

**Lower Alloways Creek Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT

SALEM, NEW JERSEY 08079

**Lower Alloways Creek School Board of Education
Salem, New Jersey 08079**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Lower Alloways Creek School Board of Education
Salem, New Jersey 08079**

For the Fiscal Year Ended June 30, 2020

Prepared by:

**Lower Alloways Creek School
Board of Education Administration**

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INTRODUCTORY SECTION

Lower Alloways Creek School Board of Education



967 Main Street – Canton
Salem, NJ 08079

Telephone: (856) 935-6984
Fax: (856) 935-1955

December 15, 2020

Honorable President and
Members of the Board of Education
Lower Alloways Creek Township School District
967 Main Street - Canton
Salem, New Jersey 08079

Dear Board Members:

The comprehensive annual financial report of the Lower Alloways Creek Township School District for the fiscal year ending June 30, 2020, 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 Lower Alloways Creek 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 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and/or the reporting requirements under NJ OMB's Circular Letter 15-08, "Audits of State and Local Governments," and "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 District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Board constitutes the District's reporting entity.

The District provides a full range of education services appropriate to grade levels Pre-K through 8. Other classes include regular, remedial, and special education for students who require that accommodation. Our students in grades 9-12 are sent to Salem High School in a sending/receiving relationship. Students may also choose to attend academies that are housed in several Salem County high school districts, including the Salem County Vo-Tech. There was a decrease from the previous year's District Average Daily Enrollment. The District completed the 2019-2020 fiscal year with an enrollment of 163.

2) ECONOMIC CONDITIONS AND OUTLOOK

The most recent data available, the 2010 U.S. Census, reveals a population decrease in the Township.

<u>Year</u>	<u>Population</u>
1970	1,400
1980	1,547
1990	1,858
2000	1,851
2010	1,770

3) MAJOR INITIATIVES

The Lower Alloways Creek Township School District is continuing ensure that each child will experience optimal academic, social, emotional, and physical success through a challenging and progressive learner-active educational program in a technology-infused, safe, and healthy learning environment. Once again, students will be partaking in the NJSLA test in grades 3-8 for ELA and mathematics and students in grades 5 and 8 will take the NJSLA for science to be compliant with the NCLB mandates.

If needed, academic support and remediation is provided on an individual and small group basis to students based on the following criteria:

- Those individual State mandated test results (NJSLA).
- Analysis of student performance in school via report cards, benchmark goals, reading inventory, MAP Testing, and progress reports during the four marking periods.
- Recognized individual student needs via the individual education plan (IEP), 504 Accommodation Plans, and IR&S Team.

The District continues to expose students to a varied amount of character education themes. Students are recommended for outstanding recognition as students of the month and each month students are invited to the local board meeting to receive a certificate of recognition. Additionally, a school-wide theme of Kindness Rocks was implemented. Students are recognized for their kind deeds and respectful nature.

The District circulates around excellence in the academics, athletics, and arts. Students are given instruction in ELA, Math, Science, and Social Studies (the core content areas) but are also given "specials" consisting of Spanish, Library/Computer Studies, Music, Art, Health, and Physical Education. Additionally, the students participate in an Enrichment program which

3) MAJOR INITIATIVES (CONTINUED)

focuses on the students' interests as well as groups them according to ability so that they are working with peers at their level. This program allows for a gifted and talented aspect as well as intervention services.

The student's educational program is enhanced with a variety of educational field trips and programming provided for all students through the LAC Parent Teacher Organization.

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 and the Special Revenue 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 position.

7) DEBT ADMINISTRATION

The School District has no outstanding debt.

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

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, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*, and New Jersey OMB's Circular Letter 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 Lower Alloways Creek School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

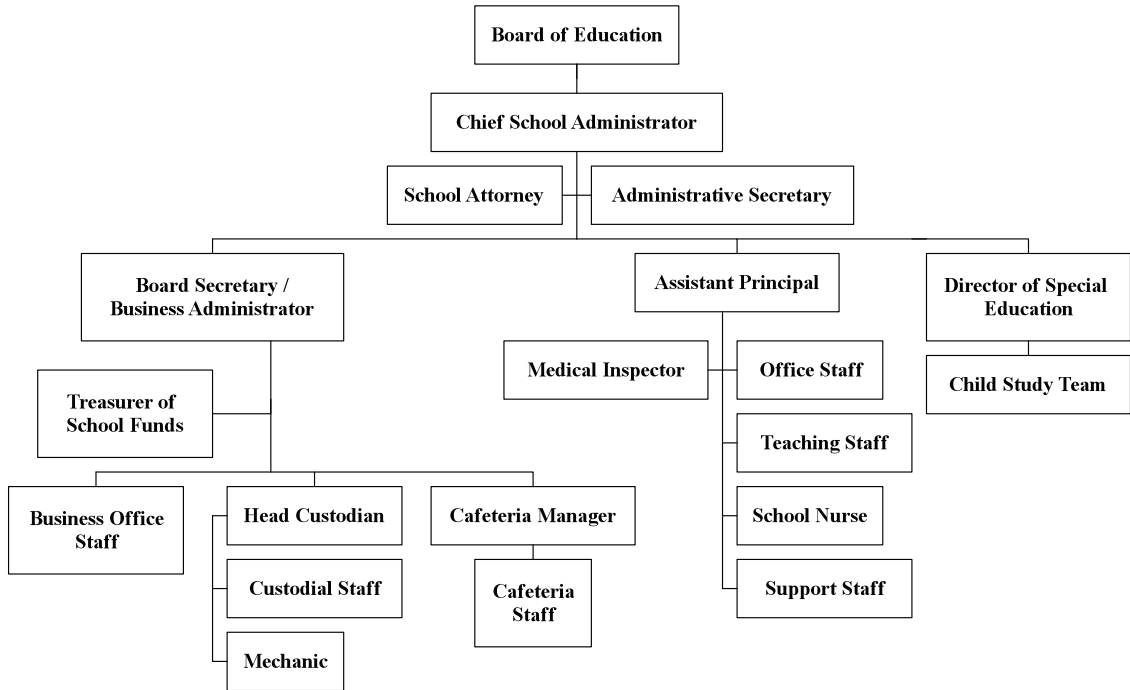
Susan Schaffer

Susan Schaffer, Chief School Administrator

Shannon N. DuBois-Brody

Shannon N. DuBois-Brody, Business
Administrator/Board Secretary

**Lower Alloways Creek Township Board of Education
Organization Chart**



**LOWER ALLOWAYS CREEK SCHOOL BOARD OF EDUCATION
SALEM, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2020

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Walter Sheets, President	2021
Robert Hill, Vice President	2020
Laura Tice Crane	2021
Gail B. Donelson	2021
Jenni Eber	2022
Jamie Ecret	2020
Tammy Murphy	2022

OTHER OFFICIALS

Susan Schaffer, Chief School Administrator

Shannon N. DuBois-Brody, Business Administrator/Board Secretary

Lauren Granate, Alternate Board Secretary

**LOWER ALLOWAYS CREEK SCHOOL BOARD OF EDUCATION
SALEM, NEW JERSEY**

CONSULTANTS AND ADVISORS

AUDIT FIRM

Nick L. Petroni, CPA, RMA
Petroni & Associates LLC
Certified Public Accountants
102 West High Street, Suite100
P.O. Box 279
Glassboro, NJ 08028

ATTORNEY

Robert A. Muccilli
Capehart Scatchard, PA
8000 Midlantic Drive, Suite 300S
P.O. Box 5016
Mount Laurel, NJ 08054

OFFICIAL DEPOSITORY

Fulton Bank of New Jersey
1 South Main Street
Woodstown, NJ 08098

INSURANCE AGENCY

Conner Strong
P.O. Box 358
Bridgeton, NJ 08302

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
Lower Alloways Creek Township School District
967 Main Street - Canton
Salem, New Jersey 08079

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 Lower Alloways Creek Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2020, 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, Lower Alloways Creek, New Jersey, as of June 30, 2020, 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 Lower Alloways Creek 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*, (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB's Circular 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, schedules of expenditures of Federal and State Awards, is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic

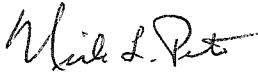
financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles*, (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB's Circular 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 December 15, 2020, on our consideration of the Lower Alloways Creek 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 Lower Alloways Creek 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
Glassboro, New Jersey

December 15, 2020

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2020
Unaudited

This section of the Lower Alloways Creek 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, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements.

Overview of the Financial Statements

The Comprehensive Annual Financial Report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

Key financial highlights for 2019-2020 are as follows:

- Governmental general revenues accounted for \$4,687,813 in revenue or 97.4% percent of all revenues. Program specific revenues in the form of charges for services of \$124,822 or 2.6% percent to total revenues of \$4,812,635 (See Exhibit A-2).
- Total net position of Governmental Activities decreased by \$78,585 comprised of changes in cash and cash equivalents, receivables, inventory, and capital assets. The net position of the Business-type Activities increased by \$3,775 (See Exhibit A-2).
- The School District had \$4,983,552 in expenses, of which only \$213,929 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily federal awards, state aid, and property taxes) of \$4,694,813 were adequate to provide for these programs. These revenues and expenses include the Business-type Activities (See Exhibit A-2).
- The Governmental Funds had \$4,804,095 in revenues and \$4,743,351 in expenditures. The General Fund's balance increased \$53,744 over FY 2019 net change in fund balance (See Exhibit B-2).

District-wide Financial Statements – Reporting the School District as a Whole

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.

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2020
Unaudited

District-wide Financial Statements – Reporting the School District as a Whole (Continued)

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 and Latchkey Programs are reported as Business-type Activities.

Reporting the School District's Most Significant Funds

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.
- **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 flows.

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2020
Unaudited

Fund Financial Statements (Continued)

- **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 does have an Internal Service Fund.
- **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.

Financial Analysis of the District as a Whole

Table 1 provides a comparative summary of the School District's net position for the fiscal years ended in 2020 and 2019.

Net Position: The District's combined net position is \$3,035,126 on June 30, 2020. Approximately .93% of the total net position are from Business-type Activities, while the balance of the total net position of 99.07% is attributable to Governmental Activities.

Table 1

	Net Position (See Exhibit A-1)					
	FY 2020		FY 2019		Total	
	Governmental	Business- Type	Governmental	Business- Type	FY 2020	FY 2019
Assets						
Current and other assets	\$ 1,496,596	\$ 22,780	\$ 1,419,716	\$ 15,983	\$ 1,519,376	\$ 1,435,699
Capital assets	2,244,315	7,680	2,403,842	8,498	2,251,995	2,412,340
Total assets	<u>3,740,911</u>	<u>30,460</u>	<u>3,823,558</u>	<u>\$ 24,481</u>	<u>3,771,371</u>	<u>3,848,039</u>
Deferred Outflows of Resources						
Deferred outflows related to pension	<u>33,691</u>		<u>26,709</u>		<u>33,691</u>	<u>26,709</u>
Liabilities						
Current liabilities	39,455	2,204	16,319		41,659	16,319
Noncurrent liabilities	68,863		60,900		60,900	60,900
Net pension liability	488,369		528,701		488,369	528,701
Total liabilities	<u>596,687</u>	<u>2,204</u>	<u>605,920</u>		<u>598,891</u>	<u>605,920</u>
Deferred Inflows of Resources						
Deferred inflows related to pension	<u>171,045</u>		<u>158,892</u>		<u>171,045</u>	<u>158,892</u>
	<u>171,045</u>		<u>158,892</u>		<u>171,045</u>	<u>158,892</u>
Net Position						
Invested in capital assets, net of related debt	2,244,315	7,680	2,403,842	\$ 8,498	2,251,995	2,412,340
Restricted	1,274,956		1,191,717		1,274,956	1,191,717
Unrestricted	(512,401)	20,576	(510,104)	15,983	(491,825)	(494,121)
Total net position	<u>\$ 3,006,870</u>	<u>\$ 28,256</u>	<u>\$ 3,085,455</u>	<u>\$ 24,481</u>	<u>\$ 3,035,126</u>	<u>\$ 3,109,936</u>

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2020
Unaudited

Changes in Net Position

Table 2 shows the Changes in Net Position from FY 2020 and 2019.

	Governmental	Business- Type	Governmental	Business- Type	Total	
					FY 2020	FY 2019
REVENUES:						
Program revenues:						
Charges for services		\$ 49,974		\$ 53,279	\$ 49,974	\$ 53,279
Operating and capital grants	\$ 124,822	39,133	\$ 138,609	34,684	163,955	173,293
General revenues:						
Property taxes	3,292,016		3,292,016		3,292,016	3,292,016
Grants and entitlements	1,299,117		1,753,760		1,299,117	1,753,760
Other	103,680		94,113		103,680	94,113
Total revenues	<u>4,819,635</u>	<u>89,107</u>	<u>5,278,498</u>	<u>87,963</u>	<u>4,908,742</u>	<u>5,366,461</u>
EXPENSES:						
Instruction - related	1,547,901		1,479,443		1,547,901	1,479,443
Student & instructional related services	1,361,279		1,310,659		1,361,279	1,310,659
General administration	115,485		124,802		115,485	124,802
School administration	51,000		62,368		51,000	62,368
Central services	97,273		88,674		97,273	88,674
Plant operations & maintenance	312,254		322,177		312,254	322,177
Pupil transportation	271,975		317,599		271,975	317,599
Employee benefits	969,127		1,328,885		969,127	1,328,885
Food service/childcare		92,332		88,629	92,332	88,629
Unallocated depreciation	163,668		185,954		163,668	185,954
Other	1,258		1,258		1,258	1,258
Total expenses	<u>4,891,220</u>	<u>92,332</u>	<u>5,221,819</u>	<u>88,629</u>	<u>4,983,552</u>	<u>5,310,448</u>
Transfers	<u>(7,000)</u>	<u>7,000</u>	<u>(4,000)</u>	<u>4,000</u>		
Increase (decrease) in net position	<u>\$ (78,585)</u>	<u>\$ 3,775</u>	<u>\$ 52,679</u>	<u>\$ 3,334</u>	<u>\$ (74,810)</u>	<u>\$ 56,013</u>

Governmental Activities

The District's total revenues are \$4,908,742 for the fiscal period ended June 30, 2020. The revenue breakout for all funds is as follows: Property taxes 67.1%; state formula aid 26.5%; state and federal aid for specific programs fees charged for services and miscellaneous resources was 6.4%.

