

SCHOOL DISTRICT
OF
ALLAMUCHY TOWNSHIP

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021

Comprehensive Annual Financial Report

of the

Allamuchy Township School District
Board of Education

Allamuchy Township, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Allamuchy Township School District
Board of Education

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)



Allamuchy Township School District

Promoting The Allamuchy Learner

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Allamuchy, NJ 07820

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November 19, 2021

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

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Allamuchy Township School District (the “District”) for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Allamuchy Board of Education (the “Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education, for handicapped youngsters. The District completed the 2020-2021 fiscal year with an average daily enrollment of 419 students, which is 8 students less than the prior year's enrollment.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2021.

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

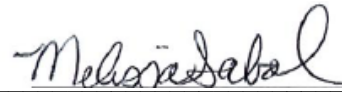
The Honorable President and Members of
the Board of Education
Allamuchy Township School District
Page 4
November 19, 2021

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

Respectfully submitted,



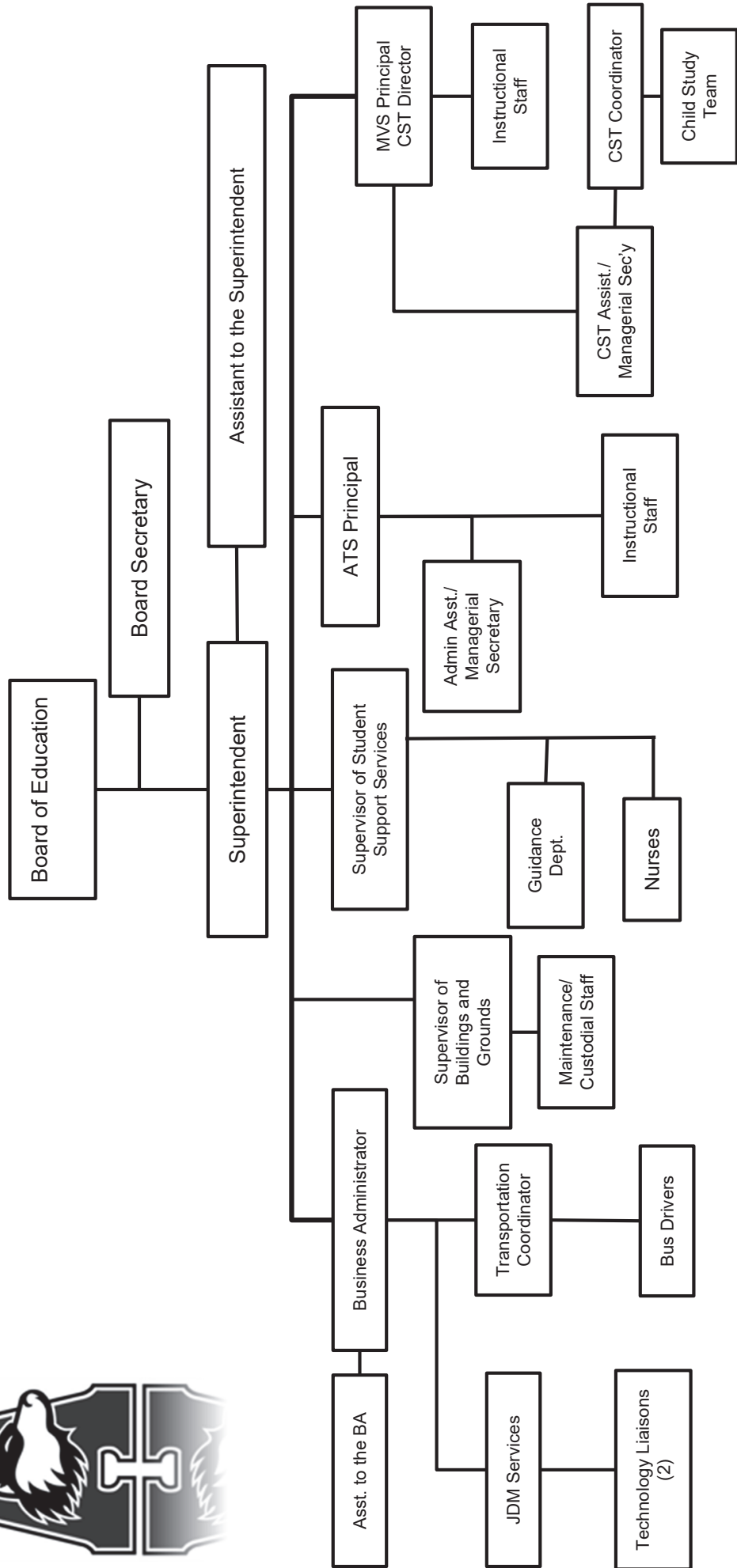
Jim Minkewicz
Business Administrator



Dr. Melissa Sabol
Superintendent



Allamuchy Board of Education Organizational Chart 2020-2021



ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Lisa Strutin, President	2021
Mary Renaud, Vice President	2022
Steven Bienko	2022
Abigail Christmann	2021
Giovanni Cusmano	2022
Harriet Gaddy	2021
Craig Green	2023
Lisa Moyer	2023
Venita Prudenti	2023

<u>Other Officials</u>	<u>Title</u>
Dr. Melissa Sabol	Superintendent of Schools
James Schlessinger	Business Administrator
Donna Trainello	Board Secretary
Chrissie Aulenbach	Assistant to the Superintendent

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
YEAR ENDED JUNE 30, 2021

Audit Firm

Nisivoccia LLP, CPAs
200 Valley Road Suite 300
Mount Arlington, New Jersey 07856

Attorney

Busch Law Group
450 Main Street
Metuchen, NJ 08840

Special Projects Attorney

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

