	0.39%
13 Old Farm LLC	1,817,500	0.31%	Allamuchy Corp Center	1,420,000	0.27%
Allamuchy Corp Center	1,420,000	0.24%	Berkowitz Flordia	1,400,000	0.26%
Individual Taxpayer 1	1,311,100	0.22%	Individual Taxpayer #1	1,253,170	0.23%
Allamuchy Land Development	1,189,500	0.20%	Individual Taxpayer #2	1,214,000	0.23%
Individual Taxpayer 2	1,146,600	0.19%	Allamuchy Land Development	1,186,800	0.22%
Total	\$ 26,759,500	4.49%		\$ 27,682,070	5.17%

NOTE: Individual Taxpayers are numbered in the year assessed; however, they may not be the same individual taxpayers in the two years presented.

Source: Allamuchy Municipal Tax Assessor

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 8,565,136	\$ 8,565,136	100.00%	-0-
2016	9,093,734	9,093,734	100.00%	-0-
2017	9,207,135	9,207,135	100.00%	-0-
2018	9,324,611	9,324,611	100.00%	-0-
2019	9,510,217	9,510,217	100.00%	-0-
2020	9,775,467	9,775,467	100.00%	-0-
2021	10,043,309	10,043,309	100.00%	-0-
2022	10,231,511	10,231,511	100.00%	-0-
2023	10,422,714	10,422,714	100.00%	-0-
2024	10,612,400	10,612,400	100.00%	-0-

^a 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 the amount voted upon or certified prior to the end of the school year.

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Financed Purchases	Bond					
				Anticipation Notes (BANs)					
2015	\$ 9,990,000	-0-	\$ 206,834	-0-	-0-	\$ 10,196,834	4.66%	\$ 2,243	
2016	9,405,000	-0-	700,942	-0-	-0-	10,105,942	4.42%	2,209	
2017	9,015,000	-0-	604,191	-0-	-0-	9,619,191	4.03%	2,089	
2018	8,605,000	-0-	505,411	-0-	-0-	9,110,411	3.65%	1,966	
2019	8,180,000	-0-	430,081	-0-	-0-	8,610,081	3.33%	1,842	
2020	7,740,000	-0-	432,494	-0-	-0-	8,172,494	3.07%	1,720	
2021	7,280,000	-0-	715,548	-0-	-0-	7,995,548	2.34%	1,474	
2022	6,800,000	-0-	599,654	-0-	-0-	7,399,654	2.16%	1,360	
2023	6,300,000	-0-	525,526	-0-	-0-	6,825,526	1.99%	1,253	
2024	5,785,000	-0-	336,928	-0-	-0-	6,121,928	1.79%	1,124	

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

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

Source: School District Financial Reports.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Net Valuation ^a Taxable	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 9,990,000	-0-	\$ 9,990,000	1.88%	\$ 2,197.54
2016	9,405,000	-0-	9,405,000	1.74%	2,056.19
2017	9,015,000	-0-	9,015,000	1.64%	1,958.08
2018	8,605,000	-0-	8,605,000	1.54%	1,856.93
2019	8,180,000	-0-	8,180,000	1.44%	1,749.73
2020	7,740,000	-0-	7,740,000	1.35%	1,629.13
2021	7,280,000	-0-	7,280,000	1.24%	1,342.43
2022	6,800,000	-0-	6,800,000	1.14%	1,249.77
2023	6,300,000	-0-	6,300,000	1.05%	1,156.81
2024	5,785,000	-0-	5,785,000	0.96%	1,062.25