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations only when the budget exceeds the State mandated CAP.

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Governmental Activities (Continued)

The total cost of services, as shown above, was \$4,970,167. The net costs of all Governmental programs and services was \$4,750,858. Instruction and instructional related services comprise 58.6% of the total District expenses.

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

Table 3

	Total Cost of Services		Net Cost of Services	
	FY 2020		FY 2019	
Instruction	\$ 1,547,901	\$ 1,501,470	\$ 1,479,443	\$ 1,420,662
Support services:				
Student & instruction	1,361,279	1,294,330	1,310,659	1,243,330
General administration	115,485	115,485	124,802	124,802
School administration	51,000	51,000	62,368	62,368
Central services	97,273	97,273	88,674	88,674
Operation and maintenance	312,254	312,254	322,177	322,177
Pupil transportation	271,975	271,975	317,599	317,599
Employee benefits	969,127	957,685	1,328,885	1,316,386
Capital outlay	1,258	1,258	1,258	1,258
Unallocated depreciation	163,668	163,668	185,954	185,954
	<u>\$ 4,891,220</u>	<u>\$ 4,766,398</u>	<u>\$ 5,221,819</u>	<u>\$ 5,083,210</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teachers and students, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching the students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) related to planning, research, development, and evaluation of support services, as well as the reporting of this information internally and to the public.

Extracurricular activities include instructional expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment, and skill improvement.

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

Operation and maintenance of facilities of activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Other includes Enterprise Fund expenditures and unallocated depreciation.

Lower Alloways Creek Township School District
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Business-type Activities

Revenues of the District's Business-type Activities (food and nutrition services) were comprised of charges for services and federal and state reimbursements.

- Business-type Activities revenues exceeded expenditures by \$3,775.
- Charges for services represent \$49,974 of revenue. This represents amounts paid by patrons.
- Federal and state reimbursements include payments for free & reduced lunches and donated commodities were \$39,133.

The School District's Funds

Information about the School District's Major Funds starts on (Exhibit B-1). These funds are accounted for using the modified accrual basis of accounting. All Governmental Funds implemented (i.e., General Fund, Special Revenue Fund, and Capital Projects Fund, presented in the fund-based statements) had total revenues of \$4,806,250 and expenditures of \$4,745,506 (Exhibit B-2). The net change in fund balance for the year was \$53,744. This demonstrates that the District was able to meet current operating costs with no urgent need for additional funds. The District was not required to maintain a Debt Service Fund in the 2019-2020 fiscal year.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the Governmental Funds for the fiscal year ended June 30, 2020, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2019	Percent of Increase (Decrease)
Local sources	\$ 3,397,696	70.72%	\$ 15,993	0.47%
State sources	1,283,577	26.72%	(117,673)	-8.40%
Federal sources	122,822	2.56%	(13,213)	-9.71%
	<u>\$ 4,804,095</u>	<u>100.00%</u>	<u>\$ (114,893)</u>	<u>-2.34%</u>

The following schedules present a summary of General Fund, Special Revenue Fund, and Capital Projects Fund expenditures for the fiscal year ended June 30, 2020, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	(Decrease) from 2019	Increase (Decrease)
Current expense:				
Instruction	\$ 1,541,600	32.50%	\$ 63,007	4.26%
Undistributed	3,196,352	67.39%	(35,325)	-1.09%
Capital outlay	5,399	0.11%	(5,868)	-52.08%
	<u>\$ 4,743,351</u>	<u>100.00%</u>	<u>\$ 21,814</u>	<u>0.44%</u>

The decrease in capital outlay is attributed to various projects in FY 2019.

Lower Alloways Creek Township School District
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General Fund Budgetary Highlights

The School District's Budget is prepared according to New Jersey Law and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the year, the School District amended its General Fund budget as needed. The School District uses program-based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

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

While the District's final budget for the General Fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show a change of \$75,705 as shown on Exhibit C-1. There was a transfer to Food Service Fund of \$7,000.

The District's final FY 2020 budget anticipated \$495,991 in fund balance; \$4,415 of prior year encumbrances, decreased by budgeted increase in capital reserve of \$50 for interest and \$200 for interest budgeted for maintenance reserve for this fiscal period.

Capital Assets

The Lower Alloways Creek Township School District investment in capital assets for its Governmental and Business-type Activities as of June 30, 2020, amounts to \$2,251,995 (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 6 to the financial statements).

Capital Assets (Net of Depreciation)

	FY 2020		FY 2019		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2020	FY 2019
Land	\$ 31,918		\$ 31,918		\$ 31,918	\$ 31,918
Site improvements	16,129		21,132		16,129	21,132
Buildings	2,004,358		2,127,629		2,004,358	2,127,629
Machinery & equipment	191,910	\$ 7,680	223,163	\$ 8,498	199,590	231,661
Total	\$ 2,244,315	\$ 7,680	\$ 2,403,842	\$ 8,498	\$ 2,251,995	\$ 2,412,340

Overall capital assets decreased by \$160,345 from fiscal year 2019, which is mainly attributed to depreciation. Depreciation expenses were \$163,668 for the fiscal year 2020 for Governmental Funds and \$818 for food service.

Long-Term Debt

Lower Alloways Creek Township School District has \$68,863 in compensated absences which is the only long-term debt as of June 30, 2020.

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2020
Unaudited

Factors Bearing on the District's Future

While Lower Alloways Creek Township is primarily a residential community, the funding of school operations is provided by industrial property owners.

The District anticipates an enrollment of 152 students for the 2020-2021 fiscal year.

In conclusion, the Lower Alloways Creek Township School District has committed itself to fiscal responsibility for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are function. The School District plans to continue its sound fiscal management to meet the requirements of the future, which entail matching revenues to meet expense requirements.

COVID-19 Pandemic

In March 2020, the World Health Organization characterized a novel strain of coronavirus, known as COVID-19, as a pandemic. Concerns related to the spread of COVID-19 and the related containment measures intended to mitigate its impact have created substantial disruption to the global economy. As part of our response to the COVID-19 pandemic, we are following business continuity processes led by our Administrative team. Our main priority is the health and safety of our students and staff. Our actions have been driven by government mandates and guidelines. In March 2020, schools were closed due to the coronavirus pandemic. Eventually, all New Jersey schools were closed for the balance of the school year and students completed their studies via remote online instruction. In preparation for the 2020-21 school year amidst the continuing pandemic, the NJ Department of Education provided school districts with guidance to prepare a restart and recovery plan. One of the requirements of this plan, per state guidance, is the provision of some degree of in-person instruction. A family opt-out provision allowing for full time remote instruction was later added to the guidance. In response, the District has developed its return to school plan for 2020-21. The plan requires the District to adequately provide reasonable accommodations for students and staff identified as being at a higher risk for severe illness from COVID-19. These accommodations will come mainly in the form of a full-virtual model for both teachers and students. The District will also rely heavily upon social distancing, mask wearing for students and staff, along with sanitation and cleaning procedures. The District expects the COVID-19 matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

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 Shannon N. DuBois-Brody, Business Administrator/Board Secretary, Lower Alloways Creek Township School District, 967 Main Street-Canton, Salem, NJ 08079.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business- type Activities	FY 2020
ASSETS			
Cash and cash equivalents	\$ 1,380,967	\$ 17,984	\$ 1,398,951
Receivables, net	222	3,862	4,084
Inventory		934	934
Restricted assets:			
Capital reserve account - cash	115,407		115,407
Capital assets:			
Non-depreciable assets	31,918		31,918
Assets net of depreciation	2,212,397	7,680	2,220,077
Total Assets	3,740,911	30,460	3,771,371
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	33,691		33,691
LIABILITIES			
Accounts payable	39,455		39,455
Deferred revenue		2,204	2,204
Noncurrent liabilities:			
Due beyond one year	68,863		68,863
Net pension liability	488,369		488,369
Total liabilities	596,687	2,204	598,891
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	171,045		171,045
	171,045		171,045
NET POSITION			
Invested in capital assets, net of related debt	2,244,315	7,680	2,251,995
Restricted for:			
Capital projects	115,407		115,407
Other purposes	1,159,549		1,159,549
Unrestricted	(512,401)	20,576	(491,825)
Total net position	\$ 3,006,870	\$ 28,256	\$ 3,035,126

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2020

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	\$ 1,147,269			\$ (1,147,269)		\$ (1,147,269)
Special education	351,602		\$ 46,431	(305,171)		(305,171)
Other special education	48,266			(48,266)		(48,266)
Other instruction	764			(764)		(764)
Support services:						
Student & instructional related services	1,361,279		66,949	(1,294,330)		(1,294,330)
General administration	115,485			(115,485)		(115,485)
School administrative services	51,000			(51,000)		(51,000)
Central services	97,273			(97,273)		(97,273)
Plant operations & maintenance	312,254			(312,254)		(312,254)
Pupil transportation	271,975			(271,975)		(271,975)
Employee benefits	969,127		11,442	(957,685)		(957,685)
Capital outlay	1,258			(1,258)		(1,258)
Unallocated depreciation	163,668			(163,668)		(163,668)
Total governmental activities	4,891,220		124,822	(4,766,398)		(4,766,398)
Business-type activities:						
Food service	85,857	\$ 44,467	39,133		\$ (2,257)	(2,257)
Latchkey program	6,475	5,507			(968)	(968)
Total business-type activities	92,332	49,974	39,133		(3,225)	(3,225)
Total primary government	\$ 4,983,552	\$ 49,974	\$ 163,955	\$ (4,766,398)	\$ (3,225)	\$ (4,769,623)
General revenues:						
Taxes:						
Property taxes, levied for general purpose				\$ 3,292,016		\$ 3,292,016
Federal and state aid not restricted				1,299,117		1,299,117
Tuition charges				84,238		84,238
Transportation charges				11,060		11,060
Investment earnings				7,733		7,733
Miscellaneous income				649		649
Transfers				(7,000)	\$ 7,000	
Total general revenues, special items, extraordinary items, and transfers				4,687,813	7,000	4,694,813
Change in net position				(78,585)	3,775	(74,810)
Net position - beginning				(11,688,687)	21,147	(11,667,540)
Net position - end				\$ 3,006,870	\$ 28,256	\$ (11,742,350)

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Major Funds		FY 2020
	General Fund	Special Revenue Fund	
ASSETS			
Cash and cash equivalents	\$ 1,369,615	\$ 11,352	\$ 1,380,967
Receivables from other governments	222		222
Restricted cash and cash equivalents	115,407		115,407
Total assets	<u>\$ 1,485,244</u>	<u>\$ 11,352</u>	<u>1,496,596</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 28,103	\$ 11,352	39,455
Total liabilities	<u>28,103</u>	<u>11,352</u>	<u>39,455</u>
Fund balances:			
Restricted for:			
Excess surplus - current year	557,074		557,074
Excess surplus - prior year - designated for subsequent year's expenditures	467,068		467,068
Maintenance reserve	101,508		101,508
Capital reserve	115,407		115,407
Assigned to:			
Other purposes	2,719		2,719
Designated by the BOE for subsequent year's expenditures	31,180		31,180
Unassigned:			
General fund	182,185		182,185
Total fund balances	<u>1,457,141</u>		<u>1,457,141</u>
Total liabilities and fund balances	<u>\$ 1,485,244</u>	<u>\$ 11,352</u>	

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	<u>FY 2020</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 \$6,593,537 and the accumulated depreciation is \$4,349,222 (see Note 6).	2,244,315
Net pension liability adjustment for GASB Statement No. 68 and 71	(625,723)
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 7).	(68,863)
Net position of Governmental Activities	<u>\$ 3,006,870</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Major Funds			FY 2020
	General Fund	Special Revenue Fund	Capital Projects Fund	
REVENUES:				
Local tax levy	\$ 3,292,016			\$ 3,292,016
Tuition charges	84,238			84,238
Transportation	11,060			11,060
Interest earned on investments	6,966			6,966
Interest earned on Capital Reserve Funds	368			368
Interest earned on Maintenance Reserve	399			399
Miscellaneous	649	\$ 2,000		2,649
	<u>3,395,696</u>	<u>2,000</u>		<u>3,397,696</u>
State sources	1,283,577			1,283,577
Federal sources		122,822		122,822
Total revenues	<u>4,679,273</u>	<u>124,822</u>		<u>4,804,095</u>
EXPENDITURES:				
Current:				
Regular instruction	1,142,094			1,142,094
Special education instruction	304,758	46,431		351,189
Other special instruction	47,553			47,553
Other instruction	764			764
Support services & undistributed costs:				
Student & instruction related services	1,292,943	66,949		1,359,892
General administration	115,485			115,485
School administrative services	51,000			51,000
Central services	97,273			97,273
Plant operations and maintenance	312,254			312,254
Pupil transportation	271,700			271,700
Employee benefits	977,306	11,442		988,748
Capital outlay	5,399			5,399
Total expenditures	<u>4,618,529</u>	<u>124,822</u>		<u>4,743,351</u>
Excess (deficiency) of revenues over expenditures	<u>60,744</u>			<u>60,744</u>
Other financing sources (uses)				
Prior year payable canceled				
Transfers in/(out):				
Food Service Fund	(7,000)			(7,000)
Capital projects to capital reserve	23,646		\$ (23,646)	
Total other financing sources (uses)	<u>16,646</u>		<u>(23,646)</u>	<u>(7,000)</u>
Net change in fund balances	77,390		(23,646)	53,744
Fund balance - July 1	1,379,751		23,646	1,403,397
Fund balance - June 30	<u>\$ 1,457,141</u>			<u>\$ 1,457,141</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK 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, 2020

Total net change in fund balances - Governmental Funds (from B-2)		\$ 53,744
Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Capital outlays	\$ 4,141	
Depreciation	<u>(163,668)</u>	(159,527)
Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.		
		35,161
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.		
		<u>(7,963)</u>
Change in net position of Governmental Activities		<u>\$ (78,585)</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Statement of Net Position
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2020

