

**Alloway Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

ALLOWAY TOWNSHIP SCHOOL DISTRICT

ALLOWAY, NEW JERSEY 08001

**Alloway Township School Board of Education
Alloway, New Jersey 08001**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Of the

**Alloway Township School Board of Education
Alloway, New Jersey 08001**

For the Fiscal Year Ended June 30, 2015

Prepared by:

**Alloway Township School
Board of Education Administration**

OUTLINE OF CAFR

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	2-6
Roster of Officials	7
Consultants and Advisors	8
	9
FINANCIAL SECTION	
	10
Independent Auditor's Report	11-13
Required Supplementary Information – Part I Management's Discussion and Analysis	14 15-21
Basic Financial Statements	22
A. District-Wide Financial Statements:	23
A-1 Statement of Net Position	24
A-2 Statement of Activities	25
B. Fund Financial Statements:	26
Governmental Funds:	
B-1 Balance Sheet	27-28
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Proprietary Funds:	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	34
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	35-55
Required Supplementary Information – Part II	56
C. Budgetary Comparison Schedules:	57
C-1 Budgetary Comparison Schedule - General Fund	58-64
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-1b Community Development Block Grant - Budget and Actual (if applicable)	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	65
Notes to the Required Supplementary Information - Part II	66
C-3 Budget-to-GAAP Reconciliation - Note to RSI	67

	Page
Required Supplementary Information – Part III	70
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	71
L-1 Schedule of District’s Proportionate Share of the Net Pension Liability - PERS	72
L-2 Schedule of District Contributions - PERS	73
L-3 Schedule of District’s Proportionate Share of the Net Pension Liability - TPAF	74
Notes to the Required Supplementary Information – Part III	75-76
Other Supplementary Information	77
D. School Based Budget Schedules (if applicable) :	N/A
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	78
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	79-80
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	81
F-1 Summary Schedule of Project Expenditures	82
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	83
F-2(a) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	84-85
G. Proprietary Funds:	86
Enterprise Fund:	
G-1 Combining Schedule of Net Position	87
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	88
G-3 Combining Schedule of Cash Flows	89
Internal Service Fund:	
G-4 Combining Schedule of Net Position	90
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	91
G-6 Combining Schedule of Cash Flows	92

	Page
H. Fiduciary Funds:	93
H-1 Combining Statement of Fiduciary Net Position	94
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	94
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	95
I. Long-Term Debt:	96
I-1 Schedule of Serial Bonds	97
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	98
STATISTICAL SECTION (Unaudited)	99
Introduction to the Statistical Section	100
Financial Trends	
J-1 Net Position by Component	101
J-2 Changes in Net Position	102-104
J-3 Fund Balances - Governmental Funds	105
J-4 Changes in Fund Balances - Governmental Funds	106
J-5 General Fund Other Local Revenue by Source	107
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	108
J-7 Direct and Overlapping Property Tax Rates	109
J-8 Principal Property Taxpayers	110
J-9 Property Tax Levies and Collections	111
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	112
J-11 Ratios of Net General Bonded Debt Outstanding	113
J-12 Direct & Overlapping Governmental Activities Debt	114
J-13 Legal Debt Margin Information	115
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	116
J-15 Principal Employers	117
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	118
J-17 Operating Statistics	119
J-18 School Building Information	120
J-19 Schedule of Required Maintenance Expenditures by School Facility	121
J-20 Insurance Schedule	122
J-21 Charter School Performance Framework, Financial Performance, Fiscal Ratios/Renaissance School Project Framework, Financial Performance, Fiscal Ratios	N/A

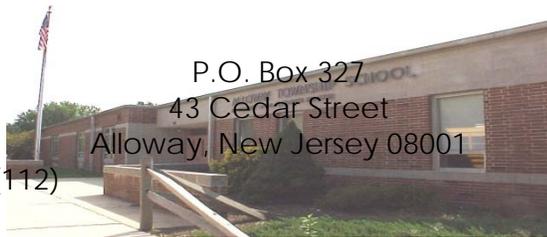
SINGLE AUDIT SECTION

Page
123

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	124-125
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance required by OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and/or 15-08	126-128
K-3	Schedule of Expenditures of Federal Awards, Schedule A	129
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	130
K-5	Notes to the Schedules of Awards and Financial Assistance	131-132
K-6	Schedule of Findings and Questioned Costs	133-134
K-7	Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management	135

INTRODUCTORY SECTION

Alloway Township School



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ROBERT J. BAZZEL, SUPERINTENDENT

REBECCA S. JOYCE, BUSINESS ADMINISTRATOR

November 20, 2015

Honorable President and
Members of the Board of Education
Alloway Township School District
43 Cedar Street
Alloway, New Jersey 08001

Dear Board Members:

The comprehensive annual financial report of the Alloway Township School District for the fiscal year ending 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 independent auditor's report, MD&A, and the basic financial statements including the district-wide statements, fund statements, notes to the financial statements, required supplementary information, other than MD&A, including budgetary comparison schedules, and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Alloway Township School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the New Jersey OMB's Circular Letters 04-04 OMB and/or 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's reports on the internal control and compliance with applicable laws and regulations and findings and recommendations, if any, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The Alloway Township Board of Education and its one school (grades pre-K to 8), constitute the District's reporting entity. We completed the 2014-2015 school year with an average daily enrollment of 376.9, which is a slight decrease over the previous year.

2) ECONOMIC CONDITIONS AND OUTLOOK

Alloway Township encompasses thirty-four square miles, and is experiencing a period of housing development and expansion, which is expected to continue with two results: 1) an increased tax base, and 2) a loss of land and the rural aspect, of which Alloway Township is famous. The above figures continue to reflect the economic condition of Alloway.

3) MAJOR INITIATIVES

Alloway Township values its unique heritage and is rightly proud of a history of student achievement. Alloway Township School District continues to support quality educational opportunities for all students in a changing community and world. Staff members are committed to provide excellent instruction to prepare our students for their place in the global economy of the 21st century. Curriculum renewal, quality staff development and implementation of best practices of instruction have kept the district at the leading edge of educational improvement. Our student's scores are consistently strong in comparison to other districts in Salem County and in comparison to other like districts across the state. Reflecting on community responses to our survey, we are focusing on providing further opportunities for our gifted and talented students while continuing to strive for excellence and high achievement for all students and are working towards further increases in the number of students scoring in the Advanced Proficient category on these tests.

Major initiatives in the District focus on improving teacher practice and evaluation, and curriculum renewal. These initiatives include:

- * Mapping our curriculum in Language Arts and Mathematics to provide specific scope and sequence for each subject. This will assure all areas of the Common Core are focused on.

- * Moving all areas of school administration to the On Course program. This will include Student information services, grade books, curriculum, lesson plans, and teacher evaluations.

- * HIB – We continue to make a strong effort to eliminate bullying in our school through trainings, programs, and enforcement.

Beside the traditional courses of study, our students are offered advanced mathematics in grades 7 and 8 and Advanced Language Arts in grade 8. With our fully equipped science lab, we are offering the advanced 8th grade lab science in the District. We are able to offer advanced Spanish to 7th & 8th grade students on site by a certified World Language teacher. Our after-school enrichment program has offerings in leadership, drama, music, art, technology, creative problem solving and psychomotor skill development.

Community and parental involvement are crucial to the success of our public schools. There are many opportunities available to parents, grandparents, and community members to be active participants in the daily activities of the school. Classroom teachers welcome

volunteer tutors and aides to assist in helping students become more successful. Volunteers are also invited to read a favorite book, share their occupation and/or travel experiences with our students. Parent nights, special programs, and involvement in the Parent-Teacher Association are some other avenues for participation.

Alloway Township residents have been very supportive of advancing education for their young people. The community has provided support through a variety of means, not the least of which is our PTA which continually funds programs and activities for our children that would not otherwise be possible. The following Mission Statement was developed to guide school personnel, the community and Board of Education in making educational decisions:

The Mission of the Alloway Township School District is:

- * To provide all students with an equal opportunity to achieve excellence and reach their full potential as lifelong learners.
- * To enable students to meet challenges with courage, conviction, and confidence.
- * To expect that all students shall master the skills stipulated in the New Jersey Core Curriculum Content Standards at all grade levels.
- * To provide quality programs through the dedication of committed, skilled teachers and administrators.
- * To maintain a staff of professional educators that supports the New Jersey Core Curriculum Content Standards and the New Jersey Standards for Professional Development.
- * To work collaboratively with parents to ensure a safe, orderly, caring, and supportive community for learning.

4) INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles (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 also is 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 a part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets, though not applicable, would be approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount 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-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of the fund balance at year-end.

6) ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds and account groups which are converted from governmental fund balances to net assets.

7) DEBT ADMINISTRATION

At June 30, 2015, the District's outstanding debt issues included \$2,075,000 of general obligation bonds. In October 2014, the District issued refunding obligation bonds of 2014 in the amount of \$2,075,000. The proceeds of this bond issue were placed in the District's Capital Projects Fund for use to provide capital improvements to the District's buildings and grounds. These improvements include construction of an addition to the existing school building, upgrades and renovations to existing areas, air conditioning of existing rooms and the acquisition of school furniture and other equipment as necessary.

8) CASH MANAGEMENT

The investment policy of the District is guided in large part by the state statutes as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, comprehensive/collision, hazard and theft insurance on property and contents, school board liability, workmen's compensation 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 Petroni & Associates LLC, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, and the revised OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and/or 15-08. The auditor's report on the basic financial statements 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

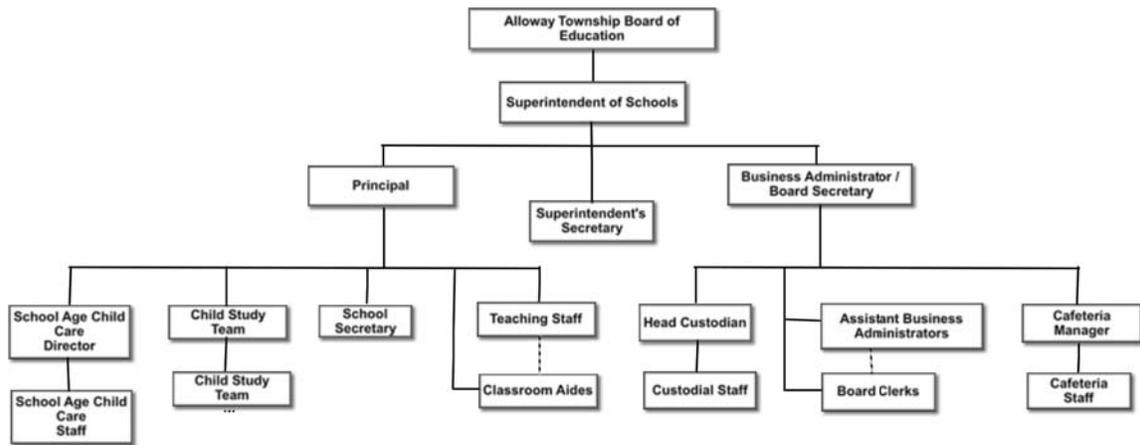
We would like to express our appreciation to the members of the Alloway Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial 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,

Robert J. Bazzel
Robert J. Bazzel, Superintendent

Rebecca S. Joyce
Rebecca S. Joyce, Business Administrator

ALLOWAY TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



REVISED DATE: October 15, 2013

**ALLOWAY TOWNSHIP BOARD OF EDUCATION
ALLOWAY, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES – DECEMBER 31</u>
Michael Dennison, President	2015
Colleen Fulmer, Vice President	2017
Cathleen Caltabiano	2015
Michael Clarke	2017
Elizabeth Decktor	2017
Philip Donohue	2016
Joseph Dyer, Jr.	2015
A. David Lounsbury	2016
Richard C. Morris	2017

OTHER OFFICIALS

Robert J. Bazzel, Superintendent

Rebecca S. Joyce, Business Administrator/Board Secretary

ALLOWAY TOWNSHIP BOARD OF EDUCATION
Alloway, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

Petroni & Associates LLC
Certified Public Accountants
102 West High Street, Suite 100
P.O. Box 279
Glassboro, NJ 08028

ATTORNEY

Frank P. Cavallo, Jr.
Parker McCay P.A.
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, NJ 08054-1539

OFFICIAL DEPOSITORY

Fulton Bank
1 South Main Street
Woodstown, NJ 08098

Century Savings Bank
121 North Main Street
Elmer, NJ 08318

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Alloway Township School District
43 Cedar Street
Alloway, New Jersey 08001

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 Board of Education of the Alloway Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District'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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the, Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Board'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 district'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 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 Board of Education, Alloway, New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified in the table of contents 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 Alloway Township Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of state financial assistance as required by NJ OMB's Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial

assistance as required by NJ OMB's Circular 04-04 and/or 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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. 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 non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial assistance as required by NJ OMB's Circular 04-04 and/or 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, on our consideration of the Alloway Township Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Alloway Township Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 20, 2015

Required Supplementary Information – Part I

**Alloway Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited**

This section of the Alloway Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter at the beginning of this report and the District's financial statement.

Overview of the Financial Statements

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

- The first two statements are *District-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.
- *Governmental funds statements* tell how *basic* services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds statements* offer *short-term and long-term* financial information about activities the District operates *like 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.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

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

**Alloway Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited**

Figure 1: Major Features of the District-wide and Fund Financial Statements

	District-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary 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	Activities the District operates similar to private businesses: food services is included here	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the 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	All additions and deductions during the year, regardless of when cash is received or paid

**Alloway Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited**

District-wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and liabilities - are one way to measure the District's overall financial health or position.

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

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

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

Fund Financial Statements

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

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

The District has four kinds of funds:

- **Governmental Funds** - Most of the District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the Governmental Funds statements explains the relationship (or differences) between them.

**Alloway Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited**

Fund Financial Statements (Continued)

- **Proprietary Funds** - Services for which the District charges a fee are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way as the district-wide statements. In fact, the District's *enterprise funds* (one type of Proprietary Fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
- **Internal Service Funds** - (the other kind of Proprietary Fund) are optional and utilized to report activities that provide supplies and services for other District programs and activities and for other Districts. The District currently has Internal Service Funds for shared business services, child study team services and shared superintendent services.
- **Fiduciary Funds** - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the Student Activity Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Figure 2: Financial Analysis of the District as a Whole

	Governmental	Type	Governmental	Type	2015	2014
ASSETS						
Current and other assets	\$ 1,430,580	\$ 12,032	\$ 1,386,370	\$ 17,825	\$ 1,442,612	\$ 1,404,195
Capital assets	5,669,696	11,879	5,836,252	4,363	5,681,575	5,840,615
Total assets	<u>7,100,276</u>	<u>23,911</u>	<u>7,222,622</u>	<u>22,188</u>	<u>7,124,187</u>	<u>7,244,810</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	<u>89,294</u>				<u>89,294</u>	
LIABILITIES						
Current liabilities	20,558	4,707	30,209		25,265	30,209
Noncurrent liabilities	2,201,425	3,585	2,335,460	3,135	2,205,010	2,338,595
Net pension liability	<u>1,183,069</u>				<u>1,183,069</u>	
Total liabilities	<u>3,405,052</u>	<u>8,292</u>	<u>2,365,669</u>	<u>3,135</u>	<u>3,413,344</u>	<u>2,368,804</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pension	<u>189,430</u>				<u>189,430</u>	
NET POSITION						
Invested in capital assets, net of related debt	3,641,137	11,879	3,655,252	4,363	3,653,016	3,659,615
Restricted	1,436,371		1,384,505		1,436,371	1,384,505
Unrestricted	<u>(1,482,420)</u>	<u>3,740</u>	<u>(182,804)</u>	<u>13,005</u>	<u>(1,478,680)</u>	<u>(169,799)</u>
Total net position	<u>\$ 3,595,088</u>	<u>\$ 15,619</u>	<u>\$ 4,856,953</u>	<u>\$ 17,368</u>	<u>\$ 3,610,707</u>	<u>\$ 4,874,321</u>

Net Position - The District's combined total assets are \$7,124,187 on June 30, 2015, (See Exhibit A-1). Approximately .4% of the total assets are from business-type activities, while the balance of the total net position is 99.6%, attributable to Governmental activities.