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

- a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.
- b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Allamuchy Township	\$ 7,729,791	100.00%	\$ 7,729,791
Warren County General Obligation Debt	10,570,000	6.719%	<u>710,245</u>
Subtotal, Overlapping Debt			8,440,036
Township of Allamuchy School District			<u>6,300,000</u>
Total Direct And Overlapping Debt			<u>\$ 14,740,036</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Township of Allamuchy Chief Financial Officer and Warren County Treasurer's Office; debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Allamuchy. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2024	
Year Ended December 31,	Equalized Valuation Basis
2023	\$ 908,686,619
2022	844,022,228
2021	754,369,425
	<u>\$ 2,507,078,272</u>
Average Equalized Valuation of Taxable Property	<u>\$ 835,692,757</u>
Debt Limit (3% of Average Equalization Value) ^a	\$ 25,070,783
Net Bonded School Debt	<u>6,300,000</u>
Legal Debt Margin	<u>\$ 18,770,783</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 17,813,349	\$ 17,338,688	\$ 17,430,494	\$ 17,746,919	\$ 18,125,596
Total Net Debt Applicable to Limit	<u>10,055,000</u>	<u>10,085,000</u>	<u>9,990,000</u>	<u>9,015,000</u>	<u>8,605,000</u>
Legal Debt Margin	<u>\$ 7,758,349</u>	<u>\$ 7,253,688</u>	<u>\$ 7,440,494</u>	<u>\$ 8,731,919</u>	<u>\$ 9,520,596</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	56.45%	58.16%	57.31%	50.80%	47.47%

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	\$ 18,670,123	\$ 19,309,857	\$ 19,832,027	\$ 21,170,140	\$ 25,070,783
Total Net Debt Applicable to Limit	<u>8,180,000</u>	<u>7,740,000</u>	<u>7,280,000</u>	<u>6,800,000</u>	<u>6,300,000</u>
Legal Debt Margin	<u>\$ 10,490,123</u>	<u>\$ 11,569,857</u>	<u>\$ 12,552,027</u>	<u>\$ 14,370,140</u>	<u>\$ 18,770,783</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	43.81%	40.08%	36.71%	32.12%	25.13%

a - Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
Department of Treasury, Division of Taxation.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Population ^a</u>	<u>Warren County Per Capita Personal Income ^c</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Unemployment Rate ^d</u>
2015	4,546	\$ 50,704	\$ 230,500,384	5.20%
2016	4,574	51,503	235,574,722	4.00%
2017	4,604	53,149	244,697,996	3.80%
2018	4,634	54,973	254,744,882	3.40%
2019	4,675	56,956	266,269,300	3.00%
2020	4,751	60,525	287,554,275	8.30%
2021	5,423	63,041	341,871,343	4.70%
2022	5,441	62,921	342,353,161	3.00%
2023	5,446	62,921 *	342,667,766	3.80%
2024	5,446 **	62,921 *	342,667,766 ***	N/A

* - Latest Warren County per capita personal income available (2022) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

*** - Latest per capita personal income available (2022) and latest population data available (2023) was used for calculation purposes.

N/A - Information Not Available for this year

Sources:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF WARREN
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2023		Percentage of Total Employment
	Employees	Rank	

INFORMATION IS NOT AVAILABLE

Employer	2014		Percentage of Total Employment
	Employees	Rank (Optional)	
Mars Snack Foods	1,000	1	1.84%
Warren Hospital	1,000	2	1.84%
Hackettstown Regional Medical Center	900	3	1.65%
Warren County government	766	4	1.41%
Phillipsburg Board of Education	630	5	1.16%
Mallinckrodt/Baker, Inc.	483	6	0.89%
Genesis Health Center	425	7	0.78%
ShopRite of Greenwich	407	8	0.75%
Wal-Mart Stores, Inc.	363	9	0.67%
Centenary College	350	10	0.64%
	<u>6,324</u>		<u>11.62%</u>
Total Employment	<u>54,424</u>		