	Business-type Activities - Major Funds		Governmental Activities - Internal
	Food Service	Latchkey Program	Service Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,582	\$ 8,258	\$ 5,144
Accounts receivable	3,862		
Inventories	934		
Total current assets	<u>9,378</u>	<u>8,258</u>	<u>5,144</u>
Noncurrent assets:			
Furniture, machinery & equipment	79,854		
Less: accumulated depreciation	(72,174)		
Total noncurrent assets	<u>7,680</u>		
Total assets	<u>17,058</u>	<u>\$ 8,258</u>	<u>\$ 5,144</u>
LIABILITIES:			
Deferred revenue	<u>2,204</u>		
Total liabilities	<u>2,204</u>		
NET POSITION			
Invested in capital assets net of related debt	7,680		
Unrestricted	7,174	\$ 8,258	\$ 5,144
Total net position	<u>\$ 14,854</u>	<u>\$ 8,258</u>	<u>\$ 5,144</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2020

	Business-type Activities - Major Funds		Governmental Activities - Internal
	Food Service	Latchkey Program	Service Fund
OPERATING REVENUES:			
Local sources:			
Daily sales - reimbursable programs	\$ 21,892		
Daily sales - non-reimbursable programs	6,175		
Other local revenue		\$ 5,507	\$ 16,400
Total operating revenue	<u>28,067</u>	<u>5,507</u>	<u>16,400</u>
OPERATING EXPENSES:			
Salaries	30,498	5,922	10,363
Employee benefits	2,883	553	893
Purchased professional/technical services	3,444		
Purchased property services	418		
Supplies and materials	83		
Cost of sales - reimbursable	32,972		
Cost of sales - non-reimbursable	3,485		
Depreciation	818		
Total operating expenses	<u>74,601</u>	<u>6,475</u>	<u>11,256</u>
Operating income (loss)	<u>(46,534)</u>	<u>(968)</u>	<u>5,144</u>
NON-OPERATING REVENUES:			
State sources:			
National school lunch program - state	858		
Federal sources:			
National school lunch program	24,572		
School breakfast program	11,223		
Food distribution program	2,480		
Total non-operating revenues (expenses)	<u>39,133</u>		
Income (loss) before operating transfers	<u>(7,401)</u>	<u>(968)</u>	<u>5,144</u>
Operating financing sources (uses):			
Operating transfer in - General Fund	7,000		
Net income (loss)	(401)	(968)	5,144
Total net position - beginning	15,255	9,226	
Total net position - ending	<u>\$ 14,854</u>	<u>\$ 8,258</u>	<u>\$ 5,144</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Major Funds		Governmental Activities - Internal Service Fund
	Food Service	Latchkey Program	
Cash flows from operating activities:			
Receipts from customers	\$ 29,965	\$ 5,507	\$ 16,400
Payments to suppliers	(38,303)		
Payments to employees	(30,498)	(5,922)	(10,363)
Payments for employee benefits	(2,883)	(553)	(893)
Net cash provided (used) by operating activities	(41,719)	(968)	5,144
Cash flows from non-capital financing activities:			
Cash received from state & federal reimbursements	34,660		
Board contribution	7,000		
Net cash provided by non-capital financing activities	41,660		
Net increase in cash & cash equivalents	(59)	(968)	5,144
Cash and cash equivalents - July 1	4,641	9,226	
Cash and cash equivalents - June 30	\$ 4,582	\$ 8,258	\$ 5,144
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (46,534)	\$ (968)	\$ 5,144
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	818		
Food distribution program	2,480		
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(306)		
(Increase) decrease in inventory	(381)		
Increase in deferred revenue	2,204		
	\$ (41,719)	\$ (968)	\$ 5,144

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Trust Funds			Totals FY 2020
	Scholarship Trust	Unemployment Compensation Trust	Agency Funds	
ASSETS				
Cash and cash equivalents	\$ 1,378	\$ 176,008	\$ 12,390	\$ 189,776
Total assets	<u>\$ 1,378</u>	<u>\$ 176,008</u>	<u>12,390</u>	<u>189,776</u>
LIABILITIES				
Due to student groups			9,112	9,112
Payroll deductions and withholdings			3,278	3,278
Total liabilities			<u>12,390</u>	<u>12,390</u>
NET POSITION				
Held in trust for:				
Unemployment claims		\$ 176,008		176,008
Scholarship awards	\$ 1,378			1,378
Total net position	<u>\$ 1,378</u>	<u>\$ 176,008</u>	<u>None</u>	<u>\$ 177,386</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Trust Funds		Totals FY 2020
	Scholarship Trust	Unemployment Compensation Trust	
ADDITIONS:			
Contributions:			
Plan members		\$ 3,799	\$ 3,799
Total contributions		3,799	3,799
Investment earnings:			
Interest	\$ 5	632	637
Total investment earnings	5	632	637
Total additions	5	4,431	4,436
DEDUCTIONS:			
Unemployment claims		6,866	6,866
Scholarships awarded	125		125
Total deductions	125	6,866	6,991
Change in net position	(120)	(2,435)	(2,555)
Net position - July 1	1,498	178,443	179,941
Net position - June 30	\$ 1,378	\$ 176,008	\$ 177,386

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Lower Alloways Creek 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 Lower Alloways Creek 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 Lower Alloways Creek 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-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 latchkey 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 is reported in three parts: 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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

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 latchkey). 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 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 assets resulting from the current year's activities.

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 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,

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund (Continued) - 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 is a description 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, and other governments, and therefore, not available to support District programs. The reporting focus is on net assets. Changes in net position are reported using accounting principles similar to Proprietary Funds.

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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS (CONTINUED)

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 soon enough thereafter. 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 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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents (Continued)

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. (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 as of June 30, 2020, consisted of the following:

Food - commodities	\$	450
Supplies		51
Food		432
	\$	<u>933</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:

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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 monies 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 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 an expenditure 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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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 Position, 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.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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

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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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 balance 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 Adopted

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for period's beginning after June 15, 2018, is postponed until June 15, 2019.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, is postponed until June 15, 2019.

W. Recent Effective Accounting Pronouncements Postponed by Statement No. 95

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement originally effective for periods beginning after December 31, 2018, is postponed until December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Recent Effective Accounting Pronouncements Postponed by Statement No. 95 (Continued)

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This Statement, originally effective for periods beginning after December 15, 2018, is postponed until December 15, 2019, and will not have any effect on financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

X. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management expects this Statement will have an impact on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X. Recent Accounting Pronouncements Not Yet Effective (Continued)

for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." This Statement provides guidance on the accounting and financial reporting related to the reporting of fiduciary component units. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial statements.

NOTE 2: 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 New Jersey Statutes NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents as of June 30, 2020 and 2019, were \$1,704,134 and \$1,498,982. As of June 30, 2020 and 2019, \$0 of the District's bank balance of \$1,743,507 and \$1,616,859, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2020 and 2019, 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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4: RECEIVABLES

Receivables as of June 30, 2020, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. 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		\$ 233
Other	\$ 222	306
Federal aid		3,323
	<u>\$ 222</u>	<u>\$ 3,862</u>

NOTE 5: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$500 on October 10, 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 (June 1 to June 30) 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, 2020, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2019	\$ 91,393
Transfer from capital projects	23,646
Interest earnings	368
Ending balance, June 30, 2020	<u>\$ 115,407</u>

NOTE 6: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2020.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2019	Additions	Disposals/ Adjustments	Balance June 30, 2020
Governmental activities:				
Land	\$ 31,918			\$ 31,918
Site improvements	94,935			94,935
Building & building improvements	4,955,836			4,955,836
Machinery & equipment	1,506,707	\$ 4,141		1,510,848
Totals at historical cost	<u>6,589,396</u>	<u>4,141</u>	None	<u>6,593,537</u>
Less: accumulated depreciation				
Site improvements	(73,803)	(5,003)		(78,806)
Building & building improvements	(2,828,207)	(123,271)		(2,951,478)
Machinery & equipment	(1,283,544)	(35,394)		(1,318,938)
Total accumulated depreciation	<u>(4,185,554)</u>	<u>(163,668)</u>	None	<u>(4,349,222)</u>
Governmental activities capital assets, net	<u>\$ 2,403,842</u>	<u>\$ (159,527)</u>	None	<u>\$ 2,244,315</u>
Business-type activities:				
Machinery & equipment	\$ 79,854			\$ 79,854
Less: accumulated depreciation	(71,356)	\$ (818)		(72,174)
Business-type capital assets, net	<u>\$ 8,498</u>	<u>\$ (818)</u>	None	<u>\$ 7,680</u>

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

NOTE 7: 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.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Compensated absences	<u>\$ 60,900</u>	<u>\$ 17,738</u>	<u>\$ 9,775</u>	<u>\$ 68,863</u>	None

Bonds Payable

During the year ended June 30, 2020, the Board had no bonds issued or outstanding.

Bonds Authorized But Not Issued

As of June 30, 2020, the Board has \$0 of bonds authorized but not issued.

Capital Leases

As of June 30, 2020, the Board has \$0 capital leases.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

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.

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, 2020, 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 8: PENSION FUNDS

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 and the Teachers' Pension and Annuity Fund. 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/financial-reports.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.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: PENSION FUNDS (CONTINUED)

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. 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 New Jersey legislation. The TPAF and PERS provide for 7.50% of employees' annual compensation, as defined. 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 the PERS for the years ending June 30, 2020, 2019, and 2018, were \$26,364, \$26,709, and \$25,881, respectively, equal to the required contributions for each year. The School District's share of the TPAF for normal contributions, post-retirement medical benefits, and life insurance premiums for the years ending June 30, 2020, 2019, and 2018, which were \$401,383, \$417,857, and \$357,961, 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, 2020, 2019, and 2018; \$111,019, \$103,528, and \$103,528, for the employer's share of Social Security contributions for the 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, 2020, 2019, and 2018, was \$2,000,189, \$1,916,117, and \$1,889,540; covered payroll was \$1,560,522, \$1,467,749, and \$1,467,412, for the TPAF and \$198,337, \$212,351, and \$207,087, for the PERS.

For the year ended June 30, 2020, the District recognized pension expense of (\$8,797). As of June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: PENSION FUNDS (CONTINUED)

Funding Policy (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions		\$ 153,551
Net difference between expected and actual experience		12,832
Net difference between projected and actual earnings on pension plan investments		4,662
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 7,327	
District contributions subsequent to the measurement date	26,364	
	\$ 33,691	\$ 171,045

\$26,364, 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, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Amount
June 30,	
2021	\$ (36,099)
2022	(60,262)
2023	(46,807)
2024	(19,491)
2025	(1,059)
Thereafter	0
	\$ (163,718)

Additional information – Collective balances as of June 30, 2019 and 2018, are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District's proportion	0.0027103786%	0.0026851900%

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: PENSION FUNDS (CONTINUED)

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, 2020, 2019, and 2018, were \$7,337, \$5,303, and \$5,682.

NOTE 9: POSTEMPLOYMENT BENEFITS

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Total OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020, was \$9,981,676. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State's CAFR at: <http://www.state.nj.us/treasury/pensions/gasb-notice.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2019, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF). See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4
Discount rate	3.50%

The

discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

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

	Total OPEB Liability	
	June 30, 2018	June 30, 2019
Balance at beginning of measurement period	\$ 53,639,841,858	\$ 46,110,832,982
Changes for the year:		
Service cost	1,984,642,729	1,734,404,850
Interest	1,970,236,232	1,827,787,206
Changes of benefit terms	-	-
Differences between expected and actual experience	(5,002,065,740)	(7,323,140,818)
Changes in assumptions or other inputs	(5,291,448,855)	622,184,027
Contributions - Member	42,614,005	37,971,171
Benefit payments	(1,232,987,247)	(1,280,958,373)
Net changes	(7,529,008,876)	(4,381,751,937)
Balance at end of measurement period	\$ 46,110,832,982	\$ 41,729,081,045

There were no changes in benefit terms from 2017 to 2018 and 2019.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018 to 3.50% in 2019.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District using a discount rate of 3.50%, as well as using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	1% Decrease 2.50%	Current Rate 3.50%	1% Increase 4.50%
Total OPEB Liability (School Retirees)	\$ 11,792,304	\$ 9,981,676	\$ 8,543,412

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates (Continued)

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 8,224,456	\$ 9,981,676	\$ 12,307,874

Additional information – Collective balances as of June 30, 2019 and 2018, are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$ 1,921,145,183	\$ 1,377,313,892
Collective deferred inflows of resources	20,887,639,826	16,189,378,926
Collective OPEB Expense	<u>1,015,664,874</u>	<u>2,129,660,368</u>
District's proportion	0.02%	0.02%

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

For the fiscal year ended June 30, 2020, the Board of Education recognized \$15,540 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense associated with the School District. This expense and revenue were based on the OPEB Plan's June 30, 2019, measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. As of June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ (10,484,965,300)
Changes of assumptions or other inputs		<u>(8,481,529,343)</u>
Total	<u>None</u>	<u>\$ (18,966,494,643)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

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

<u>Year Ended June 30,</u>		
2020	\$	(2,546,527,182)
2021		(2,546,527,182)
2022		(2,546,527,182)
2023		(2,546,527,182)
2024		(2,546,527,182)
Thereafter		(6,233,858,733)
	<u>\$</u>	<u>(18,966,494,643)</u>

NOTE 10: LABOR CONTRACTS

As of June 30, 2020, the District's teachers, school nurses, LDT-C, social workers, guidance counselors, and psychologists are organized in the Lower Alloways Creek Education Association collective bargaining unit, which expired on June 30, 2020.

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:

Lincoln Investment Planning, Inc.	MetLife	Voya
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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 - the amount due within one year and the amount due in more than one year. The liability for compensated absences in the Governmental Fund as of June 30, 2020, is \$68,863. The liability for compensated absences in the Food Service Fund as of June 30, 2020, is \$0.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13: 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 staff as of July 1, 2011, was \$1,000.

