

**ALLENDALE SCHOOL DISTRICT**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Allendale, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
of the  
Allendale School District  
Allendale, New Jersey  
For The Fiscal Year Ended June 30, 2024**

**Prepared by:  
Allendale School District  
Business Office**

**ALLENDALE SCHOOL DISTRICT  
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## **Introductory Section**



## ALLENDALE PUBLIC SCHOOL DISTRICT

100 Brookside Avenue • Allendale, NJ 07401-1795

Phone 201-327-2020 • Fax 201-825-6553

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

MARIA L. ENGELEIT  
BUSINESS ADMINISTRATOR/BOARD SECRETARY

January 3, 2025

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

The Annual Comprehensive Financial Report of the Borough of Allendale School District (District) for the fiscal year ended June 30, 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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the basic financial statements and required supplementary information, as well as the auditors' report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of New Jersey OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and is not a required part of the basic financial statements. Information related to this Single Audit, including the auditors' report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the Single Audit section of this report.

**DESCRIPTION OF THE MUNICIPALITY:** The Borough of Allendale is located approximately 20 miles north of the George Washington Bridge in the northwestern section of Bergen County, New Jersey. Incorporated in 1894, the Borough is primarily a residential community, with a large number of commuters who take advantage of a reliable commuter transportation system. The Borough is bordered by the Boroughs of Ramsey, Saddle River and Waldwick, as well as Mahwah and Wyckoff Townships. The Borough of Allendale encompasses 3.12 square miles, with a density factor of approximately 2,202.1 persons per square mile, based upon the US Census' 2021 estimated population of 6803 persons. The District is served by major transportation routes, including Routes 17, 502 and 507 (25.93 miles of municipal roads and 8.22 miles of county roads), as well as Interstates 87 and 287. Metropolitan airports are within easy commuting distance. Nearby rail and bus service for commuting are also available.



1. REPORTING ENTITY AND ITS SERVICES: The Borough of Allendale School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Borough of Allendale Board of Education and all its schools constitute the District's reporting entity.

The school district has two schools and utilizes a Pre-Kindergarten-Grade Three, and a Grades Four-Eight configuration, providing a full range of educational services. These include regular as well as special education for special needs students. The District completed the 2023-2024 fiscal year with an average daily enrollment of 893 students. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2023-2024	893	(2.4%)
2022-2023	915	3.3%
2021-2022	885	3.3%
2020-2021	857	(1.7%)
2019-2020	872	(.01%)
2018-2019	881	(3.3%)
2017-2018	911	.22%
2016-2017	909	.55%
2015-2016	904	(.33%)
2014-2015	907	.20%

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Allendale is does well within the confines of the region's economy. While the County of Bergen median household income is \$132,901 (2023), the northwestern section of the County, in which Allendale is located, continues to have one of the highest median household incomes within the County.

3. MAJOR INITIATIVES: The Allendale School District prides itself on being an exemplary school system. Various rating groups have ranked both the Pre-K-8 district and the regional high school, located in the Borough, among the best in New Jersey. State of the art programs exist throughout the school system, and student achievement is extraordinarily high when compared to all reference groups. The focus of the school district, however, is equally dedicated to providing a well-rounded educational experience to its students, together with many opportunities for exploration and experimentation. The District also provides a wide array of services for special needs students as well as for those in accelerated programs.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30.

**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".

**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". The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

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

#### **9. OTHER INFORMATION:**

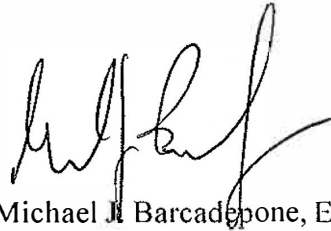
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies was appointed by Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of New Jersey and OMB Circular Letter 15-08. The auditors' report on the basic financial statements, combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

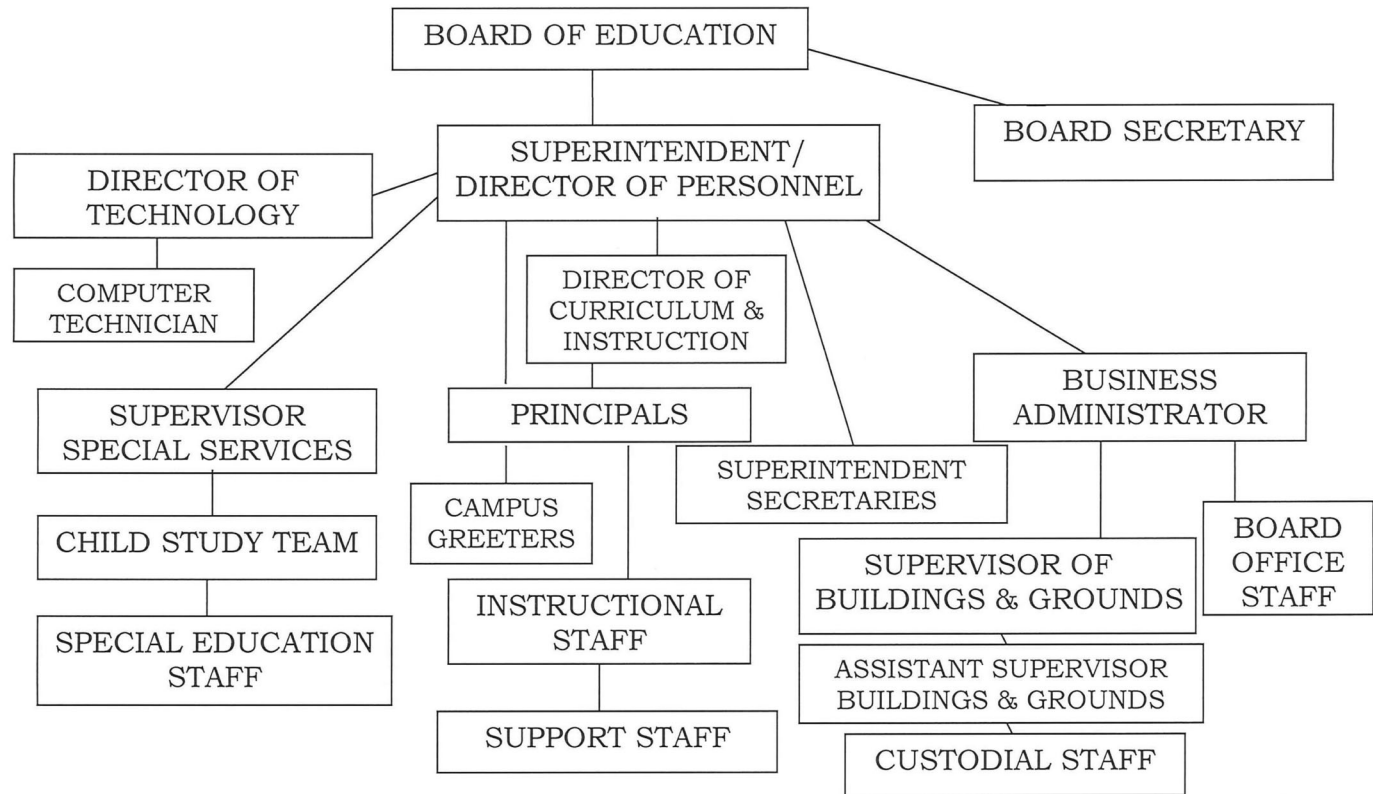


Maria L. Engeleit  
School Business Administrator



Michael J. Barcadeppone, Ed.D.  
Superintendent

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



EDUCATION ATTACHMENT I

ALLENDALE SCHOOL DISTRICT  
Allendale, New Jersey

Roster of Officials

June 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Amy Gunderson, President	2025
Kimberly Rosner, Vice President	2025
Lori Shekari	2024
Todd Fliegel	2026
David Verbel	2024

Other Officials

Dr. Michael J. Barcadepone, Superintendent

Maria L. Engeleit, School Business Administrator/Board Secretary

Alison Altano, Treasurer

**ALLENDALE SCHOOL DISTRICT**  
Allendale, New Jersey

Independent Auditors and Advisors

**Auditor**

PKF O'Connor Davies, LLP  
300 Tice Boulevard  
Suite 315  
Woodcliff Lake, NJ 07677

**Attorney**

Stephen Fogarty, Esq.  
Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, NJ 07410

**Architect**

Settembrino Architects  
37 East Washington Ave.  
Atlanta Highlands, New Jersey 07716

**Official Depository**

Capital One Bank  
Ramsey Square Sh. Ctr  
1300 Rt. 17 North  
Ramsey, New Jersey 07446

**NJ ARM**

3625 Nottingham Way  
Hamilton, New Jersey 08690

## **Financial Section**



## **Independent Auditors' Report**

**The Honorable President and Members  
of the Board of Trustees  
Allendale School District  
Allendale, New Jersey**

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

#### ***Opinions***

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

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditors' 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.



**The Honorable President and Members  
of the Board of Trustees  
Allendale School District**

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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.

***Auditors' 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 auditors' 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, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 judgement, 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.

**The Honorable President and Members  
of the Board of Trustees  
Allendale School District**

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***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 combining and individual fund financial statements, long-term debt schedules, and the schedule of expenditures of state financial assistance, as required by New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, was presented for additional analysis and was 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2024. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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.

**The Honorable President and Members  
of the Board of Trustees  
Allendale School District**

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***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 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.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
January 3, 2025



Gary W. Higgins, CPA  
Licensed Public School Accountant, No. 814

## **Required Supplementary Information – Part I**

### **Management's Discussion and Analysis**

**ALLENDALE SCHOOL DISTRICT  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2024**

This discussion and analysis of the Allendale School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements including the notes to the financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2024 is as follows:

- General revenues accounted for \$24,275,820 or 94 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions and capital grants and contributions accounted for \$1,648,783 or 6 percent of total revenues of \$25,924,603.
- The School District had \$24,082,997 in expenses; only \$1,648,783 of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$24,275,820 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$24,366,042 in revenues and \$24,767,942 in expenditures. The General Fund's fund balance (modified accrual) decreased by \$401,900 from the fiscal year ended June 30, 2023.

**ALLENDALE SCHOOL DISTRICT  
ALLENDALE, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2024

**Using this Annual Comprehensive Financial Report (ACFR)**

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

The Statement of Net Position and Statement of Activities provides information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at significant funds with all other non-major funds presented in one total column. The District has no non-major funds. The General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

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

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during the fiscal year ended June 30, 2024?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those positions. This change is important because it tells the reader that, for the school district as a whole, its financial position improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

**ALLENDALE SCHOOL DISTRICT  
ALLENDALE, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2024

**Reporting the School District as a Whole (Continued)**

**Statement of Net Position and the Statement of Activities (Continued)**

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

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

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

**Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the General, Special Revenue and Debt Service Funds. The District's Enterprise Funds include the Food Service Fund.

**Governmental Funds**

The District's activities are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Fund**

The enterprise fund use the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

# ALLENDALE SCHOOL DISTRICT ALLENDALE, NEW JERSEY

## Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2024

### The District as a Whole

The Statement of Net Position provides one perspective of the District as a whole.

Table 1 provides a summary of the District's net position as of June 30, 2024 and 2023.

**Table 1  
Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Assets</b>						
Current and Other Assets	\$ 15,859,236	\$ 16,162,149	\$ 123,953	\$ 121,671	\$ 15,983,189	\$16,283,820
Capital Assets, Net	<u>14,535,694</u>	<u>12,611,893</u>	<u>5,644</u>	<u>21,512</u>	<u>14,541,338</u>	<u>12,633,405</u>
Total Assets	<u>30,394,930</u>	<u>28,774,042</u>	<u>129,597</u>	<u>143,183</u>	<u>30,524,527</u>	<u>28,917,225</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	<u>756,349</u>	<u>823,118</u>	<u>-</u>	<u>-</u>	<u>756,349</u>	<u>823,118</u>
Total Deferred Outflows of Resources	<u>756,349</u>	<u>823,118</u>	<u>-</u>	<u>-</u>	<u>756,349</u>	<u>823,118</u>
Total Assets and Deferred Outflow of Resources	<u>31,151,279</u>	<u>29,597,160</u>	<u>129,597</u>	<u>143,183</u>	<u>31,280,876</u>	<u>29,740,343</u>
<b>Liabilities</b>						
Long-term Liabilities	4,370,293	5,151,931			4,370,293	5,151,931
Other Liabilities	<u>1,101,821</u>	<u>290,669</u>	<u>13,245</u>	<u>-</u>	<u>1,115,066</u>	<u>290,669</u>
Total Liabilities	<u>5,472,114</u>	<u>5,442,600</u>	<u>13,245</u>	<u>-</u>	<u>5,485,359</u>	<u>5,442,600</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	<u>285,545</u>	<u>629,377</u>	<u>-</u>	<u>-</u>	<u>285,545</u>	<u>629,377</u>
Total Deferred Inflows of Resources	<u>285,545</u>	<u>629,377</u>	<u>-</u>	<u>-</u>	<u>285,545</u>	<u>629,377</u>
Total Liabilities and Deferred Inflow of Resources	<u>5,757,659</u>	<u>6,071,977</u>	<u>13,245</u>	<u>-</u>	<u>5,770,904</u>	<u>6,071,977</u>
<b>Net Position</b>						
Net Investment in Capital Assets	13,850,694	11,512,833	5,644	21,512	13,856,338	11,534,345
Restricted	10,600,819	15,039,852			10,600,819	15,039,852
Unrestricted (Deficit)	<u>942,107</u>	<u>(3,027,502)</u>	<u>110,708</u>	<u>121,671</u>	<u>1,052,815</u>	<u>(2,905,831)</u>
Total net position	<u>\$ 25,393,620</u>	<u>\$ 23,525,183</u>	<u>\$ 116,352</u>	<u>\$ 143,183</u>	<u>\$ 25,509,972</u>	<u>\$23,668,366</u>

The District's combined net position were \$25,509,972 and \$23,668,366, as of June 30, 2024 and 2023, respectively. The District's net position increased \$1,841,606 during the fiscal year ended June 30, 2024.



**ALLENDALE SCHOOL DISTRICT  
ALLENDALE, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2024

Table 2 shows changes in net position for fiscal years ended June 30, 2024 and 2023.

**Table 2  
Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 248,188	\$ 459,384	\$ 434,416	\$ 434,342	\$ 682,604	\$ 893,726
Operating Grants and Contributions	749,565	1,243,671			749,565	1,243,671
Capital Grants and Contributions	216,614	-			216,614	-
General Revenues						
Property Taxes	17,867,611	16,999,172			17,867,611	16,999,172
Other Revenues	6,404,375	2,102,013	3,834	2,256	6,408,209	2,104,269
Total Revenues	<u>25,486,353</u>	<u>20,804,240</u>	<u>438,250</u>	<u>436,598</u>	<u>25,924,603</u>	<u>21,240,838</u>
<b>Program Expenses</b>						
Instruction	13,224,379	8,111,549			13,224,379	8,111,549
Support Services						
Student and Instructional Related Services	5,058,625	7,262,912			5,058,625	7,262,912
General Administration, School						
Administration, Business/Central	2,402,230	1,521,388			2,402,230	1,521,388
Plant Operation and Maintenance	2,552,823	1,740,350			2,552,823	1,740,350
Pupil Transportation	347,950	293,400			347,950	293,400
Interest on debt	31,909	25,136			31,909	25,136
Food Service	-	-	465,081	399,219	465,081	399,219
Total Expenses	<u>23,617,916</u>	<u>18,954,735</u>	<u>465,081</u>	<u>399,219</u>	<u>24,082,997</u>	<u>19,353,954</u>
Change in Net Position	1,868,437	1,849,505	(26,831)	37,379	1,841,606	1,886,884
Net Position Beginning of Year	<u>23,525,183</u>	<u>21,675,678</u>	<u>143,183</u>	<u>105,804</u>	<u>23,668,366</u>	<u>21,781,482</u>
Net Position End of Year	<u>\$ 25,393,620</u>	<u>\$ 23,525,183</u>	<u>\$ 116,352</u>	<u>\$ 143,183</u>	<u>\$ 25,509,972</u>	<u>\$ 23,668,366</u>

**Governmental Activities**

Property taxes made up 70 and 82 percent of revenues for governmental activities for the Allendale School District in fiscal years 2024 and 2023, respectively. The District's total revenues were \$25,486,353 and \$20,804,240 for the fiscal years ended June 30, 2024 and 2023, respectively. Federal, state, and local grants accounted for 26 and 14 percent of revenue for 2024 and 2023, respectively. The total cost of all programs and services was \$23,617,916 and \$18,954,735 for the fiscal years ended June 30, 2024 and 2023, respectively. Instruction comprises 56 and 43 percent of District expenses for the fiscal years ended June 30, 2024 and 2023, respectively. The revenues and expenses for the fiscal year ended June 30, 2023 do not include the on-behalf TPAF pension payments of \$2,604,011.