**Alloway Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited**

Fund Financial Statements (Continued)

**Alloway Township School District's Net Position
Changes in Net Position**

	2015		2014		Total	
	Governmental	Business- Type	Governmental	Business- Type	2015	2014
REVENUES:						
Program revenues						
Charges for services	\$ 486,664	\$ 166,367	\$ 420,501	\$ 177,830	\$ 653,031	\$ 598,331
Operating grants and contributions	179,826	47,474	192,382	46,217	227,300	238,599
General revenues						
Property taxes	3,870,742		3,807,725		3,870,742	3,807,725
Grants and entitlements	4,491,334		4,456,919		4,491,334	4,456,919
Other	73,598		15,859		73,598	15,859
Total revenues	<u>9,102,164</u>	<u>213,841</u>	<u>8,893,386</u>	<u>224,047</u>	<u>9,316,005</u>	<u>9,117,433</u>
EXPENSES:						
Instruction-related	2,424,754		2,533,455		2,424,754	2,533,455
Student support services	3,079,536		2,630,605		3,079,536	2,630,605
School administration	124,732		142,917		124,732	142,917
General administration	275,712		248,738		275,712	248,738
Central services	391,976		365,370		391,976	365,370
Administrative info. technology	1,697		2,378		1,697	2,378
Plant operations & maintenance	419,411		457,900		419,411	457,900
Pupil transportation	497,998		410,698		497,998	410,698
Employee benefits	1,459,652		1,326,186		1,459,652	1,326,186
Interest on debt	92,128		97,640		92,128	97,640
Food service		146,010		152,100	146,010	152,100
Unallocated depreciation	234,875		234,426		234,875	234,426
Other	43,768	92,080	12,593	81,306	135,848	93,899
Total expenses	<u>9,046,239</u>	<u>238,090</u>	<u>8,462,906</u>	<u>233,406</u>	<u>9,284,329</u>	<u>8,696,312</u>
Transfers	(22,500)	22,500	(10,800)	10,800		
Increase (decrease) in net position	<u>\$ 33,425</u>	<u>\$ (1,749)</u>	<u>\$ 419,680</u>	<u>\$ 1,441</u>	<u>\$ 31,676</u>	<u>\$ 421,121</u>

Changes in Net Position - The District's total revenues are \$9,316,005 for the fiscal period ended June 30, 2015, (See Exhibit A-2). The revenue breakout for all funds is as follows: Property taxes 41.5%, grants and entitlements 48.2%, and the remainder 10.3% from fees charged for services and miscellaneous resources.

The District's predominant expenses are related to instruction and student support services which is approximately 59.2%. Administrative & Business departments accounts for 8.6%. Another 4.5% is related to Maintenance & Operations. Transportation expenses make up 5.4% of the District's expenses. Employee benefits make up 15.7% of the District's expenses and interest on debt service accounts for 1%. Depreciations accounts for 2.5% and Proprietary Funds such as food service and childcare and all other accounts for 3.1%.

**Alloway Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited**

Governmental Activities

Revenues for governmental activities were \$9,102,164, while total expenses amounted to \$9,046,239 and a transfer of \$22,500 to food service (See Exhibit A-2). This resulted in an increase in net position in governmental activities of \$33,425 compared to \$419,680 for 2014. There was a restatement in the beginning net position of \$1,295,290 for the cumulative effect of the change in accounting principles for the adoption of GASB Statement No. 68 and Statement No. 71.

Overall, the District's financial position can be credited to increased revenue and controlling expenses due to the impending state budget crisis, and the District securing grants to supplement local and state funding.

Business-Type Activities

Revenues of the District's business-type activities (food and nutrition services and after school child care) were comprised of charges for services, federal and state reimbursements and investment earnings:

- Business-type activities expenditures exceeded revenues by \$1,749.
- Charges for services represent \$166,367 of revenue. This represents amounts paid by patrons.
- Federal and state reimbursements include payments for free & reduced lunches and special milk and donated commodities were \$47,474.

Financial Analysis of the District's Funds

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$843,570 (See Exhibit B-1). The District also controlled expenditures. Fund balance for the General Fund had a decrease of \$47,682 over the prior year.

General Fund Budgetary Highlights

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

- Transfers of available funds into the capital account.
- Transfers between budgetary line accounts to prevent overruns.

The District's final budget anticipated utilizing \$254,964 in fund balance and a budgeted withdrawal from capital reserve of \$36,152 for this fiscal period. Due to the impending State budget crisis, actual expenditures in the fiscal year was minimized, there was a decrease of \$47,682 in fund balance (See Exhibit B-2).

Capital Assets

The Alloway Township School District's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounted to \$5,681,575 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and furniture (more detailed information about capital assets can be found in Note 7 to the financial statements).

**Alloway Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited**

Capital Assets (Continued)

Alloway Township School District's Capital Assets

	2015		2014		Total	
	Governmental	Business- Type	Governmental	Business- Type	2015	2014
Land	\$ 206,719		\$ 153,751		\$ 206,719	\$ 153,751
Site improvements	41,482		45,551		41,482	45,551
Buildings	5,321,096		5,526,165		5,321,096	5,526,165
Machinery & equipment	100,399	\$ 11,879	110,785	\$ 4,363	112,278	115,148
Total	\$ 5,669,696	\$ 11,879	\$ 5,836,252	\$ 4,363	\$ 5,681,575	\$ 5,840,615

Long-Term Debt

At year-end, the District had \$2,075,000 in general obligation bonds and other long-term debt outstanding. During fiscal year 2004-2005, the District sold \$3.4 million in general obligation bonds to help finance facilities construction and improvements throughout the District. These bonds were refunded on October 16, 2014.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- State Formula Aid for the fiscal year 2014-2015 increased slightly over FY 2014 funding.
- The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this report or need additional financial information, contact Rebecca S. Joyce, Business Administrator/Board Secretary, Alloway Township School District, P.O. Box 327, 43 Cedar Street, Alloway, NJ 08001.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Totals FY 2015
ASSETS			
Cash and cash equivalents	\$ 258,314	\$ 7,261	\$ 265,575
Receivables, net	324,123	3,267	327,390
Inventory		1,504	1,504
Deferred issuance costs (net)	64,595		64,595
Restricted assets:			
Capital reserve account - cash	547,081		547,081
Cash and cash equivalents	236,467		236,467
Capital assets			
Non-depreciable assets	206,719		206,719
Assets net of depreciation	5,462,977	11,879	5,474,856
Total assets	<u>7,100,276</u>	<u>23,911</u>	<u>7,124,187</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	89,294		89,294
LIABILITIES			
Accounts payable	2,404		2,404
Unearned income		4,707	4,707
Accrued interest	18,154		18,154
Noncurrent liabilities:			
Due within one year	215,000		215,000
Due beyond one year	1,986,425	3,585	1,990,010
Net pension liability	1,183,069		1,183,069
Total liabilities	<u>3,405,052</u>	<u>8,292</u>	<u>3,413,344</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	189,430		189,430
NET POSITION			
Invested in capital assets, net of related debt	3,641,137	11,879	3,653,016
Restricted for:			
Debt service	30,671		30,671
Capital projects	960,045		960,045
Other purposes	445,655		445,655
Unrestricted	(1,482,420)	3,740	(1,478,680)
Total net position	<u>\$ 3,595,088</u>	<u>\$ 15,619</u>	<u>\$ 3,610,707</u>

See accompanying notes to the basic financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 1,770,651			\$ (1,770,651)		\$ (1,770,651)
Special education	464,598		\$ 100,490	(364,108)		(364,108)
Other special education	158,520			(158,520)		(158,520)
Other instruction	30,985			(30,985)		(30,985)
Support services:						
Tuition	2,447,056			(2,447,056)		(2,447,056)
Student & instructional related services	632,480	\$ 126,000	67,832	(438,648)		(438,648)
General administration	275,712	78,625		(197,087)		(197,087)
School administrative services	124,732			(124,732)		(124,732)
Central services	391,976	229,000		(162,976)		(162,976)
Administration information tech.	1,697			(1,697)		(1,697)
Plant operations & maintenance	419,411			(419,411)		(419,411)
Pupil transportation	497,998	53,039		(444,959)		(444,959)
Employee benefits	1,459,652		8,739	(1,450,913)		(1,450,913)
Interest on long-term debt	92,128			(92,128)		(92,128)
Capital outlay	43,768		2,765	(41,003)		(41,003)
Unallocated depreciation	234,875			(234,875)		(234,875)
Total Governmental activities	9,046,239	486,664	179,826	(8,379,749)		(8,379,749)
Business-type activities:						
Food service	146,010	81,429	47,474		\$ (17,107)	(17,107)
Other activities	92,080	84,938			(7,142)	(7,142)
Total business-type activities	238,090	166,367	47,474		(24,249)	(24,249)
Total primary Government	\$ 9,284,329	\$ 653,031	\$ 227,300	\$ (8,379,749)	\$ (24,249)	\$ (8,403,998)
General revenues:						
Taxes:						
Property taxes, levied for general purpose, net				\$ 3,595,502		\$ 3,595,502
Taxes levied for debt service				275,240		275,240
Federal and State aid not restricted				4,491,334		4,491,334
Investment earnings				22,315		22,315
Miscellaneous income				51,283		51,283
Operating transfer				(22,500)	\$ 22,500	
Total general revenues, special items, extraordinary items and transfers				8,413,174	22,500	8,435,674
Change in net position				33,425	(1,749)	31,676
Net position - beginning				4,856,953	17,368	4,874,321
Prior period adjustment of pension liability				(1,295,290)		(1,295,290)
Restated net position at the beginning of the year				3,561,663	17,368	3,579,031
Net position - end				\$ 3,595,088	\$ 15,619	\$ 3,610,707

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Totals FY 2015
ASSETS					
Cash and cash equivalents	\$ 231,480	\$ 1,977	\$ 205,796	\$ 30,671	\$ 469,924
Receivables from other Governments	65,436		212,169		277,605
Restricted cash and cash equivalents	547,081				547,081
Total assets	<u>\$ 843,997</u>	<u>\$ 1,977</u>	<u>\$ 417,965</u>	<u>\$ 30,671</u>	<u>\$ 1,294,610</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 427	\$ 1,977			\$ 2,404
Total liabilities	<u>427</u>	<u>1,977</u>			<u>2,404</u>
Fund balances:					
Restricted for:					
Excess surplus - prior-year - designated for subsequent year's expenditures	143,670				143,670
Maintenance reserve	5,000				5,000
Capital reserve	542,080				542,080
Capital projects			\$ 417,965		417,965
Debt service				\$ 9,675	9,675
Assigned to:					
Other purposes	5,254				5,254
Designated by the BOE for subsequent year's expenditures	291,731			20,996	312,727
Unassigned:					
General fund	(144,165)				(144,165)
Total fund balances	<u>843,570</u>		<u>417,965</u>	<u>30,671</u>	<u>1,292,206</u>
Total liabilities and fund balances	<u>\$ 843,997</u>	<u>\$ 1,977</u>	<u>\$ 417,965</u>	<u>\$ 30,671</u>	

See accompanying notes to the basic financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	<u>FY 2015</u>
Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$10,007,213 and the accumulated depreciation is \$4,337,517 (See Note 7).	\$ 5,669,696
Internal service funds are used by management to charge the costs of certain activities, such as business services and food service to other governments. Assets and liabilities of the internal service funds of \$73,335, less \$1,960, which represents food service assets and are included in business-type activities, in the statement of net position.	71,375
The cumulative effect of the change in accounting principles for adoption of GASB Statement No. 68 and Statement No. 71 are reported as a prior period adjustment of pension liability (See Note 2).	(1,295,290)
Net pension liability adjustment.	12,085
Deferred bond issuance costs are expenses in governmental funds in the year the bonds are issued, but are capitalized in the statement of net position.	64,595
Interest on long-term debt is in the statement of activities is accrued, regardless of when due.	(18,154)
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 (see Note 8).	(2,201,425)
Net position of governmental activities	<u>\$ 3,595,088</u>

See accompanying notes to the basic financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Totals FY 2015
REVENUES:					
Local sources					
Local tax levy	\$ 3,595,502			\$ 275,240	\$3,870,742
Interest earned on investments	7,545				7,545
Interest earned on capital reserve funds	14,770				14,770
Miscellaneous	51,283	\$ 4,572			55,855
	3,669,100	4,572		275,240	3,948,912
State sources	4,461,961		\$ 29,373		4,491,334
Federal sources		175,254			175,254
Total revenues	8,131,061	179,826	29,373	275,240	8,615,500
EXPENDITURES:					
Current:					
Regular instruction	1,781,326				1,781,326
Special education instruction	366,740	100,490			467,230
Other special instruction	158,273				158,273
Other instruction	31,165				31,165
Support services & undistributed costs:					
Tuition	2,447,056				2,447,056
Student & instruction related services	443,515	67,832			511,347
General administration	197,087				197,087
School administrative services	135,032				135,032
Central services	173,268				173,268
Administration information tech.	1,697				1,697
Plant operations and maintenance	419,231				419,231
Pupil transportation	446,350				446,350
Employee benefits	1,462,998	8,739			1,471,737
Debt service:					
Principal				185,000	185,000
Interest and other charges				69,244	69,244
Capital outlay	56,353	2,765	52,969		112,087
Total expenditures	8,120,091	179,826	52,969	254,244	8,607,130
Excess (deficiency) of revenues over expenditures	10,970		(23,596)	20,996	8,370
Other financing sources (uses):					
Operating transfers:					
Capital reserve to capital projects	(36,152)		36,152		
Transfer to food service - board contribution	(22,500)				(22,500)
Refund of bond issuance costs				9,675	9,675
Total other financing sources (uses)	(58,652)		36,152	9,675	(12,825)
Net change in fund balances	(47,682)		12,556	30,671	(4,455)
Fund balance - July 1	891,252		405,409		1,296,661
Fund balance - June 30	\$ 843,570		\$ 417,965	\$ 30,671	\$1,292,206

See accompanying notes to the basic financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2015

Total net change in fund balances - governmental funds (from B-2)	\$	(4,455)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital outlays	\$ 68,319	
Depreciation expense	<u>(234,875)</u>	(166,556)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Bond principal payments		185,000
Bond principal paid from refunding issue		1,996,000
Cost of issuance on refunding bonds		69,325
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net position.</p>		
Proceeds from issuance of refunding long-term debt		(2,075,000)
<p>Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
		(4,730)
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		(18,154)
<p>Pension contributions are reported in governmental funds as expenditures. However in the statement of activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		12,085
<p>Internal service funds are used by management to charge the costs of certain activities, such as shared business services and child study team consortium. The operating income \$12,262, less \$387 for food service, are included in the governmental activities and statement of net position (see Exhibit G-5).</p>		
		11,875
<p>In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		28,035
Change in net position of governmental activities	\$	<u><u>33,425</u></u>