NOTE 14: 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 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:

- Worker's Compensation and Employers' Liability
- Automobile and Equipment Liability
- General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

New Jersey Unemployment Compensation Insurance:

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2019-2020		\$ 3,799	\$ 6,866	\$ 176,008
2018-2019		3,514	10,974	178,443
2017-2018		3,350	187	185,034

NOTE 15: 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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15: FUND BALANCE APPROPRIATED (CONTINUED)

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.

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 as of June 30, 2020.

Restricted Fund Balance:

Capital Reserve Account - Of the \$115,407 balance in the capital reserve account as of June 30, 2020, \$0 has been designated for utilization in the 2020-2021 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 \$101,508 balance in the maintenance reserve account as of June 30, 2020, \$0 has been designated for utilization in the 2020-2021 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).

Emergency Reserve Account - As of June 30, 2020, there was \$0 fund balance.

Excess Surplus – As of June 30, 2020, excess surplus created in FY 2019 of \$467,068 will be utilized for expenditures in the 2020-2021 budget, while excess surplus created in FY 2020 of \$557,074 is restricted and will be utilized for budget expenditures in 2021-2022.

Debt Service Fund - As of June 30, 2020, there was \$0 fund balance.

Committed Fund Balance - The District had no fund balance as of June 30, 2020.

Assigned Fund Balance - As of June 30, 2020, the Board has assigned \$31,180 of General Fund balance to expenditures in the 2020-2021 budget. \$2,719 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 - As of June 30, 2020, the District has \$182,185 of Unassigned Fund balance in the General Fund.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 16: 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 as of June 30, 2020, is \$1,024,142.

NOTE 17: ECONOMIC DEPENDENCY

The District is heavily reliant on the local tax levy and state sources to fund the District operations. State sources funded approximately 27% of the District's 2019-2020 Governmental Fund revenue, while local tax levy accounted for approximately 68.5%.

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

There were no interfund balances remaining on the balance sheet as of June 30, 2020.

NOTE 19: OPERATING LEASES

The District has commitments to lease copy machines under non-cancelable operating leases spanning 48 months. Monthly payments range from \$55-\$282 a month per machine. Total lease payments made during the year ended June 30, 2020, amounted to \$5,310. Future minimum lease payments are as follows:

Year Ended	Amount
June 30,	
2021	\$ 5,310
2022	5,310
2023	3,389
	<u>\$ 14,009</u>

NOTE 20: TAX ABATEMENTS

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

For a local school district Board of Education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 20: TAX ABATEMENTS (CONTINUED)

performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Lower Alloways Creek did not have any tax abatements for the year ended December 31, 2019.

NOTE 21: COMMITMENTS AND CONTINGENCIES

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, there exists no litigation or contingent liability that may be pending against the Lower Alloways Creek 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

On July 25, 2020, the Board approved a five-year lease for technology equipment. The capital lease is for \$64,627 at a rate of 4.519%. The lease/purchase agreement is with American Capital Financial Services Inc. The following is a schedule of the future minimum lease payments under the capital leases:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 14,109		\$ 14,109
2022	11,794	\$ 2,315	14,109
2023	12,334	1,775	14,109
2024	12,899	1,209	14,108
2025	13,491	618	14,109
	<u>\$ 64,627</u>	<u>\$ 5,917</u>	<u>\$ 70,544</u>

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and December 15, 2020, the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as interest, food service revenues, and child-care fees. Other financial impact could occur though such potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 3,292,016		\$ 3,292,016	\$ 3,292,016	
Tuition from individuals	9,000		9,000	20,900	\$ 11,900
Tuition from LEA's				49,501	49,501
Tuition from other sources				13,837	13,837
Transportation fees				11,060	11,060
Interest on investments	2,500		2,500	6,966	4,466
Interest on capital reserve funds	50		50	368	318
Interest on maintenance reserve funds	200		200	399	199
Miscellaneous	17,000		17,000	649	(16,351)
Total - local sources	3,320,766		3,320,766	3,395,696	74,930
State sources:					
Transportation aid	135,665		135,665	135,665	
Special education aid	140,233		140,233	140,233	
Equalization aid	421,194		421,194	421,194	
Security aid	23,353		23,353	23,353	
Adjustment aid	49,045		49,045	49,045	
TPAF post-retirement medical (on-behalf non-budgeted)				108,538	108,538
Teachers' pension & annuity fund (on-behalf non-budgeted)				292,570	292,570
TPAF long term disability insurance (on-behalf non-budgeted)				275	275
Reimbursed TPAF social security contributions (non-budgeted)				111,019	111,019
Total - state sources	769,490		769,490	1,281,892	512,402
Total revenues	4,090,256		4,090,256	4,677,588	587,332

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	98,529	51,400	149,929	146,969	2,960
Kindergarten	83,479		83,479	81,114	2,365
Grades 1-5	508,666	(34,080)	474,586	467,078	7,508
Grades 6-8	384,536	(45,770)	338,766	323,050	15,716
Regular programs - home instruction:					
Salaries of teachers	1,000		1,000		1,000
Purchased professional - education services	1,000		1,000		1,000
Regular programs - undistributed instruction:					
Other salaries for instruction	20,866	11,503	32,369	31,006	1,363
Purchased professional - education services	1,000		1,000		1,000
Purchased technical services	50,500	(11,933)	38,567	33,912	4,655
Other purchased services (400-500 series)	45,433	(1,500)	43,933	27,030	16,903
General supplies	37,730	(384)	37,346	25,884	11,462
Textbooks	3,900	986	4,886	4,886	
Miscellaneous expenditures	4,650	(986)	3,664	1,165	2,499
Total regular programs	1,241,289	(30,764)	1,210,525	1,142,094	68,431
Behavioral disabilities					
Salaries of teachers		61,715	61,715	61,101	614
Other salaries for instruction		19,916	19,916	19,899	17
General supplies		320	320	317	3
		81,951	81,951	81,317	634
Resource room:					
Salaries of teachers	198,450	19,055	217,505	217,505	
Other salaries for instruction	9,400	(5,865)	3,535	3,274	261
Other purchased services (400-500 series)	650	(650)			
General supplies	2,577	85	2,662	2,662	
Total resource room	211,077	12,625	223,702	223,441	261
Total special education	211,077	94,576	305,653	304,758	895
Basic skills/remedial:					
Salaries of teachers	49,908	(3,593)	46,315	46,315	
General supplies	1,950	(712)	1,238	1,238	
Total basic skills/remedial	51,858	(4,305)	47,553	47,553	
School sponsored co-curricular activities:					
Salaries	700	64	764	764	
Total school sponsored co-curricular activities	700	64	764	764	
Total other instructional programs	52,558	(4,241)	48,317	48,317	
Total - instruction	1,504,924	59,571	1,564,495	1,495,169	69,326

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within state-regular	497,361	(9,111)	488,250	485,361	2,889
Tuition to other LEAs within state-special	97,501	10,597	108,098	98,801	9,297
Tuition to county vocational - regular	209,019		209,019	209,018	1
Tuition to CSSD & regional day school	195,290	(13,771)	181,519	148,011	33,508
Tuition to private schools for the handicapped - within state	124		124		124
Total undistributed expenditures - instruction	999,295	(12,285)	987,010	941,191	45,819
Attendance and social work services:					
Salaries	20,207		20,207	20,160	47
Purchased professional/technical services	5,500		5,500	5,500	
Total attendance and social work services	25,707		25,707	25,660	47
Health services:					
Salaries	54,500	(2,642)	51,858	51,675	183
Purchased professional/technical services	5,160	(1,500)	3,660	2,630	1,030
Other purchased services (400-500 series)		55	55		55
Supplies and materials	1,300	(140)	1,160	973	187
Miscellaneous expenditures		85	85	85	
Total health services	60,960	(4,142)	56,818	55,363	1,455
Related services:					
Purchased professional - education services	43,000	30,652	73,652	72,046	1,606
Supplies and materials	150	(150)			
Total related services	43,150	30,502	73,652	72,046	1,606
Extraordinary services:					
Other salaries for instruction	35,041	5,961	41,002	41,002	
Purchased professional - education services	130,376	(70,907)	59,469	59,412	57
Supplies and materials	50	(50)			
Total extraordinary services	165,467	(64,996)	100,471	100,414	57
Other support services - guidance services:					
Purchased professional - education services	20,257		20,257	18,757	1,500
Supplies and materials	100		100		100
Total other support services - guidance services	20,357		20,357	18,757	1,600
Other support services - child study team					
Purchased professional - education services	18,530		18,530	11,076	7,454
Other purchased professional - technical services	2,000		2,000		2,000
Supplies and materials	300		300		300
Total other support services - child study team	20,830		20,830	11,076	9,754

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries of teachers	61,200		61,200	60,480	720
Purchased professional - education services	300	607	907	907	
Supplies and materials	8,040	(607)	7,433	5,299	2,134
Total educational media services/school library	69,540		69,540	66,686	2,854
Instructional staff training:					
Salaries of other professional staff	250		250		250
Purchased professional - education services		133	133	133	
Other purchased professional - technical services	1,000	(720)	280		280
Other purchased services (400-500 series)	1,100	587	1,687	1,617	70
Supplies and materials	100		100		100
Total instructional staff training	2,450		2,450	1,750	700
Support services general administration:					
Salaries	76,707	290	76,997	74,587	2,410
Legal services	2,180	6,422	8,602	8,602	
Audit fees	12,100	25	12,125	11,700	425
Other purchased professional services	3,800	(468)	3,332	2,037	1,295
Other purchased professional - technical services	500		500		500
Other purchased services (400-500 series)	8,840		8,840	4,914	3,926
Communications/telephone	8,900	(1,269)	7,631	6,176	1,455
BOE other purchased services	100		100		100
Supplies and materials	700	10	710	703	7
BOE in-house training/meeting supplies	50		50		50
Miscellaneous expenditures	4,200		4,200	3,755	445
BOE membership dues and fees	3,500	(10)	3,490	3,011	479
Total support services general administration	121,577	5,000	126,577	115,485	11,092
Support services school administration:					
Salaries of principals/assistant principals	59,000	(5,000)	54,000	51,000	3,000
Other purchased services (400-500 series)	150		150		150
Total support services school administration	59,150	(5,000)	54,150	51,000	3,150
Central services					
Purchased professional services	68,000		68,000	68,000	
Purchased technical services	26,950	4	26,954	26,954	
Miscellaneous purchased services	1,800	(4)	1,796	1,604	192
Supplies and materials	700		700	615	85
Miscellaneous expenditures	500		500	100	400
Total central services	97,950		97,950	97,273	677
Required maintenance for school facilities:					
Other salaries	35,671		35,671	34,603	1,068
Cleaning, repair, and maintenance services	29,900	8,095	37,995	20,791	17,204
Supplies and materials	1,500		1,500	692	808
Other objects	200		200		200
Total required maintenance for school facilities	67,271	8,095	75,366	56,086	19,280

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial services:					
Other salaries	61,431		61,431	56,625	4,806
Purchased professional and technical services	42,200		42,200	39,230	2,970
Purchased technical services	300		300		300
Cleaning, repair, and maintenance services	7,200		7,200	4,153	3,047
Insurance	36,880		36,880	36,000	880
Miscellaneous purchased services	1,800		1,800	400	1,400
General supplies	18,500	8,190	26,690	18,997	7,693
Energy - electricity	75,000	(2,000)	73,000	59,852	13,148
Energy - oil	60,000	(6,190)	53,810	28,637	25,173
Energy - gasoline	300		300		300
Other objects	1,275		1,275	513	762
Total other operation and maintenance of plant services	304,886		304,886	244,407	60,479
Total operation and maintenance of plant services	372,157	8,095	380,252	300,493	79,759
Security					
Cleaning, repair, and maintenance services	14,415		14,415	11,640	2,775
General supplies	2,000		2,000	121	1,879
Total security	16,415		16,415	11,761	4,654
Student transportation services:					
Salaries (between home and school) - regular	80,681		80,681	57,698	22,983
Salaries (between home and school) - special	17,461		17,461	8,464	8,997
Salaries (other than between home and school)	37,671		37,671	35,198	2,473
Other purchased professional - technical services	36,800		36,800	36,520	280
Cleaning, repair, and maintenance services	2,000		2,000	635	1,365
Rental school bus	200		200		200
Aid in lieu - nonpublic	10,000	35	10,035	6,538	3,497
Aid in lieu - choice	5,000	(35)	4,965	2,012	2,953
Contracted services (regular students) - ESC and CTSA	57,000		57,000	42,010	14,990
Contracted services (special education students) - ESC	76,320		76,320	58,442	17,878
Miscellaneous purchased services	5,800	(788)	5,012	2,365	2,647
Supplies and materials	60,500		60,500	20,261	40,239
Miscellaneous expenditures	2,375		2,375	1,557	818
Total student transportation services	391,808	(788)	391,020	271,700	119,320
Unallocated benefits:					
Social security contributions	36,408		36,408	32,652	3,756
Other retirement contributions - PERS	32,500		32,500	27,042	5,458
Other retirement contributions - DCRP	6,000	1,337	7,337	7,337	
Unemployment compensation	5,000		5,000		5,000
Workers' compensation	35,000	788	35,788	35,088	700
Health benefits	460,509	(13,987)	446,522	352,257	94,265
Tuition reimbursement	10,000	(2,775)	7,225	576	6,649
Other employee benefits	12,500		12,500	177	12,323
Unused sick payments to terminated employees	7,000	2,775	9,775	9,775	
Total unallocated benefits	604,917	(11,862)	593,055	464,904	128,151