**ALLENDALE SCHOOL DISTRICT  
ALLENDALE, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2024

**Business-Type Activities**

Revenues for the District's business-type activities (Food Service Fund) were comprised of charges for services.

- Total business-type activities expenses exceeded revenues by \$26,831 in fiscal year 2023/2024.
- Charges for services of \$434,416 represent 99 percent of revenue. This represents amounts paid for the food service program.

**Governmental Activities**

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

<b>Table 3</b> <b>Total Cost and Net Cost of Sales</b>				
	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Instruction	\$ 13,224,379	\$ 8,111,549	\$ 12,679,903	\$ 7,941,567
Support services				
Student and Instructional Related Service	5,058,625	7,262,912	4,605,348	5,729,839
General Administration, School				
Administration, Business/Central	2,402,230	1,521,388	2,402,230	1,521,388
Plant Operation and Maintenance	2,552,823	1,740,350	2,336,209	1,740,350
Pupil Transportation	347,950	293,400	347,950	293,400
Interest and Fiscal Charges	<u>31,909</u>	<u>25,136</u>	<u>31,909</u>	<u>25,136</u>
 Total Expenses	 <u>\$ 23,617,916</u>	 <u>\$ 18,954,735</u>	 <u>\$ 22,403,549</u>	 <u>\$ 17,251,680</u>

**ALLENDALE SCHOOL DISTRICT  
ALLENDALE, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2024

**Governmental Activities (Continued)**

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

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

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

Plant operation and maintenance involve keeping the school grounds, buildings, and equipment in an effective working condition.

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

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

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$25,470,778 and \$20,804,240 and expenditures were \$25,846,755 and \$19,468,070 during the fiscal years ended June 30, 2024 and 2023, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2024 and 2023.

	<u>Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2024</u>	<u>2023</u>	<u>Increase</u>	<u>Increase</u>
Local Sources	\$ 19,105,618	\$ 17,834,255	\$ 1,271,363	7.13%
State Sources	5,946,619	2,569,202	3,377,417	131.46%
Federal Sources	<u>418,541</u>	<u>400,783</u>	<u>17,758</u>	4.43%
Total Revenues	<u>\$ 25,470,778</u>	<u>\$ 20,804,240</u>	<u>\$ 4,666,538</u>	22.43%

**ALLENDALE SCHOOL DISTRICT  
ALLENDALE, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2024

**The District's Funds (Continued)**

The following schedule represents a summary of governmental fund expenditures for the fiscal years ended June 30, 2024 and 2023.

	<u>Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2024</u>	<u>2023</u>	<u>Increase</u>	<u>Increase</u>
			<u>(Decrease)</u>	<u>(Decrease)</u>
Current:				
Instruction	\$ 7,984,256	\$ 7,508,602	\$ 475,654	6.33%
Undistributed Expenditures	14,933,737	10,860,057	4,073,680	37.51%
Capital Outlay	2,573,587	738,736	1,834,851	248.38%
Debt Service:				
Principal	320,000	310,000	10,000	3.23%
Interest and Other Charges	<u>35,175</u>	<u>50,675</u>	<u>(15,500)</u>	-30.59%
 Total Expenditures	 <u>\$ 25,846,755</u>	 <u>\$ 19,468,070</u>	 <u>\$ 6,378,685</u>	 32.76%

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over expenditures in specific line item accounts.

**ALLENDALE SCHOOL DISTRICT  
ALLENDALE, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2024

**Capital Assets**

At the end of fiscal years 2024 and 2023, the District had \$14,535,694 and \$12,611,893 (net of depreciation), respectively, in land, improvements other than buildings, buildings and building improvements, furniture, equipment and vehicles. Table 4 shows the capital assets balances, net of depreciation at June 30, 2024 and 2023.

<b>Table 4</b>						
<b>Capital Assets at June 30, 2024 and 2023</b>						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Totals</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u><b>2024</b></u>	<u><b>2023</b></u>	<u><b>2024</b></u>	<u><b>2023</b></u>	<u><b>2024</b></u>	<u><b>2023</b></u>
Construction in Progress	\$ 200,820	\$ 448,810			\$ 200,820	\$ 448,810
Site Improvements	229,589	229,589			229,589	229,589
Buildings and Building Improvement	25,768,406	22,769,790			25,768,406	22,769,790
Machinery and Equipment	<u>2,423,350</u>	<u>2,407,069</u>	<u>\$ 219,480</u>	<u>\$ 219,480</u>	<u>2,642,830</u>	<u>2,626,549</u>
	28,622,165	25,855,258	219,480	219,480	28,841,645	26,074,738
Less Accumulated Depreciation	<u>(14,086,471)</u>	<u>(13,243,365)</u>	<u>(213,836)</u>	<u>(197,968)</u>	<u>(14,300,307)</u>	<u>(13,441,333)</u>
Capital Assets, Net	<u>\$ 14,535,694</u>	<u>\$ 12,611,893</u>	<u>\$ 5,644</u>	<u>\$ 21,512</u>	<u>\$14,541,338</u>	<u>\$12,633,405</u>

Additional information relating to the District's capital assets can be found in Note 3D to the financial statements.

**Debt Administration**

At June 30, 2024 and 2023, the District had \$4,756,293 and \$5,151,931 of outstanding long-term liabilities, respectively.

Table 5 shows an analysis of the outstanding liabilities.

	<u><b>2024</b></u>	<u><b>2023</b></u>
Bonds Payable	\$ 685,000	\$ 1,005,000
Capital Leases	-	83,801
Compensated Absences	505,977	498,721
Net Pension Liability	<u>3,565,316</u>	<u>3,564,409</u>
	<u>\$ 4,756,293</u>	<u>\$ 5,151,931</u>

At June 30, 2024, the District's overall legal remaining debt margin was \$61,359,157.

Additional information pertaining to the District's long term debt can be found in Note 3F to the financial statements.

**ALLENDALE SCHOOL DISTRICT  
ALLENDALE, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2024

**For the Future**

Currently, the District is in sound financial condition. Everyone associated with the Allendale School District is grateful for the community support of the schools. The District's major concerns are continued enrollment growth and the ability to maintain optimum class sizes and excellent services. This, in an environment of uncertain state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the Allendale School District has committed itself to financial excellence for many years. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

**Contacting the District's Financial Management**

If you have questions about this report or need additional information, contact the School Business Administrator at the Allendale School District, 100 Brookside Avenue, Allendale, NJ 07401.

## **Basic Financial Statements**

## **District-wide Financial Statements**

The district-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2024.



ALLENDALE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,765,823	\$ 122,150	\$ 14,887,973
Accounts Receivable	1,093,413	87	1,093,500
Inventory		1,716	1,716
Capital Assets, Non-Depreciable	430,409		430,409
Capital Assets, Depreciable Net	14,105,285	5,644	14,110,929
Total assets	<u>30,394,930</u>	<u>129,597</u>	<u>30,524,527</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows - PERS	756,349	-	756,349
Total Deferred Outflow of Resources	<u>756,349</u>	<u>-</u>	<u>756,349</u>
<b>LIABILITIES</b>			
Accounts Payable	599,480		599,480
Accrued Interest on Bonds	6,993		6,993
Other Liabilities	102,007		102,007
Net Pension Liability	3,565,316		3,565,316
Unearned Revenue	7,341	13,245	20,586
Noncurrent Liabilities			
Due within one year	386,000		386,000
Due beyond one year	804,977		804,977
Total Liabilities	<u>5,472,114</u>	<u>13,245</u>	<u>5,485,359</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - PERS	285,545		285,545
Total Deferred Inflows of Resources	<u>285,545</u>	<u>-</u>	<u>285,545</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,757,659</u>	<u>13,245</u>	<u>5,770,904</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,850,694	5,644	13,856,338
Restricted for:			
Capital Reserve	9,429,017		9,429,017
Maintenance Reserve	836,836		836,836
Emergency Reserve	45,000		45,000
Unemployment Compensation	185,317		185,317
Student Activities	104,649		104,649
Unrestricted	<u>942,107</u>	<u>110,708</u>	<u>1,052,815</u>
Total net position	<u>\$ 25,393,620</u>	<u>\$ 116,352</u>	<u>\$ 25,509,972</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>							
Current:							
Instruction	\$ 13,224,379	\$ 248,188	\$ 296,288		\$ (12,679,903)		\$ (12,679,903)
Support Services and Undistributed Costs:							
Instruction	1,383,195		453,277		(929,918)		(929,918)
Health Services	271,947				(271,947)		(271,947)
Other Supportive Services	2,441,349				(2,441,349)		(2,441,349)
Improvement of Instruction	571,800				(571,800)		(571,800)
School Library and Educational Media Services	386,767				(386,767)		(386,767)
Instruction Staff Training	3,567				(3,567)		(3,567)
General Administrative Services	760,551				(760,551)		(760,551)
School Administrative Services	983,155				(983,155)		(983,155)
School Central Services	621,522				(621,522)		(621,522)
School Admin Info Technology	37,002				(37,002)		(37,002)
Allowed Maintenance for School Facilities	837,176				(837,176)		(837,176)
Other Operation and Maintenance of Plant	1,391,919			\$ 216,614	(1,175,305)		(1,175,305)
Care and Upkeep of Grounds	93,716				(93,716)		(93,716)
Security	230,012				(230,012)		(230,012)
Student Transportation Services	347,950				(347,950)		(347,950)
Interest expense	31,909				(31,909)		(31,909)
Total Governmental Activities	<u>23,617,916</u>	<u>248,188</u>	<u>749,565</u>	<u>216,614</u>	<u>(22,403,549)</u>	<u>-</u>	<u>(22,403,549)</u>
<b>Business-type activities</b>							
Food Service	465,081	434,416				\$ (30,665)	(30,665)
Total Business-Type Activities	<u>465,081</u>	<u>434,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,665)</u>	<u>(30,665)</u>
Total Primary Government	<u>\$ 24,082,997</u>	<u>\$ 682,604</u>	<u>\$ 749,565</u>	<u>\$ 216,614</u>	<u>\$ (22,403,549)</u>	<u>(30,665)</u>	<u>\$ (22,434,214)</u>
<b>General Revenues</b>							
Taxes:							
Property Taxes, levied for General Purposes					\$ 17,633,200		\$ 17,633,200
Taxes levied for Debt Service					234,411		234,411
Federal and State Aid					5,745,580		5,745,580
Miscellaneous Income					126,568		126,568
Investment Income - Restricted					6,062		6,062
Investment Income					<u>526,165</u>	<u>3,834</u>	<u>529,999</u>
Total General Revenues					<u>24,271,986</u>	<u>3,834</u>	<u>24,275,820</u>
Change in Net Position					1,868,437	(26,831)	1,841,606
Net Position, July 1					<u>23,525,183</u>	<u>143,183</u>	<u>23,668,366</u>
Net Position, June 30					<u>\$ 25,393,620</u>	<u>\$ 116,352</u>	<u>\$ 25,509,972</u>

The accompanying notes to the financial statements are an integral part of this statement

## **Fund Financial Statements**

## **Governmental Funds**

ALLENDALE SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 14,661,174	\$ 104,649		\$ 14,765,823
Receivables from State	741,581			741,581
Receivables from Federal		230,727		230,727
Other Receivables	121,105			121,105
Interfund	186,599			186,599
Total Assets	<u>\$ 15,710,459</u>	<u>\$ 335,376</u>	<u>\$ -</u>	<u>\$ 16,045,835</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts Payable	207,339	36,787		244,126
Due to Other Funds		186,599		186,599
Payroll Deductions and Withholdings Payable	71,022			71,022
Other Current Liabilities	30,985			30,985
Unearned Revenue		7,341		7,341
Total Liabilities	<u>309,346</u>	<u>230,727</u>	<u>-</u>	<u>540,073</u>
<b>Fund Balances</b>				
Restricted for:				
Capital Reserve	2,831,067			2,831,067
Capital Reserve- Designated for Subsequent Year's Expenditures	6,597,950			6,597,950
Maintenance Reserve	711,836			711,836
Maintenance Reserve- Designated for Subsequent Year's Expenditures	125,000			125,000
Emergency Reserve	45,000			45,000
Excess Surplus - Current Year	1,976,694			1,976,694
Excess Surplus - Designated for Subsequent Year's Expenditures	1,463,786			1,463,786
Unemployment Compensation	185,317			185,317
Student Activities		104,649		104,649
Assigned:				
Year End Encumbrances	430,754			430,754
Unassigned:				
General Fund	1,033,709			1,033,709
Total Fund Balances	<u>15,401,113</u>	<u>104,649</u>	<u>-</u>	<u>15,505,762</u>
Total Liabilities and Fund Balances	<u>\$ 15,710,459</u>	<u>\$ 335,376</u>	<u>\$ -</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$28,622,165 and the accumulated depreciation and amortization is \$14,086,471.		14,535,694
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(1,190,977)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.		
Deferred outflows of resources	\$ 756,349	
Deferred inflows of resources	<u>(285,545)</u>	470,804
Accrued interest on long-term liabilities is not reported as liabilities in the Funds.		(6,993)
Accrued pension contributions for the June 30, 2024 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.		(355,354)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.		<u>(3,565,316)</u>
Net position of governmental activities		<u>\$ 25,393,620</u>

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

ALLENDALE SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources				
Local Tax Levy	\$ 17,633,200		\$ 234,411	\$ 17,867,611
Tuition Charges	248,188			248,188
Interest on Investments	315,553			315,553
Interest Earned on Capital Reserve Funds	210,612			210,612
Rent and Royalties	28,600			28,600
Other Restricted Miscellaneous Revenues	6,062			6,062
Miscellaneous	97,968	\$ 331,024		428,992
Total - Local Sources	18,540,183	331,024	234,411	19,105,618
State Sources	5,825,859		120,760	5,946,619
Federal Sources		418,541		418,541
Total revenues	24,366,042	749,565	355,171	25,470,778
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	5,846,471	296,288		6,142,759
Special Education Instruction	1,139,771			1,139,771
Other Instruction	616,317			616,317
Undistributed - Current:				
Instruction	883,663	427,350		1,311,013
Health Services	160,353			160,353
Other Support Services	1,529,691			1,529,691
Improvement of Instruction	341,211			341,211
Educational Media Services	228,805			228,805
Instruction Staff Training	3,381			3,381
General Administration Services	492,476			492,476
School Administration Services	565,836			565,836
School Central Services	372,580			372,580
School Admin Info Technology	22,438			22,438
Required Maintenance for School Facilities	644,978			644,978
Custodial Services	1,057,602			1,057,602
Care and Upkeep of Grounds	88,825			88,825
Security	179,749			179,749
Student Transportation Services	329,792			329,792
Unallocated Employee Benefits	3,514,106			3,514,106
On Behalf TPAF Benefits (non-budgeted)	4,090,901			4,090,901
Debt Service:				
Principal	83,801		320,000	403,801
Interest and Other Charges	1,608		35,175	36,783
Capital Outlay	2,573,587			2,573,587
Total expenditures	24,767,942	723,638	355,175	25,846,755
(Deficiency) Excess of Revenues (under) over Expenditures	(401,900)	25,927	(4)	(375,977)
Fund Balance, July 1	15,803,013	78,722	4	15,881,739
Fund Balance, June 30	\$ 15,401,113	\$ 104,649	\$ -	\$ 15,505,762

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

ALLENDALE SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
WITH DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (375,977)**

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

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

Capital Outlays	\$ 2,550,294	
Depreciation and Amortization Expense	<u>(843,107)</u>	
		1,707,187

The net effect of various miscellaneous transactions involving capital assets (i.e. sales disposals and donations) is to increase net position. These transactions are not reported in the governmental funds financial statements.