See accompanying notes to the basic financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities			Governmental Activities - Internal Service Fund
	Food Service Fund	Other Funds	Totals FY 2015	
ASSETS				
Current assets:				
Cash and cash equivalents		\$ 8,624	\$ 8,624	\$ 71,944
Accounts receivable:	\$ 2,066	1,201	3,267	46,518
Inventory	1,504		1,504	
Total current assets	3,570	9,825	13,395	118,462
Noncurrent assets:				
Furniture, machinery & equipment	69,387		69,387	
Less: accumulated depreciation	(57,508)		(57,508)	
Total non-current assets	11,879		11,879	
Total assets	15,449	9,825	25,274	118,462
LIABILITIES				
Cash overdraft	3,323		3,323	45,127
Unearned income		4,707	4,707	
Compensated absences	3,585		3,585	
Total liabilities	6,908	4,707	11,615	45,127
NET POSITION				
Invested in capital assets net of related debt	11,879		11,879	
Unrestricted	(3,338)	5,118	1,780	73,335
Total net position	\$ 8,541	\$ 5,118	\$ 13,659	\$ 73,335

See accompanying notes to the basic financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	Business-type Activities Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service Fund	Other Activities	Totals FY 2015	
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs	\$ 45,681		\$ 45,681	
Daily sales-special milk program	186		186	
Daily sales non-reimbursable programs	29,562		29,562	
Other charges and fees				\$ 492,664
Community service activities		\$ 84,938	84,938	
Total operating revenue	75,429	84,938	160,367	492,664
OPERATING EXPENSES:				
Salaries	60,014	74,103	134,117	335,744
Employee benefits	14,234	6,623	20,857	88,404
Purchased professional/technical services	4,445		4,445	
Other purchased services (400-500 series)		1,954	1,954	53,969
Supplies and materials	1,182	4,062	5,244	1,162
Cost of sales	59,691		59,691	
Miscellaneous other expenses	174	5,338	5,512	1,123
Depreciation	657		657	
Total operating expenses	140,397	92,080	232,477	480,402
Operating income (loss)	(64,968)	(7,142)	(72,110)	12,262
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	1,238		1,238	
Federal sources:				
National school lunch program	30,289		30,289	
Special milk program	214		214	
Food distribution program	7,560		7,560	
Capital asset contribution	8,173		8,173	
Total non-operating revenues (expenses)	47,474		47,474	
Net income (loss) before operating transfers	(17,494)	(7,142)	(24,636)	12,262
Board contribution	22,500		22,500	
Net income (loss)	5,006	(7,142)	(2,136)	12,262
Total net position - beginning	3,535	12,260	15,795	61,073
Total net position - ending	\$ 8,541	\$ 5,118	\$ 13,659	\$ 73,335

See accompanying notes to the basic financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service Fund	Other Activities	Totals FY 2015	
Cash flows from operating activities:				
Receipts from customers	\$ 75,429	\$ 89,464	\$ 164,893	\$ 446,146
Payments to suppliers	(57,850)	(11,354)	(69,204)	(56,254)
Payments to employees	(59,564)	(74,103)	(133,667)	(335,744)
Payments for employee benefits	(14,234)	(6,623)	(20,857)	(88,404)
Net cash provided (used) by operating activities	<u>(56,219)</u>	<u>(2,616)</u>	<u>(58,835)</u>	<u>(34,256)</u>
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	32,081		32,081	
Board contribution	22,500		22,500	
Net cash provided by non-capital financing activities	<u>54,581</u>		<u>54,581</u>	
Net increase in cash & cash equivalents	(1,638)	(2,616)	(4,254)	(34,256)
Cash and cash equivalents - July 1	(1,685)	11,240	9,555	61,073
Cash and cash equivalents - June 30	<u>\$ (3,323)</u>	<u>\$ 8,624</u>	<u>\$ 5,301</u>	<u>\$ 26,817</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (64,968)	\$ (7,142)	\$ (72,110)	\$ 12,262
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	657		657	
Food distribution program	7,560		7,560	
Change in assets and liabilities:				
Increase (decrease) in accts. receivable		(181)	(181)	(46,518)
(Increase) decrease in inventory	82		82	
Increase (decrease) in deferred revenue		4,707	4,707	
Increase in compensated absences	450		450	
	<u>\$ (56,219)</u>	<u>\$ (2,616)</u>	<u>\$ (58,835)</u>	<u>\$ (34,256)</u>

See accompanying notes to the basic financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

FY 2015

ASSETS

Current assets:

Cash and cash equivalents

\$ 50,515

Total assets

\$ 50,515

LIABILITIES

Current liabilities:

Due to student groups

\$ 22,138

Payroll deductions and withholdings

28,377

Total current liabilities

\$ 50,515

See accompanying notes to the basic financial statements.

NOTES TO FINANCIAL STATEMENTS

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Alloway Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are 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.

The financial statements of the Board of Education of Alloway Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB).

The more significant accounting policies established in (GAAP) and used by the District are discussed below.

A. Reporting Entity

The Alloway Township School District is a Type II District located in the County of Salem, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K to 8.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

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

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

B. Government-wide Statements

The School District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the Government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects and debt service are classified as governmental activities. The District's food service and childcare programs are classified as business-type activities.

In the Government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities (food service and childcare). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating, and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or business-type activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does not allocate indirect costs such as depreciation expense, on-behalf of Teachers' Pensions and Annuity Fund (TPAF) Pension contributions, and TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. The government-wide statements do not include fiduciary activity.

C. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

The focus of the Governmental Funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District.

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay Subfund.

As required by the New Jersey State Department of Education, the District included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

GOVERNMENTAL FUNDS (CONTINUED)

General Fund (Continued) - outlays for long-lived improvements, as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings, and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

PROPRIETARY FUNDS

The focus of the Proprietary Funds measurement is upon the determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following are descriptions of the Proprietary Funds of the District:

Enterprise Funds - The Enterprise Funds account for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund and child care.

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other Governments on a cost-reimbursement basis.

FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and therefore not available to support District programs. The reporting focus is on net position. Changes in net position are reported using accounting principles similar to proprietary funds.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Fund Financial Statements (Continued)
FIDUCIARY FUNDS (CONTINUED)**

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District's Fiduciary Funds are presented in the Fiduciary Fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The Fiduciary Funds include Student Activity Fund, Payroll, and Payroll Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It also related to the timing of the measurement made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

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

E. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury agency obligations and

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents (Continued)

certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For purposes of determining cash equivalents, the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute (NJSA 18A:20-37) provides a list of permissible investments that may be purchased by New Jersey School Districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of 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.

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both State and National banks), and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

F. Inventories

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in, first-out method. Inventory in the Food Service Fund at June 30, 2015, consisted of the following:

Food - commodities	\$ 1,163
Food	341
	<u>\$ 1,504</u>

The value of Federal donated commodities are reflected in Schedule A (required by Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	15-20
Building & improvements	20-50
Machinery & equipment	5-20

GASB No. 34 requires the District to report and depreciate new infrastructure assets. Infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The District has included infrastructure assets in the current fiscal year.

H. Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey state statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

I. Expenditures

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

J. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted in the period in which such services are rendered or in which such events take place.

In Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liability, in the fund, that will pay for the compensated absences. The remainder of the compensated absence liability is reported in the District-wide financial statements as a governmental activity.

In Proprietary and similar Trust Funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Receivables/Payables

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the enterprise fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between governmental and business-type activities or Governmental and Agency Funds, which are presented as internal balances.

L. Accrued Salaries and Wages

None of the School District's employees who provide services to the District over the ten month academic year have the option to have their salaries evenly disbursed during the entire twelve month year.

M. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Projects Fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year-end.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control (Continued)

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grants 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.

N. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds, other than Special Revenue Fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

O. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

P. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, Governmental Fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources; are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Q. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

S. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

T. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

U. Fund Balance Reserves

Fund Balance - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Non-spendable - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other Governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Fund Balance Reserves (Continued)

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - The unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund balances are available, the District considers Restricted Funds to have been spent first. When an expenditure is incurred for which Committed, Assigned, or Unassigned Fund balances are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

V. Recent Accounting Pronouncements Not Yet Effective

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 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." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, the impact of this statement on the net position of the entity is anticipated to be significant.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Accounting Pronouncements Not Yet Effective (Continued)

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosures." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

During the year beginning July 1, 2015, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions," whose primary objective is to improve accounting and financial reporting for pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for pension. The effect of this change was to decrease fiscal year ended June 30, 2015, Net Position \$1,348,452, which is the prior period adjustment of net pension liability and offset by deferred outflows – District's contributions made during fiscal year 2014 of \$53,162. Financial statements for the fiscal year ended June 30, 2014, have not been restated, and the cumulative effect of the change totaling \$1,295,290, is shown as a one-time debit to net position in the fiscal year ended June 30, 2015, Statement of Activities.

NOTE 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2015 and 2014, was \$1,099,638 and \$1,121,088. As of June 30, 2015 and 2014, \$0 of the District's bank balance of \$1,231,491 and \$1,206,413, respectively, was exposed to Custodial Credit Risk.

NOTE 4: INVESTMENTS

As of June 30, 2015 and 2014, the District did not have any investments.

Interest Rate Risk - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk - NJSA 18A:20-37 limits District investments to those specified in the statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; Government money market mutual funds; the State of New Jersey Cash Management Plan; local Government investment pools; or repurchase of fully collateralized securities.

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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5: RECEIVABLES

Receivables at June 30, 2015, (see Exhibit B-1 and B-4) consisted of Intergovernmental receivables. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	\$ 277,605	\$ 768
Other		549
Federal aid		1,950
	<u>\$ 277,605</u>	<u>\$ 3,267</u>

NOTE 6: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$5,000 on September 28, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual

General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The June 30, 2015, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2014	\$ 563,462
Interest earnings	14,770
Transfer to capital projects	<u>(36,152)</u>
Ending balance, June 30, 2015	<u>\$ 542,080</u>

NOTE 7: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2015.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7: CAPITAL ASSETS (CONTINUED)

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2015</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress		\$ 52,968		\$ 52,968
Sites (land)	\$ 153,751			153,751
Total capital assets not being depreciated	<u>153,751</u>	<u>52,968</u>		<u>206,719</u>
Site improvements	131,103			131,103
Building & building improvements	9,119,494	11,150		9,130,644
Machinery & equipment	<u>534,546</u>	<u>4,201</u>		<u>538,747</u>
Totals at historical cost	<u>9,785,143</u>	<u>15,351</u>		<u>9,800,494</u>
Less: accumulated depreciation for:				
Site improvements	(85,552)	(4,069)		(89,621)
Building & building improvements	(3,593,329)	(216,219)		(3,809,548)
Machinery & equipment	<u>(423,761)</u>	<u>(14,587)</u>		<u>(438,348)</u>
Total accumulated depreciation	<u>(4,102,642)</u>	<u>(234,875)</u>		<u>(4,337,517)</u>
Governmental activities capital assets, net	<u>\$ 5,836,252</u>	<u>\$ (166,556)</u>	None	<u>\$ 5,669,696</u>
Business-type activities:				
Machinery & equipment	\$ 61,214	\$ 8,173		\$ 69,387
Less: accumulated depreciation	<u>(56,851)</u>	<u>(657)</u>		<u>(57,508)</u>
Business-type capital assets, net	<u>\$ 4,363</u>	<u>\$ 7,516</u>	None	<u>\$ 11,879</u>

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for governmental activities.

NOTE 8: GENERAL LONG-TERM DEBT

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Permanently funded debt as of June 30, 2015, consisted of the following:

\$2,075,000 Refunding Bonds of 2014 dated October 16, 2014, payable in annual installments through March 1, 2025. Interest is paid semi-annually at an interest rate from 2% to 4%. The remaining balance as of June 30, 2015, was \$2,075,000.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due Within One Year
Compensated absences	\$ 154,460	\$ 6,533	\$ 34,568	\$ 126,425	
Bonds payable	2,181,000	2,075,000	2,181,000	2,075,000	\$ 215,000
	<u>\$ 2,335,460</u>	<u>\$ 2,081,533</u>	<u>\$ 2,215,568</u>	<u>\$ 2,201,425</u>	<u>\$ 215,000</u>

Bonds Payable

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

Year Ended June 30	Principal	Interest	Total
2016	\$ 215,000	\$ 54,463	\$ 269,463
2017	215,000	50,163	265,163
2018	215,000	43,713	258,713
2019	210,000	37,263	247,263
2020	215,000	28,863	243,863
2021-2025	1,005,000	75,519	1,080,519
	<u>\$ 2,075,000</u>	<u>\$ 289,981</u>	<u>\$ 2,364,981</u>

Bonds Authorized but Not Issued

As of June 30, 2015, the Board has \$0 of bonds authorized but not issued.

Advanced Refunding

On October 16, 2014, the District issued refunding school bonds in the amount of \$2,075,000, with interest rates varying from 2% to 4% to advance refund the school bonds, term series 2005 in the amount of \$1,996,000, with interest rates varying from 4% to 4.25%. After paying issuance costs, the net proceeds were used to purchase U.S. Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called. The school bonds, term series 2005 were called for redemption on March 1, 2015. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the District's financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$107,798.

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage. Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

Other (Continued)

Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities, related to governmental debt, will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2015, it is not necessary for the Board to establish a liability for arbitrage rebate.

Compensated absences are recorded as long-term liabilities due in more than one year.

NOTE 9: PENSION FUNDS/LIABILITY

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (PERS), or Teachers' Pension and Annuity Fund (TPAF) a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan defined benefit pension plan. Membership is generally required for 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 or other state or local jurisdiction.

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: PENSION FUNDS (CONTINUED)

New Jersey legislation. TPAF and PERS provide for employee contributions of 6.92% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The District's contributions to PERS for the years ending June 30, 2015, 2014, and 2013, were \$52,092, \$53,162, and \$54,226, respectively, equal to the required contributions for each year. The School District's share of TPAF for normal contributions, post-retirement medical benefits and life insurance premiums for the years ending June 30, 2015, 2014, and 2013, were \$422,277, \$332,983, and \$409,781, respectively, paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year.

Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District for the years ending June 30, 2015, 2014, and 2013; \$204,800, \$214,586, and \$212,205, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board's total payroll for the years ending June 30, 2015, 2014, and 2013, were \$3,774,339, \$3,792,555, and \$3,754,421; covered payroll was \$2,865,424, \$2,974,369, and \$2,812,393 for TPAF and \$484,482, \$437,154, and \$441,889 for PERS.

For the year ended June 30, 2015, the District recognized pension expense of \$40,007. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 37,202	
Net difference between projected and actual earnings on pension plan investments		\$ 70,504
Changes in proportion and differences between District contributions and proportionate share of contributions		118,926
District contributions subsequent to the measurement date	52,092	
	\$ 89,294	\$ 189,430

\$52,092 reported as deferred outflows of resources related to pensions, resulting from school district contributions, subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: PENSION FUNDS (CONTINUED)

Year Ended June 30	Amount
2016	\$ (40,519)
2017	(40,519)
2018	(40,519)
2019	(40,519)
2020	6,839
Thereafter	3,009
	<u><u>\$ (152,228)</u></u>

Additional information – Collective balances at June 30, 2013 and 2014, are as follows:

	June 30, 2013	June 30, 2014
Collective deferred outflows of resources		\$ 952,194,675
Collective deferred inflows of resources		1,479,224,662
Collective net pension liability	\$ 19,111,986,911	18,722,735,003
District's proportion	0.0070555330%	0.0063188878%

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial, not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions for the years ending June 30, 2015, 2014, and 2013, were \$5,177, \$4,625, and \$3,578 for covered employees.