Source: New Jersey Department of Labor

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction:										
Regular	29.2	26.5	27.9	38.5	30.5	31.5	32.0	29.0	31.0	31.0
Special Education	8.9	8.1	6.9	3.5	3.5	3.8	4.0	6.0	6.0	6.5
Other Special Education	6.0	6.4	5.0	10.5	7.5	9.5	12.0	13.0	13.0	13.5
Support Services:										
Student & Instruction Related Services	11.0	9.0	20.3	15.3	13.5	13.8	9.5	7.0	7.0	7.0
School Administrative Services	4.5	5.6	5.0	4.5	4.5	4.0	4.5	6.0	6.0	5.0
General Administrative Services	1.6	2.6	1.6	1.4	1.4	1.4	1.4	2.0	2.0	2.0
Plant Operations and Maintenance	5.7	5.7	5.4	4.0	4.0	5.0	6.0	7.5	7.5	7.0
Pupil Transportation	11.0	11.5	11.0	10.6	10.6	10.6	12.6	13.0	12.0	12.0
Total	<u>77.9</u>	<u>75.4</u>	<u>83.1</u>	<u>88.3</u>	<u>75.5</u>	<u>79.6</u>	<u>82.0</u>	<u>83.5</u>	<u>84.5</u>	<u>84.0</u>

Source: Allamuchy Township School District personnel records.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	433	\$ 9,588,697	\$ 22,145	9.15%	43	10.1	433.7	410.8	-3.04%	94.72%
2016	423	9,479,600	22,410	1.20%	44	9.6	423.8	409.8	-2.28%	96.70%
2017	412	9,851,269	23,911	6.70%	40	10.3	413.9	394.9	-2.34%	95.41%
2018	425	10,285,311	24,201	1.21%	38	11.0	418.4	401.4	1.09%	95.94%
2019	431	10,659,539	24,732	2.20%	42	10.3	434.3	416.1	3.80%	95.81%
2020	431	11,086,811	25,723	4.01%	45	9.5	428.2	415.6	-1.40%	97.06%
2021	423	12,005,997	28,383	10.34%	48	8.7	418.9	404.7	-2.17%	96.61%
2022	424	13,378,609	31,553	11.17%	48	8.8	421.6	397.9	0.64%	94.38%
2023	421	13,101,656	31,120	-1.37%	45	9.3	420.3	394.3	-0.31%	93.81%
2024	457	13,744,034	30,074	-3.36%	51	8.9	456.3	405.7	8.57%	88.91%

Note: Enrollment based on annual October district count.

- ^a Operating expenditures equal total expenditures less debt service and capital outlay.
- ^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).
- ^d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment.
This Cost Per Pupil may be different from other Cost Per Pupil Calculations.

Source: Allamuchy Township School District records.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Allamuchy Elementary School										
Square Feet	56,879	56,879	56,879	56,879	56,879	56,879	56,879	56,879	56,879	56,879
Capacity (Students)	398	398	398	398	398	398	398	398	398	398
Enrollment	350	272	276	275	276	282	287	288	261	291
Mountain Villa School										
Square Feet	27,260	27,260	27,260	27,260	27,260	27,260	27,260	27,260	27,260	27,260
Capacity (Students)	180	180	180	180	180	180	180	180	180	180
Enrollment	99	150	136	151	155	149	136	136	160	166

Number of Schools at June 30, 2024:

Elementary = 2

Note: Enrollment is based on the annual October District count.

Source: Allamuchy Township School District Facilities Office.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures:
 Required Maintenance for School Facilities
 11-000-261-XXX

School Facilities *	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Allamuchy Elementary School	\$ 116,773	\$ 125,406	\$ 209,679	\$ 173,086	\$ 137,400	\$ 103,468	\$ 82,013	\$ 180,883	\$ 125,140	\$ 109,121
Mountain Villa School	50,748	35,110	71,448	56,536	46,819	35,257	27,225	86,690	59,975	52,297
	<u>\$ 167,521</u>	<u>\$ 160,516</u>	<u>\$ 281,127</u>	<u>\$ 229,622</u>	<u>\$ 184,219</u>	<u>\$ 138,725</u>	<u>\$ 109,238</u>	<u>\$ 267,573</u>	<u>\$ 185,115</u>	<u>\$ 161,418</u>