Donated Capital Assets		216,614
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Serial Bonds	\$ 320,000	
Financed Purchases Payable	<u>83,801</u>	
		403,801

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).	(7,256)
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In the statement of activities, interest on long-term debt/capital leases is accrued, regardless of when due. In the governmental funds, interest is reported when due.	3,266
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Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds pension expense.	<u>(79,198)</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 1,868,437**

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

## **Proprietary Funds**



ALLENDALE SCHOOL DISTRICT  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 JUNE 30, 2024

	Business-type Activities Enterprise Funds <u>Totals</u>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 122,150
Accounts receivable	87
Inventory	1,716
Total current assets	<u>123,953</u>
Non-current Assets	
Furniture, Machinery and Equipment	219,480
Less: Accumulated Depreciation	<u>(213,836)</u>
Total capital assets, net	5,644
Total assets	<u>129,597</u>
<b>LIABILITIES</b>	
Current Liabilities	
Unearned Revenue	<u>13,245</u>
Total Liabilities	<u>13,245</u>
<b>NET POSITION</b>	
Investment in Capital Assets	5,644
Unrestricted	110,708
Total Net Position	<u><u>\$ 116,352</u></u>

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

ALLENDALE SCHOOL DISTRICT  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Funds Food Service
<b>OPERATING REVENUES</b>	
Local sources:	
Daily sales - non-reimbursable programs	\$ 433,922
Miscellaneous	494
Total operating revenues	<u>434,416</u>
Operating expenses:	
Salaries	119,672
Employee Benefits	41,507
Other Purchased Services	13,627
Supplies and materials	12,819
Other Objects	38,318
Depreciation	15,868
Cost of Sales - Non-reimbursable Programs	223,270
Total operating expenses	<u>465,081</u>
Operating Loss	<u>(30,665)</u>
<b>NONOPERATING REVENUES</b>	
Interest Income	3,834
Total Non-Operating Revenues	<u>3,834</u>
Change in Net Position	<u>(26,831)</u>
Net Position Beginning of Year	143,183
Net Position End of Year	<u><u>\$ 116,352</u></u>

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

ALLENDALE School District  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Business-type Activities</u> <u>Food Service</u>
<b>Cash Flows from Operating Activities</b>	
Receipts from Customers and Other Funds	\$ 434,329
Payments to Employees and Benefits	(162,895)
Payments to suppliers	(274,789)
Net Cash Used For Operating Activities	<u>(3,355)</u>
<b>Cash Flows from Investing Activities</b>	
Interest Income	3,834
Net Cash Provided by Investing Activities	<u>3,834</u>
Net Increase in Cash and Cash Equivalents	479
Cash and Cash Equivalents, Beginning of Year	121,671
Cash and Cash Equivalents, End of Year	<u>\$ 122,150</u>
<b>Reconciliation of Operating Loss to Net Cash Used For Operating Activities</b>	
Operating Loss	\$ (30,665)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	15,868
Adjustments to reconcile operating Income (loss) to Net Cash Used in Operating Activities:	
(Increase) in other receivable	(87)
(Increase) in inventories	(1,716)
Increase in Unearned Revenue	13,245
Total Adjustments	<u>27,310</u>
Net Cash Used For Operating Activities	<u>\$ (3,355)</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Allendale School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Allendale Board of Education this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. Recently Issued and Adopted Accounting Principles**

The District adopted no new accounting standards during the fiscal year ended June 30, 2024. Accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not yet determined the impact of the Statement on the financial statements.

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**B. Recently Issued and Adopted Accounting Principles (Continued)**

- The GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosures within government financial statements on risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.
- The GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing the government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.
- The GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets*" in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

**District-Wide Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

**ALENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**C. Basis of Presentation - Financial Statements (Continued)**

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds and its enterprise fund to be nonmajor fund.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

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

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

The *food service fund* accounts for the activities of the school cafeteria, which provides meals to students.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Measurement Focus and Basis of Accounting**

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

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

**1. *Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.



**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**2. *Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**3. *Inventories***

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

**4. *Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvements Other than Buildings	20
Buildings and Building Improvements	20-45
Machinery and Equipment	5-20

**5. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The one item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item, which arises only under the accrual basis of accounting that qualifies for reporting in this category. The one item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

**6. Compensated Absences**

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

**7. Pensions**

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

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

**8. Long-Term Obligations**

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred outflows and inflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized portion of the original issue bond premium. Bond issuance costs (other than prepaid insurance) are treated as an expense.

**9. Net Position/Fund Balance**

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2024/2025 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2024/2025 District budget certified for taxes.

Emergency Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2D).

Excess Surplus – Current Year – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that was appropriated in the 2024/2025 original budget certified for taxes.

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4).

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

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

**10. Fund Balance Policies**

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

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

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

**F. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Property Taxes**

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

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2022-2023 and 2023-2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent for review and approval prior to adoption. The Board has moved its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original General Fund budget by \$1,266,435 and increased the original Special Revenue Fund budget by \$18,275. The General Fund increase was the result of reappropriation of prior year encumbrances of \$266,435 and the appropriation of capital reserve funds of \$1,000,000. The Special Revenue Fund increase was funded by additional grant awards and student activity revenues.

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**B. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023		\$ 10,883,104
Increased by:		
Interest Earnings	\$ 210,612	
Deposits of Unexpended Capital Reserve	60,301	
Deposits Approved by Board Resolution	<u>1,075,000</u>	
Total Increases		<u>1,345,913</u>
		12,229,017
Decreased by:		
Withdrawals Approved in District Budget	1,800,000	
Withdrawals Approved by Board Resolution	<u>1,000,000</u>	
Total Decreases		<u>2,800,000</u>
Balance, June 30, 2024		<u><u>\$ 9,429,017</u></u>

ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$6,597,950 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

C. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 836,836
Increased by:	
Deposits Approved by Board Resolution	<u>125,000</u>
	961,836
Withdrawals:	
Approved in District Budget	<u>125,000</u>
Balance, June 30, 2024	<u>\$ 836,836</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$836,836. \$125,000 of the maintenance reserve at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

D. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years. Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to I 8A:7G6( c) 1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district’s General Fund budget as certified for taxes up to a maximum of \$1,000,000.

ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 130,000
Withdrawals:	
Approved by in District Budget	<u>85,000</u>
Balance, June 30, 2024	<u>\$ 45,000</u>

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2024 is \$3,440,480. Of this amount, \$1,463,786 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$1,976,694 will be appropriated in the 2025/2026 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits were \$14,887,973 and bank and brokerage firm balances of the Board's deposits amounted to \$15,534,734. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

Depository Account

Insured	<u>\$ 15,534,734</u>
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**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

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

As of June 30, 2024, the Board had no investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**ALLENDALE SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2024 for the District's individual major funds and fiduciary funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 230,727		\$ 230,727
State	\$ 741,581			741,581
Other	<u>121,105</u>	<u>-</u>	<u>\$ 87</u>	<u>121,192</u>
Gross Receivables	862,686	230,727	87	1,093,500
Less: Allowance for				
Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 862,686</u>	<u>\$ 230,727</u>	<u>\$ 87</u>	<u>\$ 1,093,500</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund	
Grant Draw Downs Reserved for Encumbrances	\$ 7,161
Unencumbered Grant Draw Downs	<u>180</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 7,341</u>

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, July 1, 2023	Increases	Transfers	Balance, June 30, 2024
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Site Improvements	\$ 229,589			\$ 229,589
Construction in Progress	448,810	\$ 2,750,626	\$ (2,998,616)	200,820
Total capital assets, not being depreciated	678,399	2,750,626	(2,998,616)	430,409
Capital assets, being depreciated:				
Buildings and Building Improvements	22,769,790		2,998,616	25,768,406
Machinery and equipment	2,407,068	16,282	-	2,423,350
Total capital assets being depreciated	25,176,858	16,282	2,998,616	28,191,756
Less accumulated depreciation for:				
Buildings and building improvements	(11,223,577)	(757,585)		(11,981,162)
Machinery and equipment	(2,019,787)	(85,522)	-	(2,105,309)
Total accumulated depreciation	(13,243,364)	(843,107)	-	(14,086,471)
Total capital assets, being depreciated, net	11,933,494	(826,825)	2,998,616	14,105,285
Governmental activities capital assets, net	\$ 12,611,893	\$ 1,923,801	\$ -	\$ 14,535,694
	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
<b>Business-type Activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 219,480	\$ -	\$ -	\$ 219,480
Total capital assets being depreciated	219,480	-	-	219,480
Less accumulated depreciation for:				
Machinery and equipment	(197,968)	(15,868)	-	(213,836)
Total accumulated depreciation	(197,968)	(15,868)	-	(213,836)
Total capital assets, being depreciated, net	21,512	(15,868)	-	5,644
Business-type activities capital assets, net	\$ 21,512	\$ (15,868)	\$ -	\$ 5,644

**ALLENDALE SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the District as follows:

<b>Governmental Activities:</b>		
<b>Current:</b>		
Instruction		\$ 439,599
<b>Undistributed Current:</b>		
Instruction		72,182
Health services		8,829
Other support services		84,222
Improvement of instruction		18,786
Education media library		12,598
Other support: Instruction staff		186
General administration		27,115
Administrative information technology		21,749
Required maintenance of plant services		35,511
Plant operation and maintenance		58,230
Care and upkeep		4,891
Security		9,897
Student transportation		18,158
		<u>18,158</u>
Total depreciation/amortization expense - governmental activities		<u>\$ 843,107</u>
<b>Business-Type Activities:</b>		<u>\$ 15,868</u>

**E. Interfund Receivables and Payables**

The composition of interfund balances as of June 30, 2024, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 186,599</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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

**ALLENDALE SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2024 is comprised of the following issue:

\$2,940,000, 2014 Refunding Bonds, due in annual installments of \$335,000 to \$350,000 through March 15, 2026, interest at 3.50%	\$ 685,000
Total	\$ 685,000

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

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 335,000	\$ 23,975	\$ 358,975
2026	350,000	12,250	362,250
Total	\$ 685,000	\$ 36,225	\$ 721,225

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

3.0% of Equalized Valuation Basis (Municipal)	\$ 62,044,157
Less: Net Debt	685,000
Remaining Borrowing Power	\$ 61,359,157

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance, <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2024</u>	Due Within <u>One Year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 1,005,000		\$ 320,000	\$ 685,000	\$ 335,000
Financed Purchases Payable	83,801		83,801		
Compensated Absences	498,721	\$ 63,009	55,753	505,977	51,000
Net Pension Liability	3,564,409	907		3,565,316	
<hr/>					
Governmental activity					
Long-term liabilities	\$ 5,151,931	\$ 63,916	\$ 459,554	\$ 4,756,293	\$ 386,000

For the governmental activities, the liability for financed purchases payable, compensated absences and net pension liability are generally liquidated by the general fund and the bonds payable are liquidated by the debt service fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member. NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the Group are on file with the School's Business Administrator.

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

Fiscal Year Ended <u>June 30,</u>	Beginning <u>Balance</u>	<u>Contributions</u>	Interest <u>Earnings</u>	Paid <u>Claims</u>	Ending <u>Balance</u>
2024	\$ 179,255	\$ 8,618	\$ 6,062	\$ 8,618	\$ 185,317
2023	171,725	16,273	3,490	12,233	179,255
2022	167,694	7,784	286	4,039	171,725

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2024, the District has not estimated its arbitrage earnings due to the IRS, if any.

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Description of Systems**

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

**Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be  $1/55^{\text{th}}$  of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be  $1/60^{\text{th}}$  of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**Public Employees' Retirement System**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be  $1/55^{\text{th}}$  of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be  $1/60^{\text{th}}$  of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.



**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2024, the State of New Jersey contributed \$3,525,785 to the TPAF for on-behalf medical, non-contributory insurance and pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$565,116 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2024, 2023 and 2022 were \$328,985, \$297,845, and \$282,384, respectively.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

At June 30, 2024, the District reported a liability of \$3,565,316 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 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 school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.0246149114 percent, which was an increase of 0.0009960646 from its proportion measured as of June 30, 2022.

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

For the year ended June 30, 2024, the District recognized full accrual pension expense of \$218,647 in the government-wide financial statements. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 34,089	\$ 14,574
Changes of assumptions	7,832	216,073
Net difference between projected and actual earnings on pension plan investments	16,419	
Changes in proportion		54,898
Changes in proportion and differences between District contributions and proportionate share of contributions	342,655	
District contributions subsequent to the measurement date	355,354	
	<u>\$ 756,349</u>	<u>\$ 285,545</u>

\$355,354 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2025	\$ 76,279
2026	102,486
2027	(130,801)
2028	61,971
2029	5,515
	<u>\$ 115,450</u>

***Actuarial Assumptions***

The total collective 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%

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Mortality Rates*

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

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on 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 Pension 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 expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	28.00%	8.96%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market 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%
	<u>100.00%</u>	

ALLENDALE SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

*Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate*

The following presents the District’s proportionate share of the net pension liability as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 4,641,283	\$ 3,565,316	\$ 2,649,526

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees’ Retirement System.

*Additional Information*

Collective balances of the Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 1,080,204,730
Deferred inflows of resources	\$ 1,780,216,457
Net pension liability	\$ 14,606,489,066
District's Proportion	0.0246149114%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2023 is \$79,181,803.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 is 5.08, 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years, respectively.

ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers Pensions and Annuity Fund (TPAF) – 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.

The State’s proportionate share of the TPAF net pension liability associated with the District as of June 30, 2024 was \$32,061,944. The District’s proportionate share was \$0. 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 State’s proportionate share of the net pension liability associated with the District was based on a projection of the State’s long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State’s proportionate share of the TPAF net pension liability associated with the District was 0.0628263113 percent, which was a decrease of 0.0024383428 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$3,372,704 for contributions incurred by the State

*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. The actuarial valuation used the following actuarial assumptions, applied to all periods included 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%

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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.

*Long-Term Expected Rate of Return*

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	28.00%	8.96%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market 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%
	<u>100.00%</u>	

ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

*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 will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 37,806,850	\$ 32,061,944	\$ 27,223,368

*Pension plan fiduciary net position*

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

**Additional Information**

Collective balances of the Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 2,498,730,891
Deferred inflows of resources	\$ 14,719,080,314
Net pension liability	\$ 51,032,669,551

State's proportionate share associated with the District	0.0628263113%
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Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2023 is \$1,292,291,943.

**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.83, 7.93, 7.99, 8.04, 8.29, 8.30, 8.30 and 8.50 years, respectively.

**E. Post-Retirement Medical Benefits**

**State Health Benefit State Retired Employees Plan**

**Plan description and benefits provided**

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.



**ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2024, 2023 and 2022 were \$754,116, \$684,067, and \$636,583, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

Additional information on Pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).