NOTE 10: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10: POST-RETIREMENT BENEFITS (CONTINUED)

State employees and retired educational employees. 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 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.

NOTE 11: DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

ING	Lincoln Investment Planning, Inc.
Equitable Life Insurance	MetLife
Voya	

NOTE 12: COMPENSATED ABSENCES

The District accounts for compensated absences using the termination method (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. The District's policy permits employees to accumulate sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with District's agreements with the various employee unions. The District uses the vesting method to record the liability.

For the District-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components; (1) the amount due within one year and (2) the amount due in more than one year. The liability for compensated absences in the Governmental Fund at June 30, 2015, is \$126,425. The liability for compensated absences in the Food Service Fund at June 30, 2015, is \$3,585.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13: LABOR CONTRACTS

As of June 30, 2015, the District's teachers, school nurses, LDT-C, social workers, guidance counselors, and psychologists are organized in the Alloway Education Association collective bargaining unit which expires June 30, 2016.

NOTE 14: EMPLOYEE BENEFITS

The district established and maintains a cafeteria plan for health benefits required by NJSA 18A:16-19.1 as amended by P.L. 2011, c.78, s.51. The District entered into a pre-tax benefits plan with AFLAC. The medical care reimbursement plan maximum amount for tenured staff as of July 1, 2011, was \$1,000 and \$525 for non-tenured staff.

NOTE 15: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance:

The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2015, the District did not incur claims in excess of their coverage.

The District is a member of the New Jersey School Boards Association Insurance Group - ERIC – South. The purpose of this is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

- Workers Compensation and Employers Liability
- Automobile and Equipment Liability
- General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

NOTE 16: FUND BALANCE APPROPRIATED

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used/spent first when expenditures are made.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 16: FUND BALANCE APPROPRIATED (CONTINUED)

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the General Fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

Non-Spendable Fund Balance - The District had no non-spendable fund balance at June 30, 2015.

Restricted Fund Balance:

Capital Reserve Account - Of the \$542,080 balance in the capital reserve account at June 30, 2015, \$0 has been designated for utilization in the 2015-2016 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan.

Maintenance Reserve Account - Of the \$5,000 balance in the maintenance reserve account at June 30, 2015, \$0 has been designated for utilization in the 2015-2016 budget. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Excess Surplus - At June 30, 2015, excess surplus created in FY 2014 of \$143,670 will be utilized for expenditures in the 2015-2016 budget, there was no excess surplus created in FY 2015.

Debt Service Fund - At June 30, 2015, there was \$30,671 fund balance, \$20,996 will be utilized for expenditures in the 2015-2016 budget.

Committed Fund Balance - The District had no fund balance at June 30, 2015.

Assigned Fund Balance - At June 30, 2015, the District has assigned \$291,731 of general fund balance to expenditures in the 2015-2016 budget. \$5,254 was assigned for other purposes as of the year-end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

Unassigned Fund Balance - At June 30, 2015, the District has (\$144,165) of unassigned fund balance in the General Fund.

NOTE 17: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund - fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015, is \$143,670.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 18: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$131,010 (Exhibit B-1) in the General Fund as of June 30, 2015, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one Government recognizes an asset, the other Government recognizes a liability.

Since the state is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payments, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2, any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP statements of \$131,010 is less than the last state aid payments.

NOTE 19: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District operations. State sources funded approximately 52% of the District's 2014-2015 Governmental Fund revenue, while local tax levy accounted for approximately 45%.

NOTE 20: OPERATING LEASES

The District has commitments to lease copy machines under non-cancelable operating leases spanning 48 months. Monthly payments range from \$92-\$485 a month per machine. Total lease payments made during the year ended June 30, 2015, amounted to \$11,439. Future minimum lease payments are as follows:

<u>June 30,</u>	<u>Amount</u>
2016	\$ 10,607
2017	9,283
2018	6,783
2019	6,783
2020	565
	<u><u>\$ 34,021</u></u>

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 21: INTERFUND RECEIVABLES AND PAYABLES

There were no interfund balances remaining on the balance sheet at June 30, 2015.

NOTE 22: CONTINGENT LIABILITIES

The School District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures. It is the opinion of the administration and legal counsels, that there exists no litigation or contingent liability that may be pending against the Alloway Township School District that would have a material or adverse effect on the Board or the financial position of the District.

NOTE 23: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2015 and November 20, 2015, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 3,595,502		\$ 3,595,502	\$ 3,595,502	
Interest on investments	13,000		13,000	7,545	\$ (5,455)
Interest on capital reserve funds				14,770	14,770
Miscellaneous	44,181		44,181	51,283	7,102
Total - local sources	3,652,683		3,652,683	3,669,100	16,417
State sources:					
Equalization aid	3,016,688		3,016,688	3,016,688	
Transportation aid	290,690		290,690	290,690	
Special education aid	324,976		324,976	324,976	
Under adequacy aid	3,706		3,706	3,706	
Security aid	44,007		44,007	44,007	
Adjustment aid	29,304		29,304	29,304	
PARCC readiness aid	5,170		5,170	5,170	
Per pupil growth aid	5,170		5,170	5,170	
Extraordinary aid				53,506	53,506
Nonpublic transportation costs				2,712	2,712
Teachers' Pension & Annuity Fund - (on-behalf non-budgeted)				163,198	163,198
TPAF post retirement medical (on-behalf non-budgeted)				259,079	259,079
Reimbursed TPAF social security contributions (non-budgeted)				204,800	204,800
Total - state sources	3,719,711		3,719,711	4,403,006	683,295
Total revenues	7,372,394		7,372,394	8,072,106	699,712

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	76,403	\$ (1,300)	75,103	75,013	90
Kindergarten	174,825	(2,200)	172,625	172,382	243
Grades 1-5	857,573	(590)	856,983	856,974	9
Grades 6-8	513,440	(2,500)	510,940	510,931	9
Regular programs - home instruction:					
Salaries of teachers	1,400	655	2,055	2,055	
Purchased professional-education services	2,500	(400)	2,100	2,100	
Regular programs - undistributed instruction:					
Other salaries for instruction	17,955		17,955	17,770	185
Purchased professional - education services	500	(500)			
Purchased technical services	12,550	2,550	15,100	15,081	19
Other purchased services (400-500 series)	45,681	5,290	50,971	50,585	386
General supplies	97,415	(19,395)	78,020	75,883	2,137
Textbooks	1,000	(1,000)			
Miscellaneous expenditures	3,900	100	4,000	2,552	1,448
Total regular programs	1,805,142	(19,290)	1,785,852	1,781,326	4,526
Special education - instruction:					
Resource room					
Salaries of teachers	394,122	(74,094)	320,028	320,027	1
Other salaries for instruction	46,527	(1,306)	45,221	42,772	2,449
General supplies	3,750	500	4,250	3,941	309
Total resource room	444,399	(74,900)	369,499	366,740	2,759
Total special education	444,399	(74,900)	369,499	366,740	2,759
Basic skills/remedial					
Salaries of teachers	177,476	(14,000)	163,476	157,874	5,602
General supplies	1,142		1,142	399	743
Total basic skills/remedial	178,618	(14,000)	164,618	158,273	6,345
School sponsored co-curricular activities					
Salaries	33,000		33,000	31,165	1,835
Total school sponsored co-curricular activities	33,000		33,000	31,165	1,835
Total other instructional programs	211,618	(14,000)	197,618	189,438	8,180
Total - instruction	2,461,159	(108,190)	2,352,969	2,337,504	15,465

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within state - regular	2,087,137	(50,999)	2,036,138	2,036,137	1
Tuition to other LEA's within state - special	105,589	500	106,089	106,089	
Tuition to county vocational school - regular		47,400	47,400	47,355	45
Tuition to county special services district/ regional day schools	79,920	81,600	161,520	161,123	397
Tuition to private schools for the handicapped - state	3,200	93,300	96,500	96,352	148
Total undistributed expenditures - instruction	2,275,846	171,801	2,447,647	2,447,056	591
Attendance and social work services					
Salaries	4,357		4,357	4,256	101
Purchased professional/technical services	1,200	(1,200)			
Total attendance and social work services	5,557	(1,200)	4,357	4,256	101
Health services					
Salaries	73,984		73,984	73,452	532
Purchased professional/technical services	5,789	2,000	7,789	6,079	1,710
Supplies and materials	2,100	1,000	3,100	2,538	562
Total health services	81,873	3,000	84,873	82,069	2,804
Related services					
Purchased professional - education services	82,950	(1,000)	81,950	81,424	526
Supplies and materials	600		600		600
Total related services	83,550	(1,000)	82,550	81,424	1,126
Extraordinary services					
Other salaries for instruction	37,953	14,200	52,153	52,088	65
Purchased educational services	53,600	(16,200)	37,400	15,061	22,339
Supplies and materials	1,200		1,200		1,200
Total extraordinary services	92,753	(2,000)	90,753	67,149	23,604
Other support services - guidance services					
Salaries of other professional staff	58,130		58,130	58,130	
Supplies and materials	1,553	(1,200)	353	147	206
Total other support services - guidance services	59,683	(1,200)	58,483	58,277	206

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - child study team					
Salaries of other professional staff	93,191	4,600	97,791	97,540	251
Salaries of secretarial and clerical	4,325	(3,950)	375	152	223
Other purchased professional-tech. services	7,500	(2,400)	5,100	4,456	644
Miscellaneous purchased services	500		500	219	281
Supplies and materials	1,800	950	2,750	2,606	144
Total other support services - child study team	107,316	(800)	106,516	104,973	1,543
Improvement of instructional services/other support services - instructional staff					
Salaries of professional staff	3,000		3,000	150	2,850
Total improvement of instructional services/other support services - instructional staff	3,000		3,000	150	2,850
Educational media services/school library					
Salaries	37,269	135	37,404	37,404	
Other purchased services	4,200	365	4,565	3,857	708
Supplies and materials	6,384	(3,000)	3,384	3,340	44
Total educational media services/school library	47,853	(2,500)	45,353	44,601	752
Instructional staff training					
Salaries of other professional staff	1,300	(500)	800	385	415
Purchased professional-education services	582		582		582
Other purchased services	6,089		6,089	231	5,858
Total instructional staff training	7,971	(500)	7,471	616	6,855
Support services general administration					
Salaries	111,195	240	111,435	111,383	52
Legal services	29,000	(9,000)	20,000	15,156	4,844
Audit services	11,500	(240)	11,260	11,000	260
Other professional services	9,450	(1,510)	7,940	6,925	1,015
Purchased technical services	2,200	(2,200)			
Communications/telephone	12,300	(3,100)	9,200	5,688	3,512
Other purchased services (400-500 series)	19,131	6,300	25,431	24,485	946
Supplies and materials	1,000		1,000	816	184
BOE training/meeting supplies	500		500		500
Judgments		16,000	16,000	16,000	
Miscellaneous expenditures	1,100		1,100	923	177
BOE member dues	5,200		5,200	4,711	489
Total support services general administration	202,576	6,490	209,066	197,087	11,979
Support services school administration					
Salaries of principals/assistant principals	90,270		90,270	90,270	
Salaries of secretarial and clerical assistants	43,459		43,459	43,119	340
Other purchased services (400-500 series)	450	70	520	516	4
Supplies and materials	1,200	(70)	1,130	228	902
Other objects	1,000		1,000	899	101
Total support services school administration	136,379		136,379	135,032	1,347

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Central services					
Salaries	155,113	7,200	162,313	160,007	2,306
Purchased technical services	9,100		9,100	9,080	20
Other purchased services (400-500 series)	3,200		3,200	1,653	1,547
Supplies and materials	2,000		2,000	1,313	687
Miscellaneous expenditures	1,200	100	1,300	1,215	85
Total central services	170,613	7,300	177,913	173,268	4,645
Administration information technology					
Salaries	2,860	(100)	2,760	1,697	1,063
Total information technology	2,860	(100)	2,760	1,697	1,063
Required maintenance for school facilities					
Salaries	29,004		29,004	29,004	
Cleaning, repair and maintenance services	22,000	25,000	47,000	43,819	3,181
Total required maintenance for school facilities	51,004	25,000	76,004	72,823	3,181
Custodial services					
Salaries non-instructional aides	11,678		11,678	11,621	57
Other salaries	109,957	100	110,057	109,892	165
Purchased professional and technical services	7,320	(1,500)	5,820	5,817	3
Cleaning, repair and maintenance services	33,500	(16,200)	17,300	15,298	2,002
Other purchased property services	37,050	(2,300)	34,750	34,734	16
Insurance	29,376	(7,000)	22,376	22,213	163
Miscellaneous purchased services	1,300		1,300	1,137	163
General supplies	16,000	6,300	22,300	21,175	1,125
Energy - electricity	90,000	(5,000)	85,000	81,274	3,726
Energy - oil	60,000	(9,960)	50,040	43,247	6,793
Total other operation and maintenance of plant services	396,181	(35,560)	360,621	346,408	14,213
Total operation and maintenance of plant services	447,185	(10,560)	436,625	419,231	17,394
Student transportation services					
Salaries - non-instructional aides	6,860	2,445	9,305	9,305	
Contracted services (between home and school) - vendors	284,012	(6,300)	277,712	271,161	6,551
Contracted services (other than between home and school) - vendors	17,000	(6,750)	10,250	10,247	3
Contracted services (special education students) - joint agreements	2,000	(1,250)	750	705	45
Contracted services (regular students) - ESC and CTSA	15,757	24,843	40,600	40,580	20
Contracted services (special education students) - ESC and CTSA	100,050	207	100,257	100,225	32
Aid in lieu - choice	1,768	500	2,268	1,775	493
Aid in lieu - non-public	14,144	(1,695)	12,449	12,352	97
Total student transportation services	441,591	12,000	453,591	446,350	7,241

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits					
Social security contributions	48,000	1,650	49,650	49,491	159
Other retirement contributions - regular	72,000	(9,500)	62,500	62,313	187
Unemployment compensation	14,000		14,000	12,892	1,108
Workers' compensation	31,000	3,600	34,600	34,522	78
Health benefits	726,000	(99,200)	626,800	619,125	7,675
Tuition reimbursement	8,000	(1,650)	6,350	4,591	1,759
Other employee benefits	42,000	11,000	53,000	52,987	13
Total unallocated benefits	941,000	(94,100)	846,900	835,921	10,979
Teachers' Pension & Annuity Fund - (on-behalf non-budgeted)				163,198	(163,198)
TPAF post retirement medical (on-behalf non-budgeted)				259,079	(259,079)
Reimbursed TPAF social security contributions (non-budgeted)				204,800	(204,800)
Total non-budgeted				627,077	(627,077)
Total undistributed expenditures	5,107,606	86,631	5,194,237	5,726,234	(531,997)
Total expenditures - current expense	7,568,765	(21,559)	7,547,206	8,063,738	(516,532)
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures					
Required maintenance		15,400	15,400	12,586	2,814
Custodial services		8,400	8,400	8,174	
Total equipment		23,800	23,800	20,760	2,814
Facilities acquisition and construction services					
Architect/engineering services		10,250	10,250		10,250
Construction services	5,000	(5,000)			
Supplies and materials	10,000	(10,000)			
Debt service assessment of SDA funding	35,593		35,593	35,593	
Total facilities acquisition and construction services	50,593	(4,750)	45,843	35,593	10,250
Total capital outlay	50,593	19,050	69,643	56,353	13,064
Total expenditures	7,619,358	(2,509)	7,616,849	8,120,091	(503,468)