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TPAF post-retirement medical (on-behalf non-budgeted)				108,538	(108,538)
Teachers' Pension & Annuity Fund (on-behalf non-budgeted)				292,570	(292,570)
TPAF long term disability insurance (on-behalf non-budgeted)				275	(275)
Reimbursed TPAF social security contributions (non-budgeted)				111,019	(111,019)
Total non-budgeted				512,402	(512,402)
Total undistributed expenditures	3,071,730	(55,476)	3,016,254	3,117,961	(101,707)
Total expenditures - current expense	4,576,654	4,095	4,580,749	4,613,130	(32,381)
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Instruction - instructional equipment					
Required maintenance - equipment	3,000	(1,641)	1,359		1,359
Custodial services	2,500	1,641	4,141	4,141	
Security	4,000		4,000		4,000
Total equipment	9,500		9,500	4,141	5,359
Facilities acquisition and construction services:					
SDA debt service assessment	1,258		1,258	1,258	
Total facilities acquisition and construction services	1,258		1,258	1,258	
Total capital outlay	10,758		10,758	5,399	5,359
Total expenditures	4,587,412	4,095	4,591,507	4,618,529	(27,022)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(497,156)	(4,095)	(501,251)	59,059	560,310
Other financing sources (uses)					
Maintenance reserve to required maintenance		8,095	8,095		8,095
Transfer out - food service fund	(3,000)	(4,000)	(7,000)	(7,000)	
Transfer in - capital projects				23,646	(23,646)
Total other financing sources and uses	(3,000)	4,095	1,095	16,646	(15,551)
Net changes in fund balance	(500,156)		(500,156)	75,705	544,759
Fund balances - July 1	1,449,251		1,449,251	1,449,251	
Fund balances - June 30	\$ 949,095		\$ 949,095	\$ 1,524,956	\$ 544,759

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				\$ 115,407	
Maintenance reserve				101,508	
Excess surplus - designated for subsequent year's expenditures				467,068	
Excess surplus - current year				557,074	
Assigned Fund Balance:					
Year-end encumbrances				2,719	
Designated for subsequent year's expenditures				31,180	
Unassigned Fund Balance				250,000	
				<u>1,524,956</u>	
Reconciliation to Governmental Fund statements (GAAP):					
Last state aid payment not recognized on GAAP Basis				(67,815)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 1,457,141</u>	

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 122,822		\$ 122,822	\$ 122,822	
Local sources	2,000		2,000	2,000	
Total revenues	\$ 124,822	None	\$ 124,822	\$ 124,822	None
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 33,605		\$ 33,605	\$ 33,605	
Supplies and materials	12,826		12,826	12,826	
Total Instruction	46,431		46,431	46,431	
Support services:					
Other salaries					
Personal services - employee benefits	11,442		11,442	11,442	
Purchased professional - educational services	62,682	(1,233)	61,449	61,449	
Other purchased services (400-500 series)	2,267	1,233	3,500	3,500	
Supplies and materials	2,000		2,000	2,000	
Total support services	78,391		78,391	78,391	
Total expenditures	\$ 124,822	None	\$ 124,822	\$ 124,822	None

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2020

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

	<u>General Fund N-1</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 4,677,588	[C-2]	\$ 124,822
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	69,500		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	<u>(67,815)</u>		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	[B-2] <u>\$ 4,679,273</u>	[B-2]	<u>\$ 124,822</u>
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] <u>\$ 4,618,529</u>		<u>\$ 124,822</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	[B-2] <u>\$ 4,618,529</u>	[B-2]	<u>\$ 124,822</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
Last Seven Fiscal Years

	Fiscal Year Ended						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0027103786%	0.0026851900%	0.0027937381%	0.0027796485%	0.0028718258%	0.0031921956%	0.0030527702%
District's proportionate share of the net pension liability (asset)	\$ 488,369	\$ 528,701	\$ 650,338	\$ 823,252	\$ 644,667	\$ 597,666	\$ 583,445
District's covered-employee payroll	212,351	207,087	202,668	201,632	201,865	212,498	228,970
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	229.98%	255.30%	320.89%	408.29%	319.36%	281.26%	254.81%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.59%	48.10%	40.13%	47.92%	52.08%	48.72%
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Seven Fiscal Years

	Fiscal Year Ended						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 26,364	\$ 26,709	\$ 25,881	\$ 24,694	\$ 24,690	\$ 26,316	\$ 23,002
Contributions in relation to the contractually required contribution	26,364	26,709	25,881	24,694	24,690	26,316	23,002
Contribution deficiency (excess)	None	None	None	None	None	None	None
District's covered-employee payroll	\$ 212,351	\$ 207,087	\$ 202,668	\$ 201,632	\$ 201,865	\$ 212,498	\$ 228,970
Contributions as a percentage of covered-employee payroll	12.42%	12.90%	12.77%	12.25%	12.23%	12.38%	10.05%
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
 Last Seven Fiscal Years

	Fiscal Year Ended						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0143027513%	0.0144009087%	0.0142306462%	0.0148837663%	0.0140471437%	0.0146315111%	0.0158131237%
District's proportionate share of the net pension liability (asset)	\$ 8,777,733	\$ 9,161,549	\$ 9,594,815	\$ 11,708,518	\$ 8,878,395	\$ 7,820,066	\$ 7,991,828
District's covered-employee payroll	1,467,749	1,467,412	1,524,887	1,439,159	1,463,829	1,476,750	1,477,064
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	598.04%	624.33%	629.21%	813.57%	606.52%	529.55%	541.06%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

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.

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS**

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Three Fiscal Years

	Fiscal Year Ended		
	2020	2019	2018
Total OPEB liability			
Service cost	\$ 230,823	\$ 277,748	\$ 335,636
Interest	452,300	473,261	410,657
Changes of benefit terms			
Differences between expected and actual experience	(2,156,706)	(606,409)	
Changes of assumptions or other inputs	148,828	(1,331,589)	(1,582,335)
Member contributions	9,083	10,724	11,165
Benefit payments	(306,408)	(310,280)	(303,199)
Net change in total OPEB liability	(1,622,080)	(1,486,545)	(1,128,076)
Total OPEB liability - beginning	11,603,756	13,090,301	14,218,377
Total OPEB liability - ending	<u>\$ 9,981,676</u>	<u>\$ 11,603,756</u>	<u>\$ 13,090,301</u>
Covered employee payroll	\$ 1,680,100	\$ 1,674,499	\$ 1,727,555
Total OPEB liability as a percentage of covered employee payroll	594.11%	692.97%	757.74%

Notes to Schedule:*Changes of benefit terms:*

There were no changes in benefit terms during the year.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

Discount Rate	3.50%	3.87%	3.58%
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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTES RELATED TO PENSION BENEFITS

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, 2019, measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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.state.nj.us/treasury/pensions/qasb-notices.shtml>.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTES RELATED TO OTHER POST-EMPLOYMENT BENEFITS

NOTE 3: CONTRIBUTIONS

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

NOTE 4: ACTUARIAL ASSUMPTIONS

The total nonemployer OPEB liability as of June 30, 2019, was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 3.05% based on service years
Thereafter	1.55 – 3.05% based on service years
Salary increases (PERS):	
Through 2026	2.00 – 6.00% based on service years
Thereafter	3.00 – 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for TPAF and the PERS, respectively.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	Total Brought Forward Ex. E-1a	Rural Education Achievement Program	Title I Part A	NJ-SBA Safety Award	Totals	
					FY 2020	FY 2019
REVENUES:						
Federal sources	\$ 66,209	\$ 12,826	\$ 43,787		\$ 122,822	\$ 136,035
Local sources				\$ 2,000	2,000	2,574
Total revenues	\$ 66,209	\$ 12,826	\$ 43,787	\$ 2,000	\$ 124,822	\$ 138,609
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$ 1,170		\$ 32,435		\$ 33,605	\$ 35,752
Supplies and materials		\$ 12,826			12,826	23,029
Total instruction	1,170	12,826	32,435		46,431	58,781
Support services:						
Personal services - employee benefits	90		11,352		11,442	12,499
Purchased professional - educational services	61,449				61,449	62,367
Other purchased services (400-500 series)	3,500				3,500	2,388
Supplies and materials				\$ 2,000	2,000	2,574
Total support services	65,039		11,352	2,000	78,391	79,828
Total expenditures	\$ 66,209	\$ 12,826	\$ 43,787	\$ 2,000	\$ 124,822	\$ 138,609

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	IDEA Preschool	IDEA Part B	Title IV	Title II, Part A Teacher & Principal Training & Recruiting	Total Carried Forward
REVENUES:					
Federal sources	\$ 790	\$ 48,392	\$ 10,000	\$ 7,027	\$ 66,209
Total revenues	<u>\$ 790</u>	<u>\$ 48,392</u>	<u>\$ 10,000</u>	<u>\$ 7,027</u>	<u>\$ 66,209</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers				\$ 1,170	\$ 1,170
Total instruction				<u>1,170</u>	<u>1,170</u>
Support services:					
Personal services - employee benefits				90	90
Purchased professional - educational services	\$ 790	\$ 48,392	\$ 10,000	2,267	61,449
Other purchased services (400-500 series)				3,500	3,500
Total support services	<u>790</u>	<u>48,392</u>	<u>10,000</u>	<u>5,857</u>	<u>65,039</u>
Total expenditures	<u>\$ 790</u>	<u>\$ 48,392</u>	<u>\$ 10,000</u>	<u>\$ 7,027</u>	<u>\$ 66,209</u>

CAPITAL PROJECTS FUND

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 June 30, 2020

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Prior year Canceled	Canceled	Unexpended Appropriations June 30, 2020
			Prior Years	Current Year			
Exterior door replacement, partial roof replacement & front vestibule	04/23/12	\$ 915,000	\$ 907,992			\$ 7,008	
Bus garage boiler and roofing replacement	03/16/17	1,052,230	1,023,914		\$ 17,228	11,088	
Subchapter 8 asbestos abatement monitoring & abatement	05/02/17	40,850	35,300			5,550	
		<u>\$ 2,008,080</u>	<u>\$ 1,967,206</u>	<u>None</u>	<u>\$ 17,228</u>	<u>\$ 23,646</u>	

LOWER ALLOWAYS CREEK 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, 2020

	<u>FY 2020</u>
Transfer to capital reserve	\$ (23,646)
Fund balance - beginning	<u>23,646</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Exterior Door Replacement, Partial Roof Replacement, and Front Vestibule
From Inception and for the Fiscal Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues & other financing sources:				
Transfer from capital reserve	\$ 915,000		\$ 915,000	\$ 915,000
Total revenues	915,000		915,000	915,000
Expenditures & other financing uses:				
Purchased professional & technical services	46,697		46,697	49,050
Construction services	861,295		861,295	865,950
Total expenditures	907,992		907,992	915,000
Excess (deficiency) or revenues over (under) expenditures	\$ 7,008	None	\$ 7,008	None
Additional project information:				
Project number	2800-050-13-1000			
Grant date	n/a			
Bond authorization date	n/a			
Bonds authorized	0			
Bonds issued	0			
Original authorized cost	\$ 915,000			
Additional authorized cost	None			
Revised authorized cost	915,000			
Percentage increase over original authorized cost	0%			
Percentage completion	100%			
Original target completion date	September 2013			
Revised target completion date	September 2013			

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Bus Garage Boiler and Roofing Replacement
From Inception and for the Fiscal Year Ended June 30, 2019

	Prior Periods	Prior year Payable Canceled	Totals	Revised Authorized Cost
Revenues & other financing sources:				
Transfer from capital outlay	\$ 1,052,230		\$ 1,052,230	\$ 1,052,230
Total revenues	1,052,230		1,052,230	1,052,230
Expenditures & other financing uses:				
Architect and engineer	55,644		55,644	56,000
Construction services	968,270		968,270	996,230
Total expenditures	1,023,914		1,023,914	1,052,230
Excess (deficiency) or revenues over (under) expenditures	\$ 28,316		\$ 28,316	None
Additional project information:				
Project number	33-2800-X01-17-1000			
Grant date	n/a			
Bond authorization date	n/a			
Bonds authorized	n/a			
Bonds issued	n/a			
Original authorized cost	\$ 164,858			
Additional authorized cost	(25,828)			
Revised authorized cost	139,030			
Percentage increase over original authorized cost	0%			
Percentage completion	0%			
Original target completion date	June 2017			
Revised target completion date	August 2017			

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Subchapter 8 Asbestos Abatement Monitoring & Abatement
 From Inception and for the Fiscal Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues & other financing sources:				
Transfer from capital outlay	\$ 40,850		\$ 40,850	\$ 40,850
Total revenues	40,850		40,850	40,850
Expenditures & other financing uses:				
Purchased professional & technical services	35,300		35,300	40,850
Total expenditures	35,300		35,300	40,850
Excess (deficiency) or revenues over (under) expenditures	\$ 5,550	None	\$ 5,550	None
Additional project information:				
Project number		n/a		
Grant date		n/a		
Bond authorization date		n/a		
Bonds authorized		n/a		
Bonds issued		n/a		
Original authorized cost		\$ 40,850		
Additional authorized cost		None		
Revised authorized cost		40,850		
Percentage increase over original authorized cost		0%		
Percentage completion		99%		
Original target completion date		June 2017		
Revised target completion date		August 2017		

PROPRIETARY FUNDS

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2020

	Business-type Activities			
	Food Service Fund	Latchkey Fund	Totals FY 2020	Totals FY 2019
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,582	\$ 8,258	\$ 12,840	\$ 13,867
Accounts receivable:				
State	233		233	40
Federal	3,323		3,323	1,523
Other	306		306	
Inventory	934		934	553
Total current assets	<u>9,378</u>	<u>8,258</u>	<u>17,636</u>	<u>15,983</u>
Non-current assets:				
Machinery and equipment	79,854		79,854	79,854
Less: accumulated depreciation	(72,174)		(72,174)	(71,356)
Total non-current assets	<u>7,680</u>		<u>7,680</u>	<u>8,498</u>
Total assets	<u>17,058</u>	<u>\$ 8,258</u>	<u>25,316</u>	<u>\$ 24,481</u>
LIABILITIES				
Deferred revenue	<u>2,204</u>		<u>2,204</u>	
Total liabilities	<u>2,204</u>		<u>2,204</u>	
NET POSITION				
Invested in capital assets, net of related debt	7,680		7,680	\$ 8,498
Unrestricted	7,174	\$ 8,258	15,432	15,983
Total net position	<u>\$ 14,854</u>	<u>\$ 8,258</u>	<u>\$ 23,112</u>	<u>\$ 24,481</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2020