**ALLENDALE SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Total OPEB Liability**

*Changes in Total OPEB Liability*

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2023:

Balance at June 30, 2022		\$ 27,635,843
Increased by:		
Service cost	\$ 1,161,155	
Interest cost	1,027,275	
Diff. between expected and actual exp.	59,788	
Changes of assumptions	58,791	
Member contributions	<u>26,325</u>	
		<u>2,333,334</u>
		29,969,177
Decreased by:		
Gross benefit payments	<u>800,778</u>	
		<u>800,778</u>
Balance at June 30, 2023		<u><u>\$ 29,168,399</u></u>

ALLENDALE SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

*Employees covered by benefit terms*

The following employees were covered by the benefit terms:

Local Education	June 30, 2023
Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	369,595

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the OPEB liability associated with the District as of June 30, 2023 was \$29,168,399. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

*Actuarial assumptions and other inputs*

The total nonemployer OPEB liability in the June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023 and included in the June 30, 2023 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%		
	<u>TPA/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

*Mortality Rates*

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using

ALLENDALE SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

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

*Discount Rate*

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2026 and decreases to 4.50% after 10 years. 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% after 11 years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

*The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate*

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	At Current Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 34,194,940	\$ 29,168,399	\$ 25,132,670

ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 24,214,268	\$ 29,168,399	\$ 35,650,892

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

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$706,158 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 17,347,811,894
Deferred inflows of resources	\$ 30,503,688,706
Collective OPEB expense	\$ 1,389,124,126

*Special Funding Situation*

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey

F. Tax Abatements

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

For Allendale School District, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

ALLENDALE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

G. Net Position – Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$13,850,694 indicated as part of the Governmental Activities net position is calculated as follows:

Capital Assets, Net	\$14,535,694
Less:	
Bonds Payable	<u>685,000</u>
Net Investment in Capital Assets	<u>\$13,850,694</u>

H. Subsequent Events

Management has reviewed and evaluated events and transactions that occurred between June 30, 2024 and January 3, 2025, the date that the financial statements were available for issuance.

## **Required Supplementary Information – Part II**

### **Pension and OPEB Schedules**

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last Ten Fiscal Years \*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.02461%	0.02361%	0.02409%	0.02210%	0.02160%	0.02122%	0.02088%	0.02022%	0.01964%	0.01842%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 3,565,316</u>	<u>\$ 3,564,409</u>	<u>\$ 2,854,693</u>	<u>\$ 3,605,127</u>	<u>\$ 3,891,930</u>	<u>\$ 4,179,153</u>	<u>\$ 4,861,387</u>	<u>\$ 5,988,698</u>	<u>\$ 4,408,856</u>	<u>\$ 3,448,550</u>
District's Covered Payroll	<u>\$ 1,911,447</u>	<u>\$ 1,877,387</u>	<u>\$ 1,684,375</u>	<u>\$ 1,700,992</u>	<u>\$ 1,445,190</u>	<u>\$ 1,524,527</u>	<u>\$ 1,459,154</u>	<u>\$ 1,423,066</u>	<u>\$ 1,282,525</u>	<u>\$ 1,328,508</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	187%	190%	169%	212%	269%	274%	333%	421%	344%	260%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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



**ALLENDALE SCHOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last Ten Fiscal Years \*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 328,985	\$ 297,845	\$ 282,384	\$ 241,843	\$ 210,100	\$ 211,123	\$ 193,465	\$ 179,635	\$ 168,854	\$ 167,379
Contributions in Relation to the Contractually Required Contributions	<u>328,985</u>	<u>297,845</u>	<u>282,384</u>	<u>241,843</u>	<u>210,100</u>	<u>211,123</u>	<u>193,465</u>	<u>179,635</u>	<u>168,854</u>	<u>167,379</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,150,075</u>	<u>\$ 1,911,447</u>	<u>\$ 1,877,387</u>	<u>\$ 1,684,375</u>	<u>\$ 1,700,992</u>	<u>\$ 1,445,190</u>	<u>\$ 1,524,527</u>	<u>\$ 1,459,154</u>	<u>\$ 1,423,066</u>	<u>\$ 1,282,525</u>
Contributions as a Percentage of Covered Payroll	15.30%	15.58%	15.04%	14.36%	12.35%	14.61%	12.69%	12.31%	11.87%	13.05%

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

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

TEACHERS PENSION AND ANNUITY FUND  
Last Ten Fiscal Years \*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.06282% %	0.06526% %	0.06674%	0.06534%	0.06675%	0.06561%	0.06355%	0.06361%	0.06263%	0.06034%
District's Proportionate Share of the Net Pension Liability (Asset)										
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 32,061,944</u>	<u>\$ 33,672,917</u>	<u>\$ 32,088,742</u>	<u>\$ 43,027,690</u>	<u>\$ 40,966,671</u>	<u>\$ 41,742,415</u>	<u>\$ 42,850,052</u>	<u>\$ 50,046,103</u>	<u>\$ 39,856,506</u>	<u>\$ 32,251,468</u>
Total	<u>\$ 32,061,944</u>	<u>\$ 33,672,917</u>	<u>\$ 32,088,742</u>	<u>\$ 43,027,690</u>	<u>\$ 40,966,671</u>	<u>\$ 41,742,415</u>	<u>\$ 42,850,052</u>	<u>\$ 50,046,103</u>	<u>\$ 39,856,506</u>	<u>\$ 32,251,468</u>
District's Covered Payroll	<u>\$ 7,795,526</u>	<u>\$ 6,910,828</u>	<u>\$ 7,619,890</u>	<u>\$ 7,227,431</u>	<u>\$ 7,229,215</u>	<u>\$ 6,995,888</u>	<u>\$ 7,027,642</u>	<u>\$ 6,654,718</u>	<u>\$ 6,404,960</u>	<u>\$ 6,380,317</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

**ALLENDALE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>Change of Benefit Terms:</b>	None.
<b>Change of Assumptions:</b>	Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**ALLENDALE SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF**  
**TOTAL OPEB LIABILITY**  
**POSTEMPLOYMENT HEALTH BENEFIT PLAN**  
**Last Ten Fiscal Years\***

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service Cost	\$ 1,161,155	\$ 1,485,050	\$ 1,729,803	\$ 976,216	\$ 914,431	\$ 1,073,462	\$ 1,285,411
Interest on Total OPEB Liability	1,027,275	732,380	858,854	828,945	1,008,770	1,105,796	955,797
Differences Between Expected and Actual Experience	59,788	426,257	(5,591,373)	5,851,488	(4,056,705)	(3,245,233)	-
Changes of Assumptions	58,791	(7,413,563)	32,663	6,716,206	343,165	(2,925,278)	(3,982,040)
Gross Benefit Payments	(800,778)	(725,444)	(676,536)	(640,096)	(706,510)	(681,634)	(668,617)
Change of Benefit Terms		-	(35,239)	-	-	-	-
Contributions from the Members	26,325	23,273	21,957	19,401	20,943	23,558	24,620
<b>Net Change in Total OPEB Liability</b>	1,532,556	(5,472,047)	(3,659,871)	13,752,160	(2,475,906)	(4,649,329)	(2,384,829)
<b>Total OPEB Liability - Beginning</b>	<u>27,635,843</u>	<u>33,107,890</u>	<u>36,767,761</u>	<u>23,015,601</u>	<u>25,491,507</u>	<u>30,140,836</u>	<u>32,525,665</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 29,168,399</u>	<u>\$ 27,635,843</u>	<u>\$ 33,107,890</u>	<u>\$ 36,767,761</u>	<u>\$ 23,015,601</u>	<u>\$ 25,491,507</u>	<u>\$ 30,140,836</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	29,168,399	27,635,843	33,107,890	36,767,761	23,015,601	25,491,507	30,140,836
Total OPEB Liability - Ending	<u>\$ 29,168,399</u>	<u>\$ 27,635,843</u>	<u>\$ 33,107,890</u>	<u>\$ 36,767,761</u>	<u>\$ 23,015,601</u>	<u>\$ 25,491,507</u>	<u>\$ 30,140,836</u>
<b>District's Covered Payroll</b>	<u>\$ 9,706,973</u>	<u>\$ 8,788,215</u>	<u>\$ 9,304,265</u>	<u>\$ 8,928,423</u>	<u>\$ 8,674,405</u>	<u>\$ 8,520,415</u>	<u>\$ 8,486,796</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	300%	314%	356%	412%	265%	299%	355%

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

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

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

**ALLENDALE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

## **Required Supplementary Information – Part III**

### **Budgetary Comparison Schedules**

ALLEDALE SCHOOL DISTRICT  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 17,633,200		\$ 17,633,200	\$ 17,633,200	
Tuition - From Individuals	85,400		85,400	185,391	\$ 99,991
Tuition - Other LEA's				62,797	62,797
Rents and Royalties	22,000		22,000	28,600	6,600
Interest Earned on Investments	46,000		46,000	315,553	269,553
Interest Earned on Capital Reserve Funds	25,000		25,000	210,612	185,612
Interest Earned on Unemployment - Restricted				6,062	6,062
Miscellaneous	13,000		13,000	97,968	84,968
Total revenues - local sources	17,824,600	-	17,824,600	18,540,183	715,583
State sources:					
Categorical Transportation Aid	22,726		22,726	22,726	
Categorical Special Education Aid	937,726		937,726	937,726	
Categorical Security Aid	71,109		71,109	71,109	
Extraordinary Aid				713,555	713,555
TPAF - LTDI (on-behalf - Non-budgeted)				849	849
TPAF - Post-Retirement Medical (on-behalf - Non-budgeted)				754,116	754,116
TPAF - Pension Contribution (on-behalf - Non-budgeted)				2,770,820	2,770,820
TPAF - Social security (reimbursed - Non-budgeted)				565,116	565,116
Total revenues - State sources	1,031,561	-	1,031,561	5,836,017	4,804,456
Total revenues	\$ 18,856,161	\$ -	\$ 18,856,161	\$ 24,376,200	\$ 5,520,039
<b>Expenditures</b>					
Current expenditures:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 366,065	\$ 35,000	\$ 401,065	\$ 385,720	\$ 15,345
Grades 1-5 - Salaries of Teachers	2,582,032	(159,728)	2,422,304	2,321,345	100,959
Grades 6-8 - Salaries of Teachers	2,564,357	41,715	2,606,072	2,542,543	63,529
Regular Program- Home Instruction					
Salaries of Teachers	3,000		3,000	880	2,120
Purchased Professional-Educational Services	8,000	10,000	18,000	7,669	10,331
General Supplies		2,500	2,500	151	2,349
Regular Programs- Undistributed Instruction					
Other Salaries for Instruction	29,620		29,620		29,620
Purchased Professional-Educational Services	55,000	(2,500)	52,500	12,071	40,429
Purchased Technical Skills	20,520		20,520	16,063	4,457
Other Purchased Services (400-500 - series)	346,572		346,572	282,884	63,688
General Supplies	504,998	(14,032)	490,966	360,686	130,280
Other Objects	20,939		20,939	1,868	19,071
Total instruction - regular programs	6,501,103	(87,045)	6,414,058	5,931,880	482,178
Learning and/or Language Disabilities - Mild/Moderate					
Salaries of Teachers	111,058	1,755	112,813	112,808	5
Other Salaries for Instruction	128,675		128,675	68,223	60,452
Other Purch. Serv. (400-500 series)	4,000	(4,000)			
General Supplies	8,000	4,000	12,000	1,711	10,289
Total Learning and/or Language Disabilities - Mild/Moderate	251,733	1,755	253,488	182,742	70,746
Multiple Disabilities:					
Salaries of Teachers	134,675	34,100	168,775	150,456	18,319
Other Salaries for Instruction	218,824		218,824	196,936	21,888
General Supplies	14,000		14,000	2,642	11,358
Total Multiple Disabilities:	367,499	34,100	401,599	350,034	51,565
Resource Room/Resource Center:					
Salaries of Teachers	544,814	23,400	568,214	565,255	2,959
General Supplies	5,400		5,400	3,175	2,225
Textbooks	3,000	(3,000)			
Total Resource Room/Resource Center	553,214	20,400	573,614	568,430	5,184

ALLENDALE SCHOOL DISTRICT  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 73,425	\$ (34,100)	\$ 39,325	\$ 38,032	\$ 1,293
Other Salaries for Instruction	67,479		67,479		67,479
General Supplies	2,500		2,500	533	1,967
Total Preschool Disabilities - Part-Time	143,404	(34,100)	109,304	38,565	70,739
Total Special Education - Instruction	1,315,850	22,155	1,338,005	1,139,771	198,234
Basic Skills/Remedial - Instruction					
Salaries of Teachers	483,721	(6,500)	477,221	388,237	88,984
General Supplies	4,075	3,000	7,075	6,559	516
Total Basic Skills/Remedial - Instruction	487,796	(3,500)	484,296	394,796	89,500
Bilingual Education - Instruction					
Salaries of Teachers	95,300	6,500	101,800	101,175	625
General Supplies	2,000		2,000	604	1,396
Total Bilingual Education - Instruction	97,300	6,500	103,800	101,779	2,021
School Spon. Co/Extra Curr. Actvts-Instruction					
Salaries	69,883		69,883	53,600	16,283
Supplies and Materials	19,175		19,175	8,355	10,820
Total School Spon. Co/Extra Curr. Actvts-Instruction	89,058	-	89,058	61,955	27,103
School Spon. Athletics-Instruction					
Salaries	59,819		59,819	50,700	9,119
Purchased Services (300-500 series)	9,740		9,740	5,873	3,867
Supplies and Materials	8,941		8,941	1,214	7,727
Total School Spon. Athletics-Instruction	78,500	-	78,500	57,787	20,713
Undistributed Expenditures-Instruction (Tuition)					
Tuition to other LEA's within the State - Special	117,000	(37,500)	79,500	72,454	7,046
Tuition to CSSD & Reg. Day Schools	-	37,500	37,500	37,200	300
Tuition to Priv. Sch. For Disabled within the State	780,843	(4,000)	776,843	774,009	2,834
Total Undistributed Expenditures-Instruction (Tuition)	897,843	(4,000)	893,843	883,663	10,180
Undistributed Expenditures - Health Services					
Salaries	146,785	5,100	151,885	149,333	2,552
Purchased Professional and Technical Services	14,000		14,000	5,000	9,000
Other Purchased Services (400-500 series)	1,385		1,385		1,385
Supplies and Materials	8,065	1,000	9,065	6,020	3,045
Other Objects	678		678		678
Total Undistributed Expenditures - Health Services	170,913	6,100	177,013	160,353	16,660
Undistributed Expenditures - Speech, OT, PT, and Related Services					
Salaries	215,315		215,315	210,160	5,155
Purchased Professional Ed. Services	145,000	16,000	161,000	151,871	9,129
Supplies and Materials	3,000		3,000	1,844	1,156
Total Undist. Expenditures - Speech, OT, PT, and Related Services	363,315	16,000	379,315	363,875	15,440
Undis. Expend. - Other Support Services - Extraord. Services					
Salaries	306,129		306,129	266,377	39,752
Supplies and Materials	116,000	41,500	157,500	124,767	32,733
Purchased Professional Ed. Services	8,700		8,700	3,897	4,803
Total Undis. Expend. - Other Support Services - Extraord. Services	430,829	41,500	472,329	395,041	77,288
Undistributed Expenditures - Guidance					
Salaries and Other Professional Staff	186,535	2,500	189,035	188,820	215
Purchased Professional - Educational Services	3,000		3,000	2,642	358
Other Purchased Professional and Technical Services	3,000	(2,500)	500		500
Supplies and Materials	2,000		2,000	74	1,926
Total Undistributed Expenditures - Guidance	194,535	-	194,535	191,536	2,999
Undistributed Expenditures - Child Study Teams					
Salaries and Other Professional Staff	463,553	13,000	476,553	475,297	1,256
Salaries of Secretarial and Clerical Assistants	60,196	1,600	61,796	61,738	58
Purchased Professional - Educational Services	41,000	(16,750)	24,250	21,966	2,284
Other Purchased Prof. and Tech. Services	8,300		8,300	7,796	504
Other Purchased Services (400-500 series)	7,106	750	7,856	4,482	3,374
Supplies and Materials	12,500	(5,500)	7,000	6,281	719
Other Objects	1,800		1,800	1,679	121
Total Undistributed Expenditures - Child Study Teams	594,455	(6,900)	587,555	579,239	8,316