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources (uses):					
Operating transfers:					
Capital reserve to capital projects		(36,152)	(36,152)	(36,152)	
Transfer to food service - board contribution	(8,000)	(14,509)	(22,509)	(22,500)	
Total other financing sources (uses)	<u>(8,000)</u>	<u>(50,661)</u>	<u>(58,661)</u>	<u>(58,652)</u>	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(254,964)</u>	<u>(48,152)</u>	<u>(303,116)</u>	<u>(106,637)</u>	1,203,180
Fund balances - July 1	1,298,123		1,298,123	1,298,123	
Fund balances - June 30	<u>\$ 1,043,159</u>	<u>\$ (48,152)</u>	<u>\$ 995,007</u>	<u>\$ 1,191,486</u>	<u>\$ 1,203,180</u>
Recapitulation:					
Restricted fund balance:					
Capital reserve				\$ 542,080	
Maintenance reserve				5,000	
Excess surplus - designated for subsequent year's expenditures				143,670	
Assigned fund balance:					
Year-end encumbrances				5,254	
Designated for subsequent year's expenditures				291,731	
Unassigned fund balance				203,751	
				<u>1,191,486</u>	
Reconciliation to governmental fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(347,916)	
Fund balance per governmental funds (GAAP)				<u>\$ 843,570</u>	

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$175,030	\$ 224	\$ 175,254	\$ 175,254	
Local sources	4,572		4,572	4,572	
Total revenues	<u>\$ 179,602</u>	<u>\$ 224</u>	<u>\$ 179,826</u>	<u>\$ 179,826</u>	
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 16,185		\$ 16,185	\$ 16,185	
Other salaries for instruction	80,560		80,560	80,560	
Purchased professional - technical services	3,521		3,521	3,521	
Other purchased services (400-500 series)		\$ 224	224	224	
Total instruction	<u>100,266</u>	<u>224</u>	<u>100,490</u>	<u>100,490</u>	
Support services:					
Salaries of secretarial and clerical assistants	17,912		17,912	17,912	
Personal services - employee benefits	8,739		8,739	8,739	
Purchased professional - educational services	31,878		31,878	31,878	
Purchased professional - technical services	3,000		3,000	3,000	
Other purchased services (400-500 series)	17,807	(2,765)	15,042	15,042	
Total support services	<u>79,336</u>	<u>(2,765)</u>	<u>76,571</u>	<u>76,571</u>	
Facilities acquisition/construction non-instructional equipment		2,765	2,765	2,765	
Total expenditures	<u>\$ 179,602</u>	<u>\$ 224</u>	<u>\$ 179,826</u>	<u>\$ 179,826</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation -
 Note to RSI
 For the Fiscal Year Ended June 30, 2015

Note A: Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures.

	General Fund N-1	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] \$ 8,072,106	[C-2] \$ 179,826
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	406,871	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(347,916)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 8,131,061	[B-2] \$ 179,826
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 8,120,091	[C-2] \$ 179,826
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 8,120,091	[B-2] \$ 179,826

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Schedule of District's Proportionate Share of the Net Pension Liability - PERS
 Last Two Fiscal Years

	Fiscal Year Ended	
	<u>FY 2015</u>	<u>FY 2014</u>
District's proportion of the net pension liability (asset)	0.0063188878%	0.0070555330%
District's proportionate share of the net pension liability (asset)	\$ 1,183,069	\$ 1,348,453
District's covered-employee payroll	491,532	502,850
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	240.69%	268.16%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Two Fiscal Years

	Fiscal Year Ended	
	FY 2015	FY 2014
Contractually required contribution	\$ 52,092	\$ 53,162
Contributions in relation to the contractually required contribution	(52,092)	(53,162)
Contribution deficiency (excess)	<u>0</u>	<u>0</u>
District's covered-employee payroll	\$ 491,532	\$ 502,850
Contributions as a percentage of covered-employee payroll	10.60%	10.57%

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Schedule of District's Proportionate Share of the Net Pension Liability - TPAF
 Last Two Fiscal Years

Teacher's Pension and Annuity Fund
 Special Funding Situation

	Fiscal Year Ended	
	FY 2015	FY 2014
District's proportion of the net pension liability (asset)	0.0298195343%	0.0297634005%
District's proportionate share of the net pension liability (asset)	\$ 15,937,571	\$ 15,042,189
District's covered-employee payroll	3,099,500	3,038,474
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	514.20%	495.06%
Plan fiduciary net position as a percentage of the total pension liability.	33.64%	33.76%

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation – 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1: CONTRIBUTIONS

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

NOTE 2: 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:

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 rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward Ex. E-1a	IDEA Basic Part B	IDEA Preschool	Totals	
				FY 2015	FY 2014
REVENUES:					
Federal sources	\$ 73,939	\$ 97,794	\$ 3,521	\$ 175,254	\$ 192,382
Local sources	4,572			4,572	
Total revenues	78,511	97,794	3,521	179,826	192,382
EXPENDITURES:					
Instruction:					
Salaries of teachers	16,185			16,185	6,600
Other salaries for instruction	37,240	43,320		80,560	90,657
Purchased professional technical services			3,521	3,521	3,765
Other purchased services (400-500 series)	224			224	8,684
Total instruction	53,649	43,320	3,521	100,490	109,706
Support services:					
Salaries of secretarial and clerical assistants		17,912		17,912	16,000
Personal services - employee benefits	4,055	4,684		8,739	2,263
Purchased professional - educational services		31,878		31,878	43,000
Purchased professional - technical services	3,000			3,000	10,936
Other purchased services (400-500 series)	15,042			15,042	10,477
Total support services	22,097	54,474		76,571	82,676
Facilities acquisition and construction services					
Non-instructional equipment	2,765			2,765	
Total facilities acquisition and construction services	2,765			2,765	
Total expenditures	78,511	97,794	3,521	179,826	192,382

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Title I Part A	Title II, Part A Teacher & Principal Training & Recruiting	Rural Education Achievement Program	NJ School Business Administrator's Safety Grant	Total Carried Forward
REVENUES:					
Federal sources	34,019	17,956	21,964		73,939
Local sources				4,572	4,572
Total revenues	34,019	17,956	21,964	4,572	78,511
EXPENDITURES:					
Instruction:					
Salaries of teachers	10,685	5,500			16,185
Other salaries for instruction	15,500		21,740		37,240
Other purchased services (400-500 series)			224		224
Total instruction	26,185	5,500	21,964		53,649
Support services:					
Salaries of secretarial and clerical assistants					
Personal services - employee benefits	3,634	421			4,055
Purchased professional - technical services		3,000			3,000
Other purchased services (400-500 series)	4,200	9,035		1,807	15,042
Total support services	7,834	12,456		1,807	22,097
Facilities acquisition and construction services non-instructional equipment				2,765	2,765
Total facilities acquisition and construction services				2,765	2,765
Total expenditures	34,019	17,956	21,964	4,572	78,511

CAPITAL PROJECTS FUND

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 June 30, 2015

Project Title/Issue	Original Date	Revised Budgetary Appropriation	GAAP Expenditures to Date		Unexpended Appropriation June 30, 2015
			Prior Years	Current Year	
Roof Replacement	01/06/14	\$ 405,409	None	\$ 43,659	\$ 361,750
Security Vestibule	06/21/14	65,525	None	9,310	56,215
		\$ 470,934	None	\$ 52,969	\$ 417,965

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 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	
Transfer from capital reserve	\$ 36,152
State sources: SDA grant	29,373
	<hr/>
Total revenues	65,525
	<hr/>
OPERATING EXPENSES:	
Purchased professional and technical services	31,205
Construction services	21,764
	<hr/>
Total expenses	52,969
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	12,556
	<hr/>
Fund balance - beginning	405,409
	<hr/>
Fund balance - ending	\$ 417,965
	<hr/> <hr/>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Roof Replacement
 from Inception and for the Fiscal Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from Capital reserve	\$ 222,613		\$ 222,613	\$ 222,613
State Sources: SDA Grant	182,796		182,796	182,796
	<u>405,409</u>		<u>405,409</u>	<u>405,409</u>
Expenditures and other financing uses				
Purchased professional and technical services		\$ 21,895	21,895	28,575
Construction services		21,764	21,764	376,834
		<u>43,659</u>	<u>43,659</u>	<u>405,409</u>
Excess (deficiency) or revenues over (under) expenditures	<u>405,409</u>	<u>(43,659)</u>	<u>361,750</u>	
Additional project information:				
Project number			0060-020-14G2NF	
Grant date			01/06/14	
Bond authorization date			08/19/14	
Bonds authorized				
Bonds issued				
Original authorized cost			\$ 405,409	
Additional authorized cost			None	
Revised authorized cost			405,409	
Percentage increase over original authorized cost			0%	
Percentage completion			30%	
Original target completion date			6/30/2015	
Revised target completion date			7/31/2015	

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Security Vestibule
 from Inception and for the Fiscal Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Transfer from Capital reserve		\$ 36,152	\$ 36,152	\$ 36,152
State Sources: SDA Grant		29,373	29,373	29,373
		<u>65,525</u>	<u>65,525</u>	<u>65,525</u>
Expenditures and other financing uses				
Purchased professional and technical services		9,310	9,310	9,310
Construction services				56,215
		<u>9,310</u>	<u>9,310</u>	<u>65,525</u>
Excess (deficiency) or revenues over (under) expenditures		<u>56,215</u>	<u>56,215</u>	
Additional project information:				
Project number		0060-020-141002-G04		
Grant date		06/21/14		
Bond authorization date		n/a		
Bonds authorized		n/a		
Bonds issued		n/a		
Original authorized cost		\$ 65,525		
Additional authorized cost		None		
Revised authorized cost		65,525		
Percentage increase over original authorized cost		0%		
Percentage completion		0%		
Original target completion date		8/31/2015		
Revised target completion date		8/31/2015		

PROPRIETARY FUNDS

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2015

	Major Funds			
	Business-type Activities			
	Food Service Fund	Other Funds	Totals FY 2015	FY 2014
ASSETS				
Current assets:				
Cash and cash equivalents		\$ 8,624	\$ 8,624	\$ 11,240
Accounts receivable:				
State	\$ 116	652	768	1,021
Federal	1,950		1,950	2,239
Other		549	549	166
Inventory	1,504		1,504	1,586
Total current assets	3,570	9,825	13,395	16,252
Noncurrent assets:				
Furniture, machinery & equipment	69,387		69,387	61,214
Less: accumulated depreciation	(57,508)		(57,508)	(56,851)
Total non-current assets	11,879		11,879	4,363
Total assets	15,449	9,825	25,274	20,615
LIABILITIES				
Cash overdraft	3,323		3,323	1,685
Unearned income		4,707	4,707	
Compensated absences	3,585		3,585	3,135
Total liabilities	6,908	4,707	11,615	4,820
NET POSITION				
Invested in capital assets net of related debt	11,879		11,879	4,363
Unrestricted	(3,338)	5,118	1,780	11,432
Total net position	8,541	5,118	13,659	15,795

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Major Funds		Totals	
	Business-type Activities		FY 2015	FY 2014
	Food Service Fund	Other Funds		
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs	\$ 45,681		\$ 45,681	\$ 46,949
Daily sales special milk program	186		186	191
Daily sales non-reimbursable programs	29,562		29,562	32,592
Community service activities		\$ 84,938	84,938	85,298
Total operating revenue	75,429	84,938	160,367	165,030
OPERATING EXPENSES:				
Salaries	60,014	74,103	134,117	121,712
Employee benefits	14,234	6,623	20,857	21,805
Purchased professional - technical services	4,445		4,445	4,171
Other purchased services		1,954	1,954	1,000
Supplies and materials	1,182	4,062	5,244	3,900
Cost of sales	59,691		59,691	66,082
Miscellaneous other expenses	174	5,338	5,512	3,253
Depreciation	657		657	174
Total operating expenses	140,397	92,080	232,477	222,097
Operating income (loss)	(64,968)	(7,142)	(72,110)	(57,067)
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	1,238		1,238	1,409
Federal sources:				
National school lunch program	30,289		30,289	33,988
Special milk program	214		214	163
Food distribution program	7,560		7,560	10,657
Capital asset contribution	8,173		8,173	
Total non-operating revenues (expenses)	47,474		47,474	46,217
Income (loss) before operating transfers	(17,494)	(7,142)	(24,636)	(10,850)
Board contribution	22,500		22,500	10,800
Net income (loss)	5,006	(7,142)	(2,136)	(50)
Total net position - July 1	3,535	12,260	15,795	15,845
Total net position - June 30	\$ 8,541	\$ 5,118	\$ 13,659	\$ 15,795

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Major Funds		Totals	
	Business-type Activities		FY 2015	FY 2014
	Food Service Fund	Other Funds		
Cash flows from operating activities:				
Receipts from customers	\$ 75,429	\$ 89,464	\$ 164,893	\$ 164,174
Payments to suppliers	(57,850)	(11,354)	(69,204)	(66,170)
Payments to employees	(59,564)	(74,103)	(133,667)	(121,172)
Payments for employee benefits	(14,234)	(6,623)	(20,857)	(21,805)
Net cash provided (used) by operating activities	(56,219)	(2,616)	(58,835)	(44,973)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	32,081		32,081	34,635
Board contribution	22,500		22,500	10,800
Net cash provided by non-capital financing activities	54,581		54,581	45,435
Net increase in cash and cash equivalents	(1,638)	(2,616)	(4,254)	462
Cash and cash equivalents - July 1	(1,685)	11,240	9,555	9,093
Cash and cash equivalents - June 30	\$ (3,323)	\$ 8,624	\$ 5,301	\$ 9,555
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (64,968)	\$ (7,142)	\$ (72,110)	\$ (57,067)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	657		657	174
Food distribution program	7,560		7,560	10,657
Change in assets and liabilities:				
(Increase) decrease in accts. receivable		(181)	(181)	(856)
(Increase) decrease in inventory	82		82	1,579
Increase (decrease) in deferred revenue		4,707	4,707	
Increase (decrease) in compensated absences	450		450	540
	\$ (56,219)	\$ (2,616)	\$ (58,835)	\$ (44,973)

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Internal Service Fund
 Combining Schedule of Net Position
 For the Fiscal Year Ended June 30, 2015

	Business-type Activities					Total	
	Food Services	Superintendent	Business Services	Tuition/ Transportation Services	Child Study Team Consortium	FY 2015	FY 2014
	ASSETS						
Current assets:							
Cash and cash equivalents	\$ 1,960		\$ 41,308		\$ 28,676	\$ 71,944	\$ 61,073
Intergovernmental accounts receivable				\$ 46,518		46,518	
Total assets	<u>\$ 1,960</u>		<u>\$ 41,308</u>	<u>\$ 46,518</u>	<u>\$ 28,676</u>	<u>\$ 118,462</u>	<u>\$ 61,073</u>
LIABILITIES AND NET POSITION							
Cash overdraft				\$ 45,127		\$ 45,127	
Net position							
Unrestricted	\$ 1,960		\$ 41,308	1,391	\$ 28,676	73,335	\$ 61,073
Total liabilities and net position	<u>\$ 1,960</u>		<u>\$ 41,308</u>	<u>\$ 46,518</u>	<u>\$ 28,676</u>	<u>\$ 118,462</u>	<u>\$ 61,073</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Business-type Activities					Total	
	Food Services	Superintendent	Business Services	Tuition/ Transportation Services	Child Study Team Consortium	FY 2015	FY 2014
OPERATING REVENUES:							
Local sources:							
Other charges and fees	\$ 6,000	\$ 78,625	\$ 229,000	\$ 53,039	\$ 126,000	\$ 492,664	\$ 433,301
Total operating revenue	6,000	78,625	229,000	53,039	126,000	492,664	433,301
OPERATING EXPENSES:							
Salaries	1,945	67,867	168,438		97,494	335,744	326,486
Employee benefits	3,668	9,435	53,318		21,983	88,404	62,832
Other purchased services (400-500 series)			1,627	51,648	694	53,969	2,908
Supplies and materials		200			962	1,162	200
Other objects		1,123				1,123	1,065
Total operating expenses	5,613	78,625	223,383	51,648	121,133	480,402	393,491
Net changes in net position	387		5,617	1,391	4,867	12,262	39,810
Total net position - July 1	1,573		35,691		23,809	61,073	21,263
Total net position - June 30	\$ 1,960		\$ 41,308	\$ 1,391	\$ 28,676	\$ 73,335	\$ 61,073

