

**ALLENDALE BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Allendale, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
**of the**  
**Allendale Board of Education**  
**Allendale, New Jersey**  
**For The Fiscal Year Ended June 30, 2015**

**Prepared by**  
**Business Office**

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## **INTRODUCTORY SECTION**



## ALLENDALE PUBLIC SCHOOL DISTRICT

100 Brookside Avenue • Allendale, NJ 07401-1795

Phone 201-327-2020 • Fax 201-825-6553

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

MARIA L. ENGELETT  
INTERIM BUSINESS ADMINISTRATOR / BOARD SECRETARY

December 1, 2015

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

The comprehensive annual financial report of the Borough of Allendale School District (District) for the fiscal year ended June 30, 2015, 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 comprehensive annual 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 auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations"; and New Jersey OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

1. DESCRIPTION OF THE MUNICIPALITY: The Borough of Allendale is located approximately 20 miles north of the George Washington Bridge in the northwestern section of Bergen County, New Jersey. Incorporated in 1894, the Borough is primarily a residential community, with a large number of commuters who take advantage of a reliable commuter transportation system. The Borough is bordered by the Boroughs of Ramsey, Saddle River and Waldwick, as well as Mahwah and Wyckoff Townships. The Borough of Allendale encompasses 3.13 square mile, with a density factor of approximately 2,143.9 persons per square mile, based upon the Borough's July 1, 2012 estimated population of 6,657 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 fairly easy commuting distance. Nearby rail and bus service for commuting are also available.

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

The school district has two schools and utilizes a Pre-Kindergarten-Grade Three, a Grades Four-Eight configuration and provides a full range of educational services. These include regular as well as special education for special needs students. The District completed the 2014-2015 fiscal year with an average daily enrollment of 903 students, which is 2 less than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	907	.20%
2013-2014	905	(.01%)
2012-2013	913	(.01%)
2011-2012	925	(.03%)
2010-2011	957	1.37%
2009-2010	944	(1.04%)
2008-2009	954	(3.73)
2007-2008	997	(3.39%)
2006-2007	1,032	(3.7%)
2005-2006	1,072	(1.4%)

3. ECONOMIC CONDITION AND OUTLOOK: The Borough of Allendale is managing within the confines of the region's downturn in the economy. While the County of Bergen per capita income is \$69,919, the northwestern section of the County, in which Allendale is located, continues to have one of the highest per capita personal incomes within the County.

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

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

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations

related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

6. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

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

7. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements".

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

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

#### 10. OTHER INFORMATION:

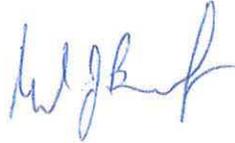
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as amended, the Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA), USOMB Circular A-133, 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 auditor's 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,

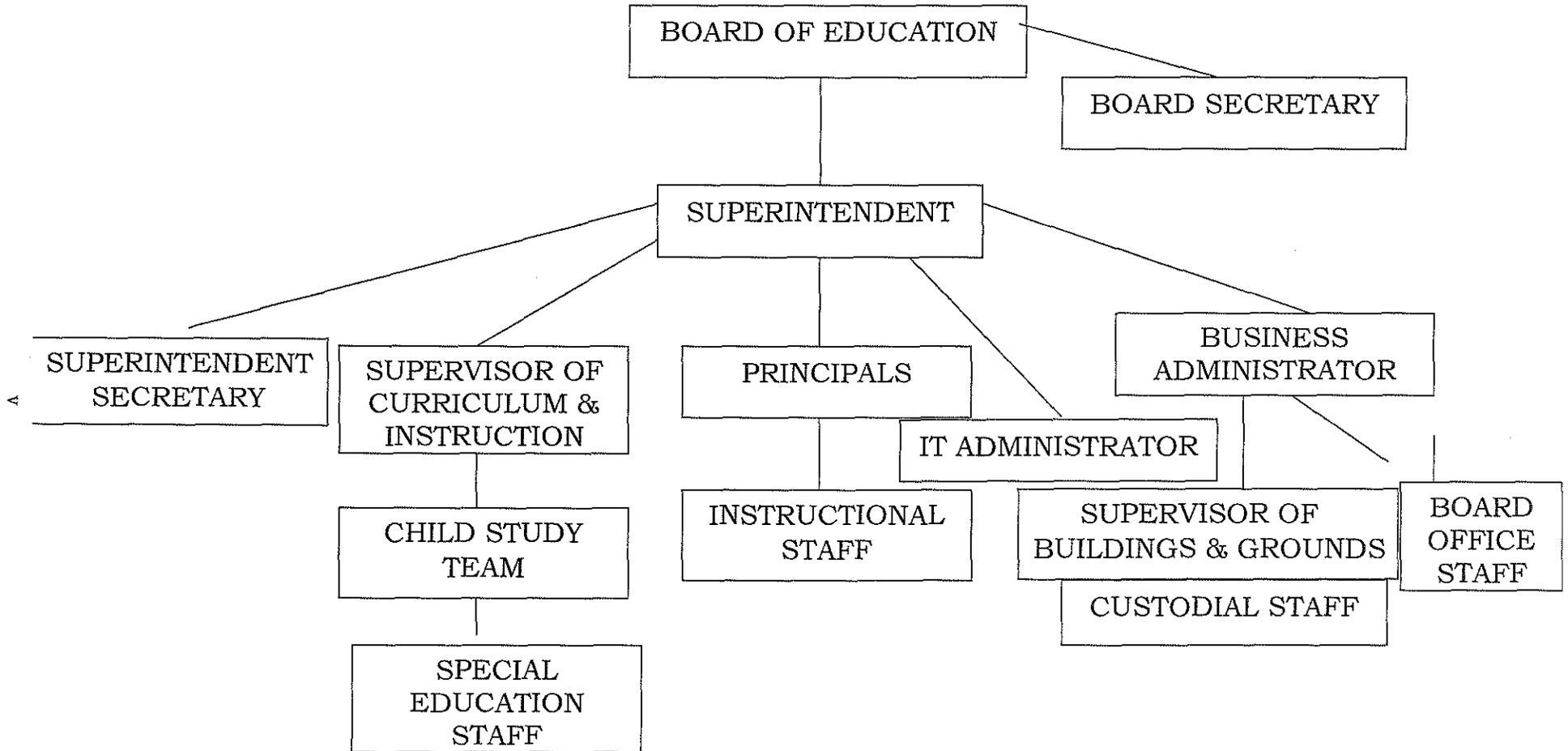


Maria L. Engeleit  
Interim School Business Administrator



Michael Barcadepone, Ed.D.  
Superintendent

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



**BOROUGH OF ALLENDALE BOARD OF EDUCATION  
BOROUGH OF ALLENDALE, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

**Members of the Board of Education**

**Term Expires**

Melissa Duncan, President	2016
Mark McAuliffe, Vice President	2015
Natalie Capano	2015
Todd Fliegel	2017
Gwendolen Keeble	2016

**Other Officials**

Michael Barcadepone, Ed.D., Superintendent  
John Boreman, Business Administrator/Board Secretary  
Maureen Alissa Mayer, Treasurer

**BOROUGH OF ALLENDALE SCHOOL DISTRICT**

**Consultants & Advisors**

**June 30, 2015**

**District Auditor**

Lerch, Vinci & Higgins, LLP  
17-17 Route 208N  
Fair Lawn, New Jersey 07410

**Attorney**

Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, New Jersey 07410

**Official Depositories**

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

NJ ARM  
3625 Nottingham Way  
Hamilton, New Jersey 08690

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA  
KATHLEEN WANG, CPA  
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Allendale Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Allendale Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Allendale Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

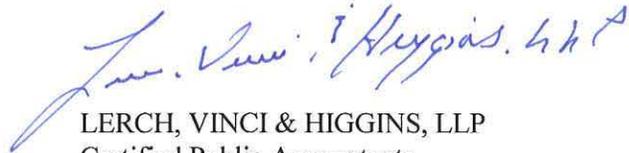
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allendale Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Allendale Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

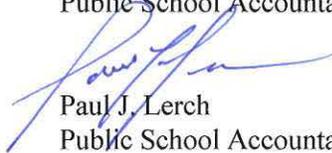
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2015 on our consideration of the Allendale Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Allendale Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Paul J. Lerch  
Public School Accountant  
PSA Number CS001118

Fair Lawn, New Jersey  
December 1, 2015

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015**

This discussion and analysis of the Allendale School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2015. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for the 2014/2015 year are as follows:

- **District-Wide Statements** - General revenues accounted for \$15,275,708 or 78 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,273,717 or 22 percent of total revenues of \$19,549,425.
- **District-Wide Statements** - The School District had \$17,389,101 in expenses; only \$4,273,717 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$15,275,708 were adequate to provide for these programs.
- **Fund Financials** - As of the close of the current fiscal year, the Allendale Board of Education's governmental funds reported combined ending fund balances of \$9,735,430 an increase of \$297,179 in comparison with the prior year.
- **Fund Financials** - At the end of June 30, 2015, unassigned fund balance (budgetary basis) for the General Fund was \$416,292 a decrease of \$26,066.

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Allendale Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Allendale Board of Education, reporting the Allendale Board of Education's operation in more detail than the district-wide statements.
  - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the Allendale Board of Education operates like a business.
  - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Figure A-1 summarizes the major features of the Allendale Board of Education's financial statements, including the portion of the Allendale Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

**Figure A-1** Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service	Activities the district operates similar to private businesses Enterprise Funds.
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position, statement Of cash flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset, liability, deferred inflows/ outflows information	All assets, deferred outflows, liabilities, and deferred inflows both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities and deferred inflows both financial and capital, and short-term and long-Term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

**District-wide Statements**

**District-wide.** The *District-wide financial statements* are designed to provide readers with a broad overview of the Allendale Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Allendale Board of Education's assets, liabilities and deferred outflows/inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

**District-wide Statements (Continued)**

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund and Summer Music Fund.

**Fund Financial Statements**

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

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

**Governmental Funds.** The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

**Fund Financial Statements (Continued)**

**Proprietary Funds.** The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund and Summer Music Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

**Fiduciary Funds.** Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund Scholarship Fund and the Student Activity Funds. Fiduciary Funds are *not* reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE ALLENDALE BOARD OF EDUCATION AS A WHOLE**

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table A-1 provides a summary of the school district's net position for fiscal years 2015 and 2014. For 2015 and 2014 net position were \$13,427,185 and \$11,266,861, respectively.

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

Table A-1  
Statement of Net Position  
As of June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Current and Other Assets	\$ 10,038,495	\$ 9,864,905	\$ 110,878	\$ 99,889	\$ 10,149,373	\$ 9,964,794
Capital Assets	13,018,793	11,960,830	64,699	49,252	13,083,492	12,010,082
<b>Total Assets</b>	<u>23,057,288</u>	<u>21,825,735</u>	<u>175,577</u>	<u>149,141</u>	<u>23,232,865</u>	<u>21,974,876</u>
<b>Deferred Outflows of Resources</b>	<u>309,102</u>	<u>60,328</u>	<u>-</u>	<u>-</u>	<u>309,102</u>	<u>60,328</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>23,366,390</u>	<u>21,886,063</u>	<u>175,577</u>	<u>149,141</u>	<u>23,541,967</u>	<u>22,035,204</u>
Current Liabilities	355,619	487,559	41,175	15,591	396,794	503,150
Noncurrent Liabilities	8,899,783	10,265,193	-	-	8,899,783	10,265,193
<b>Total Liabilities</b>	<u>9,255,402</u>	<u>10,752,752</u>	<u>41,175</u>	<u>15,591</u>	<u>9,296,577</u>	<u>10,768,343</u>
<b>Deferred Inflows of Resources</b>	<u>818,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>818,205</u>	<u>-</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>10,073,607</u>	<u>10,752,752</u>	<u>41,175</u>	<u>15,591</u>	<u>10,114,782</u>	<u>10,768,343</u>
Net Position:						
Net Investment in Capital Assets	8,493,592	6,716,882	64,699	49,252	8,558,291	6,766,134
Restricted	5,542,225	5,232,234			5,542,225	5,232,234
Unrestricted	(743,034)	(815,805)	69,703	84,298	(673,331)	(731,507)
<b>Total Net Position</b>	<u>\$ 13,292,783</u>	<u>\$ 11,133,311</u>	<u>\$ 134,402</u>	<u>\$ 133,550</u>	<u>\$ 13,427,185</u>	<u>\$ 11,266,861</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Governmental activities.** Governmental activities increased the District's net position by \$2,159,472.

Table A-2 shows the changes in net position for fiscal years ended June 30, 2015 and 2014.

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

Table A-2  
Changes in Net Position  
For the Fiscal Years Ended June 30, 2015 and 2014

Revenues	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Program Revenues</b>						
Charges for Services	\$ 41,933	\$ 89,332	\$ 239,876	\$ 275,041	\$ 281,809	\$ 364,373
Operating Grants and Contributions	3,564,160	1,945,734		94	3,564,160	1,945,828
Capital Grants and Contributions	427,748				427,748	-
<b>General Revenues</b>						
Property Taxes, Levied for:						
General Purposes	14,376,012	14,094,129			14,376,012	14,094,129
Debt Service	784,912	890,133			784,912	890,133
Unrestricted State Aid	15,673				15,673	-
Interest	17,344	21,439	352	448	17,696	21,887
Miscellaneous	81,415	72,493	-	-	81,415	72,493
<b>Total Revenues</b>	<u>19,309,197</u>	<u>17,113,260</u>	<u>240,228</u>	<u>275,583</u>	<u>19,549,425</u>	<u>17,388,843</u>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	7,579,645	6,697,974			7,579,645	6,697,974
Special Education	1,601,344	1,325,138			1,601,344	1,325,138
Other Instruction	671,348	689,298			671,348	689,298
School Sponsored Activities and Ath.	111,345	109,920			111,345	109,920
<b>Support Services</b>						
Student and Instruction Related Serv.	2,643,740	2,140,008			2,643,740	2,140,008
Health Services	240,815	210,102			240,815	210,102
Attendance and Social Work	50,513	44,904			50,513	44,904
Educational Media/School Library	222,299	198,205			222,299	198,205
General Administrative Services	532,841	458,844			532,841	458,844
School Administrative Services	785,652	730,028			785,652	730,028
Plant Operations and Maintenance	1,905,856	1,828,602			1,905,856	1,828,602
Pupil Transportation	149,971	101,794			149,971	101,794
Central Services	486,636	414,848			486,636	414,848
Interest on Long-Term Debt	167,720	226,238			167,720	226,238
Food Services			239,376	249,442	239,376	249,442
Summer Music - Non Major	-	-	-	18,384	-	18,384
<b>Total Expenses</b>	<u>17,149,725</u>	<u>15,175,903</u>	<u>239,376</u>	<u>267,826</u>	<u>17,389,101</u>	<u>15,443,729</u>
Change in Net Position	2,159,472	1,937,357	852	7,757	2,160,324	1,945,114
Net Position, Beginning of Year	11,133,311	13,441,517	133,550	125,793	11,266,861	13,567,310
Prior Period Adjustment	-	(4,245,563)	-	-	-	(4,245,563)
Net Position, End of Year	<u>\$ 13,292,783</u>	<u>\$ 11,133,311</u>	<u>\$ 134,402</u>	<u>\$ 133,550</u>	<u>\$ 13,427,185</u>	<u>\$ 11,266,861</u>

ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY

Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015

**Governmental activities.** The District's total governmental revenues were \$19,309,197. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to \$15,275,356 or 78% of total revenues. Funding from state and federal sources amounted to \$3,991,908 or 21%. Charges for services amounted to \$41,933 or 1% (see Table A-2).

The District's total governmental expenses were \$17,149,725 which are predominantly related to instruction and support services. Instruction totaled \$9,963,682 (58%), student support services totaled \$7,018,323 (41%) and interest on long-term debt total \$167,720 (1%) of total expenditures. (See Table A-2.)