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

Source: Allamuchy Township School District records.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Alliance Insurance Fund (SAIF):			
School Package Policy:			
Building & Personal Property	\$ 29,909,900	Per Occurrence	\$ 5,000
General Liability including Auto, Employee Benefits:	11,000,000	Per Occurrence	1,000
Workers Compensation	3,600,293	Per Occurrence	N/A
Equipment Breakdown	100,000,000		5,000
Valuable Papers	10,000,000		5,000
Extra Expense	50,000,000	Per Occurrence	5,000
Underground Storage Tanks	1,000,000	Per Occurrence	10,000
Crime & Bonds			
Faithful Performance	1,000,000		1,000
Forgery & Alteration	100,000		1,000
Money & Securities	100,000		500
Money Orders/Counterfit	100,000		500
Computer Fraud	250,000		1,000
Crime- Blanket Employee Dishonesty	1,000,000		1,000
Per Loss member aggregate limit	400,000		N/A
Environmental Impairment Liability	1,000,000	Various	N/A
Non-SAIF Coverages:			
Employee Dishonesty	305,000		N/A
Student Accident Insurance	1,000,000		N/A
Bond for Board Secretary/School Business Administrator	180,000		N/A

Source: Allamuchy Township School District records.

SINGLE AUDIT SECTION

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 Auditors' Report

The Honorable President and Members of
the Board of Education
Allamuchy Township School District
County of Warren, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Allamuchy Township School District, in the County of Warren (the "District") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-001 that we consider to be a material weakness.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-001.

The District's Response to the Finding

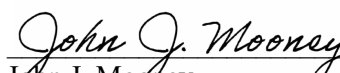
Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 31, 2025
Mount Arlington, New Jersey


NISIVOCCIA LLP



John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members of
the Board of Education
Allamuchy Township School District
County of Warren, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Board of Education of the Allamuchy Township School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit 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 fiscal year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's 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 District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the District'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 federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's 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 the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 or state program will not be prevented, or detected and corrected, on a timely basis.

The Honorable President and Members of
the Board of Education
Allamuchy Township School District
Page 3

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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

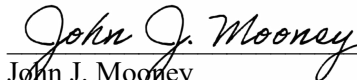
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