	Business-type Activities			
	Food Service Fund	Latchkey Fund	Totals FY 2020	
OPERATING REVENUES:				
Local sources:				
Daily sales:				
Reimbursable programs	\$ 21,892		\$ 21,892	\$ 33,730
Non-reimbursable programs	6,175		6,175	10,231
Tuition		\$ 5,507	5,507	9,318
Total operating revenue	<u>28,067</u>	<u>5,507</u>	<u>33,574</u>	<u>53,279</u>
OPERATING EXPENSES:				
Salaries	30,498	5,922	36,420	37,071
Employee benefits	2,883	553	3,436	3,713
Purchased professional/technical services	3,444		3,444	1,749
Purchased property services	418		418	762
Supplies and materials	83		83	20
Cost of sales - reimbursable	32,972		32,972	39,584
Cost of sales - non-reimbursable	3,485		3,485	4,857
Depreciation	818		818	821
Miscellaneous				52
Total operating expenses	<u>74,601</u>	<u>6,475</u>	<u>81,076</u>	<u>88,629</u>
Operating income (loss)	<u>(46,534)</u>	<u>(968)</u>	<u>(47,502)</u>	<u>(35,350)</u>
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	858		858	831
Federal sources:				
National school lunch program	24,572		24,572	22,697
School breakfast program	11,223		11,223	7,476
Food distribution program	2,480		2,480	3,680
Total non-operating revenues (expenses)	<u>39,133</u>		<u>39,133</u>	<u>34,684</u>
Income (loss) before operating transfers	<u>(7,401)</u>	<u>(968)</u>	<u>(8,369)</u>	<u>(666)</u>
Other financing sources (uses)				
Operating transfer in - general fund	7,000		7,000	4,000
Net income (loss)	(401)	(968)	(1,369)	3,334
Total net position - July 1	15,255	9,226	24,481	21,147
Total net position - June 30	<u>\$ 14,854</u>	<u>\$ 8,258</u>	<u>\$ 23,112</u>	<u>\$ 24,481</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Business-type Activities			
	Food Service Fund	Latchkey Fund	Totals FY 2020	Totals FY 2019
Cash flows from operating activities:				
Receipts from customers	\$ 29,965	\$ 5,507	\$ 35,472	\$ 53,279
Payments to suppliers	(38,303)		(38,303)	(42,814)
Payments to employees	(30,498)	(5,922)	(36,420)	(37,071)
Payments for employee benefits	(2,883)	(553)	(3,436)	(3,713)
Net cash provided (used) by operating activities	(41,719)	(968)	(42,687)	(30,319)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	34,660		34,660	30,943
Board contribution	7,000		7,000	4,000
Net cash provided by non-capital financing activities	41,660		41,660	34,943
Net increase in cash and cash equivalents	(59)	(968)	(1,027)	4,624
Cash and cash equivalents - July 1	4,641	9,226	13,867	9,243
Cash and cash equivalents - June 30	\$ 4,582	\$ 8,258	\$ 12,840	\$ 13,867
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (46,534)	\$ (968)	\$ (47,502)	\$ (35,350)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	818		818	821
Food distribution program	2,480		2,480	3,680
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(306)		(306)	
(Increase) decrease in inventory	(381)		(381)	530
Increase (decrease) in deferred revenue	2,204		2,204	
	\$ (41,719)	\$ (968)	\$ (42,687)	\$ (30,319)

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Internal Service Fund
 Combining Schedule of Net Position
 For the Fiscal Year Ended June 30, 2020

	Total FY 2020
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,144
Total assets	\$ 5,144
LIABILITIES AND NET POSITION	
Net position:	
Unrestricted	\$ 5,144
Total liabilities and net position	\$ 5,144

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2020

	Total FY 2020
OPERATING REVENUES:	
Local sources:	
Other charges and fees	\$ 16,400
Total operating revenue	16,400
OPERATING EXPENSES:	
Salaries	10,363
Employee benefits	893
Total operating expenses	11,256
Net changes in net position	5,144
Total net position - June 30	\$ 5,144

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Total FY 2020
Cash flows from operating activities:	
Receipts from customers	\$ 16,400
Payments to employees	(10,363)
Payments for employee benefits	(893)
	5,144
Net cash provided (used) by operating activities	5,144
Net increase in cash and cash equivalents	5,144
Cash and cash equivalents - June 30	\$ 5,144
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 5,144
	\$ 5,144

FIDUCIARY FUNDS

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Trust Funds		Agency Funds		Totals	
	Scholarship Trust	Unemployment Compensation Trust	Student Activity	Payroll & Payroll Agency	FY 2020	FY 2019
ASSETS						
Cash and cash equivalents	\$ 1,378	\$ 176,008	\$ 9,112	\$ 3,278	\$ 189,776	\$ 189,578
Total assets	<u>\$ 1,378</u>	<u>\$ 176,008</u>	<u>9,112</u>	<u>3,278</u>	<u>189,776</u>	<u>189,578</u>
LIABILITIES						
Due to student groups			9,112		9,112	7,586
Payroll deductions and withholdings				3,278	3,278	2,051
Total liabilities			<u>9,112</u>	<u>3,278</u>	<u>12,390</u>	<u>9,637</u>
NET POSITION						
Held in trust for:						
Unemployment claims		\$ 176,008			176,008	178,443
Scholarship awards	\$ 1,378				1,378	1,498
Total net position	<u>\$ 1,378</u>	<u>\$ 176,008</u>	<u>None</u>	<u>None</u>	<u>\$ 177,386</u>	<u>\$ 179,941</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Trust Funds		Totals	
	Scholarship Trust	Unemployment Compensation Trust	FY 2020	FY 2019
ADDITIONS:				
Contributions:				
Plan members		\$ 3,799	\$ 3,799	\$ 3,514
Total contributions		3,799	3,799	3,514
Investment earnings:				
Interest	\$ 5	632	637	877
Total investment earnings	5	632	637	877
Total additions	5	4,431	4,436	4,391
DEDUCTIONS:				
Unemployment claims		6,866	6,866	10,974
Scholarships awarded	125		125	125
Total deductions	125	6,866	6,991	11,099
Change in net position	(120)	(2,435)	(2,555)	(6,708)
Net position July 1	1,498	178,443	179,941	186,649
Net position June 30	\$ 1,378	\$ 176,008	\$ 177,386	\$ 179,941

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Student Activity Agency Fund -
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
ACTIVITIES:				
Elementary school	\$ 7,586	\$ 8,851	\$ 7,325	\$ 9,112

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Payroll Agency Fund -
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS				
Cash and cash equivalents	\$ 2,051	\$ 2,195,875	\$ 2,194,648	\$ 3,278
Total assets	\$ 2,051	\$ 2,195,875	\$ 2,194,648	\$ 3,278
LIABILITIES				
Employees' net pay		\$ 1,286,474	\$ 1,286,474	
Payroll deductions and withholdings	\$ 2,051	909,348	908,121	\$ 3,278
Interfund Payable		53	53	
Total liabilities	\$ 2,051	\$ 2,195,875	\$ 2,194,648	\$ 3,278

**STATISTICAL SECTION
(Unaudited)**

**LOWER ALLOWAYS CREEK 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.	108-113
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	114-117
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.	118-121
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.	122-123
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.	124-128

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Net Position By Component
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2020
 Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Invested in capital assets, net of related debt	\$ 601,201	\$ 1,093,296	\$ 1,034,496	\$ 1,903,866	\$ 1,794,674	\$ 1,872,333	\$ 1,698,792	\$ 2,569,760	\$ 2,403,842	\$ 2,244,315
Restricted	1,410,710	1,512,647	1,955,939	1,412,851	1,706,965	1,949,793	1,745,986	1,004,517	1,191,717	1,274,956
Unrestricted	96,704	141,661	142,631	149,802	(418,542)	(449,727)	(14,728,043)	(541,501)	(510,104)	(512,401)
Total governmental activities net position	\$ 2,108,615	\$ 2,747,604	\$ 3,133,066	\$ 3,466,519	\$ 3,083,097	\$ 3,372,399	\$ (11,283,265)	\$ 3,032,776	\$ 3,085,455	\$ 3,006,870
Business-type activities:										
Invested in capital assets, net of related debt	\$ 9,207	\$ 7,112	\$ 5,401	\$ 6,551	\$ 10,578	\$ 9,708	\$ 10,138	\$ 9,319	\$ 8,498	\$ 7,680
Unrestricted	5,300	3,214	10,405	6,582	11,886	10,004	8,743	11,828	15,983	20,576
Total business-type activities net position	\$ 14,507	\$ 10,326	\$ 15,806	\$ 13,133	\$ 22,464	\$ 19,712	\$ 18,881	\$ 21,147	\$ 24,481	\$ 28,256
District-wide:										
Invested in capital assets, net of related debt	\$ 610,408	\$ 1,100,408	\$ 1,039,897	\$ 1,910,417	\$ 1,805,252	\$ 1,882,041	\$ 1,708,930	\$ 2,579,079	\$ 2,412,340	\$ 2,251,995
Restricted	1,410,710	1,512,647	1,955,939	1,412,851	1,706,965	1,949,793	1,745,986	1,004,517	1,191,717	1,274,956
Unrestricted	102,004	144,875	153,036	156,384	(406,656)	(439,723)	(14,719,300)	(529,673)	(494,121)	(491,825)
Total district-wide net position	\$ 2,123,122	\$ 2,757,930	\$ 3,148,872	\$ 3,479,652	\$ 3,105,561	\$ 3,392,111	\$ (11,264,384)	\$ 3,053,923	\$ 3,109,936	\$ 3,035,126

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2020
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 1,441,678	\$ 1,336,507	\$ 1,382,904	\$ 1,396,118	\$ 1,466,324	\$ 1,418,544	\$ 1,264,634	\$ 1,250,860	\$ 1,176,469	\$ 1,147,269
Special education	166,930	155,811	157,600	166,215	175,065	219,793	222,499	248,988	260,071	351,602
Other special education	4,110	51,000					34,671	39,193	41,853	48,266
Other instruction	1,552	878	422	495	3,072	1,311	2,084	980	1,050	764
Support services:										
Student & instruction and related services	1,012,629	1,073,741	730,956	894,075	900,955	925,638	1,387,441	1,077,397	1,310,659	1,361,279
General administration	112,810	118,218	127,322	136,260	133,373	115,076	130,048	142,052	124,802	115,485
School administrative services	59,241	60,808	59,422	58,715	57,820	48,341	59,650	61,222	62,368	51,000
Central services	86,226	90,799	94,316	101,450	110,245	92,298	95,115	97,991	88,674	97,273
Administrative information technology						2,860	2,208			
Plant operations and maintenance	283,799	311,990	416,061	317,915	332,329	308,008	355,162	297,525	322,177	312,254
Pupil transportation	314,203	342,116	299,835	351,905	372,798	369,315	402,276	341,405	317,599	271,975
Unallocated benefits	889,829	835,848	823,840	759,237	800,641	881,792	956,966	985,397	1,328,885	969,127
Capital outlay	3,113	2,315	61,391	1,258	6,508	10,760	99,287	11,419	1,258	1,258
Unallocated depreciation	80,907	123,654	122,517	132,947	141,625	147,183	155,968	177,515	185,954	163,668
Total governmental activities expenses	<u>4,457,027</u>	<u>4,503,685</u>	<u>4,276,586</u>	<u>4,316,590</u>	<u>4,500,755</u>	<u>4,540,919</u>	<u>5,168,009</u>	<u>4,731,944</u>	<u>5,221,819</u>	<u>4,891,220</u>
Business-type activities:										
Food service	89,053	94,612	91,778	96,311	74,584	75,172	73,099	69,715	82,304	85,857
Child care	7,744	6,526	5,374	3,193	2,721	3,849	4,357	4,699	6,325	6,475
Total business-type activities expense	<u>96,797</u>	<u>101,138</u>	<u>97,152</u>	<u>99,504</u>	<u>77,305</u>	<u>79,021</u>	<u>77,456</u>	<u>74,414</u>	<u>88,629</u>	<u>92,332</u>
Total District expenses	<u>\$ 4,553,824</u>	<u>\$ 4,604,823</u>	<u>\$ 4,373,738</u>	<u>\$ 4,416,094</u>	<u>\$ 4,578,060</u>	<u>\$ 4,619,940</u>	<u>\$ 5,245,465</u>	<u>\$ 4,806,358</u>	<u>\$ 5,310,448</u>	<u>\$ 4,983,552</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
Instruction (tuition)		\$ 23,275	\$ 20,980	\$ 24,099	\$ 38,400	\$ 27,800				
Operating grants and contributions	\$ 132,441	108,584	96,444	95,246	103,837	217,681	\$ 101,604	\$ 143,451	\$ 138,609	\$ 124,822
Total governmental activities program revenues	<u>132,441</u>	<u>131,859</u>	<u>117,424</u>	<u>119,345</u>	<u>142,237</u>	<u>245,481</u>	<u>101,604</u>	<u>143,451</u>	<u>138,609</u>	<u>124,822</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2020
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Food service	51,945	50,152	49,573	42,263	42,206	37,599	33,479	40,237	43,961	44,467
Child care	8,593	6,637	5,806	4,275	3,099	5,116	6,013	5,614	9,318	5,507
Operating grants and contributions	21,921	24,168	22,253	29,693	32,081	28,554	27,316	27,829	34,684	39,133
Total business-type activities program revenues	82,459	80,957	77,632	76,231	77,386	71,269	66,808	73,680	87,963	89,107
Total District program revenue	\$ 214,900	\$ 212,816	\$ 195,056	\$ 195,576	\$ 219,623	\$ 316,750	\$ 168,412	\$ 217,131	\$ 226,572	\$ 213,929
Net (expense) revenue:										
Governmental activities:	\$ (4,324,586)	\$ (4,371,826)	\$ (4,159,162)	\$ (4,197,245)	\$ (4,358,518)	\$ (4,295,438)	\$ (5,066,405)	\$ (4,588,493)	\$ (5,083,210)	\$ (4,766,398)
Business-type activities	(14,338)	(20,181)	(19,520)	(23,273)	81	(7,752)	(10,648)	(734)	(666)	(3,225)
Total District-wide net expense	\$ (4,338,924)	\$ (4,392,007)	\$ (4,178,682)	\$ (4,220,518)	\$ (4,358,437)	\$ (4,303,190)	\$ (5,077,053)	\$ (4,589,227)	\$ (5,083,876)	\$ (4,769,623)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for government purposes	\$ 3,359,200	\$ 3,359,200	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016
Unrestricted grants and contributions	1,178,253	1,354,182	1,232,736	1,213,118	1,230,631	1,273,425	1,345,135	1,353,245	1,753,760	1,299,117
Tuition charges	12,229	7,000	6,890	3,483		9,000	21,000	15,000	41,650	84,238
Transportation fees	575	250	62	600		617	2,225	5,260	4,318	11,060
Investment earnings	31,840	34,845	37,283	23,511	19,338	11,472	9,320	4,652	8,576	7,733
Gain on disposal of assets	(34,515)	(19,914)		(3,525)	(3,656)	(8,303)	(38,450)			
Transfers out		(16,000)	(25,000)	(18,000)	(4,000)	(5,000)	(6,000)	(3,000)	(4,000)	(7,000)
Insurance recovery		286,754								
Prior year payable canceled									7,000	
Miscellaneous income	19,327	4,498	637	19,495	1,210	11,513	3,872	18,984	32,569	649
Total governmental activities	4,566,909	5,010,815	4,544,624	4,530,698	4,535,539	4,584,740	4,629,118	4,686,157	5,135,889	4,687,813
Business-type activities:										
Transfers			25,000	18,000	4,000	5,000	6,000	3,000	4,000	7,000
Capital asset contributions				2,600	5,250		3,817			
Total business-type activities			25,000	18,000	4,000	5,000	9,817	3,000	4,000	7,000
Total District-wide	\$ 4,566,909	\$ 5,010,815	\$ 4,569,624	\$ 4,548,698	\$ 4,539,539	\$ 4,589,740	\$ 4,638,935	\$ 4,689,157	\$ 5,139,889	\$ 4,694,813
Change in net position										
Governmental activities	\$ 242,323	\$ 638,989	\$ 385,462	\$ 333,453	\$ 177,021	\$ 289,302	\$ (437,287)	\$ 97,664	\$ 52,679	\$ (78,585)
Business-type activities	(14,338)	(20,181)	5,480	(5,273)	4,081	(2,752)	(831)	2,266	3,334	3,775
Total District	\$ 227,985	\$ 618,808	\$ 390,942	\$ 328,180	\$ 181,102	\$ 286,550	\$ (438,118)	\$ 99,930	\$ 56,013	\$ (74,810)