Table A-2 Revenues by Source- Governmental Activities  
For Fiscal Year 2015

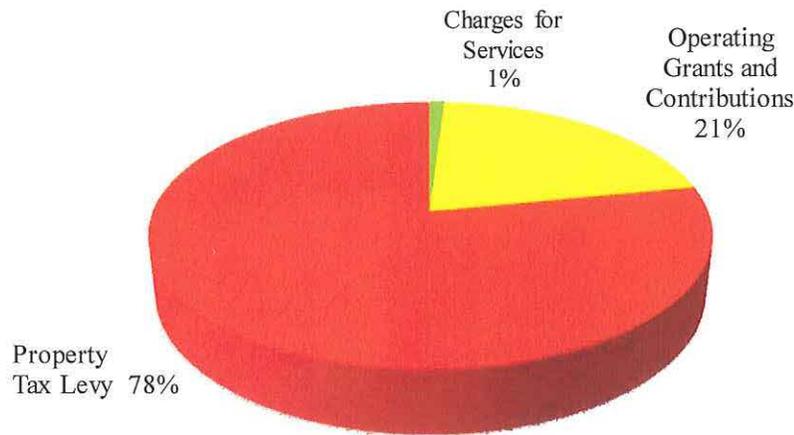
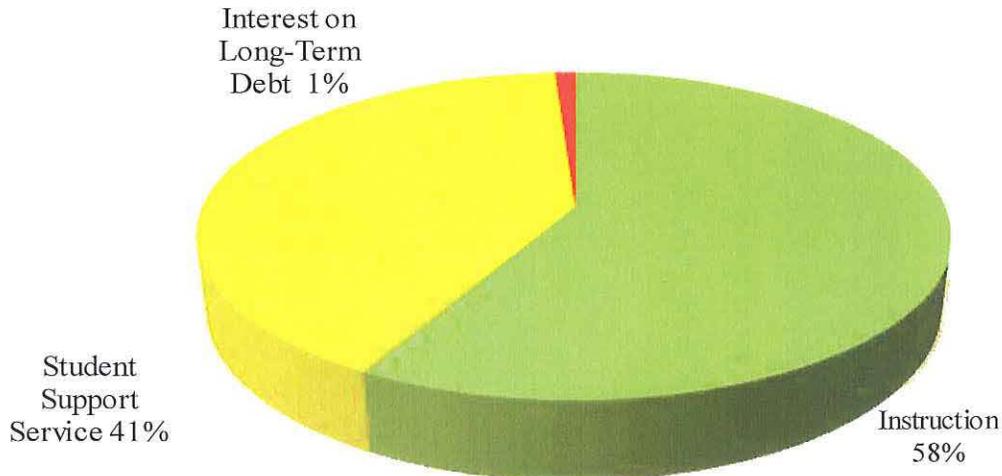


Table A-2 Expenditures by Type- Governmental Activities  
For Fiscal Year 2015



**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

**Table A-3  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2015 and 2014**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Instruction				
Regular	\$ 7,579,645	\$ 6,697,974	\$ 6,238,156	\$ 6,037,447
Special Education	1,601,344	1,325,138	757,599	619,990
Other Instruction	671,348	689,298	547,367	625,846
School Sponsored Activities and Athletics	111,345	109,920	92,434	100,615
Support Services				
Student and Instruction Related Services	2,643,740	2,140,008	2,103,219	1,941,228
Health Services	240,815	210,102	198,230	192,797
Attendance and Social Work	50,513	44,904	41,031	40,723
Educational Media/School Library	222,299	198,205	183,995	181,388
General Administrative Services	532,841	458,844	465,106	431,279
School Administrative Services	785,652	730,028	640,049	665,527
Plant Operations and Maintenance	1,905,856	1,828,602	1,251,806	1,726,057
Pupil Transportation	149,971	101,794	145,645	97,555
Central Services	486,636	414,848	408,734	378,852
Interest on Long-Term Debt	167,720	226,238	42,513	101,533
Total Governmental Activities	<u>\$ 17,149,725</u>	<u>\$ 15,175,903</u>	<u>\$ 13,115,884</u>	<u>\$ 13,140,837</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2015 was \$239,376. These costs were funded by charges for services and investment earnings (Detailed on Table A-2). The operations resulted in an increase in net assets of \$852.

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**Governmental Funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of \$9,735,430. In 2013-2014 the fund balance was \$9,438,251.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects 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 \$17,912,380 and expenditures were \$17,699,512.

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 year ended June 30, 2015 and 2014.

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 15,303,491	\$ 15,169,133	\$ 134,358	0.9%
State Sources	2,380,778	1,709,345	671,433	39.3%
Federal Sources	<u>228,111</u>	<u>234,782</u>	<u>(6,671)</u>	-2.8%
 Total Revenues	 <u>\$ 17,912,380</u>	 <u>\$ 17,113,260</u>	 <u>\$ 799,120</u>	 4.7%

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and 2014.

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Instruction	\$ 8,833,736	\$ 8,449,775	\$ 383,961	4.5%
Undistributed	6,283,972	5,905,888	378,084	6.4%
Capital Outlay	1,465,132	1,016,033	449,099	44.2%
Debt Service	<u>1,116,672</u>	<u>1,033,803</u>	<u>82,869</u>	8.0%
 Total Expenditures	 <u>\$ 17,699,512</u>	 <u>\$ 16,405,499</u>	 <u>\$ 1,294,013</u>	 7.9%

The significant fluctuation between June 30, 2014 and June 30, 2015 expenditures is attributable to the increase in capital outlay expenditures, instruction and undistributed costs.

**General and Special Revenue Fund**

**Budgetary Highlights**

The District's budget is prepared according to New Jersey law and is based on generally accepted accounting principles on the basis of cash receipts, disbursement and encumbrances. The primary funds are the General Fund and Special Revenue Fund (grants and restricted aid).

Over the course of the year, the District revised the annual operating budget several times. Several of these revisions bear notation.

- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- Property, liability, and medical insurances were renewed at higher rates. While adequately budgeted for, it should be noted that this represents a national trend in all major areas of the insurance industry.
- TPAF, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

**Capital Assets.** The Allendale Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2015 and 2014 amounts to \$13,083,492 and \$12,010,082 (net of accumulated depreciation), respectively. This investment in capital assets includes land, land improvements, buildings and building improvements and machinery and equipment.

**Table A-4  
Capital Assets (net of depreciation)  
as of June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Construction in Progress	\$ 1,406,347		\$ 15,295		\$ 1,421,642	
Building & Bldg. Improvements	18,140,470	\$ 18,130,170			18,140,470	\$ 18,130,170
Furniture, Equipment & Vehicles	<u>1,608,496</u>	<u>1,560,011</u>	<u>133,104</u>	<u>\$ 125,608</u>	<u>1,741,600</u>	<u>1,685,619</u>
Total	21,155,313	19,690,181	148,399	125,608	21,303,712	19,815,789
Less: Accumulated Depreciation	<u>8,136,520</u>	<u>7,729,351</u>	<u>83,700</u>	<u>76,356</u>	<u>8,220,220</u>	<u>7,805,707</u>
Total	<u>\$ 13,018,793</u>	<u>\$ 11,960,830</u>	<u>\$ 64,699</u>	<u>\$ 49,252</u>	<u>\$ 13,083,492</u>	<u>\$ 12,010,082</u>

Additional information on Allendale Board of Education's capital assets can be found in Note 3 of this report.

**Debt Administration.** As of June 30, 2015 and 2014 the school district had long-term debt and outstanding long-term liabilities in the amount of \$8,899,783 and \$10,265,193, respectively, as stated in Table A-5.

**Long-Term Liabilities**

**Table A-5  
Long-Term Debt  
Outstanding Long-Term Liabilities**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Serial Bonds (Including Original Issue Premium)	\$ 5,055,032	\$ 5,661,924
Capital Leases	123,830	156,352
Compensated Absences Payable	272,371	201,354
Net Pension Liability	<u>3,448,550</u>	<u>4,245,563</u>
Total	<u>\$ 8,899,783</u>	<u>\$ 10,265,193</u>

Additional information on Allendale Board of Education's long-term debt can be found in Note 3.

**ALLENDALE BOARD OF EDUCATION  
ALLENDALE, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2015**

**FOR THE FUTURE**

Currently, the District is in superior financial condition. Everyone associated with the Allendale School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of flat state aid support, means an ever-increasing reliance on local property taxes.

These factors were considered in preparing the Allendale Public School District's budgets for the 2015-2016 fiscal year.

- Estimated Student Enrollment
- Sources of Revenue
- Costs of Negotiated Salaries and Benefits
- Cost of Fixed Charges
- Mandated Programs
- Requirements for Health and Safety Issues

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Allendale Public School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Maria Engeleit  
Interim School Business Administrator/Board Secretary  
Allendale Board of Education  
100 Brookside Avenue  
Allendale, NJ 07404

**BASIC FINANCIAL STATEMENTS**

**ALLENDALE BOARD OF EDUCATION  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 9,297,061	\$ 108,779	\$ 9,405,840
Receivables, Net	741,189		741,189
Inventory		2,099	2,099
Due From Other Funds	245		245
Capital Assets, Not Being Depreciated	1,406,347	15,295	1,421,642
Capital Assets, Being Depreciated, Net	<u>11,612,446</u>	<u>49,404</u>	<u>11,661,850</u>
Total Assets	<u>23,057,288</u>	<u>175,577</u>	<u>23,232,865</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	200,661		200,661
Deferred Amounts on Net Pension Liability	<u>108,441</u>	<u>-</u>	<u>108,441</u>
Total Deferred Outflows of Resources	<u>309,102</u>	<u>-</u>	<u>309,102</u>
Total Assets and Deferred Outflows of Resources	<u>23,366,390</u>	<u>175,577</u>	<u>23,541,967</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	7,974	31,573	39,547
Unearned Revenue	295,091	9,602	304,693
Accrued Interest Payable	52,554		52,554
Noncurrent Liabilities			
Due Within One Year	1,112,253		1,112,253
Due Beyond One Year	<u>7,787,530</u>	<u>-</u>	<u>7,787,530</u>
Total Liabilities	<u>9,255,402</u>	<u>41,175</u>	<u>9,296,577</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>818,205</u>	<u>-</u>	<u>818,205</u>
Total Deferred Inflows of Resources	<u>818,205</u>	<u>-</u>	<u>818,205</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,073,607</u>	<u>41,175</u>	<u>10,114,782</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,493,592	64,699	8,558,291
Restricted for			
Capital Projects	4,558,544		4,558,544
Debt Service	21,845		21,845
Facility Maintenance	961,836		961,836
Unrestricted	<u>(743,034)</u>	<u>69,703</u>	<u>(673,331)</u>
Total Net Position	<u>\$ 13,292,783</u>	<u>\$ 134,402</u>	<u>\$ 13,427,185</u>

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

**ALLENDALE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 7,579,645	\$ 41,933	\$ 1,299,556		\$ (6,238,156)		\$ (6,238,156)
Special Education	1,601,344		843,745		(757,599)		(757,599)
Other Instruction	671,348		123,981		(547,367)		(547,367)
School Sponsored Activities and Athletics	111,345		18,911		(92,434)		(92,434)
Support Services							
Student and Instruction Related Services	2,643,740		540,521		(2,103,219)		(2,103,219)
Health Services	240,815		42,585		(198,230)		(198,230)
Attendance and Social Workers	50,513		9,482		(41,031)		(41,031)
Educational Media	222,299		38,304		(183,995)		(183,995)
General Administrative Services	532,841		67,735		(465,106)		(465,106)
School Administrative Services	785,652		145,603		(640,049)		(640,049)
Plant Operations and Maintenance	1,905,856		226,302	\$ 427,748	(1,251,806)		(1,251,806)
Pupil Transportation	149,971		4,326		(145,645)		(145,645)
Central Services	486,636		77,902		(408,734)		(408,734)
Interest on Debt	167,720	-	125,207	-	(42,513)	-	(42,513)
<b>Total Governmental Activities</b>	<b>17,149,725</b>	<b>41,933</b>	<b>3,564,160</b>	<b>427,748</b>	<b>(13,115,884)</b>	<b>-</b>	<b>(13,115,884)</b>
<b>Business-Type Activities</b>							
Food Service	239,376	239,876	-	-	-	\$ 500	500
<b>Total Business-Type Activities</b>	<b>239,376</b>	<b>239,876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>500</b>
<b>Total Primary Government</b>	<b>\$ 17,389,101</b>	<b>\$ 281,809</b>	<b>\$ 3,564,160</b>	<b>\$ 427,748</b>	<b>(13,115,884)</b>	<b>500</b>	<b>(13,115,384)</b>
<b>General Revenues</b>							
Property Taxes, Levied for General Purposes					14,376,012		14,376,012
Taxes Levied for Debt Service					784,912		784,912
Unrestricted State Aid					15,673		15,673
Interest Earned					17,344	352	17,696
Miscellaneous Income					81,415	-	81,415
<b>Total General Revenues</b>					<b>15,275,356</b>	<b>352</b>	<b>15,275,708</b>
Change in Net Position					2,159,472	852	2,160,324
Net Position, Beginning of Year (Restated)					11,133,311	133,550	11,266,861
Net Position, End of Year					\$ 13,292,783	\$ 134,402	\$ 13,427,185

**FUND FINANCIAL STATEMENTS**

**ALLENDALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 9,242,278		\$ 32,977	\$ 21,806	\$ 9,297,061
Due from Other Funds	638			39	677
Receivables from Other Governments	22,898	\$ 22,809	695,482	-	741,189
	<u>9,265,814</u>	<u>22,809</u>	<u>728,459</u>	<u>21,845</u>	<u>10,038,927</u>
Total Assets	<u>\$ 9,265,814</u>	<u>\$ 22,809</u>	<u>\$ 728,459</u>	<u>\$ 21,845</u>	<u>\$ 10,038,927</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable		\$ 7,974			\$ 7,974
Due to Other Funds		393	\$ 39		432
Unearned Revenue	-	14,442	280,649	-	295,091
	<u>-</u>	<u>14,442</u>	<u>280,649</u>	<u>-</u>	<u>295,091</u>
Total Liabilities	<u>-</u>	<u>22,809</u>	<u>280,688</u>	<u>-</u>	<u>303,497</u>
<b>Fund Balance</b>					
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 1,714,567				1,714,567
Excess Surplus	1,687,184				1,687,184
Maintenance Reserve	836,836				836,836
Maintenance Reserve - Designated for Subsequent Year's Expenditures	125,000				125,000
Capital Reserve	3,417,526				3,417,526
Capital Reserve - Designated for Subsequent Year's Expenditures	693,247				693,247
Emergency Reserve	130,000				130,000
Capital Projects			447,771		447,771
Debt Service				\$ 21,845	21,845
Committed:					
Year-end Encumbrances	72,806				72,806
Assigned:					
Year-end Encumbrances	218,324				218,324
Designated for Subsequent Year's Expenditur	109,325				109,325
Unassigned	260,999	-	-	-	260,999
	<u>9,265,814</u>	<u>-</u>	<u>447,771</u>	<u>21,845</u>	<u>9,735,430</u>
Total Fund Balances	<u>9,265,814</u>	<u>-</u>	<u>447,771</u>	<u>21,845</u>	<u>9,735,430</u>
Total Liabilities and Fund Balances	<u>\$ 9,265,814</u>	<u>\$ 22,809</u>	<u>\$ 728,459</u>	<u>\$ 21,845</u>	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

ALLENDALE BOARD OF EDUCATION  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 AS OF JUNE 30, 2015

**Total Fund Balances (Exhibit B-1)** \$ 9,735,430

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 \$21,155,313 and the accumulated depreciation is \$8,136,520. 13,018,793

The District has financed capital assets through the issuance of Serial Bonds. The interest accrual at year end is: (52,554)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 200,661

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 108,441	
Deferred Inflows of Resources	<u>(818,205)</u>	(709,764)

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. Long-term liabilities at year end consist of the following:

Serial Bonds	\$ 4,713,000	
Add: Unamortized Premium	342,032	
Capital Leases	123,830	
Compensated Absences Payable	272,371	
Net Pension Liability	<u>3,448,550</u>	(8,899,783)

**Net position of governmental activities (Exhibit A-1)** \$ 13,292,783

**ALLENDALE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 14,376,012			\$ 784,912	\$ 15,160,924
Tuition Charges	41,933				41,933
Interest Earned	17,305		\$ 39		17,344
Miscellaneous	81,415	\$ 1,875	-	-	83,290
Total - Local Sources	<u>14,516,665</u>	<u>1,875</u>	<u>39</u>	<u>784,912</u>	<u>15,303,491</u>
State Sources	1,827,823	-	427,748	125,207	2,380,778
Federal Sources	-	228,111	-	-	228,111
Total Revenues	<u>16,344,488</u>	<u>229,986</u>	<u>427,787</u>	<u>910,119</u>	<u>17,912,380</u>
<b>EXPENDITURES</b>					
Instruction					
Regular	6,677,794				6,677,794
Special Education	1,270,693	206,012			1,476,705
Other Instruction	581,447				581,447
School Sponsored Activities and Athletics	97,790				97,790
Support Services					
Student and Instruction Related Services	2,286,044	23,974			2,310,018
Health Services	211,825				211,825
Attendance and Social Work	43,920				43,920
Educational Media/School Library	195,696				195,696
General Administrative Services	497,418				497,418
School Administrative Services	684,287				684,287
Plant Operations and Maintenance	1,759,060				1,759,060
Pupil Transportation	149,971				149,971
Central Services	431,777				431,777
Debt Service					
Principal	32,522			831,000	863,522
Interest and Other Charges	5,266			171,341	176,607
Cost of Issuance on Refunded Bonds				76,543	76,543
Capital Outlay	122,760	-	1,342,372	-	1,465,132
Total Expenditures	<u>15,048,270</u>	<u>229,986</u>	<u>1,342,372</u>	<u>1,078,884</u>	<u>17,699,512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,296,218</u>	<u>-</u>	<u>(914,585)</u>	<u>(168,765)</u>	<u>212,868</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Payments to Refunded Bond Escrow Agent				(3,190,972)	(3,190,972)
Refunding Bond Proceeds				2,940,000	2,940,000
Premium on Issuance of Refunding Bonds				335,283	335,283
Transfers In			629,000	39	629,039
Transfers Out	(629,000)	-	(39)	-	(629,039)
Total Other Financing Sources and Uses	<u>(629,000)</u>	<u>-</u>	<u>628,961</u>	<u>84,350</u>	<u>84,311</u>
Net Change in Fund Balances	667,218	-	(285,624)	(84,415)	297,179
Fund Balance, Beginning of Year	8,598,596	-	733,395	106,260	9,438,251
Fund Balance, End of Year	<u>\$ 9,265,814</u>	<u>\$ -</u>	<u>\$ 447,771</u>	<u>\$ 21,845</u>	<u>\$ 9,735,430</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**ALLENDALE BOARD OF EDUCATION  
ILLUSTRATIVE RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ 297,179

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 capital outlay expenses exceeds depreciation in the current period.

Capital Outlay	\$ 1,465,132	
Depreciation Expense	<u>(407,169)</u>	
		1,057,963

In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase Compensated Absences	(71,017)	
Decrease in Pension Expense	<u>87,249</u>	
		16,232

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Bond Principal	831,000	
Lease Purchase Agreement	<u>32,522</u>	
		863,522

The issuance of long-term debt provides current financial resources to governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities.