January 31, 2025
Mount Arlington, New Jersey


NISIVOCCIA LLP



John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Enterprise Fund	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned/Revenue/ (Accounts Receivable) 6/30/2023	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Balance at 6/30/2024 Accounts Receivable	Unearned Revenue	Due to Grantor 6/30/2024	Amount Paid to Subrecipients
U.S. Department of Agriculture Passed-through State Department of Agriculture: Child Nutrition Cluster:												
Federal Food Distribution Program	10.555	N/A	7/1/23-6/30/24	\$ 8,268	\$ 793	\$ 8,268	\$ (7,457)		\$	\$ 811		
Federal Food Distribution Program	10.555	N/A	7/1/22-6/30/23	16,205			(793)					
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	35,460		33,660	(35,460)		\$ (1,800)			
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	41,999	(1,696)	1,696						
COVID 19 - Supply Chain Assistance Award	10.555	N/A	7/1/23-6/30/24	14,523	(903)	58,147	(58,233)		(1,800)	811		
Total Child Nutrition Cluster												
Pandemic Electronic Benefit Transfer	10.649	N/A	7/1/23-6/30/24	653		653	(653)					
Total Enterprise Fund					(903)	58,800	(58,886)		(1,800)	811		
Special Revenue Fund:												
U.S. Department of Education: Passed-through State Department of Education: Elementary and Secondary Education Act Consolidated Grant:												
Title I												
Title I	84.010	ESEA-003024	7/1/23-9/30/24	23,368			(21,447)		(21,447)		\$ 160	
Title I	84.010	ESEA-003023	7/1/22-9/30/23	21,547	(4,130)	4,290						
Title I	84.010	ESEA-003021	7/1/20-9/30/21	29,914	(719)				(719)			
Title I	84.010	ESEA-003020	7/1/19-9/30/20	37,200	(595)				(595)			
Title I	84.010	ESEA-003016	7/1/15-6/30/16	16,156	39						39	
Total Title I					(5,405)	4,290	(21,447)		(22,761)		199	
Title IIA	84.367	ESEA-003024	7/1/23-9/30/24	9,845			(9,845)		(9,845)		40	
Title IIA	84.367	ESEA-003021	7/1/20-9/30/21	7,287	40						40	
Total Title IIA							(9,845)		(9,845)			
Title III	84.365	ESEA-003024	7/1/23-9/30/24	1,655			(1,655)		(1,655)			
Total Title III							(1,655)		(1,655)			
Title IV	84.424	ESEA-003024	7/1/23-9/30/24	10,000			(10,000)		(10,000)			
Title IV	84.424	ESEA-003023	7/1/22-9/30/23	10,000	(685)	685						
Title IV	84.424	ESEA-003020	7/1/19-9/30/20	14,659	5,731	685	(10,000)	\$ 5,731	(10,000)			
Total Title IV					5,046			5,731				
Rural School Achievement Program	84.358A	S3.58A212829	7/1/22-9/30/23	46,129	2,717						2,717	
Total Rural School Achievement Program					2,717						2,717	
Special Education Cluster:												
U.S. Department of Education: IDEA-A, Part B, Basic	84.027	IDEA-0030-24	7/1/23-9/30/24	103,120			(103,120)		(103,120)		933	
IDEA-A, Part B, Basic	84.027	IDEA-0030-21	7/1/20-9/30/21	94,762	933		(5,938)		(5,938)			
IDEA-A, Part B, Preschool	84.173	IDEA-0030-23	7/1/23-9/30/24	5,938			(109,058)		(109,058)		933	
Total Special Education Cluster					933							
Education Stabilization Fund												
COVID-19 CARES - Emergency Relief Fund	84.425D	S4.25D210027	3/13/20-9/30/24	25,229	859						859	
COVID-19 CRRSA ESSER II	84.425D	S4.25D210027	3/13/20-9/30/24	98,056	(47,663)				(47,663)			
COVID-19 CRRSA Learning Acceleration	84.425D	S4.25D210027	3/13/20-9/30/24	25,000	497						497	

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned/ Revenue/ (Accounts/ Receivable) 6/30/2023	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Balance at 6/30/2024 Accounts Receivable	Unearned Revenue	Due to Grantor 6/30/2024	Amount Paid to Subrecipients
COVID-19 ARP												
ESSER III	84.425U	S425D210027	3/13/20-9/30/24	\$ 220,375	\$ 6				\$	6		
Evidence Based Summer Learning and Enrichment	84.425U	S425D210027	3/13/20-9/30/24	40,000			\$ (21,878)		\$ (21,878)			
Evidence Based Comprehensive Beyond the School Day	84.425U	S425D210027	3/13/20-9/30/24	40,000	3,871		(24,401)		(20,530)			
New Jersey High Impact Tutoring Competitive	84.425C	S425D210027	10/11/23-8/31/24	38,000			(38,000)		(38,000)			
Total Education Stabilization Fund					(42,430)		(84,279)		(128,071)	6	\$ 1,356	
Total Special Revenue Fund U.S. Department of Treasury					(39,099)	\$ 4,975	(236,284)	\$ 5,731	(281,390)	6	5,245	
Total Federal Awards					\$ (40,002)	\$ 63,775	(295,170)	\$ 5,731	\$ (283,190)	\$ 817	\$ 5,245	\$ -0-