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2020
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Restricted	\$ 1,118,667	\$ 1,382,706	\$ 1,147,303	\$ 1,356,523	\$ 1,631,171	\$ 1,885,507	\$ 1,629,034	\$ 670,362	\$ 1,145,597	\$ 1,241,057
Assigned	292,043	129,941	68,614	49,320	68,786	57,278	30,297	300,281	22,474	33,899
Unassigned	179,539	211,187	208,139	224,354	205,568	182,495	173,287	190,711	211,680	182,185
Total general fund	<u>\$ 1,590,249</u>	<u>\$ 1,723,834</u>	<u>\$ 1,424,056</u>	<u>\$ 1,630,197</u>	<u>\$ 1,905,525</u>	<u>\$ 2,125,280</u>	<u>\$ 1,832,618</u>	<u>\$ 1,161,354</u>	<u>\$ 1,379,751</u>	<u>\$ 1,457,141</u>
All other governmental funds:										
Unreserved, reported in:										
Capital projects fund			\$ 740,022	\$ 7,008	\$ 7,008	\$ 7,008	\$ 86,655	\$ 33,874	\$ 23,646	
Total all other governmental funds	<u>None</u>	<u>None</u>	<u>None</u>	<u>\$ 7,008</u>	<u>\$ 7,008</u>	<u>\$ 7,008</u>	<u>\$ 86,655</u>	<u>\$ 33,874</u>	<u>\$ 23,646</u>	<u>None</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES:										
Tax levy	\$ 3,359,200	\$ 3,359,200	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016
Tuition charges	12,229	7,000	6,890	3,483		9,000	21,000	15,000	41,650	84,238
Transportation fees	575	250	62	600		617	2,225	5,260	4,318	11,060
Interest earnings	31,840	34,845	37,283	23,511	19,338	11,472	9,320	4,652	8,576	7,733
Miscellaneous	24,634	8,597	3,938	19,495	5,028	13,664	6,076	21,357	35,143	2,649
State sources	1,178,253	1,315,617	1,232,736	1,213,118	1,230,631	1,365,835	1,345,135	1,353,245	1,401,250	1,283,577
Federal sources	127,134	143,050	93,143	95,246	100,019	123,120	99,400	141,078	136,035	122,822
Total revenue	4,733,865	4,868,559	4,666,068	4,647,469	4,647,032	4,815,724	4,775,172	4,832,608	4,918,988	4,804,095
EXPENDITURES:										
Instruction:										
Regular	1,447,868	1,328,293	1,368,160	1,371,383	1,446,096	1,398,986	1,266,391	1,252,315	1,175,919	1,142,094
Special	166,860	155,221	158,012	165,653	175,690	220,280	222,162	248,763	259,771	351,189
Other special instruction	3,935	51,045					33,996	39,868	41,853	47,553
Other instruction	1,552	878	422	1,095	3,072	1,311	2,084	980	1,050	764
Undistributed:										
Student & instruction related services	1,012,629	1,112,978	730,956	894,075	900,955	925,638	1,387,441	1,079,770	1,310,659	1,359,892
General administration	112,810	118,218	127,322	136,260	133,373	115,076	130,048	142,052	124,802	115,485
School administration	59,241	60,808	59,422	58,715	57,820	48,341	59,650	61,222	62,368	51,000
Central administration	86,226	90,799	94,316	101,450	110,245	92,298	95,115	97,991	88,674	97,273
Administration information technology						2,860	2,208			
Plant operations & maintenance	289,128	314,600	415,121	355,293	332,329	308,008	355,162	297,525	332,204	312,254
Student transportation	314,203	342,116	299,835	347,725	376,048	368,515	402,056	338,755	320,774	271,700
Unallocated benefits	889,829	832,031	822,150	758,763	790,479	865,751	905,710	936,883	992,196	988,748
Capital outlay	109,250	311,987	125,108	969,722	41,597	243,905	120,164	1,057,529	11,267	5,399
Total expenditures	4,493,531	4,718,974	4,200,824	5,160,134	4,367,704	4,590,969	4,982,187	5,553,653	4,721,537	4,743,351
Excess (deficiency of revenues over (under) expenditures	240,334	149,585	465,244	(512,665)	279,328	224,755	(207,015)	(721,045)	197,451	60,744
Other financing sources (uses)										
Transfers in				3,792					7,718	
Transfers out - food service		(16,000)	(25,000)	(18,000)	(4,000)	(5,000)	(6,000)	(6,000)	(4,000)	(7,000)
Prior year payable canceled									7,000	
Total other financing sources (uses)		(16,000)	(25,000)	(14,208)	(4,000)	(5,000)	(6,000)	(6,000)	10,718	(7,000)
Net change in fund balance	\$ 240,334	\$ 133,585	\$ 440,244	\$ (526,873)	\$ 275,328	\$ 219,755	\$ (213,015)	\$ (727,045)	\$ 208,169	\$ 53,744

Debt service as a percentage of noncapital expenditures

Source: District records

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 General Fund Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Miscellaneous	Rentals	Refund Prior Year	Annual Totals
2011	\$ 3,304		\$ 16,023	\$ 19,327
2012	2,576		1,922	4,498
2013	183		454	637
2014	4,215		15,280	19,495
2015	1,210			1,210
2016	3,356		8,157	11,513
2017	125		3,747	3,872
2018	266	\$ 17,000	1,718	18,984
2019	101	17,000	15,468	32,569
2020	536		113	649
	<u>\$ 15,872</u>	<u>\$ 34,000</u>	<u>\$ 62,882</u>	<u>\$ 112,754</u>

Source: District Records

LOWER ALLOWAYS CREEK 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
2011	2,614,300	61,954,200	25,588,300	4,168,500	1,527,200	113,229,100	0	209,081,600	610,966	209,692,566	265,310,796	0.000
2012	3,198,600	64,264,700	23,401,100	3,907,300	1,527,200	113,498,600	0	209,797,500	423,390	210,220,890	296,419,755	0.000
2013	3,229,600	69,945,000	18,928,500	3,772,300	1,633,600	113,498,600	0	211,007,600	436,054	211,443,654	276,948,769	0.000
2014	3,226,000	70,567,100	18,679,100	3,757,200	1,633,600	113,498,600	0	211,361,600	409,427	211,771,027	264,640,143	0.000
2015	3,023,500	70,949,400	19,112,000	3,749,800	1,633,600	113,498,600	0	211,966,900	247,473	212,214,373	301,889,459	0.000
2016	3,014,700	70,823,500	19,449,800	3,773,600	1,633,600	113,498,600	0	212,193,800	249,916	212,443,716	303,262,027	0.000
2017	2,976,300	71,209,500	19,574,300	3,732,600	1,633,600	113,498,600	0	212,624,900	258,243	212,883,143	293,931,047	0.000
2018	2,896,900	70,386,600	20,568,300	3,828,000	1,633,600	113,498,600	0	212,812,000	259,555	213,071,555	297,149,087	0.000
2019	2,906,600	70,694,800	20,674,000	3,826,000	1,633,600	113,498,600	0	213,233,600	453,058	213,686,658	277,201,503	0.000
2020	2,973,000	71,257,000	20,874,100	3,805,200	1,485,000	113,498,600	0	213,892,900	703,862	214,596,762	N/A	0.000

Source: Municipal Tax Assessor

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

LOWER ALLOWAYS CREEK 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 LAC	Salem County	
2011	0.000	0.000	0.000	0.000	1.336	1.336
2012	0.000	0.000	0.000	0.000	1.116	1.116
2013	0.000	0.000	0.000	0.000	1.268	1.268
2014	0.000	0.000	0.000	0.000	1.207	1.207
2015	0.000	0.000	0.000	0.000	1.376	1.376
2016	0.000	0.000	0.000	0.000	1.441	1.441
2017	0.000	0.000	0.000	0.000	1.549	1.549
2018	0.000	0.000	0.000	0.000	1.604	1.604
2019	0.000	0.000	0.000	0.000	1.651	1.651
2020	0.000	0.000	0.000	0.000	1.567	1.567

Source: Municipal Tax Assessor

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current and Nine Years Ago
Unaudited

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
PSE&G	113,592,800	53.11%	113,525,800	54.14%
Taxpayer #1	856,300	0.40%	856,300	0.41%
Taxpayer #2	782,500	0.37%	703,800	0.34%
Wave Maker 4 LLC	644,900	0.30%	538,500	0.26%
Verizon - New Jersey	703,862	0.33%	423,390	0.20%
Taxpayer #3	398,800	0.19%	523,000	0.25%
Hancock, Tice & Crane LLC	396,600	0.19%		
Taxpayer #4	366,400	0.17%	398,800	0.19%
Taxpayer #5	362,500	0.17%	392,700	0.19%
Silver Lake Preserve			349,900	0.17%
Taxpayer #6	345,200	0.16%	336,500	0.16%
	<u>118,449,862</u>	<u>55.38%</u>	<u>118,048,690</u>	<u>56.30%</u>

Source: Municipal Tax Assessor

LOWER ALLOWAYS CREEK 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	
2011	\$ 3,359,200	\$ 3,359,200	100.00%	
2012	3,359,200	3,359,200	100.00%	
2013	3,292,016	3,292,016	100.00%	
2014	3,292,016	3,292,016	100.00%	
2015	3,292,016	3,292,016	100.00%	
2016	3,292,016	3,292,016	100.00%	
2017	3,292,016	3,292,016	100.00%	
2018	3,292,016	3,292,016	100.00%	
2019	3,292,016	3,292,016	100.00%	
2020	3,292,016	3,292,016	100.00%	

Source: District records

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-type	Total District	Percentage of Personal Income
	General Obligation Bonds	Certificate of Participation	Capital Leases	Bond Anticipation Notes	Activities Capital Leases		
2011	0	0	0	0	0	0	0.00%
2012	0	0	0	0	0	0	0.00%
2013	0	0	0	0	0	0	0.00%
2014	0	0	0	0	0	0	0.00%
2015	0	0	0	0	0	0	0.00%
2016	0	0	0	0	0	0	0.00%
2017	0	0	0	0	0	0	0.00%
2018	0	0	0	0	0	0	0.00%
2019	0	0	0	0	0	0	0.00%
2020	0	0	0	0	0	0	0.00%

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>			Percentage of Actual Taxable Value of Property	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>		
2011	0	0	0	0.00%	0
2012	0	0	0	0.00%	0
2013	0	0	0	0.00%	0
2014	0	0	0	0.00%	0
2015	0	0	0	0.00%	0
2016	0	0	0	0.00%	0
2017	0	0	0	0.00%	0
2018	0	0	0	0.00%	0
2019	0	0	0	0.00%	0
2020	0	0	0	0.00%	0

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 as of December 31, 2019
 Unaudited

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Lower Alloways Creek	0	100%	0
Salem County General Obligation Debt	\$ 38,650,075	5.52%	<u>\$ 2,132,876</u>
Subtotal, overlapping debt			2,132,876
Lower Alloways Creek School District			<u>0</u>
Total direct and overlapping debt			<u><u>\$ 2,132,876</u></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.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

	Equalized Valuation Basis	
Year		
2019	\$	263,348,895
2018		274,950,904
2017		295,353,382
	\$	<u>833,653,181</u>
Average equalized valuation of taxable property	\$	277,884,394
Debt limit (3% of average equalized value)		8,336,532
Total net debt applicable to limit		0
Legal debt margin	\$	<u>8,336,532</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 8,676,642	\$ 8,302,877	\$ 8,303,129	\$ 8,347,514	\$ 8,653,225	\$ 9,043,440	\$ 8,970,953	\$ 8,885,970	\$ 8,623,074	\$ 8,336,532
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$ 8,676,642</u>	<u>\$ 8,302,877</u>	<u>\$ 8,303,129</u>	<u>\$ 8,347,514</u>	<u>\$ 8,653,225</u>	<u>\$ 9,043,440</u>	<u>\$ 8,970,953</u>	<u>\$ 8,885,970</u>	<u>\$ 8,623,074</u>	<u>\$ 8,336,532</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

LOWER ALLOWAYS CREEK 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
2011	1,782	\$ 72,055,170	\$ 40,435	5.90%
2012	1,770	74,118,750	41,875	7.90%
2013	1,755	73,137,870	41,674	8.20%
2014	1,743	73,321,038	42,066	7.80%
2015	1,730	74,540,510	43,087	6.20%
2016	1,715	77,343,070	45,098	7.20%
2017	1,704	77,855,760	45,690	6.80%
2018	1,694	78,660,890	46,435	4.90%
2019	1,682	81,570,272	48,496	4.40%
2020	1,672	n/a	n/a	n/a

Source: Data regarding school district population and per capita personal income was provided by the Department of Education.

n/a - Not available at the time of CAFR completion.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current and Nine Years Ago
Unaudited

Employer	2020		2011	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
PSE&G	1,300	183.36% *	1500	118.20%
LAC Township	52	7.33%	75	5.91%
LAC Board of Education	47	6.63%	50	3.94%
	<u>1,399</u>	<u>197.32%</u>	<u>1,625</u>	<u>128.05%</u>

Source: County of Salem Department of Economic Development.