Debt Issued		
Refunding Bonds	(2,940,000)	
Original Issue Premium	<u>(335,283)</u>	
		(3,275,283)

Payments to Refunded Bonds Escrow Agent		3,190,972
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Governmental funds report the effect of premiums and there such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Bond Premium	34,175	
Amortization of Deferred Amounts on Refunding	<u>(33,639)</u>	
		536

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>8,351</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 2,159,472**

**ALLENDALE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 COMBINING STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2015**

	<b>Business - Type Activities - Enterprise Fund Major Program <u>Food Service</u></b>	<b>Business - Type Activities - Enterprise Fund Non-Major Program <u>Summer Music</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 102,367	\$ 6,412	\$ 108,779
Inventories	<u>2,099</u>	<u>-</u>	<u>2,099</u>
Total Current Assets	<u>104,466</u>	<u>6,412</u>	<u>110,878</u>
Capital Assets			
Furniture, Machinery & Equipment, Construction in Progress	148,399		148,399
Less: Accumulated Depreciation	<u>(83,700)</u>	<u>-</u>	<u>(83,700)</u>
Total Capital Assets, Net	<u>64,699</u>	<u>-</u>	<u>64,699</u>
Total Assets	<u>169,165</u>	<u>6,412</u>	<u>175,577</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	31,573		31,573
Unearned Revenue	<u>9,602</u>	<u>-</u>	<u>9,602</u>
Total Current Liabilities	<u>41,175</u>	<u>-</u>	<u>41,175</u>
<b>NET POSITION</b>			
Investment in Capital Assets	64,699		64,699
Unrestricted	<u>63,291</u>	<u>6,412</u>	<u>69,703</u>
Total Net Position	<u>\$ 127,990</u>	<u>\$ 6,412</u>	<u>\$ 134,402</u>

**ALLENDALE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Business - Type Activities - Enterprise Fund Major Program <u>Food Service</u></b>	<b>Business - Type Activities - Enterprise Fund Non-Major Program <u>Summer Music</u></b>	<b><u>Total</u></b>
<b>OPERATING REVENUES</b>			
Charges for Services			
Program Fees			
Daily Sales - Reimbursable Programs	\$ 238,286		\$ 238,286
Special Functions	<u>1,590</u>	<u>-</u>	<u>1,590</u>
Total Operating Revenues	<u>239,876</u>	<u>-</u>	<u>239,876</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales	101,860		101,860
Salaries	62,138		62,138
Employee Benefits	28,573		28,573
Purchased Services	25,295		25,295
General Supplies	12,919		12,919
Miscellaneous	1,247		1,247
Depreciation	<u>7,344</u>	<u>-</u>	<u>7,344</u>
Total Operating Expenses	<u>239,376</u>	<u>-</u>	<u>239,376</u>
Operating Income	<u>500</u>	<u>-</u>	<u>500</u>
<b>NONOPERATING REVENUES</b>			
Interest and Investment Revenue	<u>352</u>	<u>-</u>	<u>352</u>
Total Nonoperating Revenues	<u>352</u>	<u>-</u>	<u>352</u>
Change in Net Position	852	-	852
Net Position, Beginning of Year	<u>127,138</u>	<u>\$ 6,412</u>	<u>133,550</u>
Net Position, End of Year	<u>\$ 127,990</u>	<u>\$ 6,412</u>	<u>\$ 134,402</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**ALLENDALE BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Business - Type Activities - Enterprise Fund Major Program <u>Food Service</u></b>	<b>Business - Type Activities - Enterprise Fund Non-Major Program <u>Summer Music</u></b>	<b><u>Total</u></b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 243,382	-	\$ 243,382
Cash Payments for Employees' Salaries and Benefits	(90,711)	-	(90,711)
Cash Payments to Suppliers for Goods and Services	<u>(119,362)</u>	<u>-</u>	<u>(119,362)</u>
Net Cash Provided by Operating Activities	<u>33,309</u>	<u>-</u>	<u>33,309</u>
<b>Cash Flows from Capital Financing Activities</b>			
Purchase of Capital Assets	<u>(22,791)</u>	<u>-</u>	<u>(22,791)</u>
Net Cash (Used for) Noncapital Financing Activities	<u>(22,791)</u>	<u>-</u>	<u>(22,791)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	<u>352</u>	<u>-</u>	<u>352</u>
Net Cash Provided by Investing Activities	<u>352</u>	<u>-</u>	<u>352</u>
Net Increase in Cash and Cash Equivalents	10,870	-	10,870
Cash and Cash Equivalents, Beginning of Year	<u>91,497</u>	<u>\$ 6,412</u>	<u>97,909</u>
Cash and Cash Equivalents, End of Year	<u>\$ 102,367</u>	<u>\$ 6,412</u>	<u>\$ 108,779</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities			
Depreciation	7,344		7,344
Changes in Assets and Liabilities (Increase)/Decrease in Inventory	(119)		(119)
Increase/(Decrease) in Accounts Payable	22,078		22,078
Increase/(Decrease) in Unearned Revenue	<u>3,506</u>	<u>-</u>	<u>3,506</u>
Total Adjustments	<u>32,809</u>	<u>-</u>	<u>32,809</u>
Net Cash Provided by Operating Activities	<u>\$ 33,309</u>	<u>\$ -</u>	<u>\$ 33,309</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**ALLENDALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2015**

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Scholarship <u>Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 131,718	\$ 390	\$ 37,683
Total Assets	<u>131,718</u>	<u>390</u>	<u>\$ 37,683</u>
<b>LIABILITIES</b>			
Due to Other Funds			\$ 245
Due to Student Groups			16,474
Flex Spending			422
Due to State of New Jersey	974		2,644
Accrued Salaries and Wages			222
Payroll Deductions and Withholdings	<u>-</u>	<u>-</u>	<u>17,676</u>
Total Liabilities	<u>974</u>	<u>-</u>	<u>\$ 37,683</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 130,744</u>	<u>\$ 390</u>	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**ALLENDALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Scholarship <u>Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Plan Member	\$ 16,438	-
	<hr/>	<hr/>
Total Contributions	16,438	-
	<hr/>	<hr/>
Investment Earnings		
Interest	500	-
	<hr/>	<hr/>
Net Investment Earnings	500	-
	<hr/>	<hr/>
Total Additions	16,938	-
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Quarterly Contribution Reports	31,055	
Scholarships Awarded	-	\$ 106
	<hr/>	<hr/>
Total Deductions	31,055	106
	<hr/>	<hr/>
Change in Net Position	(14,117)	(106)
Net Position, Beginning of Year	144,861	496
	<hr/>	<hr/>
Net Position, End of Year	\$ 130,744	\$ 390
	<hr/>	<hr/>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**NOTES TO THE FINANCIAL STATEMENTS**

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Allendale Board of Education (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. 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 also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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, summer music program 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. New Accounting Standards**

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**B. New Accounting Standards (Continued)**

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**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.

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**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.

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 and food service enterprise fund to be major funds.

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 the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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.

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**Fund Financial Statements (Continued)**

The District reports the following 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 food service to students as well as a la carte and catering services for teachers and special events.

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

The *summer music fund* accounts for the activities of the District's summer music program which provides a music program to the students of Allendale Public Schools.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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.

**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 with the exception of the agency fund which does not have a measurement focus. 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.

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

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, transportation fees, 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 government'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.

***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.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**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 estimated fair market 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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>
Buildings and Building Improvements	7-50
Furniture, Equipment and Vehicles	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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**5. *Deferred Outflows/Inflows of Resources (Continued)***

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

**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 reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**7. *Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses 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 net of the applicable bond premium or discount. Bond issuance costs are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original 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.

*Maintenance Reserve - Designated for Subsequent Year's Budget* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes

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

*Capital Reserve - Designated for Subsequent Year's Budget* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Year-End Encumbrances* – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee’s 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.

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.

*Designated for Subsequent Year’s Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

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

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**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, unrestricted state aid, investment 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.

**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 2013-2014 and 2014-2015 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 Non-Operating 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 and of the summer music 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.

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On November 13, 2012, the Board adopted a resolution to move 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 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$211,991. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**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, 2015 is as follows:

Beginning Balance, July 1, 2014		\$ 4,107,940
Increases		
Interest Earnings	\$ 590	
Deposits Approved by Board Resolution	<u>600,000</u>	
		<u>600,590</u>
		4,708,530
Withdrawals		
Approved in District Budget	<u>(597,757)</u>	
		<u>(597,757)</u>
Ending Balance, June 30, 2015		<u>\$ 4,110,773</u>

The District’s 2015/16 budget includes a withdrawal from the capital reserve account of \$693,247.

**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.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**C. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Beginning Balance, July 1, 2014	\$ 1,018,034
Increases	
Deposits Approved by Board Resolution	<u>125,000</u>
	1,143,034
Withdrawals	
Approved in District Budget	<u>181,198</u>
Ending Balance, June 30, 2015	<u>\$ 961,836</u>

The June 30, 2015 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$836,836. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

The District’s 2015/16 budget includes a withdrawal from the maintenance reserve account of \$125,000 to reduce the balance to the maximum permitted amount.

**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. 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.

The activity of the emergency reserve for the fiscal year ended June 30, 2015 is as follows:

Beginning Balance, July 1, 2014	<u>\$ 130,000</u>
Ending Balance, June 30, 2015	<u>\$ 130,000</u>

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved 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 reserve 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, 2015 is \$3,401,751. Of this amount, \$1,714,567 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$1,687,184 will be appropriated in the 2016/2017 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), 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.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$5,780,808 and bank and brokerage firm balances of the Board’s deposits amounted to \$6,612,198. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ <u>6,612,198</u>

**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, 2015 the Board’s bank balance was not 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, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**Investments (Continued)**

As of June 30, 2015, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
U.S. Government Securities	
New Jersey ARM (Cash Equivalent)	\$ <u>3,794,823</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2015, \$3,794,823 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>3,794,823</u>

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices; however, the District’s investments are not exposed to credit risk.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

The fair value of the above-listed investment was based on quoted market prices.

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

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**B. Receivables**

Receivables as of June 30, 2015 for the district’s individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Receivables:				
Intergovernmental	\$ 22,898	\$ 22,809	\$ 695,482	\$ 741,189
Gross Receivables	22,898	22,809	695,482	741,189
Less: Allowance for Uncollectibles	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
Net Total Receivables	<u>\$ 22,898</u>	<u>\$ 22,809</u>	<u>\$ 695,482</u>	<u>\$ 741,189</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	
Unencumbered Grant Draw Downs	\$ 14,442
Capital Projects Fund	
Unrealized School Facilities Grants	<u>280,649</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 295,091</u>

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in Progress	-	\$ 1,406,347	-	\$ 1,406,347
Total capital assets not being depreciated	-	1,406,347	-	1,406,347
Capital assets, being depreciated:				
Buildings and Improvements	\$ 18,130,170	10,300		18,140,470
Machinery and Equipment	1,560,011	48,485	-	1,608,496
Total capital assets being depreciated	19,690,181	58,785	-	19,748,966
Less accumulated depreciation for:				
Buildings and Improvements	(6,764,874)	(357,192)		(7,122,066)
Furniture, Equipment and Vehicles	(964,477)	(49,977)	-	(1,014,454)
Total accumulated depreciation	(7,729,351)	(407,169)	-	(8,136,520)
Total capital assets, being depreciated, net	11,960,830	(348,384)	-	11,612,446
Government activities capital assets, net	<u>\$ 11,960,830</u>	<u>\$ 1,057,963</u>	<u>\$ -</u>	<u>\$ 13,018,793</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Construction in Progress	-	\$ 15,295	-	\$ 15,295
Total capital assets not being depreciated	-	15,295	-	15,295
Capital assets, being depreciated:				
Machinery and equipment	\$ 125,608	7,496	-	133,104
Total capital assets being depreciated	125,608	7,496	-	133,104
Less accumulated depreciation for:				
Machinery and equipment	(76,356)	(7,344)	-	(83,700)
Total accumulated depreciation	(76,356)	(7,344)	-	(83,700)
Total capital assets, being depreciated, net	49,252	152	-	49,404
Business-type activities capital assets, net	<u>\$ 49,252</u>	<u>\$ 15,447</u>	<u>\$ -</u>	<u>\$ 64,699</u>

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**D. Capital Assets (Continued)**

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

**Governmental activities:**

Instruction	
Regular	\$ 203,786
Special	25,524
Other Instruction	22,730
School-Sponsored/Other Instructional	<u>3,333</u>
Total Instruction	<u>255,373</u>
Support Services	
Student and Instruction Related Services	59,930
Health Services	6,199
Attendance and Social Work	1,498
Education Media/School Library	6,024
General Administration	9,875
School Administration	23,106
Operations and Maintenance of Plant	32,269
Central Services	<u>12,895</u>
Total Support Services	<u>151,796</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 407,169</u>
<b>Business-type activities:</b>	
Food Service Fund	<u>\$ 7,344</u>

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Remaining Commitment</u>
Brookside Partial Roof Replacement	\$ 129,411
Brookside New Security Vestibule Entrance	86,171
Hillside Partial Roof Replacement	119,209
Hillside New Security Vestibule Entrance	<u>7,593</u>
 Total	 <u>\$ 342,384</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2015, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency	\$ 245
General Fund	Special Revenue	393
Debt Service	Capital Projects	<u>39</u>
 Total		 <u>\$ 677</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 BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	<u>Transfer In:</u>		
	Capital		
	<u>Projects Fund</u>	<u>Debt Service</u>	<u>Total</u>
Transfer Out:			
General Fund	\$ 629,000		\$ 629,000
Capital Projects Fund	<u>-</u>	<u>\$ 39</u>	<u>39</u>
	<u>\$ 629,000</u>	<u>\$ 39</u>	<u>\$ 629,039</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Leases**

**Capital Leases**

The District is leasing copiers totaling \$172,166 under a capital lease. The lease is for a term of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Governmental</u> <u>Activities</u>
2016	\$ 37,788
2017	37,788
2018	37,788
2019	<u>18,894</u>
Total minimum lease payments	132,258
Less: amount representing interest	<u>(8,428)</u>
Present value of minimum lease payments	<u>\$ 123,830</u>

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**G. 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. 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, 2015 are comprised of the following issues:

\$4,977,000, 2006 Bonds, due in annual installments of \$240,000 through March 15, 2016, interest at 3.875%	\$ 240,000
\$2,690,000, 2010 Refunding Bonds, due in annual installments of \$540,000 to \$550,000 through September 15, 2016, interest at 3.00% to 4.00%	1,090,000
\$586,000, 2012 Bonds, due in annual installments of \$61,000 to \$70,000 through March 1, 2022, interest at 1.237% to 3.109%	453,000
\$2,940,000, 2014 Refunding Bonds, due in annual installments of \$250,000 to \$350,000 through March 15, 2026, interest at 3.00% to 5.00%	<u>2,930,000</u>
	<u>\$ 4,713,000</u>

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 851,000	\$ 162,245	\$ 1,013,245
2017	852,000	133,141	985,141
2018	318,000	111,326	429,326
2019	324,000	99,798	423,798
2020	336,000	87,889	423,889
2020-2024	1,682,000	252,510	1,934,510
2025-2026	<u>350,000</u>	<u>12,250</u>	<u>362,250</u>
	<u>\$ 4,713,000</u>	<u>\$ 859,159</u>	<u>\$ 5,572,159</u>

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**G. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 49,981,992
Less: Net Debt	<u>4,260,000</u>
Remaining Borrowing Power	<u>\$ 45,721,992</u>

**Advance Refunding of Debt**

On November 20, 2014, the District issued \$2,940,000 in Refunding School Bonds having interest rates of 2.00% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2006 School Bonds of the District. The total bond principal defeased was \$3,017,000 and the total interest payments defeased was \$883,501. The net proceeds of \$3,190,972 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$173,972. This amount has been reported as a Deferred Outflow of Resources on the financial statements and amortized over the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the current and next 12 years by \$163,976 and resulted in an economic gain of \$145,647.

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014 (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2015	Due Within One Year
<b>Governmental activities:</b>					
Serial Bonds	\$ 5,621,000	\$ 2,940,000	\$ 3,848,000	\$ 4,713,000	\$ 851,000
Deferred Amounts					
Add: Original issue Premium	<u>40,924</u>	<u>335,283</u>	<u>34,175</u>	<u>342,032</u>	<u>-</u>
Total Bonds Payable	5,661,924	3,275,283	3,882,175	5,055,032	851,000
Capital Leases	156,352		32,522	123,830	33,753
Compensated Absences Payable	201,354	71,017	-	272,371	32,500
Net Pension Liability	<u>4,245,563</u>	<u>-</u>	<u>797,013</u>	<u>3,448,550</u>	<u>195,000</u>
Governmental activity Long-term liabilities	<u>\$ 10,265,193</u>	<u>\$ 3,346,300</u>	<u>\$ 4,711,710</u>	<u>\$ 8,899,783</u>	<u>\$ 1,112,253</u>

For the governmental activities, the liability for compensated absences and net pension liabilities are generally liquidated by the general fund.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 Comprehensive Annual Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance fund 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 fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund 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 insurance funds are on file with the School's Business Administrator.

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 District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015		\$ 16,438	\$ 31,055	\$ 130,744
2014		12,551	52,912	144,861
2013		8,412	39,278	184,379

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**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, 2015, 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, 2015, the District had no estimated arbitrage earnings due to the IRS.