N/A: Not Available/ Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Budgetary Balance Unearned Revenue/ (Accounts Receivable) 6/30/2023		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Receivable Cancelled	Balance at 6/30/2024		Memo	
										GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
General Fund													
NJ Department of Education:													
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	\$ 432,405				\$ 389,220	\$ (432,405)				\$ (43,185)	\$ 432,405
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	578,993				521,168	(578,993)				(57,825)	578,993
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	51,637				46,480	(51,637)				(5,157)	51,637
Non-Public Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	20,930					(20,930)		\$ (20,930)		(20,930)	20,930
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	77,858					(77,858)		(77,858)		(77,858)	77,858
Reimbursed TPAF Social Security Contributions	24-495-034-5095-003	7/1/23-6/30/24	233,613				222,024	(233,613)		(11,589)		(11,589)	233,613
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	305,042	\$ (30,458)			304,58						305,042
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	540,659	(53,983)			53,983						540,659
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	48,918	(4,884)			4,884						48,918
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	13,728	(13,728)			13,728						13,728
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	137,803	(137,803)			40,717						137,803
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	7/1/22-6/30/23	230,008	(11,084)			555		\$ 10,529				230,008
On-Behalf TPAF Post Retirement Contribution	24-495-034-5094-001	7/1/23-6/30/24	317,065				317,065	(317,065)					317,065
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	1,151,843				1,151,843	(1,151,843)					1,151,843
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	13,136				13,136	(13,136)					13,136
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	488				488	(488)					488
Total General Fund State Aid				(251,940)			2,805,749	(2,877,968)	10,529	(110,377)		(216,544)	4,154,126
Debt Service Fund:													
Debt Service Aid Type II	24-100-034-5120-124	7/1/23-6/30/24	62,750				62,750	(62,750)					62,750
Total Debt Service Aid							62,750	(62,750)					62,750
Special Revenue													
School Development Authority:													
Emergent and Capital Maintenance Needs	N/A	7/1/23-6/30/24	9,161				9,161	(9,161)					9,161
Total Special Revenue Fund							9,161	(9,161)					9,161
Total NJ Department of Education				(251,940)			2,877,660	(2,949,879)	10,529	(110,377)		(216,544)	4,226,037
New Jersey Department of Agriculture:													
Food Service Fund:													
School Lunch Program - State	24-100-010-3350-023	7/1/23-6/30/24	2,225				2,102	(2,225)		(123)		(123)	2,225
School Lunch Program - State	23-100-010-3350-023	7/1/22-6/30/23	2,105	(87)			87						2,105
Total NJ Department of Agriculture				(87)			2,189	(2,225)		(123)			4,330
Total State Awards Subject to Single Audit Determination				(252,027)		\$ -0-	2,879,849	(2,952,104)	\$ 10,529	\$ (110,500)	\$ -0-	\$ (216,544)	\$ 4,230,367
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	\$ (317,065)					\$ 317,065					
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	(1,151,843)					1,151,843					
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	(13,136)					13,136					
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	(488)					488					
Subtotal - On-Behalf TPAF Pension System Contributions								1,482,532					
Total State Awards Subject to Single Audit Major Program Determination								\$ (1,469,572)					
N/A - Not Available													

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Allamuchy Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

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

Note 4: Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$16,842) for the General Fund and (\$18,051) 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.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Note 4: Relationship to Basic Financial Statements (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,861,126	\$ 2,861,126
Special Revenue Fund	\$ 217,284	10,110	227,394
Debt Service Fund		62,750	62,750
Food Service Fund	<u>58,886</u>	<u>2,225</u>	<u>61,111</u>
Total Financial Awards	<u>\$ 276,170</u>	<u>\$ 2,936,211</u>	<u>\$ 3,212,381</u>

Note 5: Relationship to Federal and State Financial Reports

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

Note 6: Federal and State Loans Outstanding

The Allamuchy Township School District had no loan balances outstanding at June 30, 2024.