ALLENDALE SCHOOL DISTRICT  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures-Improve. of Instr. Serv.					
Salaries Supervisor of Instruction	\$ 149,660		\$ 149,660	\$ 149,660	
Salaries Other Professional Staff	34,500		34,500	27,741	\$ 6,759
Salaries Secretarial and Clerical Assistant	23,266		23,266	23,266	
Salaries Facilitators, Math and Amp. Literacy Coaches	99,425	\$ 8,100	107,525	107,115	410
Purchased Professional- Educational Services	8,500		8,500	7,400	1,100
Other Purchased Services (400-500 series)	27,200		27,200	22,062	5,138
Supplies and Materials	8,000		8,000	3,331	4,669
Other Objects	3,995		3,995	636	3,359
Total Undistributed Expenditures-Improve. of Instr. Serv.	354,546	8,100	362,646	341,211	21,435
Undist. Expenditures-Educational Media Services/Library					
Salaries	154,166		154,166	41,901	112,265
Salaries of Technology Coordinators	169,335		169,335	169,335	
Purchased Professional and Technical Services	1,755		1,755		1,755
Other Purchased Services (400-500 series)	14,425		14,425	5,520	8,905
Supplies and Materials	13,680		13,680	12,049	1,631
Other Objects	500		500		500
Total Undist. Expenditures-Educational Media Services/Library	353,861	-	353,861	228,805	125,056
Undist. Expenditures - Instructional Staff Training Service:					
Purchased Professional - Educational Services	2,540		2,540	740	1,800
Other Purchased Services (400-500 Series)	3,000		3,000	2,358	642
Supplies and Materials	3,000		3,000	283	2,717
Total Undist. Expenditures - Instructional Staff Training Service:	8,540	-	8,540	3,381	5,159
Undist. Expenditures-Support Services-General Administration					
Salaries	316,405	11,355	327,760	316,304	11,456
Legal Services	59,900	(9,120)	50,780	31,022	19,758
Audit Fees	40,000	32,000	72,000	31,000	41,000
Architectural/Engineering Services	20,000	(20,000)			
Other Purchased Professional Services	30,100		30,100	24,056	6,044
Communications/Telephone	74,000	1,000	75,000	48,198	26,802
BOE Other Purchased Services	2,600	(1,000)	1,600	1,221	379
Other Purchased Services (400-500 series)	22,212		22,212	18,248	3,964
Supplies and Materials	3,000		3,000	962	2,038
Miscellaneous Expenditures	3,000	4,000	7,000	6,906	94
BOE Membership Dues and Fees	14,705		14,705	14,559	146
Total Undist. Expenditures-Support Services-General Administration	585,922	18,235	604,157	492,476	111,681
Undist. Expenditures-Support Services-School Administration					
Salaries of Principals/Assistant Principals	382,821	13,703	396,524	384,124	12,400
Salaries of Secretarial and Clerical Assistants	179,274	7,400	186,674	177,035	9,639
Purchased Professional and Technical Services	2,500		2,500		2,500
Other Purchased Services (400-500 series)	10,000		10,000		10,000
Supplies and Materials	5,800		5,800	964	4,836
Other Objects	4,420		4,420	3,713	707
Total Undist. Expenditures-Support Services-School Administration	584,815	21,103	605,918	565,836	40,082
Undistributed Expenditures-Central Services					
Salaries	332,008	10,720	342,728	331,943	10,785
Misc. Purchased Services	37,200	3,000	40,200	33,041	7,159
Supplies and Materials	12,000		12,000	6,096	5,904
Other Objects	4,000		4,000	1,500	2,500
Total Undistributed Expenditures - Central Services	385,208	13,720	398,928	372,580	26,348
Administration Information Technology					
Salaries	19,368		19,368	19,368	
Purchased Technical Services	12,000		12,000	1,910	10,090
Supplies and Materials	4,800		4,800	1,160	3,640
Other Objects	1,500		1,500		1,500
Total Undist. Expenditures - Admin Information Technology	37,668	-	37,668	22,438	15,230
Total Central Services & Admin. Technology	422,876	13,720	436,596	395,018	41,578
Undist. Expenditures - Required School Maintenance					
Salaries	235,537		235,537	227,689	7,848
Cleaning, Repair, and Maintenance Services	223,000	222,636	445,636	400,248	45,388
Lead Testing of Drinking Water	3,000		3,000		3,000
General Supplies	51,000	(2,000)	49,000	17,041	31,959
Total Undist. Expenditures - Required School Maintenance	512,537	220,636	733,173	644,978	88,195

ALLENDALE SCHOOL DISTRICT  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Custodial Services					
Salaries	\$ 505,460		\$ 505,460	\$ 440,884	\$ 64,576
Salaries of Non-Instructional Aides	103,290		103,290	82,088	21,202
Purchased Professional and Technical Services	5,500		5,500	3,948	1,552
Cleaning, Repair and Maintenance Services	120,000		120,000	105,254	14,746
Rental of Land and Building Other than Lease	2,000		2,000		2,000
Other Purchased Property Services	42,500		42,500	32,038	10,462
Insurance	165,750	\$ (5,000)	160,750	152,203	8,547
Miscellaneous Purchased Services	12,500		12,500	6,355	6,145
General Supplies	48,000	2,000	50,000	35,855	14,145
Energy (Natural Gas)	75,000		75,000	62,296	12,704
Energy (Electricity)	147,000		147,000	135,187	11,813
Other Objects	2,000		2,000	1,494	506
Total Custodial Services	1,229,000	(3,000)	1,226,000	1,057,602	168,398
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	132,000		132,000	87,469	44,531
General Supplies	10,000		10,000	1,356	8,644
Total Care and Upkeep of Grounds	142,000	-	142,000	88,825	53,175
Security					
Salaries	75,000		75,000	58,658	16,342
Purchased Professional and Technical Services	107,800		107,800	105,358	2,442
Cleaning, Repair and Maintenance Services	1,000	6,000	7,000	6,690	310
General Supplies	21,000	(1,000)	20,000	9,043	10,957
Other Objects		500	500		500
Total Security	204,800	5,500	210,300	179,749	30,551
Total Operation and Maintenance of Plant Services	2,088,337	223,136	2,311,473	1,971,154	340,319
Student Transportation Services					
Contr. Services (Other than Bet Home and School)-Vend	57,400		57,400	39,048	18,352
Contr. Services (Sp. Ed. Stds.)-Vendors	6,000		6,000		6,000
Contract Services-(Sp. Ed. Stds.)Joint Agreements	446,332	(61,000)	385,332	290,744	94,588
Total Student Transportation Services	509,732	(61,000)	448,732	329,792	118,940
Personal Services - Employee Benefits					
Group Insurance	500		500	452	48
Social Security Contributions	198,000	32,000	230,000	228,417	1,583
Other Retirement Contributions - PERS	320,000	9,200	329,200	328,985	215
Other Retirement Contributions - Regular	6,100	2,490	8,590	5,959	2,631
Unemployment Compensation	7,000		7,000		7,000
Worker's Compensation	80,517	(15,690)	64,827	53,713	11,114
Health Benefits	3,579,574	(134,500)	3,445,074	2,835,619	609,455
Tuition Reimbursement	70,900		70,900	9,912	60,988
Other Employee Benefits	18,941	4,000	22,941	19,788	3,153
Unused Sick Payment to Term/Retired Staff	26,355	5,000	31,355	31,261	94
Total Unallocated Benefits	4,307,887	(97,500)	4,210,387	3,514,106	696,281
Total Personal Services - Employee Benefits	4,307,887	(97,500)	4,210,387	3,514,106	696,281
TPAF - LTDI (on-behalf - Non-budgeted)				849	(849)
TPAF - Post-Retirement Medical (on-behalf - Non-budgeted)				754,116	(754,116)
TPAF - Pension Contribution (on-behalf - Non-budgeted)				2,770,820	(2,770,820)
TPAF - Social security (reimbursed - Non-budgeted)				565,116	(565,116)
Total On Behalf TPAF Benefits (non-budgeted)	-	-	-	4,090,901	(4,090,901)
Total Undistributed Expenditures	11,868,406	178,494	12,046,900	14,506,387	(2,459,487)
Total General Current Expense	20,438,013	116,604	20,554,617	22,194,355	(1,639,738)
Equipment					
Undistributed Expenditures - Instruction	3,000	15,200	18,200	16,282	1,918
Undistributed Expenditures - Required Maintenance for Sch Fac Equipment	45,000	(40,000)	5,000		5,000
Total Equipment	48,000	(24,800)	23,200	16,282	6,918
Facilities Acquisition and Construction Services					
Architect		364,631	364,631	353,031	11,600
Construction Services		2,610,000	2,610,000	2,180,981	429,019
Assessment for Debt Service on SDA Funding	23,293		23,293	23,293	
Total Facilities Acquisition and Construction Services	23,293	2,974,631	2,997,924	2,557,305	440,619
Capital Outlay					
Interest to Capital Reserve	25,000		25,000		25,000
Total Capital Outlay	96,293	2,949,831	3,046,124	2,573,587	472,537
General Fund Grand Total	20,534,306	3,066,435	23,600,741	24,767,942	(1,167,201)

ALLENDALE SCHOOL DISTRICT  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Adjustments/ Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL EXPENDITURES	\$ 20,534,306	\$ 3,066,435	\$ 23,600,741	\$ 24,767,942	\$ (1,167,201)
(Deficiency) Excess of Revenues (Under)/Over Expenditures	(1,678,145)	(3,066,435)	(4,744,580)	(391,742)	4,352,838
Other financing sources (uses)					
Transfer to Capital Projects	(1,800,000)	1,800,000			
Total other financing sources (Uses)	(1,800,000)	1,800,000	-	-	-
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(3,478,145)	(1,266,435)	(4,744,580)	(391,742)	4,352,838
Fund Balance, July 1	15,886,242		15,886,242	15,886,242	
Fund Balance, June 30	\$ 12,408,097	\$ (1,266,435)	\$ 11,141,662	\$ 15,494,500	\$ 4,352,838
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted general fund balance	\$ (1,468,145)		\$ (1,468,145)	\$ 2,824,392	\$ 4,292,537
Withdrawal from capital reserve	(1,800,000)	\$ (1,000,000)	(2,800,000)	(2,739,699)	60,301
Budgeted withdrawal from maintenance reserve	(125,000)		(125,000)	(125,000)	
Budgeted withdrawal from emergency reserve	(85,000)		(85,000)	(85,000)	
Adjustment for prior year encumbrances, net		(266,435)	(266,435)	(266,435)	
Total	\$ (3,478,145)	\$ (1,266,435)	\$ (4,744,580)	\$ (391,742)	\$ 4,352,838
<b>Recapitulation:</b>					
Restricted Fund Balance:					
Capital Reserve				\$ 2,831,067	
Capital Reserve - Designated in Subsequent Year's Expenditures				6,597,950	
Maintenance Reserve				711,836	
Maintenance Reserve - Designated in Subsequent Year's Expenditures				125,000	
Emergency Reserve				45,000	
Excess Surplus - Current Year				1,976,694	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,463,786	
Unemployment Compensation				185,317	
Assigned Fund Balance:					
Year-End Encumbrances				430,754	
Unassigned				1,127,096	
				15,494,500	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Fund Balance Per Governmental Funds (Budgetary)				15,494,500	
Last State Aid Payment not Recognized on GAAP Basis				(93,387)	
<b>Fund Balance Per Governmental Funds (GAAP) - B-</b>				<u>\$ 15,401,113</u>	

ALLENDALE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 192,856	\$ 283,961	\$ 476,817	\$ 413,100	\$ 63,717
Local		323,410	323,410	331,024	(7,614)
Total revenues	192,856	607,371	800,227	744,124	56,103
<b>EXPENDITURES</b>					
Current expenditures:					
Instruction					
Salaries of teachers		50,916	50,916	38,556	12,360
Tuition	155,740	44,400	200,140	200,140	
General Supplies	17,306	42,342	59,648	48,161	11,487
Total Instruction	173,046	137,658	310,704	286,857	23,847
Support Services					
Salaries of other professional staff		5,975	5,975	5,821	154
Purchased Professional and Educational Services	19,810	39,272	59,082	33,812	25,270
Other purchased Services		64,328	64,328	51,310	13,018
Supplies and Materials		36,864	36,864	35,398	1,466
Student activities		304,999	304,999	304,999	
Total Support Services	19,810	451,438	471,248	431,340	39,908
Total Expenditures	192,856	589,096	781,952	718,197	63,755
Excess (deficiency) of revenues Over (under) Expenditures	-	18,275	18,275	25,927	119,858
Fund Balances, July 1	78,722		78,722	78,722	
Fund Balances, June 30	\$ 78,722	\$ 18,275	\$ 96,997	\$ 104,649	\$ 119,858
Recapitulation of Fund Balance:					
Restricted:					
Student Activities				\$ 104,649	
				<u>\$ 104,649</u>	

ALLENDALE SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-1)	\$ 24,376,200	\$ 744,124
Differences - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		12,602
(Current Year)		(7,161)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
(Prior Year)	83,229	
Current Year	(93,387)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 24,366,042</u>	<u>\$ 749,565</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule ( Exhibits C-1)	\$ 24,767,942	\$ 718,197
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.		
Prior Year		12,602
(Current Year)		(7,161)
<b>Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)</b>	<u>\$ 24,767,942</u>	<u>\$ 723,638</u>

## **Supplementary Information**

## **Special Revenue Fund**

ALLEDALE SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
Year ended June 30, 2024

	Title I	Title II	Title III	Title IV	I.D.E.A.										Student Activities	Local Programs	Totals
	Regular Part A	Regular Part A	Immigrant	Regular	Part B Regular	Part B ARP	Part B Preschool	Part B Preschool ARP	CRRSA	CRRSA	ARP	ARP	ARP	ARP			
Revenues:																	
Federal sources	\$ 21,614	\$ 7,565	\$ 1,120	\$ 8,116	\$ 203,422	\$ 6,621	\$ 9,153	\$ 1,922	\$ 3,916	\$ 22,450	\$ 24,194	\$ 28,021	\$ 33,486	\$ 41,500	\$ 330,926	\$ 98	\$ 413,100
Local sources																	331,024
Total Revenues	21,614	7,565	1,120	8,116	203,422	6,621	9,153	1,922	3,916	22,450	24,194	28,021	33,486	41,500	330,926	98	744,124
Expenditures:																	
Current expenditures																	
Instruction:																	
Salaries of teachers									3,916			22,840	12,000				38,556
Tuition					200,140												200,140
General Supplies	21,614		1,120		3,282		9,153					5,381	7,611				48,161
Total Instruction	21,614	-	1,120	-	203,422	-	9,153	-	3,916	-	-	28,021	19,611	-	-	-	286,857
Support Services:																	
Salaries of other professional staff						5,821											5,821
Purchased Professional Educational Service						800		1,922			15,284		13,875				33,812
Other Purchased Services		7,565		1,931										41,000			51,310
Supplies and Materials				2,745													35,398
Student Activities				3,440						22,450	8,910			500		98	304,999
Total Support Services	-	7,565	-	8,116	-	6,621	-	1,922	-	22,450	24,194	-	13,875	41,500	304,999	98	431,340
Total Expenditures	21,614	7,565	1,120	8,116	203,422	6,621	9,153	1,922	3,916	22,450	24,194	28,021	33,486	41,500	304,999	98	718,197
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,927	-	25,927
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,722	-	78,722
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,649	\$ -	\$ 104,649