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Business-type Activities						Total	
	Food Services	Superintendent	Business Services	Tuition/ Transportation Services	Child Study Team Consortium	FY 2015	FY 2014	
	Cash flows from operating activities:							
Receipts from customers	\$ 6,000	\$ 78,625	\$ 229,000	\$ 6,521	\$ 126,000	\$ 446,146	\$ 433,821	
Payments to suppliers		(1,323)	(1,627)	(51,648)	(1,656)	(56,254)	(5,008)	
Payments to employees	(1,945)	(67,867)	(168,438)		(97,494)	(335,744)	(326,486)	
Payments for employee benefits	(3,668)	(9,435)	(53,318)		(21,983)	(88,404)	(62,832)	
Net cash provided (used) by operating activities	387		5,617	(45,127)	4,867	(34,256)	39,495	
Net increase in cash and cash equivalents	387		5,617	(45,127)	4,867	(34,256)	39,495	
Cash and cash equivalents - July 1	1,573		35,691		23,809	61,073	21,578	
Cash and cash equivalents - June 30	\$ 1,960		\$ 41,308	\$ (45,127)	\$ 28,676	\$ 26,817	\$ 61,073	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	387		5,617	1,391	4,867	12,262	39,810	
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:								
Change in assets & liabilities:								
Increase in accounts receivable				(46,518)		(46,518)	520	
Increase in accounts payable							(835)	
	\$ 387		\$ 5,617	\$ (45,127)	\$ 4,867	\$ (34,256)	\$ 39,495	

FIDUCIARY FUNDS

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Combining Statement of Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	Agency Funds	Total	
		FY 2015	FY 2014
ASSETS			
Cash and cash equivalents	\$ 50,515	\$ 50,515	\$ 43,391
Total assets	<u>\$ 50,515</u>	<u>50,515</u>	<u>\$ 43,391</u>
LIABILITIES			
Due to student groups	\$ 22,138	\$ 22,138	\$ 13,846
Payroll deductions and withholdings	28,377	28,377	29,545
Total liabilities	<u>\$ 50,515</u>	<u>\$ 50,515</u>	<u>\$ 43,391</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

ACTIVITIES	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
Alloway School	<u>\$ 13,846</u>	<u>\$ 43,427</u>	<u>\$ 35,135</u>	<u>\$ 22,138</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	\$ 29,545	\$ 4,180,155	\$ 4,181,323	\$ 28,377
Total assets	<u>\$ 29,545</u>	<u>\$ 4,180,155</u>	<u>\$ 4,181,323</u>	<u>\$ 28,377</u>
LIABILITIES				
Employees' net pay		\$ 2,263,785	\$ 2,263,785	
Payroll deductions and withholdings	\$ 29,545	1,916,294	1,917,462	\$ 28,377
Interfund payable		76	76	
Total liabilities	<u>\$ 29,545</u>	<u>\$ 4,180,155</u>	<u>\$ 4,181,323</u>	<u>\$ 28,377</u>

LONG-TERM DEBT

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Schedule of Serial Bonds
 June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
To provide funds for payment of the cost of constructing, constructing an addition to the existing school building, upgrades and renovations to existing areas, air conditioning of existing rooms including school furniture and other equipment as necessary.	03/01/05	\$ 3,416,000	3/1/16	\$ 196,000	4.000%	\$ 2,181,000	None	\$ 2,181,000	
			3/1/2017-19	200,000	4.000%				
			3/1/2020-25	200,000	4.250%				
Refunding Bonds of 2014	10/16/14	2,075,000	3/1/16	215,000	2.000%				
			3/1/2017-18	215,000	3.000%				
			03/01/19	210,000	4.000%				
			03/01/20	215,000	2.000%				
			03/01/21	210,000	2.000%				
			03/01/22	205,000	2.500%				
			03/01/23	200,000	2.500%				
			03/01/24	195,000	2.625%				
			03/01/25	195,000	2.625%				
						\$ 2,075,000		\$ 2,075,000	
						<u>\$ 2,181,000</u>	<u>\$ 2,075,000</u>	<u>\$ 2,181,000</u>	<u>\$ 2,075,000</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Debt Service Fund Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 275,240		\$ 275,240	\$ 275,240	
Total revenues	<u>275,240</u>		<u>275,240</u>	<u>275,240</u>	
EXPENDITURES:					
Regular debt service:					
Interest	90,240		90,240	69,244	\$ 20,996
Redemption of principal	185,000		185,000	185,000	
Total regular debt service	<u>275,240</u>		<u>275,240</u>	<u>254,244</u>	<u>20,996</u>
Total expenditures	<u>275,240</u>		<u>275,240</u>	<u>254,244</u>	<u>20,996</u>
Excess (deficiency) of revenues over (under) expenditures				20,996	(20,996)
Other financing sources:					
Refund of bond issuance costs				9,675	(9,675)
Excess (deficiency) of revenues and other financing sources over (under) expenditures				<u>30,671</u>	<u>(30,671)</u>
Fund balance - June 30				<u>30,671</u>	<u>(30,671)</u>

**STATISTICAL SECTION
(Unaudited)**

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	101-107
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	108-111
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	112-115
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	116-117
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	118-122

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Net Position By Component
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2015
 Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Invested in capital assets, net of related debt	\$ (446,750)	\$ 3,416,457	\$ 3,962,089	\$ 3,864,183	\$ 3,832,720	\$ 3,774,163	\$ 3,725,471	\$ 3,655,357	\$ 3,655,252	\$ 3,641,137
Restricted	5,888,520	1,725,416	982,934	1,187,631	1,002,695	1,127,071	1,149,692	938,254	1,384,505	1,436,371
Unrestricted	(110,561)	33,239	27,971	(181,742)	(188,600)	(122,723)	(105,632)	(156,338)	(182,804)	(1,482,420)
Total governmental activities net position	<u>\$ 5,331,209</u>	<u>\$ 5,175,112</u>	<u>\$ 4,972,994</u>	<u>\$ 4,870,072</u>	<u>\$ 4,646,815</u>	<u>\$ 4,778,511</u>	<u>\$ 4,769,531</u>	<u>\$ 4,437,273</u>	<u>\$ 4,856,953</u>	<u>\$ 3,595,088</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 12,901	\$ 12,004	\$ 8,817	\$ 7,223	\$ 5,698	\$ 4,884	\$ 4,710	\$ 4,537	\$ 4,363	\$ 11,879
Unrestricted	35,446	32,595	36,471	20,774	29,732	18,616	16,648	11,390	13,005	3,740
Total business-type activities net position	<u>\$ 48,347</u>	<u>\$ 44,599</u>	<u>\$ 45,288</u>	<u>\$ 27,997</u>	<u>\$ 35,430</u>	<u>\$ 23,500</u>	<u>\$ 21,358</u>	<u>\$ 15,927</u>	<u>\$ 17,368</u>	<u>\$ 15,619</u>
District-wide:										
Invested in capital assets, net of related debt	\$ (433,849)	\$ 3,428,461	\$ 3,970,906	\$ 3,871,406	\$ 3,838,418	\$ 3,779,047	\$ 3,730,181	\$ 3,659,894	\$ 3,659,615	\$ 3,653,016
Restricted	5,888,520	1,725,416	982,934	1,187,631	1,002,695	1,127,071	1,149,692	938,254	1,384,505	1,436,371
Unrestricted	(75,115)	65,834	64,442	(160,968)	(158,868)	(104,107)	(88,984)	(144,948)	(169,799)	(1,478,680)
	<u>\$ 5,379,556</u>	<u>\$ 5,219,711</u>	<u>\$ 5,018,282</u>	<u>\$ 4,898,069</u>	<u>\$ 4,682,245</u>	<u>\$ 4,802,011</u>	<u>\$ 4,790,889</u>	<u>\$ 4,453,200</u>	<u>\$ 4,874,321</u>	<u>\$ 3,610,707</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES:										
Governmental activities:										
Instruction										
Regular	\$ 1,580,383	\$ 1,729,868	\$ 1,820,065	\$ 1,795,248	\$ 1,898,691	\$ 1,883,236	\$ 1,842,196	\$ 1,998,727	\$ 1,816,724	\$ 1,770,651
Special education	395,636	406,125	433,369	497,980	505,573	505,399	469,372	504,953	515,937	464,598
Other special education	64,155	67,357	79,193	100,500	98,670	86,247	104,039	164,465	169,305	158,520
Other instruction	20,356	23,611	25,081	25,375	28,881	30,701	29,050	30,215	31,489	30,985
Support services										
Tuition	1,663,464	1,922,803	2,137,256	2,320,865	2,312,767	2,017,170	2,243,878	2,128,907	2,017,963	2,447,056
Student & instruction and related services	609,897	553,592	538,106	492,218	533,778	520,130	585,392	619,037	612,642	632,480
General administration	154,180	285,428	329,863	247,425	245,370	244,751	268,006	270,797	248,738	275,712
School administrative services	166,163	198,213	202,482	135,929	141,964	146,887	152,487	132,697	142,917	124,732
Central services	356,876	136,741	130,421	322,796	347,006	349,543	371,392	368,003	365,370	391,976
Administrative information technology	2,613	906	328	1,680	2,215	599	242	588	2,378	1,697
Plant operations and maintenance	292,303	396,323	427,275	462,664	400,333	427,586	404,053	399,613	457,900	419,411
Pupil transportation	337,093	353,230	366,434	350,322	344,806	336,347	381,786	421,885	410,698	497,998
Unallocated benefits	1,068,713	1,287,748	1,294,829	1,225,247	1,239,243	1,289,557	1,395,945	1,600,754	1,326,186	1,459,652
Capital outlay		2,741		2,533		27,620	16,819	23,083	12,593	43,768
Interest on long-term debt	139,640	135,640	131,640	126,640	121,640	115,640	109,640	103,640	97,640	92,128
Unallocated depreciation	97,337	169,376	245,459	239,731	230,219	232,016	232,902	236,764	234,426	234,875
Total Governmental activities expenses	<u>6,948,809</u>	<u>7,669,702</u>	<u>8,161,801</u>	<u>8,347,153</u>	<u>8,451,156</u>	<u>8,213,429</u>	<u>8,607,199</u>	<u>9,004,128</u>	<u>8,462,906</u>	<u>9,046,239</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Food service	212,230	201,710	209,919	210,494	163,777	157,558	143,559	148,094	152,100	146,010
Child care	92,182	97,193	86,796	86,966	76,174	80,461	78,370	77,362	81,306	92,080
Total business-type activities expense	304,412	298,903	296,715	297,460	239,951	238,019	221,929	225,456	233,406	238,090
Total district expenses	<u>\$ 7,253,221</u>	<u>\$ 7,968,605</u>	<u>\$ 8,458,516</u>	<u>\$ 8,644,613</u>	<u>\$ 8,691,107</u>	<u>\$ 8,451,448</u>	<u>\$ 8,829,128</u>	<u>\$ 9,229,584</u>	<u>\$ 8,696,312</u>	<u>\$ 9,284,329</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services										
Instruction (tuition)	\$ 94,000	\$ 53,430	\$ 69,500	\$ 62,287	\$ 76,200	\$ 81,500	\$ 129,476	\$ 121,000	\$ 123,500	\$ 126,000
General administration	81,244	71,516	72,603	76,587	77,956	78,966	81,243	81,165	79,685	78,625
Business administration & central services	220,000	139,960	176,685	182,436	194,354	203,362	210,000	224,300	217,316	229,000
Plant operations & maintenance				38,600						
Pupil transportation										53,039
Operating grants and contributions	234,185	238,149	224,496	223,363	260,757	301,125	219,628	217,698	192,382	179,826
Total governmental activities program revenues	<u>629,429</u>	<u>503,055</u>	<u>543,284</u>	<u>583,273</u>	<u>609,267</u>	<u>664,953</u>	<u>640,347</u>	<u>644,163</u>	<u>612,883</u>	<u>666,490</u>
Business-type activities:										
Charges for services										
Food service	160,400	159,589	162,013	166,346	117,739	111,148	103,879	95,786	92,532	81,429
Child care	94,598	86,246	87,461	81,195	81,171	77,871	80,491	71,264	85,298	84,938
Operating grants and contributions	33,602	38,079	35,930	41,569	38,474	37,070	35,417	40,838	46,217	47,474
Total business-type activities program revenues	<u>288,600</u>	<u>283,914</u>	<u>285,404</u>	<u>289,110</u>	<u>237,384</u>	<u>226,089</u>	<u>219,787</u>	<u>207,888</u>	<u>224,047</u>	<u>213,841</u>
Total district program revenue	<u>\$ 918,029</u>	<u>\$ 786,969</u>	<u>\$ 828,688</u>	<u>\$ 872,383</u>	<u>\$ 846,651</u>	<u>\$ 891,042</u>	<u>\$ 860,134</u>	<u>\$ 852,051</u>	<u>\$ 836,930</u>	<u>\$ 880,331</u>
Net (expense) revenue										
Governmental activities	\$(6,319,380)	\$(7,166,647)	\$(7,618,517)	\$(7,763,880)	\$(7,841,889)	\$(7,548,476)	\$(7,966,852)	\$(8,359,965)	\$(7,850,023)	\$(8,379,749)
Business-type activities	(15,812)	(14,989)	(11,311)	(8,350)	(2,567)	(11,930)	(2,142)	(17,568)	(9,359)	(24,249)
Total district-wide net expense	<u>\$(6,335,192)</u>	<u>\$(7,181,636)</u>	<u>\$(7,629,828)</u>	<u>\$(7,772,230)</u>	<u>\$(7,844,456)</u>	<u>\$(7,560,406)</u>	<u>\$(7,968,994)</u>	<u>\$(8,377,533)</u>	<u>\$(7,859,382)</u>	<u>\$(8,403,998)</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenues and other changes in net position										
Governmental activities:										
Property taxes levied for government purposes (net)	\$ 2,820,000	\$ 3,064,000	\$ 3,299,020	\$ 3,325,440	\$ 3,325,480	\$ 3,325,480	\$ 3,325,480	\$ 3,390,760	\$ 3,525,085	\$ 3,595,502
Taxes levied for debt service	239,640	235,639	256,640	251,640	271,640	265,640	259,640	253,640	282,640	275,240
Unrestricted grants and contributions	3,385,108	3,564,408	3,719,437	4,045,455	3,377,230	3,982,331	4,310,771	4,365,143	4,456,919	4,491,334
Federal aid restricted					617,008					
Tuition charges	3,500	9,043				29,339	24,413			
Transportation fees						10,310				
Investment earnings	180,222	133,248	47,753	21,951	12,961	24,696	26,709	26,882	21,590	22,315
Gain on disposal of assets							(1,140)		(5,946)	
Transfers		(8,500)	(12,000)	8,941	(10,000)			(12,137)	(10,800)	(22,500)
Miscellaneous income	9,800	12,712	4,916	7,531	24,313	42,376	11,999	3,419	215	51,283
Total governmental activities	<u>6,638,270</u>	<u>7,010,550</u>	<u>7,315,766</u>	<u>7,660,958</u>	<u>7,618,632</u>	<u>7,680,172</u>	<u>7,957,872</u>	<u>8,027,707</u>	<u>8,269,703</u>	<u>8,413,174</u>
Business-type activities:										
Transfers		8,500	12,000	(8,941)	10,000			12,137	10,800	22,500
Miscellaneous income		2,741	2,741							
Total business-type activities		<u>11,241</u>	<u>14,741</u>	<u>(8,941)</u>	<u>10,000</u>			<u>12,137</u>	<u>10,800</u>	<u>22,500</u>
Total District-wide	<u>\$ 6,638,270</u>	<u>\$ 7,021,791</u>	<u>\$ 7,330,507</u>	<u>\$ 7,652,017</u>	<u>\$ 7,628,632</u>	<u>\$ 7,680,172</u>	<u>\$ 7,957,872</u>	<u>\$ 8,039,844</u>	<u>\$ 8,280,503</u>	<u>\$ 8,435,674</u>
Change in net position										
Governmental activities	\$ 318,890	\$ (156,097)	\$ (302,751)	\$ (102,922)	\$ (223,257)	\$ 131,696	\$ (8,980)	\$ (332,258)	\$ 419,680	\$ 33,425
Business-type activities	(15,812)	(3,748)	3,430	(17,291)	7,433	(11,930)	(2,142)	(5,431)	1,441	(1,749)
Total District	<u>\$ 303,078</u>	<u>\$ (159,845)</u>	<u>\$ (299,321)</u>	<u>\$ (120,213)</u>	<u>\$ (215,824)</u>	<u>\$ 119,766</u>	<u>\$ (11,122)</u>	<u>\$ (337,689)</u>	<u>\$ 421,121</u>	<u>\$ 31,676</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2015
 Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Restricted						\$ 1,033,776	\$ 1,070,929	\$ 725,273	\$ 783,296	\$ 690,750
Assigned						96,938	78,763	212,981	195,800	296,985
Unassigned						(45,360)	(26,190)	(35,752)	(87,844)	(144,165)
Reserved	\$ 1,310,105	\$ 1,075,755	\$ 898,731	\$1,122,786	\$ 982,956					
Unreserved	(36,540)	103,635	86,920	(87,474)	(107,980)					
Total general fund	<u>\$ 1,273,565</u>	<u>\$ 1,179,390</u>	<u>\$ 985,651</u>	<u>\$1,035,312</u>	<u>\$ 874,976</u>	<u>\$1,085,354</u>	<u>\$ 1,123,502</u>	<u>\$ 902,502</u>	<u>\$ 891,252</u>	<u>\$ 843,570</u>
All other governmental funds:										
Reserved	\$ 4,074,939	\$ 440,273	\$ 12,832	\$ 12,977						
Unreserved, reported in:										
Special revenue fund	(571)	(571)	(571)							
Capital projects fund	503,475	209,388	71,371	51,868	\$ 19,739	\$ 19,739			\$ 405,409	\$ 417,965
Debt service fund	1									30,671
Total all other governmental funds	<u>\$ 4,577,844</u>	<u>\$ 649,090</u>	<u>\$ 83,632</u>	<u>\$ 64,845</u>	<u>\$ 19,739</u>	<u>\$ 19,739</u>			<u>\$ 405,409</u>	<u>\$ 448,636</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Tax levy	\$ 3,059,640	\$ 3,299,639	\$ 3,555,660	\$ 3,577,080	\$ 3,597,120	\$ 3,591,120	\$ 3,585,120	\$ 3,644,400	\$ 3,807,725	\$ 3,870,742
Tuition charges	3,500	9,043				29,339	24,413			
Transportation charges						10,310				
Interest earnings	180,222	133,248	47,753	21,951	12,961	24,696	26,709	26,882	21,590	22,315
Miscellaneous	10,112	12,712	5,246	9,060	28,312	48,452	16,269	7,541	215	55,855
State sources	3,407,702	3,586,579	3,738,992	4,053,095	3,380,675	3,984,775	4,182,543	4,365,143	4,456,919	4,491,334
Federal sources	211,591	215,978	204,611	214,194	870,321	292,605	343,586	213,576	192,382	175,254
Total revenue	6,872,767	7,257,199	7,552,262	7,875,380	7,889,389	7,981,297	8,178,640	8,257,542	8,478,831	8,615,500
EXPENDITURES:										
Instruction:										
Regular	1,559,453	1,730,168	1,811,585	1,795,306	1,899,191	1,871,789	1,842,686	1,978,639	1,822,096	1,781,326
Special	392,688	406,805	434,569	498,080	505,933	505,419	469,652	504,481	515,239	467,230
Other	56,655	67,357	76,533	97,300	105,590	85,507	103,799	162,795	168,810	158,273
School sponsored/other instructional	20,356	23,611	25,081	25,375	28,881	30,701	29,050	30,215	31,489	31,165
Undistributed:										
Instruction	1,663,464	1,922,803	2,137,256	2,320,865	2,312,767	2,017,170	2,243,878	2,128,907	2,017,963	2,447,056
Student & instruction related services	500,714	497,917	485,001	443,363	468,803	446,319	471,113	511,651	504,948	511,347
General administration	151,818	150,683	158,970	170,663	167,452	165,785	186,763	189,632	169,053	197,087
School administration	113,540	127,122	129,579	135,779	141,901	146,887	146,637	138,547	132,617	135,032
Central administration	127,896	136,316	129,921	144,287	147,320	150,023	156,029	158,738	163,830	173,268
Administration information technology	2,613	906	328	1,680	2,215	599	242	588	2,378	1,697
Plant operations & maintenance	294,959	395,998	427,275	426,058	400,333	427,836	401,103	402,373	458,065	419,231
Student transportation	337,093	353,230	366,434	350,322	344,806	336,347	381,786	421,885	410,698	446,350
Unallocated benefits	1,068,713	1,287,748	1,294,829	1,225,247	1,239,243	1,289,557	1,395,945	1,600,754	1,326,186	1,471,737
Capital outlay	1,212,792	3,935,324	565,458	19,358	48,756	51,079	52,169	39,733	67,860	112,087
Debt service expenditures										
Principal	100,000	100,000	125,000	125,000	150,000	150,000	150,000	150,000	185,000	185,000
Interest	139,640	135,640	131,640	126,640	121,640	115,640	109,640	103,640	97,640	69,244
Total expenditures	7,742,394	11,271,628	8,299,459	7,905,323	8,084,831	7,790,658	8,140,492	8,522,578	8,073,872	8,607,130
Excess (deficiency of revenues over (under) expenditures	(869,627)	(4,014,429)	(747,197)	(29,943)	(195,442)	190,639	38,148	(265,036)	404,959	8,370
Other financing sources (uses)										
Refund of bond issuance costs										9,675
Transfers from internal service fund				60,817				56,536		
Transfers out - food service fund		(8,500)	(12,000)		(10,000)			(12,500)	(10,800)	(22,500)
Total other financing sources (uses)		(8,500)	(12,000)	60,817	(10,000)			44,036	(10,800)	(12,825)
Net change in fund balance	\$ (869,627)	\$ (4,022,929)	\$ (759,197)	\$ 30,874	\$ (205,442)	\$ 190,639	\$ 38,148	\$ (221,000)	\$ 394,159	\$ (4,455)
Debt service as a percentage of noncapital expenditures	3.67%	3.21%	3.32%	3.19%	3.38%	3.43%	3.21%	2.99%	3.53%	2.99%