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

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** – 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 district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

**Teachers' Pension and Annuity Fund (TPAF)** – 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 certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Funding Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 151,844	\$ 338,615	\$ 4,289
2014	168,485	255,276	4,809
2013	147,028	377,073	2,795

For fiscal years 2014/2015 and 2012/2013, the state contributed \$338,615 and \$377,073, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$255,276 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$466,915 during the fiscal year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**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, 2015, the District reported in the statement of net position (accrual basis) a liability of \$3,448,550 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share 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 governmental entities, actuarially determined. At June 30, 2014, the District’s proportionate share was 0.01842 percent, which was a decrease of 0.00379 percent from its proportionate share measured as of June 30, 2013.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$64,595 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 108,441	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 205,515
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	612,690
Total	<u>\$ 108,441</u>	<u>\$ 818,205</u>

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

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (144,072)
2017	(144,072)
2018	(144,072)
2019	(144,072)
2020	(92,693)
Thereafter	<u>(40,783)</u>
	<u>\$ (709,764)</u>

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

**PERS**

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

\* The municipal bond return rate used is 4.29%. 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.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	<b>1% Decrease (4.39%)</b>	<b>Current Discount Rate (5.39%)</b>	<b>1% Increase (6.39%)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 4,338,379</u>	<u>\$ 3,448,550</u>	<u>\$ 2,701,318</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2014. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,735,432 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$32,251,468. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

**TPAF**

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial Assumptions were Based	June 30, 2012

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%



**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$537,551, \$418,555 and \$426,374, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 5 RESTATEMENT**

On July 1, 2014, the Allendale Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Allendale Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$4,245,563. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$15,378,874 as originally reported to \$11,133,311 as adjusted for the effects of the change in accounting principle.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**ALLENDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 14,376,012		\$ 14,376,012	\$ 14,376,012	
Tuition	45,000		45,000	41,933	\$ (3,067)
Interest Earned	21,950		21,950	17,305	(4,645)
Miscellaneous	17,500	-	17,500	81,415	63,915
<b>Total Local Sources</b>	<u>14,460,462</u>	<u>-</u>	<u>14,460,462</u>	<u>14,516,665</u>	<u>56,203</u>
State Sources					
Special Education Aid	301,541		301,541	301,541	
Transportation Aid	4,330		4,330	4,330	
Security Aid	12,706		12,706	12,706	
Adjustment Aid	1		1	1	
PARCC Readiness Aid	8,485		8,485	8,485	
Per Pupil Growth Aid	8,485		8,485	8,485	
Extraordinary Aid				129,608	129,608
On-behalf TPAF Pension Payments (Non-Budget)					
Pension Contribution				315,888	315,888
NCGI Premium				22,727	22,727
On-behalf TPAF Payments -					
Post Retirement Medical Benefits				537,551	537,551
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	466,915	466,915
<b>Total State Sources</b>	<u>335,548</u>	<u>-</u>	<u>335,548</u>	<u>1,808,237</u>	<u>1,472,689</u>
<b>Total Revenues</b>	<u>14,796,010</u>	<u>-</u>	<u>14,796,010</u>	<u>16,324,902</u>	<u>1,528,892</u>
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	298,911	\$ 26,137	325,048	322,533	2,515
Grades 1-5	2,328,434	(108,591)	2,219,843	2,216,499	3,344
Grades 6-8	1,862,120	(70,800)	1,791,320	1,781,742	9,578
Regular Programs - Home Instruction					
Salaries of Teachers	7,500	-	7,500	6,660	840
Purchased Professional-Educational Services	3,500	820	4,320	1,920	2,400
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	15,000	(12,400)	2,600		2,600
Purchased Technical Services	134,970	49,006	183,976	129,954	54,022
Other Purchased Services	149,603	7,832	157,435	132,156	25,279
General Supplies	385,432	106,484	491,916	360,289	131,627
Textbooks	25,300	(13,557)	11,743	2,118	9,625
Other Objects	2,375	-	2,375	-	2,375
<b>Total Regular Programs</b>	<u>5,213,145</u>	<u>(15,069)</u>	<u>5,198,076</u>	<u>4,953,871</u>	<u>244,205</u>
Special Education					
Resource Room/Resource Center					
Salaries of Teachers	404,502	101,982	506,484	505,456	1,028
Other Salaries for Instruction	17,920	-	17,920	17,920	17,920
General Supplies	2,500	2,500	5,000	4,281	719
Textbooks	200	-	200	200	-
<b>Total Resource Room/Resource Center</b>	<u>425,122</u>	<u>104,482</u>	<u>529,604</u>	<u>509,937</u>	<u>19,667</u>

**ALLENDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education (Continued)					
Preschool Disabilities - Part-Time					
Salaries of Teachers	\$ 138,502	-	\$ 138,502	\$ 112,859	\$ 25,643
Other Salaries for Instruction	38,045	-	38,045	28,189	9,856
General Supplies	750	-	750	332	418
Total Preschool Disabilities - Part-Time	<u>177,297</u>	<u>-</u>	<u>177,297</u>	<u>141,380</u>	<u>35,917</u>
Total Special Education	<u>602,419</u>	<u>\$ 104,482</u>	<u>706,901</u>	<u>651,317</u>	<u>55,584</u>
Basic Skills/Remedial					
Salaries of Teachers	439,600	-	439,600	376,481	63,119
General Supplies	4,720	-	4,720	4,597	123
Total Basic Skills/Remedial	<u>444,320</u>	<u>-</u>	<u>444,320</u>	<u>381,078</u>	<u>63,242</u>
Bilingual Education					
Salaries of Teachers	61,230	-	61,230	36,368	24,862
General Supplies	500	-	500	500	-
Total Bilingual Education	<u>61,730</u>	<u>-</u>	<u>61,730</u>	<u>36,868</u>	<u>24,862</u>
School Sponsored Co/Extra Cocurricular Activities					
Salaries	32,288	-	32,288	28,850	3,438
Supplies and Materials	1,950	9	1,959	839	1,120
Total School Sponsored Co/Extra Cocurricular Activities	<u>34,238</u>	<u>9</u>	<u>34,247</u>	<u>29,689</u>	<u>4,558</u>
School Sponsored Athletics					
Salaries	45,100	-	45,100	34,124	10,976
Purchased Services	7,000	-	7,000	5,297	1,703
Supplies and Materials	4,820	-	4,820	4,051	769
Total School Sponsored Athletics	<u>56,920</u>	<u>-</u>	<u>56,920</u>	<u>43,472</u>	<u>13,448</u>
Total Instruction	<u>6,412,772</u>	<u>89,422</u>	<u>6,502,194</u>	<u>6,096,295</u>	<u>405,899</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	123,207	(116,077)	7,130	7,130	-
Tuition to CSSD & Regional Day Schools	114,900	(51,650)	63,250	63,250	-
Tuition to Priv. Sch. for the Disabled Within the State	68,845	198,097	266,942	258,279	8,663
Tuition to Priv. Sch. for the Disabled Outside of State	78,596	(29,690)	48,906	48,897	9
Total Undistributed Expenditures - Instruction	<u>385,548</u>	<u>680</u>	<u>386,228</u>	<u>377,556</u>	<u>8,672</u>
Attendance & Social Work					
Salaries	33,611	500	34,111	31,572	2,539
Total Attendance & Social Work	<u>33,611</u>	<u>500</u>	<u>34,111</u>	<u>31,572</u>	<u>2,539</u>

**ALLENDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Health Services					
Salaries	\$ 129,048	\$ 19,938	\$ 148,986	\$ 141,803	\$ 7,183
Purchased Professional and Technical Svces.	7,000	(80)	6,920	6,590	330
Other Purchased Services	340	70	410	275	135
Supplies and Materials	8,761	15	8,776	7,653	1,123
Other Objects	93	-	93	45	48
Total Health Services	<u>145,242</u>	<u>19,943</u>	<u>165,185</u>	<u>156,366</u>	<u>8,819</u>
Speech, OT,PT & Related Services					
Salaries	253,851	(15,880)	237,971	199,789	38,182
Purchased Professional Educational Services	182,240	107,264	289,504	173,357	116,147
Supplies and Materials	2,000	-	2,000	1,060	940
Total Speech, OT, PT & Related Services	<u>438,091</u>	<u>91,384</u>	<u>529,475</u>	<u>374,206</u>	<u>155,269</u>
Other Support Serv. Students - Extra Serv.					
Salaries	578,373	(142,696)	435,677	324,196	111,481
Purchased Professional Educational Services	20,190	(6,140)	14,050	505	13,545
Supplies and Materials	2,000	4,000	6,000	5,684	316
Total Other Support Serv. Students - Extra Serv.	<u>600,563</u>	<u>(144,836)</u>	<u>455,727</u>	<u>330,385</u>	<u>125,342</u>
Guidance					
Salaries of Other Professional Staff	135,750	13,620	149,370	149,370	-
Purchased Professional-Educational Services	1,000	-	1,000	417	583
Other Purchased Prof. and Tech. Services	2,500	-	2,500	2,500	-
Supplies and Materials	500	1,108	1,608	396	1,212
Total Guidance	<u>139,750</u>	<u>14,728</u>	<u>154,478</u>	<u>152,683</u>	<u>1,795</u>
Child Study Teams					
Salaries of Other Professional Staff	278,585	(35,000)	243,585	241,944	1,641
Salaries of Secretarial and Clerical Assistants	44,250	925	45,175	45,175	-
Purchased Professional - Educational Services	54,500	50,124	104,624	90,118	14,506
Other Purchased Services	4,250	3,366	7,616	6,907	709
Supplies and Materials	4,000	4,725	8,725	8,544	181
Other Objects	1,300	-	1,300	1,300	-
Total Child Study Teams	<u>386,885</u>	<u>24,140</u>	<u>411,025</u>	<u>393,988</u>	<u>17,037</u>
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	116,634	3,097	119,731	119,731	-
Salaries of Other Professional Staff	27,200	99,700	126,900	112,586	14,314
Salaries of Secretary & Clerk Assistance	21,089	450	21,539	20,696	843
Salaries of Facilitators, Math & Literacy Coaches	87,250	(29,000)	58,250	58,250	-
Purchased Professional - Educational Services	80,828	-	80,828	73,499	7,329
Other Objects	-	2,500	2,500	2,355	145
Total Improvement of Inst. Serv.	<u>333,001</u>	<u>76,747</u>	<u>409,748</u>	<u>328,867</u>	<u>80,881</u>

**ALLENDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Educational Media Services/School Library					
Salaries	\$ 125,626	\$ 3,083	\$ 128,709	\$ 127,549	\$ 1,160
Salaries of Technology Coordinators	40,000	(30,000)	10,000		10,000
Purchased Professional and Technical Services	3,500	-	3,500		3,500
Other Purchased Services	10,880	-	10,880	9,606	1,274
Supplies and Materials	9,292	42	9,334	8,637	697
Other Objects	900	(32)	868	20	848
	<u>190,198</u>	<u>(26,907)</u>	<u>163,291</u>	<u>145,812</u>	<u>17,479</u>
Total Educational Media Serv./School Library					
Instructional Staff Training Services					
Salaries of Supervisor of Instruction	66,500	(66,084)	416		416
Purchased Professional/Educational Services	27,500	4,208	31,708	28,284	3,424
Other Purchased Services	2,900	-	2,900	212	2,688
	<u>96,900</u>	<u>(61,876)</u>	<u>35,024</u>	<u>28,496</u>	<u>6,528</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	226,523	21,736	248,259	225,552	22,707
Legal Services	57,880	1,628	59,508	57,888	1,620
Audit Fees	26,750	21,500	48,250	23,475	24,775
Architectural/Engineering Services	31,500	5,171	36,671	6,803	29,868
Other Purchased Professional Services	19,200	(3,784)	15,416	12,210	3,206
Communications/Telephone	23,465	7,288	30,753	23,571	7,182
BOE Other Purchased Services	5,000	(1,437)	3,563	728	2,835
Miscellaneous Purchased Services	19,080	4,839	23,919	22,379	1,540
Supplies and Materials	5,200	-	5,200	4,812	388
Miscellaneous Expenditures	5,800	(200)	5,600	3,259	2,341
BOE Membership Dues and Fees	11,080	-	11,080	10,452	628
	<u>431,478</u>	<u>56,741</u>	<u>488,219</u>	<u>391,129</u>	<u>97,090</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principal/Asst. Principals	298,434	2,296	300,730	300,730	-
Salaries of Secretarial and Clerical Assistants	193,647	-	193,647	184,118	9,529
Purchased Professional and Technical Services	1,400	-	1,400		1,400
Other Purchased Services	11,000	-	11,000		11,000
Supplies and Materials	7,575	(131)	7,444	3,517	3,927
Other Objects	6,330	131	6,461	6,300	161
	<u>518,386</u>	<u>2,296</u>	<u>520,682</u>	<u>494,665</u>	<u>26,017</u>
Total Support Services School Administration					
Support Services Central Services					
Salaries	268,659	1,980	270,639	259,409	11,230
Miscellaneous Purchased services	29,000	-	29,000	22,668	6,332
Supplies and Materials	7,200	2,450	9,650	9,614	36
Other Objects	9,300	(2,450)	6,850	1,809	5,041
	<u>314,159</u>	<u>1,980</u>	<u>316,139</u>	<u>293,500</u>	<u>22,639</u>
Total Support Services Central Services					
Admin. Info. Technology					
Salaries	82,450	(10,374)	72,076		72,076
Purchased Technical Services	38,750	-	38,750	32,685	6,065
Supplies and Materials	5,100	-	5,100	4,138	962
Other Objects	1,500	-	1,500	-	1,500
	<u>127,800</u>	<u>(10,374)</u>	<u>117,426</u>	<u>36,823</u>	<u>80,603</u>
Total Admin. Info Technology					

**ALLENDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Custodial Services					
Salaries	\$ 378,750	\$ 43,813	\$ 422,563	\$ 374,083	\$ 48,480
Salaries of Non-Instructional Aides	110,160	3,961	114,121	114,121	-
Purchased Professional and Technical Services	12,500	-	12,500	5,583	6,917
Cleaning, Repair and Maintenance Services	62,000	-	62,000	39,522	22,478
Rental of Land & Bldg. Oth. Than Lease Purch. Agreement	19,500	(9,250)	10,250	-	10,250
Other Purchased Property Services	30,000	8,131	38,131	35,685	2,446
Insurance	74,975	-	74,975	71,899	3,076
Miscellaneous Purchased Services	4,000	-	4,000	3,871	129
General Supplies	52,800	(2,606)	50,194	33,601	16,593
Energy (Natural Gas)	239,061	-	239,061	107,141	131,920
Energy (Electricity)	160,000	-	160,000	142,816	17,184
Other Objects	1,500	-	1,500	225	1,275
<b>Total Custodial Services</b>	<u>1,145,246</u>	<u>44,049</u>	<u>1,189,295</u>	<u>928,547</u>	<u>260,748</u>
Required Maintenance for School Facilities					
Salaries	188,282	1,450	189,732	175,783	13,949
Cleaning, Repair and Maintenance Services	279,050	31,801	310,851	202,759	108,092
General Supplies	52,500	-	52,500	34,004	18,496
<b>Total Required Maintenance for School Fac.</b>	<u>519,832</u>	<u>33,251</u>	<u>553,083</u>	<u>412,546</u>	<u>140,537</u>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	61,500	11,351	72,851	72,435	416
Cleaning, Repair and Maintenance Services	500	-	500	128	372
General Supplies	10,000	-	10,000	6,176	3,824
<b>Total Care and Upkeep of Grounds</b>	<u>72,000</u>	<u>11,351</u>	<u>83,351</u>	<u>78,739</u>	<u>4,612</u>
Security					
Salaries	33,915	13,398	47,313	47,313	-
Purchased Professional and Technical Services	750	900	1,650	1,650	-
Cleaning, Repair and Maintenance Services	10,500	(1,900)	8,600	1,678	6,922
General Supplies	6,500	1,000	7,500	6,620	880
Other Objects	250	-	250	-	250
<b>Total Security</b>	<u>51,915</u>	<u>13,398</u>	<u>65,313</u>	<u>57,261</u>	<u>8,052</u>
Student Transportation Services					
Contracted Services (Other Than Between Home and School) - Vendors	32,800	-	32,800	15,508	17,292
Contracted Services - (Spl. Ed. Students) - Vendors	5,000	-	5,000	-	5,000
Contracted Services - (Spl. Ed. Students) - Joint Agreements	158,117	-	158,117	134,463	23,654
<b>Total Student Transportation Services</b>	<u>195,917</u>	<u>-</u>	<u>195,917</u>	<u>149,971</u>	<u>45,946</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	221,353	(150)	221,203	161,279	59,924
Other Retirement Contributions - PERS	195,000	-	195,000	151,844	43,156
Other Retirement Contributions - DCRP	4,900	383	5,283	4,289	994
Workmen's Compensation	93,376	-	93,376	71,122	22,254
Health Benefits	2,399,041	(85,295)	2,313,746	1,824,385	489,361
Tuition Reimbursement	66,300	1,584	67,884	31,875	36,009
Other Employee Benefits	43,395	908	44,303	12,232	32,071
<b>Total Unallocated Benefits - Employee Benefits</b>	<u>3,023,365</u>	<u>(82,570)</u>	<u>2,940,795</u>	<u>2,257,026</u>	<u>683,769</u>
On-behalf TPAF Pension Payments - Non-Budget					
Pension Contribution	-	-	-	315,888	(315,888)
NCGI Premium	-	-	-	22,727	(22,727)
Post Retirement Medical Benefits	-	-	-	537,551	(537,551)
On-behalf TPAF Social Security Payments	-	-	-	466,915	(466,915)
<b>Total Undistributed Expenditures</b>	<u>9,149,887</u>	<u>64,625</u>	<u>9,214,512</u>	<u>8,763,219</u>	<u>451,293</u>
<b>Total Expenditures - Current Expenditures</b>	<u>15,562,659</u>	<u>154,047</u>	<u>15,716,706</u>	<u>14,859,514</u>	<u>857,192</u>

**ALLENDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CAPITAL OUTLAY</b>					
Undistributed Expenditures					
Instruction					
Equipment	\$ 137,750	\$ (16,473)	\$ 121,277	\$ 54,046	\$ 67,231
Security	2,210	2,210	2,210	2,209	1
Required Maintenance for School Facility - Equipment	<u>7,750</u>	<u>26,732</u>	<u>34,482</u>	<u>34,482</u>	<u>-</u>
Total Equipment	<u>145,500</u>	<u>12,469</u>	<u>157,969</u>	<u>90,737</u>	<u>67,232</u>
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services	116,657	23,446	140,103	63,974	76,129
Construction Services	264,065	-	264,065	10,300	253,765
Other Objects	80	375	455	452	3
Assessment for Debt Service on SDA Funding	<u>23,293</u>	<u>-</u>	<u>23,293</u>	<u>23,293</u>	<u>-</u>
Total Facilities Acquisition and Constr. Serv.	<u>404,095</u>	<u>23,821</u>	<u>427,916</u>	<u>98,019</u>	<u>329,897</u>
Increase in Maintenance Reserve	1,000	-	1,000		1,000
Increase in Capital Reserve	<u>2,950</u>	<u>-</u>	<u>2,950</u>	<u>-</u>	<u>2,950</u>
Total Capital Outlay	<u>553,545</u>	<u>36,290</u>	<u>589,835</u>	<u>188,756</u>	<u>401,079</u>
Total Expenditures	<u>16,116,204</u>	<u>190,337</u>	<u>16,306,541</u>	<u>15,048,270</u>	<u>1,258,271</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,320,194)</u>	<u>(190,337)</u>	<u>(1,510,531)</u>	<u>1,276,632</u>	<u>2,787,163</u>
Other Financing Sources (Uses)					
Transfer from Capital Outlay to Capital Projects	(871,257)	-	(871,257)	(597,757)	273,500
Transfer from Capital Reserve to Capital Projects	<u>(31,243)</u>	<u>-</u>	<u>(31,243)</u>	<u>(31,243)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(902,500)</u>	<u>-</u>	<u>(902,500)</u>	<u>(629,000)</u>	<u>273,500</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	<u>(2,222,694)</u>	<u>(190,337)</u>	<u>(2,413,031)</u>	<u>647,632</u>	<u>3,060,663</u>
Fund Balance, Beginning of Year	<u>8,773,475</u>	<u>-</u>	<u>8,773,475</u>	<u>8,773,475</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,550,781</u>	<u>\$ (190,337)</u>	<u>\$ 6,360,444</u>	<u>\$ 9,421,107</u>	<u>\$ 3,060,663</u>

**ALLENDALE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Restricted :		
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 1,714,567	
Excess Surplus	1,687,184	
Maintenance Reserve	836,836	
Maintenance Reserve - Designated for Subsequent Year's Expenditures	125,000	
Capital Reserve	3,417,526	
Capital Reserve - Designated for Subsequent Year's Expenditures	693,247	
Emergency Reserve	130,000	
Committed		
Year-end Encumbrances	72,806	
Assigned		
Designated for Subsequent Year's Expenditures	109,325	
Year-end Encumbrances	218,324	
Unassigned	<u>416,292</u>	
		<u>\$ 9,421,107</u>
		9,421,107
Reconciliation to Governmental Funds Statements (GAAP):		
Less: Extraordinary Aid Payment Not Recognized on GAAP Basis	129,608	
State Aid Payment Not Recognized on GAAP Basis	<u>25,685</u>	
		<u>155,293</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 9,265,814</u>

**ALLENDALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Local		\$ 1,875	\$ 1,875	\$ 1,875	
Federal	\$ 245,234	19,779	265,013	228,111	\$ (36,902)
Total Revenues	<u>245,234</u>	<u>21,654</u>	<u>266,888</u>	<u>229,986</u>	<u>(36,902)</u>
<b>EXPENDITURES</b>					
Instruction					
Tuition	170,070	-	170,070	170,070	-
General Supplies	43,310	19,779	63,089	35,942	27,147
Total Instruction	<u>213,380</u>	<u>19,779</u>	<u>233,159</u>	<u>206,012</u>	<u>27,147</u>
Support Services					
Salaries	1,105	-	1,105	1,105	-
Other Purchased Professional Services	30,749	-	30,749	20,994	9,755
General Supplies	-	1,875	1,875	1,875	-
Total Support Services	<u>31,854</u>	<u>1,875</u>	<u>33,729</u>	<u>23,974</u>	<u>9,755</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	-	-	-	-
Total Facilities Acq. and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>245,234</u>	<u>21,654</u>	<u>266,888</u>	<u>229,986</u>	<u>36,902</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**ALLENDALE BOARD OF EDUCATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Funds are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

		<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	C-1	\$ 16,324,902	C-2	\$ 229,986
Difference- Budget to GAAP				
State Aid payment and extraordinary aid (2013/2014) recognized for GAAP purposes, not recognized for budgetary statements.		174,879		
Difference - Budget to GAAP:				
State Aid Payment and Extraordinary aid (2014/2015) recognized for budgetary purposes, not recognized for GAAP statements		<u>(155,293)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>\$ 16,344,488</u>	B-2	<u>\$ 229,986</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1	<u>\$ 15,048,270</u>	C-2	<u>\$ 229,986</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 15,048,270</u>	B-2	<u>\$ 229,986</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**Public Employees Retirement System**

**Last Two Fiscal Years\***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.01842%	0.02221%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,448,550	\$ 4,245,563
District's Covered-Employee Payroll	\$ 1,282,525	\$ 1,328,508
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	268.89%	319.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

\* 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. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

ALLENDALE BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 151,844	\$ 167,379
Contributions in Relation to the Contractually Required Contribution	<u>151,844</u>	<u>167,379</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$1,282,525	\$1,328,508
Contributions as a Percentage of Covered-Employee Payroll	11.84%	12.60%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

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

**Teachers Pension and Annuity Fund**

**Last Two Fiscal Years\***

	2015	2014
District's Proportion of the Net Position Liability (Asset)	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 32,251,468</u>	<u>\$ 29,492,809</u>
<b>Total</b>	<u><b>\$ 32,251,468</b></u>	<u><b>\$ 29,492,809</b></u>
District's Covered-Employee Payroll	\$ 6,380,317	\$ 6,028,199
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

\* 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. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ALLENDALE BOARD OF EDUCATION  
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, 2015**

**Change of Benefit Terms:** None.

**Change of Assumptions:** The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

ALLENDALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	I.D.E.A. Part B				<u>Local</u>	<u>Total 2015</u>
	<u>Basic</u>	<u>Preschool</u>	<u>Title II</u>	<u>Title III</u>		
<b>REVENUES</b>						
Intergovernmental						
Local					\$ 1,875	\$ 1,875
Federal	\$ 170,070	\$ 7,564	\$ 12,358	\$ 38,119	-	228,111
Total Revenues	<u>\$ 170,070</u>	<u>\$ 7,564</u>	<u>\$ 12,358</u>	<u>\$ 38,119</u>	<u>\$ 1,875</u>	<u>\$ 229,986</u>
<b>EXPENDITURES</b>						
Instruction						
Tuition	\$ 170,070					\$ 170,070
General Supplies	-	-	-	\$ 35,942	-	35,942
Total Instruction	<u>170,070</u>	<u>-</u>	<u>-</u>	<u>35,942</u>	<u>-</u>	<u>206,012</u>
Support Services						
Salaries				1,105		1,105
Other Purchased Professional Services		\$ 7,564	\$ 12,358	1,072		20,994
General Supplies	-	-	-	-	\$ 1,875	1,875
Total Support Services	<u>-</u>	<u>7,564</u>	<u>12,358</u>	<u>2,177</u>	<u>1,875</u>	<u>23,974</u>
Facilities Acquisition and Construction						
Instructional Equipment	-	-	-	-	-	-
Total Facilities Acq. and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 170,070</u>	<u>\$ 7,564</u>	<u>\$ 12,358</u>	<u>\$ 38,119</u>	<u>\$ 1,875</u>	<u>\$ 229,986</u>

**ALLENDALE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Project</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2015</u>
		<u>Prior Year</u>	<u>Current Year</u>	
Brookside- Replace Unit Ventilators w/New AC-13/14	\$ 316,492		181,788	\$ 134,704
Brookside- Replace Unit Ventilators w/New Rooftop HVAC Unit-13/14	165,000		162,400	2,600
Hillside - Replace Unit Ventilators w/New HVAC Media Center-13/14	150,000		123,000	27,000
Hillside - Replace Uni Ventilators w/New HVAC Classroom-13/14	240,000		104,022	135,978
Brookside and Hillside Window Replacement-13/14	210,500		206,669	3,831
Brookside - Partial Roof Replacement-14/15	337,500		208,089	129,411
Brookside - New Security Vestibule Entrance-14/15	125,000		38,829	86,171
Brookside - East Courtyard Site Drainage Upgrade-14/15	96,250		29,700	66,550
Hillside - Partial Roof Replacement-14/15	125,000		5,791	119,209
Hillside - Playground Equipment Upgrades and Site Drainage-14/15	261,300		245,927	15,373
Hillside - New Security Vestibule Entrance-14/15	43,750	-	36,157	7,593
	<u>\$ 2,070,792</u>	<u>\$ -</u>	<u>\$ 1,342,372</u>	<u>\$ 728,420</u>
Project Balance				\$ 728,420
Less: Unrealized Grant Awards				(280,649)
Fund Balance - GAAP, June 30, 2015				<u>\$ 447,771</u>
<u>Reconciliation to GAAP</u>				
Restricted for Capital Projects:				
Year End Encumbrances				\$ 267,460
Available for Capital Projects				180,311
Total Fund Balance - Restricted for Capital Projects				<u>\$ 447,771</u>

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Revenues and Other Financing Sources**

Revenues	
State Sources - SDA Grant	\$ 359,800
Other Financing Sources	
Transfer from Capital Outlay - Local Contribution	31,243
Transfer from Capital Reserve Local Contribution	597,757
Interest	39
	<hr/>
Total Revenues and Other Financing Sources	988,839
	<hr/>
<b>Expenditures and Other Financing Uses</b>	
Architectural/Engineering Service	36,513
Construction Services	1,305,859
Transfer Out of Debt Service	39
	<hr/>
Total Expenditures and Other Financing Uses	1,342,411
	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(353,572)
Fund Balance- Beginning of Year - Budgetary Basis	1,081,992
	<hr/>
Fund Balance- End of Year - Budgetary Basis	\$ 728,420
	<hr/> <hr/>

Reconciliation to GAAP

Fund Balance - End of Year - Budgetary Basis	\$ 728,420
Less: Unearned Grant Revenue	<hr/> (280,649)
Fund Balance, June 30, 2014 - GAAP	\$ 447,771
	<hr/> <hr/>

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BROOKSIDE REPLACEMENT UNIT VENTILATORS WITH NEW AC  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 126,597		\$ 126,597	\$ 126,597
Transfer from Capital Outlay - Local Contribution	128,515		128,515	128,515
Transfer from Capital Reserve Local Contribution	<u>61,380</u>	<u>-</u>	<u>61,380</u>	<u>61,380</u>
 Total Revenues and Other Financing Sources	 <u>316,492</u>	 <u>-</u>	 <u>316,492</u>	 <u>316,492</u>
 <b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service			-	
Construction Services	<u>-</u>	<u>\$ 181,788</u>	<u>181,788</u>	<u>316,492</u>
 Total Expenditures and Other Financing Uses	 <u>-</u>	 <u>181,788</u>	 <u>181,788</u>	 <u>316,492</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 316,492</u>	 <u>\$ (181,788)</u>	 <u>\$ 134,704</u>	 <u>\$ -</u>

**Additional project information:**

SDA Project Number	SDA#0040-010-14-G1CE
Grant Number	G5-4810
Grant Date	June 30, 2014
Original Authorized Cost	\$ 316,492
Revised Authorized Cost	\$ 316,492

Percentage Completion	100.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BROOKSIDE REPLACE UNIT VENTILATORS WITH NEW ROOFTOP HVAC UNIT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 66,000		\$ 66,000	\$ 66,000
Transfer from Capital Outlay - Local Contribution	67,000		67,000	67,000
Transfer from Capital Reserve Local Contribution	32,000	-	32,000	32,000
	<u>165,000</u>	<u>-</u>	<u>165,000</u>	<u>165,000</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service			-	
Construction Services	-	\$ 162,400	162,400	165,000
	<u>-</u>	<u>162,400</u>	<u>162,400</u>	<u>165,000</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>162,400</u>	<u>162,400</u>	<u>165,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 165,000</u>	<u>\$ (162,400)</u>	<u>\$ 2,600</u>	<u>\$ -</u>

**Additional project information:**

SDA Project Number	SDA#0040-010-14-G1CD
Grant Number	G5-4809
Grant Date	June 30, 2014
Original Authorized Cost	\$ 165,000
Revised Authorized Cost	\$ 165,000

Percentage Completion	100.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HILLSIDE REPLACE UNIT VENTILATORS WITH NEW HVAC MEDIA CENTER  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 60,000		\$ 60,000	\$ 60,000
Transfer from Capital Outlay - Local Contribution	60,909		60,909	60,909
Transfer from Capital Reserve Local Contribution	29,091	-	29,091	29,091
	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service			-	
Construction Services	-	\$ 123,000	123,000	150,000
	<u>-</u>	<u>123,000</u>	<u>123,000</u>	<u>150,000</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>123,000</u>	<u>123,000</u>	<u>150,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 150,000</u>	<u>\$ (123,000)</u>	<u>\$ 27,000</u>	<u>\$ -</u>

**Additional project information:**

SDA Project Number	SDA#0040-020-14-G1CJ
Grant Number	G5-4815
Grant Date	June 30, 2014
Original Authorized Cost	\$ 150,000
Revised Authorized Cost	\$ 150,000

Percentage Completion	100.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HILLSIDE REPLACE UNIT VENTILATORS WITH NEW HVAC CLASSROOM #17-19  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 96,000		\$ 96,000	\$ 96,000
Transfer from Capital Outlay - Local Contribution	97,454		97,454	97,454
Transfer from Capital Reserve Local Contribution	46,546	-	46,546	46,546
	<u>240,000</u>	<u>-</u>	<u>240,000</u>	<u>240,000</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service			-	
Construction Services	-	\$ 104,022	104,022	240,000
	<u>-</u>	<u>104,022</u>	<u>104,022</u>	<u>240,000</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>104,022</u>	<u>104,022</u>	<u>240,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 240,000</u>	<u>\$ (104,022)</u>	<u>\$ 135,978</u>	<u>\$ -</u>

**Additional project information:**

SDA Project Number	SDA #0040-020-14-G1CG
Grant Number	G5-4812
Grant Date	June 30, 2014
Original Authorized Cost	\$ 240,000
Revised Authorized Cost	\$ 240,000

Percentage Completion	100.00%
Original Target Completion Date	December 2014
Revised Target Completion Date	December 2014

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BROOKSIDE AND HILLSIDE WINDOWS REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Outlay - Local Contribution	\$ 142,459		\$ 142,459	\$ 142,459
Transfer from Capital Reserve Local Contribution	<u>68,041</u>	<u>-</u>	<u>68,041</u>	<u>68,041</u>
		-		
Total Revenues and Other Financing Sources	<u>210,500</u>	<u>-</u>	<u>210,500</u>	<u>210,500</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service			-	
Construction Services	<u>-</u>	<u>\$ 206,669</u>	<u>206,669</u>	<u>210,500</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>206,669</u>	<u>206,669</u>	<u>210,500</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 210,500</u>	<u>\$ (206,669)</u>	<u>\$ 3,831</u>	<u>\$ -</u>
<b>Additional project information:</b>				
SDA Project Number	N/A			
Grant Number	N/A			
Grant Date	June 30, 2014			
Original Authorized Cost	\$ 210,500			
Revised Authorized Cost	\$ 210,500			
Percentage Completion	100.00%			
Original Target Completion Date	December 2014			
Revised Target Completion Date	December 2014			

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BROOKSIDE PARTIAL ROOF REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 135,000	\$ 135,000	\$ 135,000
Transfer from Capital Reserve Local Contribution	-	202,500	202,500	202,500
<b>Total Revenues and Other Financing Sources</b>	-	<b>337,500</b>	<b>337,500</b>	<b>337,500</b>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service		14,479	14,479	17,045
Construction Services	-	193,610	193,610	320,455
<b>Total Expenditures and Other Financing Uses</b>	-	<b>208,089</b>	<b>208,089</b>	<b>337,500</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ 129,411</b>	<b>\$ 129,411</b>	<b>\$ -</b>

**Additional project information:**

SDA Project Number	SDA #0040-010-14-G1CB
Grant Number	G5-4807
Grant Date	July 1, 2014
Original Authorized Cost	\$ 337,500
Revised Authorized Cost	\$ 337,500
Percentage Completion	61.66%
Original Target Completion Date	September 2015
Revised Target Completion Date	September 2015

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BROOKSIDE NEW SECURITY VESTIBULE ENTRANCE  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 50,000	\$ 50,000	\$ 50,000
Transfer from Capital Reserve Local Contribution	-	75,000	75,000	75,000
	-	125,000	125,000	125,000
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service		16,243	16,243	17,772
Construction Services	-	22,586	22,586	107,228
	-	38,829	38,829	125,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 86,171	\$ 86,171	\$ -

**Additional project information:**

SDA Project Number	SDA #0040-010-14-G1CA
Grant Number	G5-4806
Grant Date	July 1, 2014
Original Authorized Cost	\$ 125,000
Revised Authorized Cost	\$ 125,000