## **Long-Term Debt**

ALLENDALE SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Purpose	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance		Balance
			Date	Amount		July 1, 2023	Matured	
Refunding Bonds	11/20/2014	\$ 2,940,000	3/15/2025	\$ 335,000	3.500%	\$ 1,005,000	\$ 320,000	\$ 685,000
			3/15/2026	350,000	3.500%			

ALLENDALE SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<b>Purpose</b>	<b>Interest Rate</b>	<b>Original Amount</b>	<b>Amounting Outstanding July 1, 2023</b>	<b>Retired</b>	<b>Amount Outstanding June 30, 2024</b>
U.S. Bancorp Government Leasing and Finance, Inc	1.919%	\$ 331,332	\$ 83,801	\$ 83,801	\$ -
			<u>\$ 83,801</u>	<u>\$ 83,801</u>	<u>\$ -</u>

ALLENDALE SCHOOL DISTRICT  
LONG-TERM DEBT  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 20,2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 234,411		\$ 234,411	\$ 234,411	
Debt Service Aid	120,760		120,760	120,760	
Total revenues	355,171	-	355,171	355,171	-
Expenditures:					
Principal on bonds	320,000		320,000	320,000	
Interest on bonds	35,175		35,175	35,175	
Total expenditures	355,175	-	355,175	355,175	-
(Deficiency) excess of revenues (under) over expenditures	(4)	-	(4)	(4)	-
Fund balance, July 1	4		4	4	
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

## **Statistical Section**

**ALLENDALE SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 8,493,592	\$ 9,947,263	\$ 10,852,697	\$ 11,671,584	\$ 12,285,172	\$ 13,247,312	\$ 13,260,717	\$ 11,420,464	\$ 11,512,833	\$ 13,850,694
Restricted	5,542,225	6,381,497	6,894,885	6,546,832	7,179,529	7,509,369	11,427,036	13,586,652	15,039,852	10,600,819
Unrestricted	(743,034)	(1,356,441)	(1,679,541)	(1,608,696)	(1,837,207)	(1,733,460)	(3,569,332)	(3,331,315)	(3,027,502)	942,107
Total Governmental Activities Net Assets	\$ 13,292,783	\$ 14,972,319	\$ 16,068,041	\$ 16,609,720	\$ 17,627,494	\$ 19,023,221	\$ 21,118,421	\$ 21,675,801	\$ 23,525,183	\$ 25,393,620
Business-Type Activities										
Net Investments in Capital Assets	\$ 64,699	\$ 103,186	\$ 92,337	\$ 84,033	\$ 69,483	\$ 69,116	\$ 53,248	\$ 37,380	\$ 21,512	\$ 5,644
Unrestricted	69,703	22,567	30,907	27,393	49,833	35,244	31,955	68,424	121,671	110,708
Total Business-Type Activities Net Assets	\$ 134,402	\$ 125,753	\$ 123,244	\$ 111,426	\$ 119,316	\$ 104,360	\$ 85,203	\$ 105,804	\$ 143,183	\$ 116,352
District-Wide										
Net Investments in Capital Assets	\$ 8,558,291	\$ 10,050,449	\$ 10,945,034	\$ 11,755,617	\$ 12,354,655	\$ 13,316,428	\$ 13,313,965	\$ 11,457,844	\$ 11,534,345	\$ 13,856,338
Restricted	5,542,225	6,381,497	6,894,885	6,546,832	7,179,529	7,509,369	11,427,036	13,586,652	15,039,852	10,600,819
Unrestricted	(673,331)	(1,333,874)	(1,648,634)	(1,581,303)	(1,787,374)	(1,698,216)	(3,537,377)	(3,262,891)	(2,905,831)	1,052,815
Total District Net Position	\$ 13,427,185	\$ 15,098,072	\$ 16,191,285	\$ 16,721,146	\$ 17,746,810	\$ 19,127,581	\$ 21,203,624	\$ 21,781,605	\$ 23,668,366	\$ 25,509,972

**ALLENDALE SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental Activities										
Instruction:										
Instruction										\$ 13,224,379
Regular	\$ 7,579,645	\$ 8,569,910	\$ 9,334,819	\$ 9,933,101	\$ 9,574,462	\$ 9,161,676	\$ 6,454,296	\$ 7,474,591	\$ 6,481,127	-
Special Education	1,601,344	1,774,856	1,937,877	2,012,577	1,828,433	1,939,065	740,765	1,052,933	931,053	-
Other Instruction	782,693	970,860	1,319,257	1,046,138	1,050,032	1,027,248	492,174	609,351	699,369	-
Support Services:										
Student and Instruction Related Services	2,643,740	2,517,569	2,712,597	3,012,238	2,906,786	2,862,051	-	-	-	2,441,349
Instruction	-	-	-	-	-	-	799,697	712,112	673,374	1,383,195
Attendance and Social Work	50,513	55,838	69,792	74,083	69,468	66,836	38,820	40,024	-	-
Health Services	240,815	263,511	304,463	318,193	304,118	230,067	139,192	204,722	236,854	271,947
Improvement of Instructional services	-	-	-	-	-	-	262,551	241,614	335,988	571,800
Operating Grants and Contributions										
Educational Media Services	222,299	243,893	258,297	225,516	196,848	257,876	255,051	319,509	329,481	386,767
Instruction Staff Training	-	-	-	-	-	-	5,744	3,099	8,621	3,567
School Administrative Services	785,652	876,963	977,091	1,033,024	659,537	682,807	632,816	666,856	606,480	983,155
General Administration	532,841	609,592	615,997	714,032	1,020,584	949,715	437,620	489,399	522,421	760,551
Central Services	486,636	573,199	603,783	637,377	493,056	422,990	323,682	343,778	353,578	621,522
Plant Operations and Maintenance	1,905,856	1,946,138	2,121,323	2,228,370	1,756,771	1,651,423	1,466,569	1,558,755	1,740,350	2,552,823
Administrative Information Technology	-	-	-	-	-	-	14,605	16,445	38,909	37,002
Pupil Transportation	149,971	174,322	88,178	151,503	140,392	139,251	211,745	234,413	293,400	347,950
Other Support Services	-	-	-	-	-	-	1,491,858	1,223,560	1,675,113	-
Non-budgeted Expenditures	-	-	-	-	-	-	1,140,698	1,196,739	1,243,671	-
Interest on Long Term Debt	167,720	138,797	110,101	92,352	103,189	92,194	58,007	44,443	25,136	31,909
Unallocated Employee Benefits	-	-	-	-	-	-	2,580,410	2,250,378	2,759,810	-
Total Governmental Activities Expenses	\$ 17,149,725	\$ 18,715,448	\$ 20,453,575	\$ 21,478,504	\$ 20,103,676	\$ 19,483,199	\$ 17,546,300	\$ 18,682,721	\$ 18,954,735	\$ 23,617,916
Business-Type Activities:										
Food Service	239,376	269,954	275,881	285,593	291,163	210,884	21,199	250,946	399,219	465,081
Total Business-Type Activities Expense	239,376	269,954	275,881	285,593	291,163	210,884	21,199	250,946	399,219	465,081
Total District Expenses	\$ 17,389,101	\$ 18,985,402	\$ 20,729,456	\$ 21,764,097	\$ 20,394,839	\$ 19,694,083	\$ 17,567,499	\$ 18,933,667	\$ 19,353,954	\$ 24,082,997

**ALLENDALE SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020				
<b>Program Revenues</b>										
Governmental Activities										
Charges for services:										
Instruction (tuition)	\$ 41,933	\$ 74,063	\$ 64,647	\$ 96,711	\$ 89,334	\$ 114,560	\$ 140,953	\$ 163,217	\$ 459,384	\$ 248,188
Central and other support services	-	59,322	20,115	46,696	35,420	25,094	-	-	-	-
Operating Grants and Contributions	3,564,160	4,345,967	5,752,132	6,271,143	4,910,220	4,378,297	1,140,698	1,196,739	1,243,671	749,565
Capital Grants and Contributions	<u>427,748</u>	<u>293,052</u>	<u>43,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,614</u>
Total Governmental Activities Revenues	<u>4,033,841</u>	<u>4,772,404</u>	<u>5,880,176</u>	<u>6,414,550</u>	<u>5,034,974</u>	<u>4,517,951</u>	<u>1,281,651</u>	<u>1,359,956</u>	<u>1,703,055</u>	<u>1,214,367</u>
Business-Type Activities										
Charges for services:										
Food Service	239,876	267,542	273,202	273,549	298,389	195,353	1,903	271,424	434,342	434,416
Total Business-Type Activities Program Revenues	<u>239,876</u>	<u>267,542</u>	<u>273,202</u>	<u>273,549</u>	<u>298,389</u>	<u>195,353</u>	<u>1,903</u>	<u>271,424</u>	<u>434,342</u>	<u>434,416</u>
Total District Program Revenues	<u>\$ 4,273,717</u>	<u>\$ 5,039,946</u>	<u>\$ 6,153,378</u>	<u>\$ 6,688,099</u>	<u>\$ 5,333,363</u>	<u>\$ 4,713,304</u>	<u>\$ 1,283,554</u>	<u>\$ 1,631,380</u>	<u>\$ 2,137,397</u>	<u>\$ 1,648,783</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (13,115,884)	\$ (13,943,044)	\$ (14,573,399)	\$ (15,063,954)	\$ (15,068,702)	\$ (14,965,248)	\$ (16,264,649)	\$ (17,322,765)	\$ (17,251,680)	\$ (22,403,549)
Business-Type Activities	<u>500</u>	<u>(2,412)</u>	<u>(2,679)</u>	<u>(12,044)</u>	<u>7,226</u>	<u>(15,531)</u>	<u>(19,157)</u>	<u>20,478</u>	<u>35,123</u>	<u>(30,665)</u>
Total District-Wide Net Expense	<u>\$ (13,115,384)</u>	<u>\$ (13,945,456)</u>	<u>\$ (14,576,078)</u>	<u>\$ (15,075,998)</u>	<u>\$ (15,061,476)</u>	<u>\$ (14,980,779)</u>	<u>\$ (16,283,806)</u>	<u>\$ (17,302,287)</u>	<u>\$ (17,216,557)</u>	<u>\$ (22,434,214)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 14,376,012	\$ 14,663,532	\$ 14,956,803	\$ 15,181,155	\$ 15,484,778	\$ 15,794,474	\$ 16,110,363	\$ 16,432,570	\$ 16,761,221	\$ 17,633,200
Taxes Levied For Debt Service	784,912	887,669	847,316	307,339	302,861	301,242	302,616	304,431	237,951	234,411
Unrestricted Grants and Contributions	15,673	8,489	8,490	8,469	-	-	1,712,775	1,616,904	1,726,314	5,745,580
Federal and State Aid Restricted	-	-	-	-	119,808	119,672	-	-	-	-
Investment Earnings	17,344	23,006	37,569	74,833	-	-	19,294	6,595	328,962	532,227
Miscellaneous Income	81,415	33,472	35,590	33,837	183,422	145,587	30,650	25,419	46,737	126,568
Loss on Capital Assets	-	-	-	-	(4,393)	-	(43,885)	(505,774)	-	-
Transfers	<u>-</u>	<u>6,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>15,275,356</u>	<u>15,622,580</u>	<u>15,885,768</u>	<u>15,605,633</u>	<u>16,086,476</u>	<u>16,360,975</u>	<u>18,131,813</u>	<u>17,880,145</u>	<u>19,101,185</u>	<u>24,271,986</u>
Business-Type Activities:										
Investment Earnings	352	175	170	226	664	575	139	-	2,256	3,834
Transfers	<u>-</u>	<u>(6,412)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>352</u>	<u>(6,237)</u>	<u>170</u>	<u>226</u>	<u>664</u>	<u>575</u>	<u>139</u>	<u>-</u>	<u>2,256</u>	<u>3,834</u>
Total District-Wide	<u>\$ 15,275,708</u>	<u>\$ 15,616,343</u>	<u>\$ 15,885,938</u>	<u>\$ 15,605,859</u>	<u>\$ 16,087,140</u>	<u>\$ 16,361,550</u>	<u>\$ 18,131,952</u>	<u>\$ 17,880,145</u>	<u>\$ 19,103,441</u>	<u>\$ 24,275,820</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 2,159,472	\$ 1,679,536	\$ 1,312,369	\$ 541,679	\$ 1,017,774	\$ 1,395,727	\$ 1,867,164	\$ 557,380	\$ 1,849,505	\$ 1,868,437
Business-Type Activities	<u>852</u>	<u>(8,649)</u>	<u>(2,509)</u>	<u>(11,818)</u>	<u>7,890</u>	<u>(14,956)</u>	<u>(19,157)</u>	<u>20,478</u>	<u>37,379</u>	<u>(26,831)</u>
Total District	<u>\$ 2,160,324</u>	<u>\$ 1,670,887</u>	<u>\$ 1,309,860</u>	<u>\$ 529,861</u>	<u>\$ 1,025,664</u>	<u>\$ 1,380,771</u>	<u>\$ 1,848,007</u>	<u>\$ 577,858</u>	<u>\$ 1,886,884</u>	<u>\$ 1,841,606</u>



**ALLENDALE SCHOOL DISTRICT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
						Restated				
General Fund										
Restricted	\$ 8,604,950	\$ 8,793,730	\$ 9,762,937	\$ 9,764,467	\$ 10,180,181	\$ 10,646,466	\$ 11,382,700	\$ 13,531,508	\$ 14,961,126	\$ 13,936,650
Committed	72,806	5,728	-	177,600	-	-	-	-	-	-
Assigned	327,649	60,685	104,280	108,642	191,076	63,272	51,710	48,049	266,435	430,754
Unassigned	<u>260,409</u>	<u>283,406</u>	<u>272,174</u>	<u>295,225</u>	<u>280,970</u>	<u>276,160</u>	<u>1,164,499</u>	<u>910,868</u>	<u>575,452</u>	<u>1,033,709</u>
Total General Fund	<u>\$ 9,265,814</u>	<u>\$ 9,143,549</u>	<u>\$ 10,139,391</u>	<u>\$ 10,345,934</u>	<u>\$ 10,652,227</u>	<u>\$ 10,985,898</u>	<u>\$ 12,598,909</u>	<u>\$ 14,490,425</u>	<u>\$ 15,803,013</u>	<u>\$ 15,401,113</u>
All Other Governmental Funds										
Restricted:										
Debt Service Fund	\$ 469,616	\$ 996,085	\$ 443,380	\$ 4,104	\$ 8,376	\$ 9,083	\$ 3,776	\$ 98	\$ 4	\$ -
Special Revenue Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,560</u>	<u>55,046</u>	<u>78,722</u>	<u>104,649</u>
Total All Other Governmental Funds	<u>\$ 469,616</u>	<u>\$ 996,085</u>	<u>\$ 443,380</u>	<u>\$ 4,104</u>	<u>\$ 8,376</u>	<u>\$ 9,083</u>	<u>\$ 44,336</u>	<u>\$ 55,144</u>	<u>\$ 78,726</u>	<u>\$ 104,649</u>

Source: ACFR Schedule B-1 and District records.