* Labor force consists of a significant number of employees for PSE&G from other municipalities, therefore, the percentage of employees to the labor force is greater than 100%.

N/A - Not available

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

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction:										
Regular	21.70	19.21	20.76	21.24	22.16	21.24	20.04	19.04	19.04	20.40
Special education	3.52	3.84	3.45	3.37	3.37	4.14	4.64	4.64	4.64	5.89
Support services:										
Student & instruction related services	1.20	1.00	1.10	1.00	1.00	1.00	1.00	1.00	1.00	1.00
General administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Business administrative services	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plants operations and maintenance		0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Pupil transportation	5.10	4.36	5.26	3.56	4.05	4.03	4.02	4.02	2.70	2.83
Custodial services					2.52	2.52	2.52	2.26	2.26	2.26
Food service	2.30	2.30	2.30	2.29	1.58	1.53	1.53	1.53	1.54	1.68
Child care	0.9	0.30	0.50	0.36	0.29	0.29	0.36	0.36	0.36	0.29
Total	<u>37</u>	<u>34</u>	<u>36</u>	<u>34</u>	<u>37</u>	<u>37</u>	<u>36.6</u>	<u>35.4</u>	<u>34.0</u>	<u>36.85</u>

Source: District personnel records

LOWER ALLOWAYS CREEK 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				
2011	230	\$ 4,384,281	\$ 19,062	12.91%	27.0	1:8	199.6	186.2	-8.98%	93.29%
2012	223	4,406,987	19,762	3.67%	24.7	1:8	198.5	189.0	-0.55%	95.21%
2013	215	4,075,716	18,957	-4.08%	22.3	1:9	200.2	191.3	0.86%	95.55%
2014	202	4,190,412	20,745	9.43%	22.3	1:9	193.9	186.1	-3.17%	95.99%
2015	201	4,326,107	21,523	3.75%	22.3	1:9	177.4	167.8	-8.50%	94.61%
2016	191	4,347,064	22,759	5.75%	22.4	1:8	161.9	154.9	-8.72%	95.68%
2017	162	4,862,023	30,012	31.87%	23.1	1:7	161.2	153.9	-0.43%	95.44%
2018	158	4,496,124	28,456	-5.18%	21.4	1:8	165.7	154.2	2.78%	93.10%
2019	163	4,710,270	28,897	-3.72%	21.4	1:8	161.0	154.2	-2.81%	95.73%
2020	164	4,737,952	28,890	1.52%	22.8	1:7	165.0	159.7	2.48%	96.75%

Sources: District records, ASSA

Note: Enrollment based on annual October District count.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary										
Lower Alloways Creek:										
Square feet	54,110	54,110	54,110	54,110	54,110	54,110	54,110	54,110	54,110	54,110
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	200	197	201	194	173	162	162	161	162	163

Number of schools at June 30, 2020

 Elementary = 1

Source: District office

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 For the Fiscal Year Ended June 30, 2020
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

* School Facilities	Gross Square Footage	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Lower Alloways Creek	54,110	<u>\$ 47,539</u>	<u>\$ 74,341</u>	<u>\$ 159,012</u>	<u>\$ 73,806</u>	<u>\$ 84,498</u>	<u>\$ 75,698</u>	<u>\$ 101,625</u>	<u>\$ 40,450</u>	<u>\$ 79,014</u>	<u>\$ 56,086</u>	<u>\$ 792,069</u>

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2020
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Educational Risk and Insurance Consortium - South		
Property - blanket buildings & contents	\$ 12,901,316	\$ 5,000
School board legal liability	5,000,000	
Automobile liability	5,000,000	None
Workmen's compensation - NJ School Boards Association		
Insurance group		
Bodily injury - by accident	3,000,000	None
Bodily injury - by disease	3,000,000	None
Bodily injury - by employee	3,000,000	None
Pollution liability	25,000,000	10,000
Student accident - Berkley Health and Life	5,000,000	25,000
Public employees' faithful performance bonds -		
Liberty Mutual Insurance Company		
Employee bond - Shannon N. DuBois-Brody, Business		
Administrator/Board Secretary	185,000	None
Employee bond - Lauren Granate, Alternate		
Board Secretary	10,000	None

Source: District records

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

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EXHIBIT 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 GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Lower Alloways Creek Township School District
967 Main Street - Canton
Salem, New Jersey 08079

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 Lower Alloways Creek Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Lower Alloways Creek Township School District's basic financial statements and have issued our report thereon dated December 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lower Alloways Creek 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 Lower Alloways Creek 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 Lower Alloways Creek 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
Glassboro, New Jersey

December 15, 2020

PETRONI & ASSOCIATES LLC

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EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
REQUIRED BY *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES,
AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE),
AND NEW JERSEY OMB'S CIRCULAR 15-08***

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Lower Alloways Creek Township School District
967 Main Street - Canton
Salem, New Jersey 08079

Report on Compliance for Each Major State Program

We have audited the Lower Alloways Creek Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Lower Alloways Creek Township School District's major state programs for the year ended June 30, 2020. The Lower Alloways Creek 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 Lower Alloways Creek 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*, (Uniform Guidance), *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 Circular 15-08, Single Audit Policy for recipients of Federal Grants, State Grants, and State Aid. Those standards, the Uniform Guidance and New Jersey OMB's Circular 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 Lower Alloways Creek 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 Lower Alloways Creek Township School District's compliance.

Opinion on Each Major State Program

In our opinion, the Lower Alloways Creek 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, 2020.

Report on Internal Control Over Compliance

Management of the Lower Alloways Creek 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 Lower Alloways Creek 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 Uniform Guidance, and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lower Alloways Creek Township School District's internal control over compliance.

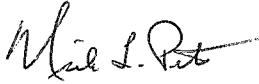
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 Uniform Guidance and New Jersey OMB's Circular 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 Uniform Guidance and New Jersey OMB's Circular 15-08.**

We have audited the financial statements Lower Alloways Creek Township School District as of and for the year ended June 30, 2020, and have issued our report thereon dated December 15, 2020, 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 Uniform Guidance and New Jersey OMB's Circular 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
Glassboro, New Jersey

December 15, 2020

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			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	S010A190030	ESEA280020	\$ 43,787	07/1/19	06/30/20			\$ 43,787	\$ (43,787)						\$ 43,787
Title II-A - Teacher & Principal Training	84.367	S367A190029	ESEA280020	7,027	07/1/19	06/30/20			7,027	(7,027)						7,027
Title IV-Student Support & Academic Enrichment	84.424	S424A190031	ESEA280020	10,000	07/1/19	06/30/20			10,000	(10,000)						10,000
Special Education Cluster																
IDEA Part B, Basic Regular	84.027A	H027A190100	IDEA280020	48,392	07/1/19	06/30/20			48,392	(48,392)						48,392
IDEA Part B, Preschool	84.173	H173A190114	IDEA280020	790	07/1/19	06/30/20			790	(790)						790
Total Special Education Cluster									49,182	(49,182)						49,182
Rural Education Achievement Program	84.358	S358B190030	S358A192361	12,826	07/1/19	09/30/20			12,826	(12,826)						12,826
Total Special Revenue Fund									122,822	(122,822)						127,322
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Child Nutrition Cluster																
Food Distribution Program	10.555	201NJ304N1099	n/a	2,480	07/1/19	06/30/20			2,480	(2,030)					\$ 450	2,480
Food Distribution Program	10.555	191NJ304N1099	n/a	3,680	07/1/18	06/30/19	\$ 150			(150)						3,680
National School Lunch Program	10.555	201NJ304N1099	n/a	24,572	07/1/19	06/30/20			22,536	(24,572)			\$ (2,036)			24,572
National School Lunch Program	10.555	191NJ304N1099	n/a	22,697	07/1/18	06/30/19	(1,068)		1,068							22,697
National School Breakfast Program	10.553	201NJ304N1099	n/a	11,223	07/1/19	06/30/20			9,936	(11,223)			(1,287)			11,223
National School Breakfast Program	10.553	191NJ304N1099	n/a	7,476	07/1/18	06/30/19	(455)		455							7,476
Total Enterprise Fund/Child Nutrition Cluster							(1,373)		36,475	(37,975)			(3,323)	450		53,429
Total Federal Financial Awards							\$ (1,373)		\$ 159,297	\$ (160,797)			\$ (3,323)	\$ 450		\$ 180,751

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019			Cash Received	Budgetary Expenditures	Adjustment/Repayment of Prior Year's Balance	Balance at June 30, 2020			Memo	
			From	To	Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Transportation Aid	20-495-034-5120-014	\$ 135,665	07/1/19- 06/30/20					\$ 135,665	\$ (135,665)				\$ 11,956	\$ 135,665	
State Aid Public:															
Equalization Aid	20-495-034-5120-078	421,194	07/1/19 - 06/30/20				421,194	(421,194)					37,120	421,194	
Special Education Aid	20-495-034-5120-089	140,233	07/1/19 - 06/30/20				140,233	(140,233)					12,359	140,233	
Security Aid	20-495-034-5120-084	23,353	07/1/19 - 06/30/20				23,353	(23,353)					2,058	23,353	
Adjustment Aid	20-495-034-5120-085	49,045	07/1/19 - 06/30/20				49,045	(49,045)					4,322	49,045	
Extraordinary Aid	19-100-034-5120-044	28,570	07/1/18 - 06/30/19		\$ (28,570)		28,570							28,570	
Nonpublic Transportation Costs	n/a	2,610	07/1/18 - 06/30/19		(2,610)		2,610							2,610	
Reimbursed TPAF Social Security Contributions	20-100-034-5094-003	111,019	07/1/19 - 06/30/20				111,019	(111,019)						111,019	
On-behalf TPAF Post-retirement Contribution	20-100-034-5094-001	108,538	07/1/19 - 06/30/20				108,538	(108,538)						108,538	
On-behalf TPAF Pension Contribution	20-100-034-5094-002	292,570	07/1/19 - 06/30/20				292,570	(292,570)						292,570	
On-behalf TPAF Long Term Disability Insurance	20-100-034-5094-004	275	07/1/19 - 06/30/20				275	(275)						275	
Total General Fund					(31,180)		1,313,072	(1,281,892)					67,815	1,177,407	
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	20-100-010-3350-023	858	07/1/19 - 06/30/20				625	(858)		\$ (233)				858	
National School Lunch Program (State Share)	19-100-010-3350-023	831	07/1/18 - 06/30/19		(40)		40							831	
Total Enterprise Fund					(40)		665	(858)		(233)				1,689	
Total State Financial Assistance					\$ (31,220)		\$ 1,313,737	\$ (1,282,750)		\$ (233)			\$ 67,815	\$ 1,179,096	
Less: On-Behalf TPAF Pension System Contributions:															
On-behalf TPAF Post-retirement Contribution								\$ (108,538)							
On-behalf TPAF Pension Contribution								(292,570)							
On-behalf TPAF Long Term Disability Insurance								(275)							
Total for State Financial Assistance - Major Program Determination								\$ (881,367)							

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

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2020**

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, Lower Alloways Creek 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 basis 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 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 15-08. 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 one or more deferred June state aid payments 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 one or more June state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the one or more June state aid payments in the current budget year, consistent with NJSA 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,685 for the General Fund and \$0 for the Special Revenue Fund. See Note A (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:

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2020**

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund		\$ 1,283,577	\$ 1,283,577
Special revenue fund	\$ 122,822		122,822
Food service fund	38,275	858	39,133
Total financial assistance	<u>\$ 161,097</u>	<u>\$ 1,284,435</u>	<u>\$ 1,445,532</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, 2020, Lower Alloways Creek Township School District has food commodities totaling \$450 in inventory.

NOTE 6: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. TPAF Social Security Contributions 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, 2020.

NOTE 7: INDIRECT COST RATE

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

NOTE 8: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 X No
2. Significant deficiencies identified that are not considered to be material weaknesses? Yes X None

Noncompliance material to basic financial statements noted? Yes X No

Federal awards

N/A

State awards

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

Auditee qualified as low-risk auditee? X Yes No

Internal control over major programs:

1. Material weakness(es) identified? Yes X No
2. 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’s Circular 15-08? Yes X No

Section I – Summary of Auditor’s Results

Identification of major programs:

GMIS Numbers

Name of State Program

495-034-5120-085
495-034-5120-078
495-034-5120-089
495-034-5120-084

State Aid Public:

Adjustment Aid
Equalization Aid
Special Education Aid
Security Aid

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

None

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

FEDERAL AWARDS

N/A

STATE AWARDS

None

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Status of Prior Year Findings

N/A

Findings

N/A

Condition

N/A

Current Status

N/A