Percentage Completion	31.06%
Original Target Completion Date	September 2015
Revised Target Completion Date	September 2015

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BROOKSIDE EAST COURTYARD SITE DRAINAGE  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 38,500	\$ 38,500	\$ 38,500
Transfer from Capital Outlay - Local Contribution		31,243	31,243	31,243
Transfer from Capital Reserve Local Contribution	-	26,507	26,507	26,507
	-	96,250	96,250	96,250
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service			-	
Construction Services	-	29,700	29,700	96,250
	-	29,700	29,700	96,250
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 66,550	\$ 66,550	\$ -

**Additional project information:**

SDA Project Number	SDA #0040-010-14-G1CC
Grant Number	G5-4808
Grant Date	July 1, 2014
Original Authorized Cost	\$ 96,250
Revised Authorized Cost	\$ 96,250

Percentage Completion	100.00%
Original Target Completion Date	June 2015
Revised Target Completion Date	June 2015

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HILLSIDE PARTIAL ROOF REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 50,000	\$ 50,000	\$ 50,000
Transfer from Capital Reserve Local Contribution	-	75,000	75,000	75,000
Total Revenues and Other Financing Sources	-	125,000	125,000	125,000
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service		5,791	5,791	7,650
Construction Services	-	-	-	117,350
Total Expenditures and Other Financing Uses	-	5,791	5,791	125,000
<b>Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>				
	\$ -	\$ 119,209	\$ 119,209	\$ -

**Additional project information:**

SDA Project Number	SDA #0040-020-14-G1CF
Grant Number	G5-4811
Grant Date	July 1, 2014
Original Authorized Cost	\$ 125,000
Revised Authorized Cost	\$ 125,000
Percentage Completion	4.63%
Original Target Completion Date	September 2015
Revised Target Completion Date	September 2015

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HILLSIDE PLAYGROUND EQUIPMENT UPGRADES AND SITE DRAINAGE  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 73,800	\$ 73,800	\$ 73,800
Transfer from Capital Reserve Local Contribution		110,700	110,700	110,700
Transfer from Capital Reserve Local Contribution - Additional	-	76,800	76,800	76,800
	-	261,300	261,300	261,300
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service			-	
Construction Services	-	245,927	245,927	261,300
	-	245,927	245,927	261,300
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 15,373	\$ 15,373	\$ -

**Additional project information:**

SDA Project Number	SDA #0040-020-14-G1CK
Grant Number	G5-4816
Grant Date	July 1, 2014
Original Authorized Cost	\$ 261,300
Revised Authorized Cost	\$ 261,300

Percentage Completion	100.00%
Original Target Completion Date	June 2015
Revised Target Completion Date	June 2015

**ALLENDALE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HILLSIDE NEW SECURITY VESTIBULE ENTRANCE  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 12,500	\$ 12,500	\$ 12,500
Transfer from Capital Reserve Local Contribution		18,750	18,750	18,750
Transfer from Capital Reserve Local Contribution - Additional	-	12,500	12,500	12,500
	-	43,750	43,750	43,750
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Service			-	
Construction Services	-	36,157	36,157	43,750
	-	36,157	36,157	43,750
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 7,593	\$ 7,593	\$ -

**Additional project information:**

SDA Project Number	SDA #0040-020-14-G1CL
Grant Number	G5-4817
Grant Date	July 1, 2014
Original Authorized Cost	\$ 43,750
Revised Authorized Cost	\$ 43,750

Percentage Completion	82.64%
Original Target Completion Date	September 2015
Revised Target Completion Date	September 2015

**ENTERPRISE FUND**

**EXHIBIT G-1**

**ALLENDALE BOARD OF EDUCATION  
ENTERPRISE FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

**NOT APPLICABLE**

**EXHIBIT G-2**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOT APPLICABLE**

**EXHIBIT G-3**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**ALLENDALE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2015**

	<u>Student Activities</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 16,474	\$ 21,209	\$ 37,683
Total Assets	<u>\$ 16,474</u>	<u>\$ 21,209</u>	<u>\$ 37,683</u>
<b>LIABILITIES</b>			
Due to Other Funds		\$ 245	\$ 245
Due to State of New Jersey		2,644	2,644
Flex Spending		422	422
Due to Student Groups	\$ 16,474		16,474
Accrued Salaries and Wages		222	222
Payroll Deductions and Withholdings	<u>-</u>	<u>17,676</u>	<u>17,676</u>
Total Liabilities	<u>\$ 16,474</u>	<u>\$ 21,209</u>	<u>\$ 37,683</u>

**COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**ALLENDALE BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance,</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2015</u>
<b>ELEMENTARY AND MIDDLE SCHOOLS</b>				
Student Council	\$ 2,858	\$ 3,553	\$ 4,003	\$ 2,408
Brookside School	10,643	50,991	50,225	11,409
Hillside School	<u>2,017</u>	<u>12,557</u>	<u>11,917</u>	<u>2,657</u>
 Total All Schools	 <u>\$ 15,518</u>	 <u>\$ 67,101</u>	 <u>\$ 66,145</u>	 <u>\$ 16,474</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance,</u> <u>July 1,</u> <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30,</u> <u>2015</u>
Payroll Deductions and Withholdings	\$ 32,765	\$ 4,179,328	\$ 4,194,417	\$ 17,676
Accrued Salaries and Wages	222	5,279,028	5,279,028	222
Flexible Spending		33,805	33,383	422
Due to State of New Jersey	2,484	2,644	2,484	2,644
Due to Other Funds	<u>1,287</u>	<u>375</u>	<u>1,417</u>	<u>245</u>
 Total	 <u>\$ 36,758</u>	 <u>\$ 9,495,180</u>	 <u>\$ 9,510,729</u>	 <u>\$ 21,209</u>

**LONG-TERM DEBT**

**ALLENDALE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
School District Bonds	1/15/2006	\$ 4,977,000	3/15/2016	\$ 240,000	3.875%	\$ 3,487,000		\$ 3,247,000	\$ 240,000
Refunding Bonds	7/13/2010	2,690,000	9/15/2015	550,000	3.00%	1,620,000		530,000	1,090,000
			9/15/2016	540,000	4.00%				
Governmental Loan Revenue Bond Series 2012 ERIP Refunding - Through Bergen County Improvement Authority	5/17/2012	586,000	3/1/2016	61,000	1.237%	514,000		61,000	453,000
			3/1/2017	62,000	1.637%				
			3/1/2018	63,000	2.108%				
			3/1/2019	64,000	2.358%				
			3/1/2020	66,000	2.659%				
			3/1/2021	67,000	2.959%				
			3/1/2022	70,000	3.109%				
Refunding Bonds	11/20/2014	2,940,000	3/15/2017	250,000	4.000%				
			3/15/2018	255,000	4.000%				
			3/15/2019	260,000	4.000%				
			3/15/2020	270,000	3.000%				
			3/15/2021	285,000	4.000%				
			3/15/2022	295,000	4.000%				
			3/15/2023	310,000	5.000%				
			3/15/2024	320,000	3.500%				
			3/15/2025	335,000	3.500%				
			3/15/2026	350,000	3.500%				
						-	\$ 2,940,000	10,000	2,930,000
						<u>\$ 5,621,000</u>	<u>\$ 2,940,000</u>	<u>\$ 3,848,000</u>	<u>\$ 4,713,000</u>

**ALLENDALE BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b>REVENUES</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Local Sources					
Local Property Tax Levy	\$ 784,912		\$ 784,912	\$ 784,912	
State Sources	125,207	-	125,207	125,207	-
<b>Total Revenues</b>	<b>910,119</b>	<b>-</b>	<b>910,119</b>	<b>910,119</b>	<b>-</b>
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest	195,337	\$ (10,000)	185,337	171,341	\$ 13,996
Principal	821,000	10,000	831,000	831,000	
Cost of Issuance on Refunded Bonds	-	-	-	76,543	(76,543)
<b>Total Expenditures</b>	<b>1,016,337</b>	<b>-</b>	<b>1,016,337</b>	<b>1,078,884</b>	<b>(62,547)</b>
Other Finance Sources					
Payment to Refunded Bond Escrow Agent				(3,190,972)	(3,190,972)
Refunding Bond Proceeds				2,940,000	2,940,000
Premium on Issuance of Refunding Bonds				335,283	335,283
Transfers In	-	-	-	39	39
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,350</b>	<b>84,350</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,218)	-	(106,218)	(84,415)	21,803
Fund Balance, Beginning of Year	106,260	-	106,260	106,260	-
Fund Balance, End of Year	\$ 42	\$ -	\$ 42	\$ 21,845	\$ 21,803
				\$ 1	
				21,844	
				<b>\$ 21,845</b>	

Designated for Subsequent Year's Budget  
Unassigned

ALLENDALE BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2014</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2015</u>
Capital Leases Copiers -2014	\$ 172,166	3.72%	\$ 156,352	\$ -	\$ 32,522	\$ 123,830
			<u>\$ 156,352</u>	<u>\$ -</u>	<u>\$ 32,522</u>	<u>\$ 123,830</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

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

**ALLENDALE BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014 (2)	2015
		(Restated)							(Restated)	
<b>Governmental activities</b>										
Net Investment in capital assets	\$ 2,926,450	\$ 2,423,874	\$ 2,782,336	\$ 3,404,197	\$ 3,876,300	\$ 4,271,315	\$ 5,412,367	\$ 5,694,027	\$ 6,716,882	\$ 8,493,592
Restricted	449,257	405,603	974,467	1,503,639	3,101,631	3,580,419	3,960,019	4,651,906	5,232,234	5,542,225
Unrestricted	(42,554)	1,115,927	1,129,614	549,700	309,805	1,043,037	1,681,270	3,095,584	(815,805)	(743,034)
<b>Total governmental activities net position</b>	<b>\$ 3,333,153</b>	<b>\$ 3,945,404</b>	<b>\$ 4,886,417</b>	<b>\$ 5,457,536</b>	<b>\$ 7,287,736</b>	<b>\$ 8,894,771</b>	<b>\$ 11,053,656</b>	<b>\$ 13,441,517</b>	<b>\$ 11,133,311</b>	<b>\$ 13,292,783</b>
<b>Business-type activities</b>										
Net Investment in capital assets	\$ 53,426	\$ 14,020	\$ 12,918	\$ 18,106	\$ 27,049	\$ 61,560	\$ 60,099	\$ 56,120	\$ 49,252	\$ 64,699
Unrestricted	56,175	72,570	71,931	94,185	64,779	40,048	58,085	69,673	84,298	69,703
<b>Total business-type activities net position</b>	<b>\$ 109,601</b>	<b>\$ 86,590</b>	<b>\$ 84,849</b>	<b>\$ 112,291</b>	<b>\$ 91,828</b>	<b>\$ 101,608</b>	<b>\$ 118,184</b>	<b>\$ 125,793</b>	<b>\$ 133,550</b>	<b>\$ 134,402</b>
<b>District-wide</b>										
Net Investment in capital assets	\$ 2,980,376	\$ 2,437,894	\$ 2,795,254	\$ 3,422,303	\$ 3,903,349	\$ 4,332,875	\$ 5,472,466	\$ 5,750,147	\$ 6,766,134	\$ 8,558,291
Restricted	449,257	405,603	974,467	1,503,639	3,101,631	3,580,419	3,960,019	4,651,906	5,232,234	5,542,225
Unrestricted	13,621	1,188,497	1,201,545	643,885	374,584	1,083,085	1,739,355	3,165,257	(731,507)	(673,331)
<b>Total district net position</b>	<b>\$ 3,443,254</b>	<b>\$ 4,031,994</b>	<b>\$ 4,971,266</b>	<b>\$ 5,569,827</b>	<b>\$ 7,379,564</b>	<b>\$ 8,996,379</b>	<b>\$ 11,171,840</b>	<b>\$ 13,567,310</b>	<b>\$ 11,266,861</b>	<b>\$ 13,427,185</b>

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

**ALLENDALE BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 5,833,194	\$ 5,876,727	\$ 6,199,331	\$ 6,154,437	\$ 6,291,655	\$ 6,035,330	\$ 6,248,750	\$ 6,374,529	\$ 6,697,974	\$ 7,579,645
Special education	1,346,367	2,080,570	2,047,305	1,804,129	1,426,920	1,323,709	1,403,216	1,245,102	1,325,138	1,601,344
Other instruction	619,411	437,794	454,720	474,987	370,459	441,108	441,775	643,361	689,298	671,348
School Sponsored Activities and Athletics	79,188	81,986	98,524	112,555	114,148	121,850	122,605	111,277	109,920	111,345
Support Services:										
Tuition										
Student & instruction related services	2,034,308	1,841,045	2,114,773	1,977,978	2,062,727	2,003,115	2,240,613	2,137,146	2,140,008	2,643,740
Health services	149,213	161,615	169,533	171,609	191,585	193,471	191,806	201,189	210,102	240,815
Attendance and Social Work	22,658	63,811	45,304		30,401	30,553	40,558	45,151	44,904	50,513
Educational Media/School Library	160,638	168,980	187,713	175,559	197,452	195,724	200,517	204,261	198,205	222,299
School Administrative services	541,290	547,513	555,731	621,985	669,644	651,853	794,064	816,826	730,028	785,652
General administration	545,745	455,453	559,711	562,486	503,373	524,697	578,080	521,372	458,844	532,841
Central Services	369,895	405,184	396,814	462,015	413,062	378,393	388,694	427,634	414,848	486,636
Plant operations and maintenance	1,207,225	1,368,257	1,568,683	1,620,050	1,565,254	1,668,631	1,670,103	1,582,336	1,828,602	1,905,856
Pupil transportation	239,584	316,016	261,897	221,040	177,097	88,786	91,546	123,385	101,794	149,971
Interest on long-term debt	328,249	447,809	427,916	386,273	329,704	295,439	273,249	249,684	226,238	167,720
Total governmental activities expenses	13,476,965	14,252,760	15,087,955	14,745,103	14,343,481	13,952,659	14,685,576	14,683,253	15,175,903	17,149,725
Business-type activities:										
Food service	231,837	209,091	220,181	181,155	233,552	220,264	250,187	242,061	249,442	239,376
Summer Music		43,233	40,261	39,980	49,881	38,002	25,388	38,291	18,384	
Total business-type activities expense	231,837	252,324	260,442	221,135	283,433	258,266	275,575	280,352	267,826	239,376
Total district expenses	\$ 13,708,802	\$ 14,505,084	\$ 15,348,397	\$ 14,966,238	\$ 14,626,914	\$ 14,210,925	\$ 14,961,151	\$ 14,963,605	\$ 15,443,729	\$ 17,389,101
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Regular	\$ 17,175				\$ 58,350	\$ 79,036	\$ 75,859	\$ 82,898	\$ 89,332	\$ 41,933
Special education	126,138	\$ 203,476	\$ 185,540	\$ 141,775	64,631					
Operating grants and contributions	1,841,553	2,258,951	2,310,564	1,576,156	2,162,180	1,490,297	2,090,133	2,287,444	1,945,734	3,564,160
Capital grants and contributions	-	-	-	-	-	-	-	-	-	427,748
Total governmental activities program revenues	1,984,866	2,462,427	2,496,104	1,717,931	2,285,161	1,569,333	2,165,992	2,370,342	2,035,066	4,033,841

**ALLENDALE BOARD OF EDUCATION  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Program Revenues (Continued)</b>										
Business-type activities:										
Charges for services										
Food service	\$ 209,897	\$ 192,661	\$ 192,164	\$ 180,928	\$ 187,178	\$ 199,110	\$ 239,594	\$ 222,333	\$ 253,035	\$ 239,876
Summer Music		45,073	38,800	40,031	48,740	40,875	27,488	36,588	22,006	
Operating grants and contributions	30,547	25,476	25,367	26,595	26,456	27,539	24,815	28,713	94	
Total business type activities program revenues	240,444	263,210	256,331	247,554	262,374	267,524	291,897	287,634	275,135	239,876
Total district program revenues	\$ 2,225,310	\$ 2,725,637	\$ 2,752,435	\$ 1,965,485	\$ 2,547,535	\$ 1,836,857	\$ 2,457,889	\$ 2,657,976	\$ 2,310,201	\$ 4,273,717
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (11,492,099)	\$ (11,790,333)	\$ (12,591,851)	\$ (13,027,172)	\$ (12,058,320)	\$ (12,383,326)	\$ (12,519,584)	\$ (12,312,911)	\$ (13,140,837)	\$ (13,115,884)
Business-type activities	8,607	10,886	(4,111)	26,419	(21,059)	9,258	16,322	7,282	7,309	500
Total district-wide net expense	\$ (11,483,492)	\$ (11,779,447)	\$ (12,595,962)	\$ (13,000,753)	\$ (12,079,379)	\$ (12,374,068)	\$ (12,503,262)	\$ (12,305,629)	\$ (13,133,528)	\$ (13,115,384)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 11,246,235	\$ 12,025,265	\$ 12,172,795	\$ 12,490,766	\$ 12,770,397	\$ 13,281,213	\$ 13,546,837	\$ 13,817,774	\$ 14,094,129	\$ 14,376,012
Taxes levied for debt service	663,054	847,316	884,623	896,664	888,093	518,968	848,696	891,449	890,133	784,912
State aid - unrestricted	90,250	91,049	107,469	4,618						15,673
State aid - restricted for debt service		142,845	143,917	145,368	144,668	124,008	123,222	-	-	
Investment earnings		280,430	206,205	46,067	31,872	35,066	16,398	20,546	21,439	17,344
Miscellaneous income	241,306	42,804	17,855	14,808	53,490	31,106	143,316	68,217	72,493	81,415
Total governmental activities	12,240,845	13,429,709	13,532,864	13,598,291	13,888,520	13,990,361	14,678,469	14,797,986	15,078,194	15,275,356
Business-type activities:										
Miscellaneous income										
Interest earnings	-	3,098	2,370	1,023	596	522	254	327	448	352
Total business-type activities	-	3,098	2,370	1,023	596	522	254	327	448	352
Total district-wide	\$ 12,240,845	\$ 13,432,807	\$ 13,535,234	\$ 13,599,314	\$ 13,889,116	\$ 13,990,883	\$ 14,678,723	\$ 14,798,313	\$ 15,078,642	\$ 15,275,708
<b>Change in Net Position</b>										
Governmental activities	\$ 748,746	\$ 1,639,376	\$ 941,013	\$ 571,119	\$ 1,830,200	\$ 1,607,035	\$ 2,158,885	\$ 2,485,075	\$ 1,937,357	\$ 2,159,472
Business-type activities	8,607	13,984	(1,741)	27,442	(20,463)	9,780	16,576	7,609	7,757	852
Total district	\$ 757,353	\$ 1,653,360	\$ 939,272	\$ 598,561	\$ 1,809,737	\$ 1,616,815	\$ 2,175,461	\$ 2,492,684	\$ 1,945,114	\$ 2,160,324