ALLOWAY TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	DuPont Grant	Donations	Miscellaneous	Refunds	Other Local Grant	Rentals	Annual Totals
2006			\$ 1,663	\$ 8,137	\$ 312		\$ 10,112
2007			1,159	11,553			12,712
2008		\$ 500	2,352	1,544	330	\$ 520	5,246
2009	\$ 1,529		5,237	2,294			9,060
2010			534	7,779		16,000	24,313
2011			5,429	20,947		16,000	42,376
2012			6,132	5,867			11,999
2013			260	3,159			3,419
2014			215				215
2015			1,747	49,536			51,283
	<u>\$ 1,529</u>	<u>\$ 500</u>	<u>\$ 24,728</u>	<u>\$ 110,816</u>	<u>\$ 642</u>	<u>\$ 32,520</u>	<u>\$ 170,735</u>

Source: District records

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2006	\$ 6,734,600	\$ 136,784,700	\$ 33,134,600	\$ 4,978,700	\$ 9,277,900	0	0	\$ 190,910,500	\$ 535,017	\$ 191,445,517	\$ 247,571,965	1.724
2007	8,072,100	141,414,500	33,316,400	4,910,700	9,287,900	0	0	197,001,600	524,684	197,526,284	271,981,176	1.801
2008	8,050,700	142,951,300	33,825,300	4,815,800	8,107,900	0	0	197,751,000	538,700	198,289,700	282,723,774	1.803
2009	7,355,300	148,666,100	33,703,600	5,855,800	5,878,700	0	0	201,459,500	562,108	202,021,608	304,743,165	1.781
2010	12,314,300	209,234,800	44,541,200	6,405,000	15,496,600	0	0	287,991,900	841,247	288,833,147	344,735,336	1.243
2011	12,231,900	208,335,300	44,590,500	5,992,900	15,191,000	0	0	286,341,600	614,413	286,956,013	308,742,510	1.250
2012	10,955,100	207,289,200	44,768,800	5,826,100	15,384,500	0	0	284,223,700	627,629	284,851,329	290,561,112	1.280
2013	10,219,000	207,215,300	45,486,900	5,872,700	16,141,800	0	0	284,935,700	569,261	285,504,961	282,175,294	1.334
2014	9,975,700	206,966,300	45,870,600	6,047,000	11,919,200	0	0	280,778,800	414,575	281,193,375	289,929,202	1.377
2015	8,489,100	207,582,200	45,833,000	6,009,900	11,604,300	0	0	279,518,500	406,893	279,925,393	296,158,778	1.410

Source: Tax Assessor

n/a = Not available at time of completion of CAFR

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Per \$100 of Assessed Valuation
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
				Township of Alloway	Township Open Space	Salem County	
2006	1.589	0.135	1.724	0.160	0.003	1.270	3.157
2007	1.672	0.129	1.801	0.179	0.020	1.293	3.293
2008	1.673	0.130	1.803	0.192	0.020	1.322	3.337
2009	1.656	0.125	1.781	0.214	0.019	1.339	3.353
2010	1.149	0.094	1.243	0.180	0.019	1.060	2.502
2011	1.158	0.092	1.250	0.190	0.002	0.961	2.403
2012	1.187	0.093	1.280	0.181	0.010	0.959	2.430
2013	1.241	0.093	1.334	0.186	0.005	0.954	2.479
2014	1.275	0.102	1.377	0.225	0.005	0.985	2.592
2015	1.310	0.100	1.410	0.244	0.005	1.059	2.718

Source: Municipal Tax Collector

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current and Nine Years Ago
Unaudited

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
T/P Campground Inc.	\$ 3,000,000	1.07%		
Angelo Massari, Inc.	2,521,500	0.90%	\$ 2,622,500	1.37%
Ayra Golf Properties			2,115,100	1.10%
Taxpayer #1	835,200	0.30%		
Tall Pines Campground Inc.			788,600	0.41%
Taxpayer #2	751,900	0.27%		
Taxpayer #3	723,900	0.26%		
Taxpayer #4			723,600	0.38%
Fulton Bank (The Bank)	703,000	0.25%		
Taxpayer #5			652,700	0.34%
Taxpayer #6	645,000	0.23%		
Heritage-Cobb Mill Estates LP	636,600	0.23%	1,487,200	0.78%
Taxpayer #7			614,200	0.32%
Taxpayer #8	598,300	0.21%		
Taxpayer #9	596,000	0.21%		
Taxpayer #10			560,100	0.29%
Taxpayer #11			541,000	0.28%
Taxpayer #12			535,017	0.28%
	<u>\$ 8,011,400</u>	<u>1.66%</u>	<u>\$ 10,640,017</u>	<u>5.56%</u>

Source: Municipal Tax Assessor

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2006	\$ 3,059,640	\$ 3,059,640	100.00%	
2007	3,299,639	3,299,639	100.00%	
2008	3,555,660	3,555,660	100.00%	
2009	3,577,080	3,577,080	100.00%	
2010	3,597,120	3,597,120	100.00%	
2011	3,591,120	3,591,120	100.00%	
2012	3,585,120	3,585,120	100.00%	
2013	3,644,400	3,644,400	100.00%	
2014	3,807,725	3,807,725	100.00%	
2015	3,870,742	3,870,742	100.00%	

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities Capital Leases	Total District	Percentage of Personal Income
	General Obligation Bonds	Certificate of Participation	Capital Leases	Bond Anticipation Notes			
2006	3,316,000					\$ 3,316,000	3.37%
2007	3,216,000					3,216,000	3.14%
2008	3,091,000					3,091,000	2.87%
2009	2,966,000					2,966,000	2.60%
2010	2,816,000					2,816,000	2.32%
2011	2,666,000					2,666,000	1.97%
2012	2,516,000					2,516,000	1.82%
2013	2,366,000					2,366,000	1.66%
2014	2,181,000					2,181,000	1.50%
2015	2,075,000					2,075,000	n/a

Note: Not available at the time of CAFR completion.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions			
2006	\$ 3,316,000		\$ 3,316,000	1.74%	1,122
2007	3,216,000		3,216,000	1.63%	1,061
2008	3,091,000		3,091,000	1.56%	1,021
2009	2,966,000		2,966,000	1.47%	967
2010	2,816,000		2,816,000	0.98%	912
2011	2,666,000		2,666,000	0.93%	770
2012	2,516,000		2,516,000	0.89%	725
2013	2,366,000		2,366,000	0.83%	683
2014	2,181,000		2,181,000	0.78%	636
2015	2,075,000		2,075,000	0.74%	607

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2014
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Alloway	\$ 5,017,148	100%	\$ 5,017,148
Salem County General Obligation Debt (5.43%)	40,278,964	5.43%	2,187,309
Subtotal, overlapping debt			7,204,458
Township of Alloway School District			2,075,000
Total direct and overlapping debt			<u>\$ 9,279,458</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Salem County Board of Taxation. Debt outstanding provided by each government unit.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