Note 7: Other

T.P.A.F. Social Security Contributions represent the amount reimbursed by the State for the employer's share of social security contributions for T.P.A.F. members for the fiscal year ended June 30, 2024. Revenue and expenditures reported under the Federal Food Distribution Program represents current year value received and current year distributions, respectively.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	<u>X</u>	Yes	<u> </u>	No
2.) Significant deficiencies identified?	<u> </u>	Yes	<u>X</u>	None reported
Noncompliance material to basic financial statements noted?	<u>X</u>	Yes	<u> </u>	No

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2024 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

State Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	<u> </u>	Yes	<u>X</u>	No
2.) Significant deficiencies identified?	<u> </u>	Yes	<u>X</u>	None reported
Noncompliance material to basic financial statements noted?	<u> </u>	Yes	<u>X</u>	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?	<u> </u>	Yes	<u>X</u>	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	\$ 578,993	\$ 578,993
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	51,637	51,637
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?			Yes	X	No

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section II - Financial Statement Findings

Finding 2024-001: Payroll Reconciliation and Reporting – Material Weakness; Material Noncompliance with Laws and Regulations

Criteria:

The IRS requires that Federal employee payroll tax withholdings are remitted in a timely manner. The State of New Jersey requires that state employee payroll tax and unemployment insurance withholdings are remitted in a timely manner. N.J.S.A. 18A:17-9 requires that monthly reconciliations of all bank accounts are prepared prior to the completion of the Board Secretary's monthly report. Reconciliations of payrolls are to be made by all school districts maintaining such accounts. A monthly analysis of balance for the payroll agency account by individual payroll withholdings should be prepared and any ending balances should be reviewed for validity on a monthly basis.

Condition and Context:

The District did not remit federal, state and unemployment tax payroll withholdings by the required due dates. Bank reconciliations for the various payroll accounts - net payroll, payroll agency, unemployment insurance, flexible spending and health care - were not reconciled on a monthly basis. A monthly analysis of balance for the payroll agency account by individual payroll withholdings was not prepared on a monthly basis so that any ending balances could be reviewed for validity.

Effect:

The District was not aware that Federal, state and unemployment tax payroll withholdings were not remitted in a timely manner for the fiscal year ended June 30, 2024 as well as the quarters ended March 31, 2023 and June 30, 2023. This has resulted in the District incurring interest and penalties on the state and unemployment payroll tax withholdings as of the date of this report.

Cause:

Controls were not implemented to ensure that payroll tax withholdings are remitted in a timely manner, bank reconciliations for the various payroll bank accounts - net payroll, payroll agency, unemployment insurance, flexible spending, and health care - are reconciled in a timely manner and a monthly analysis of balance for the payroll agency account by individual payroll withholdings is prepared on a monthly basis and any ending balances are reviewed for validity.

Recommendation:

It is recommended that the controls be implemented to ensure that payroll tax withholdings are remitted in a timely manner, bank reconciliations for the various payroll bank accounts - net payroll, payroll agency, unemployment insurance, flexible spending, and health care - are reconciled in a timely manner and a monthly analysis of balance for the payroll agency account by individual payroll withholdings is prepared on a monthly basis and any ending balances are reviewed for validity.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section II - Financial Statement Findings (Cont'd)

Management's Response:

The District has already begun to implement controls to ensure that payroll tax withholdings are remitted in a timely manner, bank reconciliations for the various payroll bank accounts - net payroll, payroll agency, unemployment insurance and flexible spending - are reconciled in a timely manner and a monthly analysis of balance for the payroll agency account by individual payroll withholdings is prepared on a monthly basis and any ending balances are reviewed for validity. The District has engaged the services of a tax attorney to assist the District in ensuring the prior years' payroll tax withholdings were correctly remitted and to assist the District in the abatement of any interest and penalties, where possible.

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings/Recommendations:

The District had no prior year audit findings.