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

**ALLENDALE BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,155,312	\$ 1,946,546	\$ 2,041,678	\$ 1,815,709	\$ 3,357,772					
Unreserved	209,453	384,047	667,758	757,295	581,476					
Restricted						\$ 4,425,361	\$ 5,509,482	\$ 6,726,760	\$ 8,035,664	\$ 8,604,950
Committed						290,376	145,214	617,665	40,537	72,806
Assigned						472,147	518,681	873,144	254,916	327,649
Unassigned	-	-	-	-	-	250,000	248,675	234,466	267,479	260,409
<b>Total general fund</b>	<b><u>\$ 1,364,765</u></b>	<b><u>\$ 2,330,593</u></b>	<b><u>\$ 2,709,436</u></b>	<b><u>\$ 2,573,004</u></b>	<b><u>\$ 3,939,248</u></b>	<b><u>\$ 5,437,884</u></b>	<b><u>\$ 6,422,052</u></b>	<b><u>\$ 8,452,035</u></b>	<b><u>\$ 8,598,596</u></b>	<b><u>\$ 9,265,814</u></b>
All Other Governmental Funds										
Reserved	\$ 250,274	\$ 2,057,014	\$ 199,640	\$ 245,927						
Unreserved	4,559,102	1,041,690	681,389	464,526	\$ 632,311					
Restricted	-	-	-	-	-	\$ 272,944	\$ 111,740	\$ 106,289	\$ 839,655	\$ 469,616
<b>Total all other governmental funds</b>	<b><u>\$ 4,809,376</u></b>	<b><u>\$ 3,098,704</u></b>	<b><u>\$ 881,029</u></b>	<b><u>\$ 710,453</u></b>	<b><u>\$ 632,311</u></b>	<b><u>\$ 272,944</u></b>	<b><u>\$ 111,740</u></b>	<b><u>\$ 106,289</u></b>	<b><u>\$ 839,655</u></b>	<b><u>\$ 469,616</u></b>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax levy	\$ 11,909,289	\$ 12,872,581	\$ 13,057,418	\$ 13,387,430	\$ 13,658,490	\$ 13,800,181	\$ 14,395,533	\$ 14,709,223	\$ 14,984,262	\$ 15,160,924
Tuition charges	143,313	203,476	185,540	141,775	122,981	79,036	75,859	82,898	89,332	41,933
Interest earnings	162,280	280,430	206,205	46,067	31,872	35,066	16,398	20,546	21,439	17,344
Miscellaneous	79,026	42,804	50,126	38,600	59,027	31,665	143,316	70,178	74,100	83,290
State sources	1,707,502	2,294,007	2,296,501	1,466,693	1,997,345	1,341,068	1,850,623	2,064,988	1,709,342	2,380,778
Federal sources	224,301	198,838	233,178	235,657	303,966	272,678	362,732	220,495	234,782	228,111
<b>Total revenue</b>	<b>14,225,711</b>	<b>15,892,136</b>	<b>16,028,968</b>	<b>15,316,222</b>	<b>16,173,681</b>	<b>15,559,694</b>	<b>16,844,461</b>	<b>17,168,328</b>	<b>17,113,257</b>	<b>17,912,380</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	5,696,876	5,683,851	5,997,384	5,923,356	6,051,482	5,829,303	6,029,179	6,016,247	6,400,678	6,677,794
Special education instruction	1,316,456	2,045,973	2,006,035	1,763,739	1,416,349	1,316,295	1,374,594	1,192,575	1,287,902	1,476,705
Other special instruction	603,201	425,287	439,022	455,532	355,228	428,375	425,430	604,161	656,138	581,447
School sponsored activities and athletics	77,404	79,977	95,686	108,913	110,215	118,512	118,992	104,880	105,057	97,790
<b>Support Services:</b>										
Student & inst. related services	2,003,658	1,799,447	2,056,543	1,913,930	1,997,002	1,947,200	2,170,553	2,026,530	2,052,579	2,310,018
Health services	145,260	157,330	163,790	164,721	182,553	185,658	184,952	189,919	201,058	211,825
Attendance and Social Work	22,207	61,717	43,712		30,401	30,667	39,028	42,209	42,719	43,920
Educational Media/School Library	156,947	164,572	182,254	168,976	190,188	189,514	194,020	192,846	189,416	195,696
General administration	538,078	446,975	547,584	547,459	488,858	503,131	551,212	500,403	444,439	497,418
School administrative services	527,603	532,132	537,331	597,059	642,421	628,578	765,190	768,538	696,320	684,287
Central services	360,379	394,645	383,889	444,558	399,903	367,227	375,486	403,355	396,036	431,777
Plant operations and maintenance	1,190,121	1,347,470	1,539,633	1,587,864	1,530,743	1,639,030	1,639,452	1,525,271	1,781,527	1,759,060
Pupil transportation	240,017	316,016	261,897	221,040	177,097	88,786	91,546	123,385	101,794	149,971
Capital outlay	281,575	2,166,709	2,584,500	684,051	280,379	145,559	1,059,153	443,160	1,016,033	1,465,132
<b>Debt service:</b>										
Principal	384,000	540,000	607,000	644,000	660,000	717,000	719,000	769,000	810,814	863,522
Interest and other charges	262,720	474,879	421,540	398,032	372,760	285,590	283,710	241,317	222,989	176,607
Cost of Issuance						72,574	18,412			76,543
Advance Refunding Escrow	-	-	-	-	-	163,098	26,588			
<b>Total expenditures</b>	<b>13,806,501</b>	<b>16,636,980</b>	<b>17,867,800</b>	<b>15,623,230</b>	<b>14,885,579</b>	<b>14,656,097</b>	<b>16,066,497</b>	<b>15,143,796</b>	<b>16,405,499</b>	<b>17,699,512</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>419,210</b>	<b>(744,844)</b>	<b>(1,838,832)</b>	<b>(307,008)</b>	<b>1,288,102</b>	<b>903,597</b>	<b>777,964</b>	<b>2,024,532</b>	<b>707,758</b>	<b>212,868</b>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other Financing sources (uses)</b>										
Proceeds from Bond	\$ 4,982,948					\$ 2,690,000	\$ 586,000			\$ 2,940,000
Premium on Refunding Bonds						145,672				335,283
Payment to Refunded Bond Escrow Agent						(2,600,000)	(541,000)			(3,190,972)
Cost of Issuance from Bond	(322,356)									
Lease Purchase Proceeds									\$ 172,166	
Transfers in	87,657	\$ 184,096	\$ 95,581	\$ 6,479	\$ 105,941	247	104,366	\$ 110,951	733,437	629,039
Transfers out	(87,657)	(184,096)	(95,581)	(6,479)	(105,941)	(247)	(104,366)	(110,951)	(733,437)	(629,039)
<b>Total other financing sources (uses)</b>	<u>4,660,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,672</u>	<u>45,000</u>	<u>-</u>	<u>172,166</u>	<u>84,311</u>
<b>Net change in fund balances</b>	<u>\$ 5,079,802</u>	<u>\$ (744,844)</u>	<u>\$ (1,838,832)</u>	<u>\$ (307,008)</u>	<u>\$ 1,288,102</u>	<u>\$ 1,139,269</u>	<u>\$ 822,964</u>	<u>\$ 2,024,532</u>	<u>\$ 879,924</u>	<u>\$ 297,179</u>
<b>Debt service as a percentage of noncapital expenditures</b>	2.84%	3.73%	3.97%	4.31%	4.52%	6.07%	4.97%	5.23%	5.27%	5.32%

\* Noncapital expenditures are total expenditures less capital outlay.

**ALLENDALE BOARD OF EDUCATION  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
GENERAL FUND										
Interest on Investments	\$ 67,872	\$ 79,470	\$ 95,808	\$ 31,983	\$ 29,435	\$ 33,561	\$ 15,791	\$ 19,729	\$ 20,742	\$ 16,715
Prior Year's Refunds							38,987	2,479		
Rentals							25,725	32,068	38,507	49,626
Insurance							28,354	8,942	22,864	
Miscellaneous	<u>79,026</u>	<u>42,804</u>	<u>17,855</u>	<u>14,808</u>	<u>53,490</u>	<u>31,106</u>	<u>50,250</u>	<u>24,728</u>	<u>11,122</u>	<u>31,789</u>
Total Miscellaneous	<u>146,898</u>	<u>122,274</u>	<u>113,663</u>	<u>46,791</u>	<u>82,925</u>	<u>64,667</u>	<u>159,107</u>	<u>87,946</u>	<u>93,235</u>	<u>98,130</u>
Tuition	143,313	203,476	185,540	141,775	122,981	79,036	75,859	82,898	89,332	41,933
Interest Earned on Capital Reserve Funds	<u>12,699</u>	<u>16,864</u>	<u>14,816</u>	<u>7,605</u>	<u>1,646</u>	<u>1,258</u>	<u>607</u>	<u>755</u>	<u>655</u>	<u>590</u>
Total General Fund	<u>156,012</u>	<u>220,340</u>	<u>200,356</u>	<u>149,380</u>	<u>124,627</u>	<u>80,294</u>	<u>76,466</u>	<u>83,653</u>	<u>89,987</u>	<u>42,523</u>
Total Other Local Revenue	<u>\$ 302,910</u>	<u>\$ 342,614</u>	<u>\$ 314,019</u>	<u>\$ 196,171</u>	<u>\$ 207,552</u>	<u>\$ 144,961</u>	<u>\$ 235,573</u>	<u>\$ 171,599</u>	<u>\$ 183,222</u>	<u>\$ 140,653</u>

**ALLENDALE BOARD OF EDUCATION**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2006	\$ 10,027,600	\$ 1,111,588,700	\$ 951,900	\$ 16,200	\$ 93,383,800	\$ 63,135,200	-	\$ 1,279,103,400	-	\$ 1,279,103,400	\$ 1,791,207,176	\$ 1.530
2007	19,933,000	1,120,804,400	951,900	16,200	90,089,700	63,135,200	-	1,294,930,400	-	1,294,930,400	1,848,980,808	1.580
2008	21,320,700	1,123,463,200	951,900	656,200	87,978,700	61,598,800	-	1,295,969,500	-	1,295,969,500	1,895,839,282	1.630
2009	23,113,900	1,128,523,700	951,900	656,200	66,594,200	83,003,300	-	1,302,843,200	-	1,302,843,200	1,741,285,954	1.666
2010	22,862,000	1,136,586,200	951,900	16,200	66,594,200	83,003,300	-	1,310,013,800	-	1,310,013,800	1,831,322,056	1.677
2011	21,708,300	1,138,141,600	951,900	16,200	67,787,000	83,736,300	-	1,312,341,300	-	1,312,341,300	1,811,515,735	1.704
2012	26,672,000	1,333,766,900	954,800	6,600	82,518,900	90,783,000	-	1,534,702,200	-	1,534,702,200	1,757,516,449	1.485
2013	24,941,500	1,335,080,100	954,800	6,600	82,518,900	90,783,000	-	1,534,284,900	-	1,534,284,900	1,666,131,533	1.519
2014	19,866,500	1,345,055,500	954,800	6,600	82,518,900	90,783,000	-	1,539,185,300	-	1,539,185,300	1,655,667,792	1.539
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

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

**ALLENDALE BOARD OF EDUCATION  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>School District</u>	*	<u>Library</u>	<u>Municipality</u>	<u>County</u>
2006	\$ 2.36	\$ 1.53			\$ 0.60	\$ 0.23
2007	2.45	1.58			0.62	0.25
2008	2.55	1.63			0.65	0.27
2009	2.618	1.666			0.667	0.285
2010	2.642	1.677			0.686	0.279
2011	2.672	1.704			0.686	0.282
2012	2.311	1.485		\$ 0.037	0.556	0.233
2013	2.357	1.519		0.036	0.552	0.250
2014	2.383	1.539		0.035	0.552	0.257
2015	2.245	1.441	*	0.034	0.522	0.248

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

Source: Tax Duplicate, Borough of Allendale

**ALLENDALE BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Allendale Plaza	\$ 22,108,000	1.33%	12,028,600	0.94%
Allendale Nursing Home	21,195,000	1.27%	19,000,000	1.49%
LPR Allendale	15,448,000	0.93%		
Black Mill Work Co. Inc.	11,567,000	0.70%	6,849,500	0.61%
Pearl Investor	9,948,000	0.60%		
Allendale Corporate Center LLC	9,056,000	0.54%	11,082,100	0.87%
Allendale Corporate Center LLC	6,590,000	0.40%	7,750,000	0.54%
Pearl Investor	5,987,000	0.36%		
Allendale Corporate Center LLC	5,890,000	0.35%	6,579,800	0.51%
Pearl Investor	4,380,000	0.26%		
Riggs & Co.			12,500,000	0.98%
First Industrial Realty			8,835,800	0.73%
First Industrial Realty			5,394,000	0.45%
Allendale Associates			4,772,700	0.40%
	<u>\$ 112,169,000</u>	<u>6.73%</u>	<u>\$ 94,792,500</u>	<u>7.51%</u>

Source: Municipal Tax Assessor

**ALLENDALE BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 11,909,289	\$ 11,839,989	99.00%	\$ 69,300
2007	12,872,581	12,872,581	100.00%	N/A
2008	13,057,418	13,057,418	100.00%	N/A
2009	13,387,430	13,387,430	100.00%	N/A
2010	13,658,490	13,658,490	100.00%	N/A
2011	13,800,181	13,800,181	100.00%	N/A
2012	14,395,533	14,395,533	100.00%	N/A
2013	14,709,223	14,709,223	100.00%	N/A
2014	14,984,262	14,984,262	100.00%	N/A
2015	15,160,924	15,160,924	100.00%	N/A

Source: District Records

**ALLEDALE BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Grant Anticipation Notes (BANs)			
2006	\$ 10,937,000	N/A	N/A	\$ 424,576	\$ 11,361,576	6,583	\$ 1,726
2007	10,397,000	N/A	N/A	424,576	10,821,576	6,557	1,650
2008	9,790,000	N/A	N/A	424,576	10,214,576	6,578	1,553
2009	9,146,000	N/A	N/A	424,576	9,570,576	6,609	1,448
2010	8,486,000	N/A	N/A	-	8,486,000	6,525	1,301
2011	7,859,000	N/A	N/A	-	7,859,000	6,618	1,188
2012	7,185,000	N/A	N/A	-	7,185,000	6,676	1,076
2013	6,416,000	N/A	N/A	-	6,416,000	6,716	955
2014	5,621,000	N/A	\$ 156,352	-	5,777,352	6,789	851
2015	4,713,000	N/A	123,830	-	4,836,830	6,789 *	712

Source: District records

\*Estimate

**ALLENDALE BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 10,937,000	-	\$ 10,937,000	0.86%	\$ 1,661
2007	10,397,000	-	10,397,000	0.80%	1,586
2008	9,790,000	-	9,790,000	0.76%	1,488
2009	9,146,000	-	9,146,000	0.70%	1,384
2010	8,486,000	-	8,486,000	0.65%	1,301
2011	7,859,000	-	7,859,000	0.60%	1,188
2012	7,185,000	-	7,185,000	0.47%	1,076
2013	6,416,000	-	6,416,000	0.42%	955
2014	5,621,000	-	5,621,000	0.37%	828
2015	4,713,000	-	4,713,000	0.28%	694 *

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

\* Estimate

**ALLENDALE BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR YEAR ENDED DECEMBER 31, 2014  
(Unaudited)**

	<u>Total Net Debt</u>
Municipal Debt: (1)	
Borough of Allendale School District	\$ 5,014,000
Northern Highlands Regional School District	4,157,613
Borough of Allendale	<u>16,311,540</u>
	<u>25,483,153</u>
Overlapping Debt Apportioned to the Municipality:	
County of Bergen (2)	9,522,040
Northwest Utilities Authority (3)	<u>1,775,901</u>
Total Direct and Overlapping Debt	<u>\$ 36,781,094</u>

- (1)- Based on 2014 equalized valuations
- (2) Based on Usage

Sources:

- (1) Borough of Allendale 2014 Annual Debt Statement
- (2) County of Bergen 2014 Audit
- (3) NBCUA 2014 Audit