	Year	Equalized Valuation Basis								
	2014	\$295,930,438								
	2013	292,631,919								
	2012	279,692,679								
		<u>\$868,255,036</u>								
Average equalized valuation of taxable property		\$289,418,345								
Debt limit (3% of average equalized value)		8,682,550								
Total net debt applicable to limit		<u>2,075,000</u>								
Legal debt margin		<u>\$ 6,607,550</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	\$ 6,326,222	\$ 7,025,033	\$ 7,825,818	\$ 8,391,972	\$ 9,162,104	\$ 9,448,068	\$ 9,382,275	\$ 8,789,910	\$ 8,631,153	\$ 8,682,550
Total net debt applicable to limit	<u>3,316,000</u>	<u>3,216,000</u>	<u>3,091,000</u>	<u>2,966,000</u>	<u>2,816,000</u>	<u>2,666,000</u>	<u>2,516,000</u>	<u>2,366,000</u>	<u>2,181,000</u>	<u>2,075,000</u>
Legal debt margin	<u>\$ 3,010,222</u>	<u>\$ 3,809,033</u>	<u>\$ 4,734,818</u>	<u>\$ 5,425,972</u>	<u>\$ 6,346,104</u>	<u>\$ 6,782,068</u>	<u>\$ 6,866,275</u>	<u>\$ 6,423,910</u>	<u>\$ 6,450,153</u>	<u>\$ 6,607,550</u>
Total net debt applicable to the limit as a percentage of debt limit	52.42%	45.78%	39.50%	35.34%	30.74%	28.22%	26.82%	26.92%	25.27%	23.90%

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2006	2,956	\$ 98,440,712	\$ 33,302	5.40%
2007	3,030	102,486,720	33,824	4.90%
2008	3,028	107,515,196	35,507	6.30%
2009	3,067	113,963,586	37,158	11.60%
2010	3,089	121,255,606	39,254	12.30%
2011	3,463	135,534,894	39,138	11.60%
2012	3,468	138,335,052	39,889	11.90%
2013	3,462	142,606,704	41,192	5.90%
2014	3,431	145,302,850	42,350	8.20%
2015	3,418	n/a	n/a	n/a

Source: State of New Jersey, Department of Labor and Workforce Development.

n/a = Not available at time of completion of CAFR

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current and Nine Years Ago
Unaudited

Employer	2015		2006	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Ranch Hope	145	9.06%		
Alloway Township Board of Education	70	4.38%		
B.R. Williams	215	13.44%		
Alloway Township	28	1.75%		
Edgar Joyce Nursery	19	1.19%		
	<u>477</u>	<u>29.81%</u>	<u>n/a</u>	<u>0.00%</u>

Source: Alloway School District

n/a - Not available

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	29.0	35.0	36.0	36.0	36.0	35.0	34.0	32.0	32.0	30.0
Special education	5.0	8.0	8.5	8.5	9.0	8.0	7.4	13.0	11.0	12.0
Support services:										
Student & instruction related services	5.5	6.5	6.4	5.7	6.5	5.5	3.8	2.5	2.5	4.0
General administration	0.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
School administration	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Business administrative services	0.8	2.5	2.5	2.5	2.5	2.5	2.5	1.5	2.0	2.0
Plants operations and maintenance	3.5	5.2	5.5	5.6	5.6	5.5	5.2	5.0	4.1	4.1
Food service	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0	3.5	3.5
Child care	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.5	3.5
Total	<u>55</u>	<u>69</u>	<u>71</u>	<u>70</u>	<u>71</u>	<u>68.0</u>	<u>64.4</u>	<u>65.5</u>	<u>62.1</u>	<u>62.6</u>

Source: District personnel records and budget book.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2006	489	\$ 6,289,962	12,863	13.00%	34.0	1:16	492.3	470.6	0.82%	95.59%
2007	482	7,100,664	14,732	14.53%	34.9	1:14	480.7	460.2	-2.36%	95.74%
2008	481	7,477,361	15,545	5.52%	34.0	1:14	479.5	460.8	-0.25%	96.10%
2009	666	7,634,325	11,463	-26.26%	35.0	1:13	460.7	441.9	-3.92%	95.92%
2010	646 *	7,764,435	12,019	4.85%	36.0	1:13	462.3	442.4	0.35%	95.70%
2011	618 *	7,473,939	12,094	0.62%	35.0	1:12	431.0	412.9	-6.77%	95.80%
2012	603 *	7,828,683	12,983	7.35%	34.0	1:12	419.0	401.5	-2.78%	95.82%
2013	586 *	8,229,205	14,043	8.17%	36.0	1:11	401.9	384.8	-4.08%	95.75%
2014	532 *	7,723,372	14,518	3.38%	34.0	1:11	388.9	372.5	-3.23%	95.78%
2015	504 *	8,240,799	16,351	12.63%	35.5	1:11	376.9	358.1	-3.08%	95.02%

Source: District records, ASSA and schedules J-4, J-12, J-14.

* Enrollment includes Woodstown High School enrollment

Note: Enrollment based on annual October district count.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

Elementary	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Alloway Elementary										
Square feet	38,393	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760
Capacity (students)	500	629	629	629	629	629	629	629	629	629
Enrollment	489	482	481	466	461	430	419	401	384	376

Number of schools at June 30, 2015

Elementary = 1

Source: District office

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 For the Fiscal Year Ended June 30, 2015
 Unaudited

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

* School Facilities	Gross Square Footage	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Alloway School	55,760	<u>\$ 19,770</u>	<u>\$ 57,975</u>	<u>\$ 47,777</u>	<u>\$ 80,219</u>	<u>\$ 49,900</u>	<u>\$ 51,747</u>	<u>\$ 57,585</u>	<u>\$54,877</u>	<u>\$ 87,505</u>	<u>\$ 72,823</u>	<u>\$ 580,178</u>

* School facilities as defined under EFCA.
 (NJAC 6A:26-1.2 and NJAC 6:24-1.3)

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2015
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School package policy - NJ School Board Association Insurance Group		
Property - blanket buildings & contents	\$ 14,864,978	\$ 5,000
Electronic data processing	150,000	1,000
Equipment breakdown		
Combined single limit	100,000	5,000
Crime		
Employee blanket bond/per employee	100,000	1,000
Employee blanket bond/theft, disappearance & destruction	25,000	500
Employee blanket bond/theft, disappearance money orders	25,000	500
Employee blanket bond/forgery per occurrence	100,000	1,000
Employee blanket bond/computer per occurrence	100,000	500
General liability		
Bodily injury & property damage	6,000,000	None
Bodily injury products and completed operations	6,000,000	None
Sexual abuse	6,000,000	None
Personal and advertising injury	6,000,000	None
Employee benefits liability	6,000,000	1,000
Premises medical payments	10,000	None
Terrorism	1,000,000	None
Commercial automobile liability		
Bodily injury & property damage	6,000,000	None
Errors & omissions liability policy		
Coverage A	2,000,000	5,000
Coverage B	100,000	5,000
Workmen's compensation - NJ School Board Association Insurance Group		
Bodily injury - by accident	2,000,000	None
Bodily injury - by disease	2,000,000	None
Bodily injury - by employee	2,000,000	None
Student accident - Markel Insurance Company		
Accidental death and dismemberment	10,000	
Accident medical expense benefit	100%	
Public employees' faithful performance bonds -		
Ohio Casualty Insurance Company		
Employee bond - Rebecca S. Joyce, Business Administrator/Board Secretary	200,000	None

Source: District records

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

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Deanna L. Roller, CPA, RMA

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

The Honorable President and
Members of the Board of Education
Alloway Township School District
43 Cedar Street
Alloway, New Jersey 08001

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alloway Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Alloway Township School District's basic financial statements, and have issued our report thereon dated November 20, 2015.

Internal Control over Financial Reporting

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

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

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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies 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 Alloway Township School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 20, 2015

PETRONI & ASSOCIATES LLC

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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB'S CIRCULARS 04-04 AND/OR 15-08

Independent Auditor's Report

The Honorable President and Members
of the Board of Education
Alloway Township School District
43 Cedar Street
Alloway, New Jersey 08001

Report on Compliance for Each Major State Program

We have audited the Alloway Township School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Alloway Township School District's major state programs for the year ended June 30, 2015. The Alloway Township School District'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 federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Alloway Township School District'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; and OMB Circular A-133, and the *New Jersey State Aid/Grant Compliance Supplement, Audits of States, Local Governments, and Non-Profit Organizations* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and/or 15-08, 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 Alloway Township School District'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 Alloway Township School District's compliance.

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of the Alloway Township School District 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 Alloway Township School District'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 OMB Circular A-133, and New Jersey OMB's Circulars 04-04 and/or 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 Alloway Township School District's internal control over compliance.

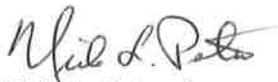
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards and State Financial Assistance
Required by New Jersey OMB'S 04-04 and/or 15-08**

We have audited the financial statements Alloway Township School District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 20, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08 and are not a required part of the 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 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 financial statements or to the 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 expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 20, 2015

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of prior Years' Balances	Balance at June 30, 2015			Memo Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A	84.010A	NCLB006015	\$ 34,019	07/1/14-	06/30/15			\$ 34,019	\$ (34,019)						\$ 34,019
Title II-A - Teacher & Principal Training	84.367	NCLB006015	17,956	07/1/14-	06/30/15			17,956	(17,956)						17,956
I.D.E.A. Part B, Basic Regular	84.027A	IDEA006015	97,794	07/1/14-	06/30/15			97,794	(97,794)						97,794
I.D.E.A. Part B, Basic Regular	84.027A	IDEA006014	114,782	07/1/13-	06/30/14	\$ (30,209)		30,209							114,782
I.D.E.A. Part B, Preschool	84.173	IDEA006015	3,521	07/1/14-	06/30/15			3,521	(3,521)						3,521
Rural Education Achievement Program	84.358	S358A141526	21,964	07/1/14-	09/30/15			21,964	(21,964)						21,964
Total Special Revenue Fund						(30,209)		205,463	(175,254)						290,036
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	n/a	7,560	07/1/14-	06/30/15			7,560	(6,397)			\$ 1,163			6,397
Food Distribution Program	10.550	n/a	10,657	07/1/13-	06/30/14	1,169			(1,169)						10,657
National School Lunch Program	10.555	n/a	30,289	07/1/14-	06/30/15			28,355	(30,289)			\$ (1,934)			30,289
National School Lunch Program	10.555	n/a	33,988	07/1/13-	06/30/14	(2,228)		2,228							33,988
Special Milk Program for Children	10.556	n/a	214	07/1/14-	06/30/15			198	(214)			(16)			214
Special Milk Program for Children	10.556	n/a	163	07/1/13-	06/30/14	(11)		11							163
Total Enterprise Fund						(1,070)		38,352	(38,069)			(1,950)	1,163		81,331
Total Federal Financial Awards						\$ (31,279)		\$ 243,815	\$ (213,323)			\$ (1,950)	\$ 1,163		\$ 371,367

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014				Budgetary Expenditures	Adjustment/ Repayment of Prior Year's Balance	Balance at June 30, 2015			Memo	
			From	To	Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received			(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid Public:															
Equalization Aid	15-495-034-5120-078	\$ 3,016,688	07/1/14	06/30/15					\$ 3,016,688	\$ (3,016,688)				\$ 282,159	\$ 3,016,688
Adjustment Aid	15-495-034-5120-085	29,304	07/1/14	06/30/15				29,304	(29,304)					2,741	29,304
Special Education Aid	15-495-034-5120-089	324,976	07/1/14	06/30/15				324,976	(324,976)					30,396	324,976
Security Aid	15-495-034-5120-084	44,007	07/1/14	06/30/15				44,007	(44,007)					4,116	44,007
Under Adequacy Aid	15-495-034-5120-096	3,706	07/1/14	06/30/15				3,706	(3,706)					347	3,706
PARCC Readiness Aid	15-495-034-5120-098	5,170	07/1/14	06/30/15				5,170	(5,170)					484	5,170
Per Pupil Growth Aid	15-495-034-5120-097	5,170	07/1/14	06/30/15				5,170	(5,170)					484	5,170
Transportation Aid	15-495-034-5120-014	290,690	07/1/14	06/30/15				290,690	(290,690)					27,189	290,690
Extraordinary Aid	15-100-034-5120-473	52,817	07/1/14	06/30/15					(52,817)		\$ (52,817)				52,817
Extraordinary Aid	14-100-034-5120-473	66,721	07/1/13	06/30/14	\$ (66,032)			66,721	(689)						66,721
Nonpublic Transportation Costs	n/a	2,712	07/1/14	06/30/15					(2,712)			(2,712)			2,712
Nonpublic Transportation Costs	n/a	2,995	07/1/13	06/30/14	(2,995)			2,995							2,995
Reimbursed TPAF Social Security Contributions	15-100-034-5094-003	204,800	07/1/14	06/30/15				194,893	(204,800)			(9,907)			204,800
Reimbursed TPAF Social Security Contributions	14-100-034-5095-002	214,586	07/1/13	06/30/14	(10,240)			10,240							214,586
On-Behalf TPAF Post Retirement Contribution	15-100-034-5094-001	259,079	07/1/14	06/30/15				259,079	(259,079)						259,079
On-Behalf TPAF Pension Contribution	15-100-034-5094-006	163,198	07/1/14	06/30/15				163,198	(163,198)						163,198
Total General Fund					(79,267)			4,416,837	(4,403,006)			(65,436)		347,916	4,686,619
State Department of Education															
Special Revenue Fund:															
NJ Nonpublic Aid:															
Auxiliary Services															
Transportation	14-100-034-5120-068	167	07/1/13	06/30/14			\$ 167				\$ (167)				
Handicapped Services (Chapter 193)															
Examination and Classification	14-100-034-5120-066	638	07/1/13	06/30/14			638				(638)				
Supplemental Instruction	14-100-034-5120-066	694	07/1/13	06/30/14			694				(694)				
Corrective Speech	14-100-034-5120-066	781	07/1/13	06/30/14			781				(781)				
Total Special Revenue Fund							2,280				(2,280)				
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	1,238	07/1/14	06/30/15				1,122	(1,238)			(116)			1,238
National School Lunch Program (State Share)	14-100-010-3350-023	1,409	07/1/13	06/30/14	(167)			167							1,409
Total Enterprise Fund					(167)			1,289	(1,238)			(116)			2,647
Total State Financial Assistance					\$ (77,154)	\$ 2,280		\$ 4,418,126	\$ (4,404,244)	\$ (2,280)	\$ (65,552)		\$ 347,916	\$ 4,689,266	

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Alloway Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state 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 of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, New Jersey Circulars 04-04 and/or 15-08, *Audits of States, Local Governments, and Non-Profit Organizations* and the *New Jersey State Aid/Grant Compliance Supplement*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes one or more June state aid payments in the current budget year, consistent with NJSA 18A:22-44-.2.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$58,955 for the General Fund and \$0 for the Special Revenue Fund. See Note 1 (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 basic financial statements on a GAAP basis as presented (See Exhibit B-2 and B-5):

	Federal	State	Total
General fund		\$ 4,461,961	\$ 4,461,961
Special revenue fund	\$ 175,254		175,254
Capital projects fund		29,373	29,373
Food service fund	38,063	1,238	39,301
Total financial assistance	<u>\$ 213,317</u>	<u>\$ 4,492,572</u>	<u>\$ 4,705,889</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2015, Alloway Township School District has food commodities totaling \$1,163 in inventory.

NOTE 6: OTHER

The amount reported as TPAF Pension Contributions of \$422,277 represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions of \$204,800 represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? Yes No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to basic financial statements noted? Yes No

Federal Awards

N/A

Internal control over major programs:

- 1. Material weakness(es) identified? Yes No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
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Dollar threshold used to distinguish between type A and type B programs: \$_____

Auditee qualified as low-risk auditee? Yes No

ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor’s Results

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

Internal control over major programs:

1. Material weakness(es) identified? Yes X No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circulars 04-04 and/or 15-08? Yes X No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
100-034-5094-003	TPAF Social Security

Section II – Financial Statement Findings

None

Section III – State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

N/A

STATE AWARDS

None

ALLOWAY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

No matters were reported.