**ALLENDALE SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020				
<b>Revenues</b>										
Tax Levy	\$ 15,160,924	\$ 15,551,201	\$ 15,804,119	\$ 15,488,494	\$ 15,787,639	\$ 16,095,716	\$ 16,412,979	\$ 16,737,001	\$ 16,999,172	\$ 17,867,611
Tuition Charges	41,933	74,063	64,647	96,711	89,334	114,560	101,826	125,108	169,982	248,188
Interest Earned	17,344	23,006	37,569	74,833	150,281	112,825	19,294	6,472	328,962	526,165
Miscellaneous	83,290	34,786	36,698	38,718	34,141	33,873	69,777	63,528	336,139	463,654
State Sources	2,380,778	2,477,329	2,434,391	2,811,932	3,244,962	119,672	2,617,862	2,408,185	2,569,202	5,946,619
Federal Sources	228,111	261,104	322,989	299,513	205,303	3,511,394	235,611	405,458	400,783	418,541
Other Financing Sources	-	59,322	20,115	46,696	35,420	25,094	-	-	-	-
<b>Total Revenue</b>	<b>17,912,380</b>	<b>18,480,811</b>	<b>18,720,528</b>	<b>18,856,897</b>	<b>19,547,080</b>	<b>20,013,134</b>	<b>19,457,349</b>	<b>19,745,752</b>	<b>20,804,240</b>	<b>25,470,778</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	6,677,794	7,362,855	7,430,780	7,940,980	8,381,362	8,381,282	5,521,954	6,022,492	5,905,278	6,142,759
Special Education Instruction	1,476,705	1,616,671	1,672,170	1,740,042	1,685,697	1,841,645	704,872	998,835	907,826	1,139,771
Other Instruction	679,237	821,538	1,035,438	826,746	911,333	934,684	486,192	600,335	695,498	616,317
Support Services:										
Instruction	-	-	-	-	-	-	698,000	558,835	607,567	1,311,013
Support Services Students	2,310,018	2,171,504	2,178,046	2,459,266	2,580,138	2,630,013	1,491,858	1,223,560	1,675,113	1,529,691
Attendance and Social Work	43,920	47,097	54,502	58,170	60,093	60,724	38,820	40,024	-	-
Health Services	211,825	224,368	240,895	253,628	264,689	210,138	139,192	204,722	236,854	160,353
Improvement of Instruction	-	-	-	-	-	-	262,551	241,614	335,988	341,211
Educational Media Services	195,696	209,150	203,442	179,689	173,433	235,144	255,051	319,509	329,481	228,805
Instruction Staff Training	-	-	-	-	-	-	5,744	3,099	8,621	3,381
General Administrative Services	497,418	542,610	520,610	602,957	594,464	637,966	437,620	489,399	522,421	492,476
School Administrative Services	684,287	742,649	764,469	813,503	888,540	863,830	552,200	570,257	564,098	565,836
School Central Services	431,777	502,489	495,126	523,349	460,596	408,689	323,682	343,778	353,578	372,580
School Admin Info Technology	-	-	-	-	-	-	14,605	16,445	38,909	22,438
Allowed Maintenance for School Facilities	-	-	-	-	-	-	371,449	350,052	265,477	644,978
Other Operation and Maintenance of Plant	1,759,060	1,753,262	1,817,071	1,914,062	1,658,145	1,614,000	1,096,815	1,158,808	1,184,947	1,326,176
Student Transportation Services	149,971	174,322	88,178	151,503	140,392	139,251	211,745	234,413	293,400	329,792
Unallocated Employee Benefits	-	-	-	-	-	-	2,898,731	2,788,065	3,199,932	3,514,106
Non-Budgeted Expenditures	-	-	-	-	-	-	1,140,698	1,196,739	1,243,671	4,090,901
Capital Outlay	1,465,132	1,013,393	702,057	1,106,943	919,970	1,274,208	955,308	52,796	738,736	2,573,587
Debt Service:										
Principal	863,522	936,431	936,166	404,325	393,508	336,000	352,000	365,000	310,000	403,801
Interest and Other Charges	176,607	166,280	138,441	114,467	124,155	111,182	78,034	64,651	50,675	36,783
Cost of Issuance	76,543	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>17,699,512</b>	<b>18,284,619</b>	<b>18,277,391</b>	<b>19,089,630</b>	<b>19,236,515</b>	<b>19,678,756</b>	<b>18,037,121</b>	<b>17,843,428</b>	<b>19,468,070</b>	<b>25,846,755</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>212,868</u>	<u>196,192</u>	<u>443,137</u>	<u>(232,733)</u>	<u>310,565</u>	<u>334,378</u>	<u>1,420,228</u>	<u>1,902,324</u>	<u>1,336,170</u>	<u>(375,977)</u>
<b>Other Financing Sources (Uses)</b>										
Proceeds from Borrowing	2,940,000	-	-	-	-	-	-	-	-	-
Capital Leases (Non-Budgeted)	-	201,600	-	-	-	-	-	-	-	-
Proceeds from Refunding	335,283	-	-	-	-	-	-	-	-	-
Payments to Escrow Agent	(3,190,972)	-	-	-	-	-	-	-	-	-
Transfers in	629,039	1,048,478	325,626	444,815	5,401	3,682	-	-	-	-
Transfers out	(629,039)	(1,042,066)	(325,626)	(444,815)	(5,401)	(3,682)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>84,311</b>	<b>208,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 297,179</b>	<b>\$ 404,204</b>	<b>\$ 443,137</b>	<b>\$ (232,733)</b>	<b>\$ 310,565</b>	<b>\$ 334,378</b>	<b>\$ 1,420,228</b>	<b>\$ 1,902,324</b>	<b>\$ 1,336,170</b>	<b>\$ (375,977)</b>
Debt Service as a Percentage of Noncapital Expenditures	6.41%	6.38%	6.11%	2.88%	2.83%	2.43%	2.52%	2.42%	1.93%	1.89%

**ALLENDALE SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned on Capital Reserve Funds</b>	<b>Interest on Investments</b>	<b>E-Rate Reimbursements</b>	<b>Rentals</b>	<b>Prior Year Refunds</b>	<b>Tuition</b>	<b>Miscellaneous</b>	<b>Annual Totals</b>
2015	\$ 590	\$ 16,715	\$ -	\$ 49,626	\$ -	\$ 41,933	\$ 31,789	\$ 140,653
2016	6,050	16,545	29,249	59,322	-	74,063	4,223	189,452
2017	16,596	19,844	23,570	20,115	-	64,647	12,020	156,792
2018	71,858	-	24,936	46,696	7,084	96,711	1,817	249,102
2019	79,419	65,461	-	35,420	-	89,334	33,141	302,775
2020	54,133	55,010	-	25,094	-	114,560	32,762	281,559
2021	1,915	17,379	-	-	-	101,826	24,367	145,487
2022	6,186	286	-	13,105	-	125,108	11,270	155,955
2023	141,553	187,409	-	21,925	-	169,982	23,521	544,390
2024	210,612	321,615	-	28,600	-	248,188	97,968	906,983

Source: School district records.

**ALLENDALE SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2015	\$ 8,901,700	\$ 1,459,382,600	\$ 982,900	\$ 6,800	\$ 93,741,200	\$ 100,784,000	\$ 1,663,799,200	\$ 100,000	\$ 1,663,899,200	\$ 1,682,120,046	\$ 1.441
2016	9,175,800	1,465,156,100	982,900	6,800	93,741,200	99,262,000	1,668,324,800	100,000	1,668,424,800	1,701,093,830	1.480
2017	10,303,600	1,474,938,700	968,200	6,800	93,411,200	99,262,000	1,678,890,500	100,000	1,678,990,500	1,755,071,494	1.453
2018	13,968,900	1,481,806,700	968,200	6,800	93,411,200	99,262,000	1,689,423,800	100,000	1,689,523,800	1,775,331,133	1.465
2019	13,525,600	1,488,000,800	968,200	6,800	88,767,800	99,262,000	1,690,531,200	100,000	1,690,631,200	1,775,915,153	1.515
2020	11,996,800	1,494,252,900	978,200	8,300	88,031,800	88,887,000	1,684,155,000	100,000	1,684,255,000	1,785,680,219	1.549
2021	9,520,800	1,557,253,300	998,700	8,300	94,097,700	138,710,900	1,800,589,700	100,000	1,800,689,700	1,799,684,938	1.486
2022	13,187,700	1,638,084,300	894,700	8,300	100,099,500	167,377,800	1,919,652,300	100,000	1,919,752,300	1,918,069,429	1.424
2023	16,094,500	1,739,133,500	1,218,600	8,300	96,217,600	183,159,000	2,035,831,500	100,000	2,035,931,500	2,067,091,532	1.383
2024	16,350,800	1,852,322,700	1,223,700	8,300	98,812,000	196,809,300	2,165,526,800	100,000	2,165,626,800	2,210,697,687	1.290

Source: Municipal Tax Assessor

Note:

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

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

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

b. Tax rates are per \$100

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

**ALLENDALE SCHOOL DISTRICT**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**PER \$100 OF ASSESSED VALUATION**  
**LAST TEN YEARS**  
**(Unaudited)**

Assessment Year	Basic Rate	Total Direct School Tax Rate	Library	Municipal	Bergen County
2015	\$ 2.245	\$ 1.441	\$ 0.034	\$ 0.522	\$ 0.248
2016	2.291	1.480	0.033	0.527	0.251
2017	2.288	1.453	0.035	0.537	0.263
2018	2.297	1.465	0.035	0.535	0.262
2019	2.349	1.515	0.035	0.545	0.254
2020	2.413	1.549	0.035	0.565	0.264
2021	2.349	1.486	0.033	0.578	0.252
2022	2.277	1.424	0.033	0.577	0.243
2023	2.199	1.383	0.033	0.541	0.242
2024	2.109	1.290	0.033	0.549	0.237

Source: Municipal Tax Collector

Note:

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

**ALLENDALE SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2024		Taxpayer	2015	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation		Taxable Assessed Valuation	% of Total District Net Assessed Valuation
Allendale Real Property LLC	\$ 26,000,000	1.20%	Allendale Plaza	\$ 22,108,000	1.33%
LPR Allendale	23,557,800	1.09%	Allendale Nursing Home LPR	21,195,000	1.27%
Allendale Plaza	21,494,600	0.99%	LPR Allendale	15,448,000	0.93%
NJ3 LLC	21,375,000	0.99%	Black Mill Work Co. Inc	11,567,000	0.70%
Allendale Corporate Center	19,798,100	0.91%	Pearl Investor	9,948,000	0.60%
Allendale Corporate Center	14,332,500	0.66%	Allendale Corporate Center	9,056,000	0.54%
Allendale Corporate Center	12,596,000	0.58%	Allendale Corporate Center	6,590,000	0.40%
NJ3 LLC	11,633,700	0.54%	Pearl Investor	5,987,000	0.36%
NJ3 LLC	10,127,400	0.47%	Allendale Corporate Center	5,890,000	0.35%
NJ3 LLC	9,710,600	0.45%	Pearl Investor	4,380,000	0.26%
Total	<u>\$ 170,625,700</u>	<u>7.88%</u>		<u>\$ 112,169,000</u>	<u>6.74%</u>

Source: Municipal Tax Assessor

**ALLENDALE SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Collected Within The Fiscal Year Of The Levy</u>					
Fiscal Year Ended June 30	Local School District Taxes Levied for the Fiscal Year	Amount	Percentage Of Levy	Collections In Subsequent Years	
2015	\$ 15,160,924	\$ 15,160,924	100%		
2016	15,551,201	15,551,201	100%		
2017	15,804,119	15,804,119	100%		
2018	15,488,494	14,248,698	92%	\$	1,239,796
2019	15,787,539	14,522,949	92%		1,264,590
2020	16,095,716	14,832,158	92%		1,263,558
2021	16,412,979	16,412,979	100%		
2022	16,432,570	15,177,964	92%		1,314,606
2023	16,761,221	16,761,221	100%		
2024	17,867,611	17,867,611	100%		

Source: Municipal Chief Financial Officer

**WALLINGTON BOARD OF EDUCATION  
RATIONS OF OUSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Lease Purchase Agreements	Total District	Population	Per Capita
2015	\$ 4,713,000	\$ 123,830		\$ 4,836,830	6,735	\$ 718
2016	3,862,000	90,077	\$ 149,922	4,101,999	6,775	605
2017	3,010,000	55,047	100,786	3,165,833	6,791	466
2018	2,692,000	18,691	50,817	2,761,508	6,765	408
2019	2,368,000	-		2,368,000	6,734	352
2020	2,032,000	331,332		2,363,332	6,701	353
2021	1,680,000	246,699		1,926,699	6,809	283
2022	1,315,000	166,024		1,481,024	6,803	218
2023	1,005,000	83,801		1,088,801	6,791	160
2024	685,000			685,000	6,791	101

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



**ALLENDALE SCHOOL DISTRICT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 4,713,000		\$ 4,713,000	0.28%	\$ 700
2016	3,862,000		3,862,000	0.23%	570
2017	3,010,000		3,010,000	0.18%	443
2018	2,692,000		2,692,000	0.16%	398
2019	2,368,000	\$ 8,376	2,359,624	0.14%	350
2020	2,032,000	9,083	2,022,917	0.12%	302
2021	1,680,000		1,680,000	0.09%	247
2022	1,315,000		1,315,000	0.07%	193
2023	1,005,000	4	1,004,996	0.05%	148
2024	685,000		685,000	0.03%	101

Source: District records

**Note:**

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

**b** See Exhibit J-14 for population data

**ALLENDALE SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2023  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: <b>(1)</b>			
Borough of Allendale School District	\$ 1,005,000	\$ 1,005,000	
Northern Highlands Regional School District	3,480,057	3,480,057	
Borough of Allendale	<u>4,725,413</u>		\$ 4,725,413
	<u>\$ 9,210,470</u>	<u>\$ 4,485,057</u>	<u>4,725,413</u>
Overlapping Debt Apportioned to the Municipality:			
County of Bergen Borough's Share <b>(A)</b>			9,970,039
Northwest Utilities Authority <b>(B)</b>			<u>1,939,368</u>
			<u>11,909,407</u>
Total Direct and Overlapping Debt			<u>\$ 16,634,820</u>

Source:

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

(1) Borough's 2023 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Allendale by dividing the municipality's 2023 equalized value by the total 2023 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Allendale's 2023 billings by the total 2023 billings of the Authority.