ALLENDALE BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN CALENDAR YEARS

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis
	2014 \$ 1,685,670,025
	2013 1,648,173,703
	2012 <u>1,664,355,493</u>
	<u>\$ 4,998,199,221</u>
Average equalized valuation of taxable property	\$ 1,666,066,407
Debt limit (3 % of average equalization value)	49,981,992
Total Net Debt Applicable to Limit	<u>4,713,000</u>
Legal debt margin	<u>\$ 45,268,992</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 64,353,881	\$ 48,265,411	\$ 52,199,045	\$ 55,101,210	\$ 55,384,745	\$ 54,345,472	\$ 52,725,493	\$ 51,210,955	\$ 50,309,282	\$ 49,981,992
Total net debt applicable to limit	<u>10,937,000</u>	<u>10,397,000</u>	<u>9,790,000</u>	<u>9,146,000</u>	<u>8,486,000</u>	<u>7,227,000</u>	<u>6,552,000</u>	<u>6,685,000</u>	<u>5,621,000</u>	<u>4,713,000</u>
Legal debt margin	<u>\$ 53,416,881</u>	<u>\$ 37,868,411</u>	<u>\$ 42,409,045</u>	<u>\$ 45,955,210</u>	<u>\$ 46,898,745</u>	<u>\$ 47,118,472</u>	<u>\$ 46,173,493</u>	<u>\$ 44,525,955</u>	<u>\$ 44,688,282</u>	<u>\$ 45,268,992</u>
Total net debt applicable to the limit as a percentage of debt limit	17.00%	21.54%	18.76%	16.60%	15.32%	13.30%	12.43%	13.05%	11.17%	9.43%

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

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

**ALLENDALE BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>School District Population</u>
2005	2.50%	\$ 57,674	6,651
2006	2.70%	63,103	6,583
2007	2.40%	67,544	6,557
2008	4.50%	67,331	6,578
2009	5.60%	63,874	6,609
2010	5.80%	63,885	6,525
2011	5.70%	67,248	6,618
2012	8.10%	69,281	6,676
2013	7.10%	69,495	6,716
2014	5.40%	69,495 *	6,789

Source: United States Bureau of Census - Population Division NJ Department of Labor,  
Bureau of Labor Force Statistics

\* Estimate

ALLENDALE BOARD OF EDUCATION  
 PRINCIPAL EMPLOYERS,  
 CURRENT YEAR AND NINE YEARS AGO  
 (Unaudited)

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

**ALLENDALE BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	87	88	74	71	71	72	71	71	70	70
Special education	8	8	10	14	14	14	14	14	11	5
Other special education	3	3	15	14	15	15	15	15	13	13
Support Services:										
Student & instruction related services	4	4	5	5	5	5	5	5	5	10
General administration	6	6	6	6	6	6	6	6	6	6
School administrative services	2	2	2	2	2	2	2	2	2	6
Other administrative services	1	1	1	1	1	1	1	1	2	8
Plant operations and maintenance	9	9	10	9	8	8	8	8	9	9
Total	<u>120</u>	<u>121</u>	<u>123</u>	<u>122</u>	<u>122</u>	<u>123</u>	<u>122</u>	<u>122</u>	<u>118</u>	<u>127</u>

**Source:** District Personnel Records

ALLENDALE BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2006	1,072	\$ 13,055,103	\$ 12,178	2.92%	104	13.5:1	12.5:1	1,072	1,060	-1.38%	98.88%
2007	1,032	13,461,970	13,045	7.11%	106	13:1	12:1	1,032	995	-3.73%	96.41%
2008	997	14,254,760	14,298	9.61%	99	9.2:1	11:01	991	950	-3.97%	95.86%
2009	954	13,897,147	14,567	1.89%	99	9.2:1	11:01	954	932	-3.73%	97.69%
2010	944	13,572,440	14,378	-1.30%	99	11:9	11:06	961	923	0.73%	96.05%
2011	957	13,272,276	13,869	-3.54%	99	12:02	11:02	967	934	0.62%	96.59%
2012	925	13,959,634	15,091	8.82%	90	10:01	11:01	925	897	-4.34%	96.97%
2013	913	13,690,319	14,995	-0.64%	90	15:01	13:01	913	896	-1.30%	98.14%
2014	905	14,355,663	15,863	5.79%	82	13:01	11:01	905	888	-0.88%	98.12%
2015	907	15,117,708	16,668	5.08%	79	13:01	11:01	907	874	0.22%	96.36%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

ALLENDALE BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>										
<u>Elementary</u>										
Square Feet	46,623	46,623	46,623	46,623	46,623	46,623	46,623	46,623	46,623	46,623
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	411	404	386	326	322	322	391	354	379	357
<u>Middle School</u>										
Square Feet	92,696	92,696	92,696	92,696	92,696	92,696	92,696	92,696	92,696	92,696
Capacity (students)	629	629	629	629	629	629	629	629	629	629
Enrollment	633	635	605	628	623	623	534	559	526	550

Number of Schools at June 30, 2015

Elementary = 1

Middle School = 1

Source: District Records

**ALLENDALE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)**

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
School Facilities	Project #										
Brookside Avenue Elem.	N/A	\$ 132,202	\$ 184,940	\$ 253,262	\$ 246,981	\$ 140,831	\$ 194,614	\$ 271,227	\$ 247,961	\$ 229,355	\$ 274,488
Hillside Avenue Elem.	N/A	<u>68,105</u>	<u>95,272</u>	<u>100,785</u>	<u>101,051</u>	<u>87,807</u>	<u>123,275</u>	<u>185,227</u>	<u>160,856</u>	<u>107,744</u>	<u>138,058</u>
Grand Total		<u>\$ 200,307</u>	<u>\$ 280,212</u>	<u>\$ 354,047</u>	<u>\$ 348,032</u>	<u>\$ 228,638</u>	<u>\$ 317,889</u>	<u>\$ 456,454</u>	<u>\$ 408,817</u>	<u>\$ 337,099</u>	<u>\$ 412,546</u>

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Source: School District Financial Statements

**ALLENDALE BOARD OF EDUCATION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2015**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Blanket Building and Contents,	\$ 500,000,000	\$ 1,000
Comprehensive General Liability	5,000,000	
General Automobile Liability	5,000,000	1,000
Employee Benefits Liability	5,000,000	1,000
Excess Board of Education Liability	1,000,000	
	excess of \$4,000,000	
Athletic Equipment	500,000	1,000
Cameras	500,000	1,000
Data Processing Equipment	1,000,000	1,000
Musical Instruments	500,000	1,000
Valuable Papers and Records	100,000	1,000
Contractors Equipment	250,000	1,000
Miscellaneous Property	250,000	1,000
Flood/Earthquake	10,000,000	
	/\$25,000,000	25,000
Fine Arts	100,000	1,000
Extra Expense	250,000	
Crime Coverage, Employee Dishonesty	500,000	500
Crime - Inside/Outside	25,000	
	/\$25,000	500
Excess Property	5,000,000	
Environmental Site Specific Liability	1,000,000	
	/\$3,000,000	15,000
Boiler and Machinery	1,000,000	1,000
Excess Liability	50,000,000	
	excess of \$10,000,000	
Board of Education - Wrongful Acts	1,000,000	2,500
Workers Compensation	Statutory	
Surety Bonds		
Treasurer of School Moneys	210,000	N/A
School Board Secretary	100,000	N/A

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Allendale Board of Education  
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, each major fund, and the aggregate remaining fund information of the Allendale Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Allendale Board of Education's basic financial statements and have issued our report thereon dated December 1, 2015.

**Internal Control Over Financial Reporting**

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

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

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

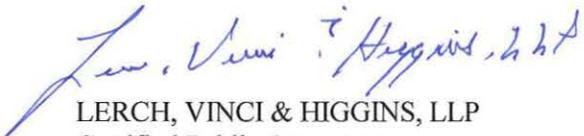
### Compliance and Other Matters

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

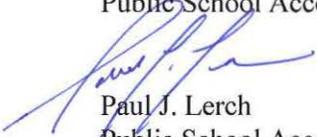
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Allendale Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 1, 2015.

### 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 Board of Education'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 Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP  
 Certified Public Accountants  
 Public School Accountants



Paul J. Lerch  
 Public School Accountant  
 PSA Number CS001118

Fair Lawn, New Jersey  
 December 1, 2015



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL  
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Allendale Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Allendale Board of Education's major state programs for the fiscal year ended June 30, 2015. The Allendale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Allendale Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Allendale Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Allendale Board of Education's compliance.

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

In our opinion, the Allendale Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the Allendale Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Allendale Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Allendale Board of Education's internal control over compliance.

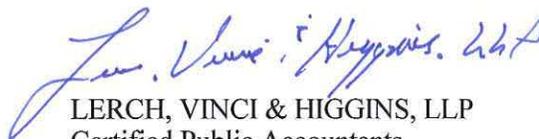
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

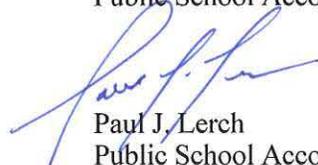
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Allendale Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 1, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Paul J. Lerch  
Public School Accountant  
PSA Number CS001118

Fair Lawn, New Jersey  
December 1, 2015

**ALLENDALE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

126

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant or State Number	Grant Period	Award Amount	Balance, July 1, 2014			Carryover		Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2015			MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue	Due to Grantor	Accounts Receivable	Deferred Revenue				Accounts Receivable	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																
<b>Passed-Through State Dept. of Education</b>																
<i>Special Revenue Fund</i>																
Title II, Part A	84.367	NCLB0040-15	7/1/14-6/30/15	\$ 12,358						\$ 5,607	\$ 12,358		\$ (6,751)			*
Title II, Part A	84.367	NCLB0040-14	9/1/13-6/30/14	12,105	\$ (600)				600							*
Title III, Part A	84.186	NCLB0040-15	7/1/14-6/30/15	55,242				\$ (19,779)	\$ 19,779	22,061	38,119		(52,960)	\$ 36,902		*
Title III, Part A	84.186	NCLB0040-14	9/1/13-6/30/14	56,930	(46,365)	\$ 19,779		19,779	(19,779)	26,586						*
I.D.E.I.A. Part B, Basic Regular	84.027	NCLB0040-15	7/1/14-6/30/15	170,070						170,070	170,070					*
I.D.E.I.A. Part B, Preschool	84.173	NCLB0040-15	7/1/14-6/30/15	7,564						7,564	7,564					*
I.D.E.I.A. Part B, Preschool	84.173	NCLB0040-14	9/1/13-6/30/14	7,551	(4,335)					4,335						*
<b>Total U.S. Department of Education</b>					<b>(51,300)</b>	<b>19,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,823</b>	<b>228,111</b>	<b>-</b>	<b>(59,711)</b>	<b>36,902</b>	<b>-</b>	<b>*</b>
																*
<b>Total Federal Awards</b>					<b>\$ (51,300)</b>	<b>\$ 19,779</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 236,823</b>	<b>\$ 228,111</b>	<b>\$ -</b>	<b>\$ (59,711)</b>	<b>\$ 36,902</b>	<b>\$ -</b>	<b>* \$ (22,809)</b>

Note: This schedule was not subject to a Federal Single Audit in accordance with OMB Circular A-133.  
See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

ALLENDALE BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2014 (Accounts)			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2015			MEMO	
				Receivable/Deferred Revenue	Due to Grantor	Carryover Amount				Accounts Receivable	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Expenditures
<b>State Department of Education</b>														
<i>General Fund</i>														
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 301,541				\$ 278,459	\$ 301,541		\$ (23,082)			*	\$ 301,541
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	301,541	\$ (22,808)			22,808						*	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	12,706				11,733	12,706		(973)			*	12,706
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	12,706	(961)			961						*	-
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	4,330				3,998	4,330		(332)			*	4,330
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	4,330	(328)			328						*	-
Additional Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1				1	1		-			*	1
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	8,485				7,836	8,485		(649)			*	8,485
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	8,485				7,836	8,485		(649)			*	8,485
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	129,608					129,608		(129,608)			*	129,608
Extraordinary Aid	14-495-034-5120-044	7/1/13-6/30/14	150,782	(150,782)			150,782						*	-
TPAF Pension Benefit Contributions	15-495-034-5094-006	7/1/14-6/30/15	315,888				315,888	315,888					*	315,888
TPAF Pension - NCGI Premium	15-100-034-5094-007	7/1/14-6/30/15	22,727				22,727	22,727					*	22,727
TPAF Pension-Post Retirement Medical	15-100-034-5094-001	7/1/14-6/30/15	537,551				537,551	537,551					*	537,551
Reimbursed TPAF Social Security	15-495-034-5094-003	7/1/14-6/30/15	466,915				444,017	466,915		(22,898)			*	\$ (22,898) 466,915
Reimbursed TPAF Social Security	14-495-034-5095-002	7/1/13-6/30/14	462,795	(23,148)			23,148			-			*	-
<b>Total General Fund</b>				<b>(198,027)</b>	<b>-</b>	<b>-</b>	<b>1,828,073</b>	<b>1,808,237</b>	<b>-</b>	<b>(178,191)</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>(22,898) 1,808,237</b>
<b>State of New Jersey Schools Development Authority:</b>														
<i>Capital Projects</i>														
Brookside Replacement Unit Ventilators w/New AC	#0040-010-14-G1CE	N/A	126,597					72,715		(126,597)	\$ 53,882		*	(126,597) 72,715
Brookside Replace Unit Ventilators w/New Rooftop HVAC Unit	#0040-010-14-G1CD	N/A	66,000					64,960		(66,000)	1,040		*	(66,000) 64,960
Hillside Replace Unit Ventilators w/New HVAC Media Center	#040-020-14-G1CJ	N/A	60,000					49,200		(60,000)	10,800		*	(60,000) 49,200
Hillside Replace Unit Ventilators w/New HVAC Classroom #17-19	#0040-020-14-G1CG	N/A	96,000					41,609		(96,000)	54,391		*	(96,000) 41,609
Brookside Partial Roof Replacement	#0040-010-14-G1CB	N/A	135,000					83,236		(135,000)	51,764		*	(135,000) 83,236
Brookside New Security Vestibule Entrance	#0040-010-14-G1CA	N/A	50,000					15,532		(50,000)	34,468		*	(50,000) 15,532
Brookside East Courtyard Site Drainage Upgrade	#0040-010-14-G1CC	N/A	38,500				12,915	11,880		(25,585)	26,620		*	(25,585) 11,880
Hillside Partial Roof Replacement	#0040-020-14-G1CF	N/A	50,000					2,316		(50,000)	47,684		*	(50,000) 2,316
Hillside Playground Equipment Upgrades and Site Drainage	#0040-020-14-G1CK	N/A	73,800					73,800		(73,800)	-		*	(73,800) 73,800
Hillside New Security Vestibule Entrance	#0040-020-14-G1CL	N/A	12,500					12,500		(12,500)	-		*	(12,500) 12,500
<b>Total Capital Projects</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>12,915</b>	<b>427,748</b>	<b>-</b>	<b>(695,482)</b>	<b>280,649</b>	<b>-</b>	<b>*</b>	<b>(695,482) 427,748</b>
<i>Debt Service Fund</i>														
Debt Service Aid Type II	15-495-034-5120-017	7/1/14-6/30/15	125,207				125,207	125,207					*	- 125,207
<b>Total State Awards</b>				<b>(198,027)</b>	<b>-</b>	<b>-</b>	<b>1,966,195</b>	<b>2,361,192</b>	<b>-</b>	<b>(873,673)</b>	<b>280,649</b>	<b>-</b>	<b>*</b>	<b>(718,380) 2,361,192</b>
<b>State Financial Assistance</b>														
<b>Not Subject to Single Audit Determination</b>														
<i>General Fund</i>														
TPAF Pension Benefit Contributions	15-495-034-5094-006	7/1/14-6/30/15	315,888				(315,888)	(315,888)					*	(315,888)
TPAF Pension - NCGI Premium	15-100-034-5094-007	7/1/14-6/30/15	22,727				(22,727)	(22,727)					*	(22,727)
TPAF Pension-Post Retirement Medical	15-100-034-5094-001	7/1/14-6/30/15	537,551				(537,551)	(537,551)					*	(537,551)
							(876,166)	(876,166)					*	(876,166)
<b>Total State Awards - Subject to Single Audit</b>				<b>\$ (198,027)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,090,029</b>	<b>\$ 1,485,026</b>	<b>\$ -</b>	<b>\$ (873,673)</b>	<b>\$ 280,649</b>	<b>\$ -</b>	<b>*</b>	<b>\$ (718,380) \$ 1,485,026</b>

See Accompanying Notes to the Schedule of Expenditure of Federal Awards and State Financial Assistance.

**ALLENDALE BOARD OF EDUCATION  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF  
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" 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 these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget 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 certain 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed 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 an increase of \$19,586 for the general fund. See the Notes 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. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,827,823	\$ 1,827,823
Special Revenue Fund	\$ 228,111		228,111
Capital Projects Fund		427,748	427,748
Debt Service Fund	-	125,207	125,207
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	\$ 228,111	\$ 2,380,778	\$ 2,608,889

**ALLENDALE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$466,915 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$338,615 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$537,551 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.



**ALLENDALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

J) Dollar threshold used to distinguish Type A and Type B programs: \$ 300,000

K) Auditee qualified as low-risk auditee?  X  yes   no

L) Type of auditors' report on compliance for major programs: Unmodified

M) Internal Control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?   yes  X  none reported

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?   yes  X  none reported

O) Identification of major programs:

GMIS Number(s)	Name of State Program
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-085</u>	<u>Additional Adjustment Aid</u>
<u>Various</u>	<u>School Development Authority</u>
<u> </u>	<u> </u>

**ALLENDALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

THERE ARE NONE.

ALLENDALE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

NOT APPLICABLE

**CURRENT YEAR STATE AWARDS**

THERE ARE NONE.

**ALLENDALE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

THERE WERE NONE.