**ALLENDALE SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2023**

Equalized valuation basis	
2023	\$ 2,210,697,687
2022	2,075,748,594
2021	1,917,969,429
	<u>\$ 6,204,415,710</u>
Average equalized valuation of taxable property	
	<u>\$ 2,068,138,570</u>
Debt limit (3% of average equalization value)	
	\$ 62,044,157 <sup>a</sup>
Total Net Debt Applicable	<u>685,000</u>
Legal debt margin	<u>\$ 61,359,157</u>

	Year ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 50,281,403	\$ 51,208,878	\$ 51,957,992	\$ 52,740,261	\$ 53,238,824	\$ 53,466,078	\$ 53,468,078	\$ 55,034,346	\$ 57,848,459	\$ 62,044,157
Total net debt applicable to limit	<u>4,713,000</u>	<u>3,862,000</u>	<u>3,010,000</u>	<u>2,692,000</u>	<u>2,368,000</u>	<u>2,032,000</u>	<u>1,680,000</u>	<u>1,315,000</u>	<u>1,005,000</u>	<u>685,000</u>
Legal debt margin	<u>\$ 45,568,403</u>	<u>\$ 47,346,878</u>	<u>\$ 48,947,992</u>	<u>\$ 50,048,261</u>	<u>\$ 50,870,824</u>	<u>\$ 51,434,078</u>	<u>\$ 51,788,078</u>	<u>\$ 53,719,346</u>	<u>\$ 56,843,459</u>	<u>\$ 61,359,157</u>
Total net debt applicable to the limit as a percentage of debt limit	9.37%	7.54%	5.79%	5.10%	4.45%	3.80%	3.24%	2.39%	1.74%	1.10%

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

**ALLENDALE SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Year	Unemployment Rate	Per Capita Income	School District Population
2015	4.30%	\$ 77,323	6,735
2016	3.90%	78,836	6,775
2017	3.50%	81,024	6,791
2018	3.00%	85,191	6,765
2019	2.70%	88,241	6,734
2020	2.70%	91,972	6,701
2021	1.60%	97,343	6,809
2022	5.20%	97,138	6,803
2023	4.10%	97,138 <b>E</b>	6,791
2024	3.40%	97,138 <b>E</b>	6,791 <b>E</b>

Source:

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

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

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

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

E - Estimate

**ALLENDALE SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

<u>2024</u>			<u>2015</u>	
<u>Employers</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

This information is not available

**ALLENDALE SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**Unaudited**

<b><u>Function/Program</u></b>	Year ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction:										
Regular	70	70	71	72	71	72	75	74	73	75
Special Education	5	9	9	8	8	8	7	7	6	7
Other Special Education	13	14	14	13	13	13	13	13	15	13
Support Services:										
Student and Instruction related services	10	12	12	12	12	12	8	8	8	9
General administrative services	6	6	6	6	6	6	6	6	6	6
School administrative services	6	6	6	6	6	6	6	6	6	5
Other administrative services	8	8	6	6	6	6	5	5	5	5
Plant Operation and Maintenance	9	9	9	9	9	9	10	10	10	10
Total	127	134	133	132	131	132	130	129	129	130

**Source:** District Personnel Records

**ALLENDALE SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Pupil/Teacher Ratio											
Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	907	\$ 15,117,708	\$ 16,668	5.08%	79	13:01	11:01	907	874	0.20%	96.36%
2016	904	16,168,515	17,886	7.31%	80	13:01	11:01	904	874	-0.33%	96.68%
2017	909	16,500,727	18,153	1.49%	80	13:01	11:01	909	879	0.55%	96.70%
2018	911	17,463,895	19,170	5.60%	80	13:01	11:01	911	886	0.22%	97.26%
2019	881	17,798,882	20,203	5.39%	79	13:01	11:01	881	877	-3.30%	99.55%
2020	872	17,957,366	20,593	1.93%	80	13:01	11:01	872	863	-0.01%	98.97%
2021	859	18,628,949	21,687	5.31%	82	13:01	11:01	857	835	-1.72%	97.43%
2022	877	20,085,608	22,903	5.61%	79	13:01	10:01	885	836	3.27%	94.46%
2023	885	20,972,670	23,698	3.47%	79	13:01	10:01	915	870	3.39%	95.08%
2024	896	22,832,584	25,483	7.53%	82	12:01	11:01	893	858	-2.40%	96.08%

**Sources:** District records

**Note:**

- <sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay
- <sup>b</sup> Teaching staff includes only full-time equivalent of certified staff.
- <sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

**ALLENDALE SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	Year ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>District Building</u></b>										
Elementary										
Square Feet	47,884	47,884	47,884	47,884	47,884	47,884	47,884	47,884	47,884	47,884
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	357	356	356	356	358	360	351	357	370	373
Middle School										
Square Feet	98,416	98,416	98,416	98,416	98,416	98,416	98,416	98,416	98,416	98,416
Capacity (students)	629	629	629	629	629	629	629	629	629	629
Enrollment	550	548	553	553	553	512	508	520	515	523

Number of Schools at June 30, 2024

    Elementary = 1

    Middle Schools = 1

**Source:** District Facilities Office



**ALLENDALE SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

**UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES**

<b>School Facilities</b>	Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	(1)									
Brookside Avenue	\$ 237,364	\$ 205,523	\$ 235,480	\$ 249,874	\$ 257,471	\$ 195,948	\$ 241,248	\$ 269,650	\$ 255,327	\$ 274,488
Hillside Avenue	407,614	99,997	114,572	121,575	125,272	98,555	121,340	135,625	125,758	138,058
Total School Facilities	<u>\$ 644,978</u>	<u>\$ 305,520</u>	<u>\$ 350,052</u>	<u>\$ 371,449</u>	<u>\$ 382,743</u>	<u>\$ 294,503</u>	<u>\$ 362,588</u>	<u>\$ 405,275</u>	<u>\$ 381,085</u>	<u>\$ 412,546</u>

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

**Note: (1)** - District replaced all shelving, hardware, and doors in each classroom closet. Additional, funds were withdrawn from maintenance reserve to cover the costs.

**Source:** District records.

**ALLENDALE SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2024**  
**Unaudited**

	<b>Coverage</b>	<b>Deductible</b>
School Package Policy		
Property - Blanket Building and Contents, Boiler and Machinery	\$ 33,757,231	\$ 5,000
Comprehensive General Liability	1,000,000	10,000
General Automobile Liability	1,000,000	10,000
Employee Benefits Liability	1,000,000/2,000,000	10,000
Athletic Equipment	500,000	500
Cameras	250,000	500
Data Processing Equipment	1,000,000	1,000
Musical Instruments	250,000	-
Valuable Papers and Records	5,000,000	1,000
Contractors Equipment	250,000	-
Miscellaneous Property	100,000	-
Earthquake	5,000,000	100,000
Fina Arts	50,000	500
Extra Expense	250,000	-
Crime Coverage, Employee Dishonesty	500,000	5,000
Crime - Forgery/Altercation	50,000 each	1,000 each
Commercial Umbrella	10,000,000	10,000
Excess Commercial	30,000,000	-
Environmental Impairment	2,000,000	25,000
Cyber Liability	1,000,000	50,000
Educator's Legal Liability	1,000,000	10,000
Workers Compensation	Statutory	-
Surety Bonds		
Treasurer of School Monies	210,000	N/A
School Board Secretary	100,000	N/A

Source: District Insurance 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 Trustees  
Allendale School District  
Allendale, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Allendale Board of Education as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Allendale School District's basic financial statements, and have issued our report thereon dated January 3, 2025.

**Internal Control Over Financial Reporting**

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

**The Honorable President and Members  
of the Board of Trustees  
Allendale School District**

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Allendale School 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Allendale School 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 Allendale School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
January 3, 2025



Gary W. Higgins, CPA  
Licensed Public School Accountant, No. 814

**Report on Compliance For Each Major State Program and  
Report on Internal Control Over Compliance Required by  
New Jersey OMB Circular 15-08**

**Independent Auditors' Report**

**The Honorable President and Members  
of the District of Trustees  
Allendale School District  
Allendale, New Jersey**

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

**Opinion on Each Major State Program**

We have audited the Allendale School District, in the County of Bergen, New Jersey (the "District") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 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 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*"), and the audit requirements of New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey OMB Circular 15-08 are further described in the Auditors' 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.

**The Honorable President and Members  
of the District of Trustees  
Allendale School District**

**Responsibilities of Management for Compliance**

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

**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*, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance 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 and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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.

**The Honorable President and Members  
of the District of Trustees  
Allendale School District**

**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 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 state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
January 3, 2025

*Gary W. Higgins*

Gary W. Higgins, CPA  
Licensed Public School Accountant, No. 814



Allendale School District  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal A.L. Number	Federal FAIN Number	Award Amount	Grant Period		Balance June 30, 2023			Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Provided to Subrecipients	Balance June 30, 2024		
				From	To	(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education-Passed-Through State																
Department of Education																
Special Revenue Fund:																
Title I, Part A	84.010A	S010A230030	\$ 21,898	7/1/2023	9/30/2024					\$ 11,421	\$ (21,614)			\$ (10,193)		
Title I, Part A	84.010A	S010A220030	20,760	7/1/2022	9/30/2023	\$ (5,995)				5,995						
Title II, Part A	84.367A	S367A230029	10,915	7/1/2023	9/30/2024					1,215	(7,565)			(6,350)		
Title II, Part A	84.367A	S367A220029	11,541	7/1/2022	9/30/2023	(4,194)				4,194						
Title III, Supplemental Immigrant Student Aic	84.365A	S365A230030	2,360	7/1/2023	9/30/2024					1,120	(1,120)					
Title IV	84.424A	S424A230031	10,000	7/1/2023	9/30/2024					3,440	(8,116)			(4,676)		
Special Education Cluster:																
IDEA Part B	84.027	H027A230100	200,140	7/1/2023	9/30/2024					88,118	(203,422)			(115,304)		
IDEA Part B	84.027	H027A220100	183,225	7/1/2022	9/30/2023	(24,829)				24,829						
IDEA Part B - ARP	84.027X	H027X10100	36,030	7/1/2021	9/30/2024	(27,678)				34,453	(6,621)	\$ (154)				
IDEA Preschool	84.173	H173A230114	9,072	7/1/2023	9/30/2024					7,124	(9,153)			(2,029)		
IDEA Preschool	84.173	H173A220114	9,017	7/1/2022	9/30/2023	(8,936)				8,936						
IDEA Preschool - ARP	84.173X	H173X210114	3,077	7/1/2021	9/30/2024					3,077	(1,922)	(1,155)				
Subtotal of Special Education Cluster						(61,443)				166,537	(221,118)	(1,309)		(117,333)		
Elementary and Secondary School Emergency Relief Funds																
CRRSA - ESSER II Grant Program	84.425D	S425D220027	69,609	3/13/2020	9/30/2024	(3,524)				9,011	(3,916)	(1,571)				
CRRSA - Mental Health	84.425D	S425D220027	45,000	3/13/2020	9/30/2024	(6,000)				28,450	(22,450)					
ARP - Accelerated Learning Coach & Education	84.425U	S425D220027	69,507	3/13/2020	9/30/2024	(12,483)				17,756	(24,194)			(18,921)		
ARP - Mental Health	84.425U	S425D220027	45,000	3/13/2020	9/30/2024	(3,500)				12,245	(41,500)	(1,632)		(34,387)		
ARP - Summer Learning	84.425U	S425D220027	40,000	3/13/2020	9/30/2024	(300)				22,940	(28,021)			(5,381)		
ARP - Beyond School Day	84.425U	S425D210027	33,486	3/13/2020	9/30/2024						(33,486)			(33,486)		
Subtotal of Elementary and Secondary School Emergency Relief Funds						(25,807)				90,402	(153,567)	(3,203)		(92,175)		
Total Special Revenue Fund						(97,439)	-	-	-	284,324	(413,100)	(4,512)	-	(230,727)	-	-
Total Federal Awards						\$ (97,439)	\$ -	\$ -	\$ -	\$ 284,324	\$ (413,100)	\$ (4,512)	\$ -	\$ (230,727)	\$ -	\$ -

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this statement

Allendale School District  
Schedule of Expenditures of State Financial Assistance  
Year ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2024			Memo			
					Unearned Rev.	(Accounts Receivable)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures		
			From	To													
State Department of Education																	
General Fund:																	
Special Education Categorical Aid	495-034-5120-089	\$ 937,726	7/1/2023	6/30/2024				\$ 852,833	\$ (937,726)			\$ (84,893)			\$ (937,726)		
Special Education Categorical Aid	495-034-5120-089	761,754	7/1/2022	6/30/2023		\$ (73,849)		73,849									
Categorical Transportation Aid	495-034-5120-014	22,726	7/1/2023	6/30/2024				20,669	(22,726)			(2,057)			(22,726)		
Categorical Transportation Aid	495-034-5120-014	22,726	7/1/2022	6/30/2023		(2,270)		2,270									
Security Aid	495-034-5120-084	71,109	7/1/2023	6/30/2024				64,672	(71,109)			(6,437)			(71,109)		
Security Aid	495-034-5120-084	71,109	7/1/2022	6/30/2023		(7,110)		7,110									
Extraordinary Aid	100-034-5120-473	713,555	7/1/2023	6/30/2024					(713,555)			(713,555)	\$ 713,555		(713,555)		
Extraordinary Aid	100-034-5120-473	315,683	7/1/2022	6/30/2023		(315,683)		315,683									
Reimbursed TPAF - Social Security	495-034-5094-003	565,116	7/1/2023	6/30/2024				537,090	(565,116)			(28,026)		28,026	(565,116)		
Reimbursed TPAF - Social Security	495-034-5094-003	558,837	7/1/2022	6/30/2023		(55,290)		55,290									
On-behalf TPAF Contributions																	
Pension Benefit Contribution	495-034-5094-002	2,770,820	7/1/2023	6/30/2024				2,770,820	(2,770,820)						(2,770,820)		
Post-Retirement Medical Contribution	495-034-5094-001	754,116	7/1/2023	6/30/2024				754,116	(754,116)						(754,116)		
Long-Term Disability Insurance Contributions	495-034-5094-004	849	7/1/2023	6/30/2024				849	(849)						(849)		
Total General Fund																	
						(454,202)		5,455,251	(5,836,017)			(834,968)		741,581	(5,836,017)		
Special Revenue Fund:																	
Climate Change	23000149	6,660	7/1/2022	6/30/2023		(6,000)		6,000							(6,000)		
Total Special Revenue Fund																	
						(6,000)		6,000	-						(6,000)		
Debt Service Fund:																	
Type II Debt Service aid	495-034-5120-125	120,760	7/1/2023	6/30/2024				120,760	(120,760)						(120,760)		
Total Debt Service Fund																	
								120,760	(120,760)						(120,760)		
Total State Financial Assistance							-	(460,202)	-	5,582,011	(5,956,777)	-	-	(834,968)	-	741,581	(5,962,777)
State Financial Assistance Not Subject to Single Audit Determination:																	
General Fund:																	
On-behalf TPAF Contributions:																	
Pension Benefit Contribution	495-034-5094-002	2,770,820	7/1/2023	6/30/2024				\$ (2,770,820)	\$ 2,770,820						\$ 2,770,820		
Post-Retirement Medical Contribution	495-034-5094-001	754,116	7/1/2023	6/30/2024				(754,116)	754,116						754,116		
Long-Term Disability Insurance Contributions	495-034-5094-004	849	7/1/2023	6/30/2024				(849)	849						849		
Total State Financial Assistance Subject to Single Audit Determination							\$ -	\$ (460,202)	\$ -	\$ 2,056,226	\$ (2,430,992)	\$ -	\$ -	\$ (834,968)	\$ -	\$ 741,581	\$ (2,436,992)

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Allendale School District

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2024

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all of all federal awards and state financial assistance programs of the District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**2. Basis of Accounting**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

**3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the District's 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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

Allendale School District

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2024

**3. Relationship to Basic Financial Statements (Continued)**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(10,158) for the general fund and \$5,441 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3).

Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund		\$ 5,825,859	\$ 5,825,859
Special Revenue Fund	\$ 418,541		418,541
Debt Service Fund		120,760	120,760
Total financial award revenues	\$ 418,541	\$ 5,946,619	\$ 6,365,160

**4. Relationship to Federal and State Financial Reports**

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

Allendale School District

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2024

**5. Other**

TPAF Social Security Contributions in the amount of \$565,116 represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2024. The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2024 amounted to \$3,525,785. Since on-behalf post retirement, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**6. Indirect Costs**

The District did not use the 10% de minimis indirect cost rate.

Allendale School District

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part I - Summary of Auditor's Results**

**Financial Statements Section**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?            Yes   X   No

Are any significant deficiencies identified?            Yes   X   None Reported

Is any noncompliance material to financial statements noted?            Yes   X   No

**Federal Awards – Not Applicable**

**State Financial Assistance Section**

Internal control over major state programs:

Are any material weaknesses identified?            Yes   X   No

Are any significant deficiencies identified?            Yes   X   None reported

Type of auditors' report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08?            Yes   X   No

Allendale School District

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part I - Summary of Auditor's Results**

Identification of major state programs:

<b>GMIS/Program Number</b>	<b>Name of State Program or Cluster</b>
495-034-5120-089	<b><u>State Aid Cluster:</u></b>
495-034-5120-084	Special Education Categorical Aid
	Security Aid

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

\$750,000

Auditee qualified as low-risk auditee?

X

Yes

No

Allendale School District

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part II – Schedule of Financial Statement Findings**

No compliance or internal control over financial reporting findings noted that were required to be reported under *Government Auditing Standards*.



Allendale School District

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part III – Schedule of State Financial Assistance Findings and Questioned Costs**

No state financial assistance program compliance findings or questioned costs were noted that are required to be reported in accordance with NJ OMB Circular Letter 15-08.