Special Education Attorney

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

Official Depository

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

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Allamuchy Township School District (the "District") in the County of Warren, as of and for the fiscal year ended June 30, 2021, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *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 District'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

The financial statements of the District as of June 30, 2020 were audited by other auditors whose report dated July 10, 2020 expressed an unmodified opinion on those statements.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

November 19, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

John J. Mooney

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Allamuchy Township School District Management Discussion and Analysis

This section of Allamuchy Township School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

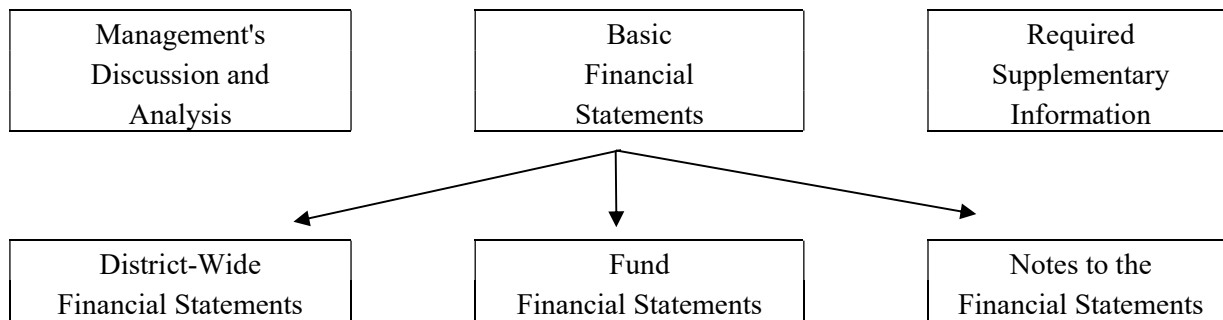
Overview of the Financial Statements

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

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

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

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



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

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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

Allamuchy Township School District Management Discussion and Analysis

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

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

Financial Analysis of the District as a Whole

Net Position. The District’s combined net position increased \$200,821. Net position from governmental activities increased by \$154,589 and the net position from business-type activities increased by \$46,232. Net investment in capital assets increased by \$226,568, restricted net position decreased by \$129,435 and unrestricted net position increased by \$103,688.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2020/21	(Restated) 2019/20	2020/21	2019/20	2020/21	(Restated) 2019/20	
Current and Other Assets	\$ 1,216,107	\$ 1,062,183	\$ 145,677	\$(171,645)	\$ 1,361,784	\$ 890,538	
Capital Assets, Net	10,940,857	10,915,799	56,508	63,547	10,997,365	10,979,346	
Total Assets	12,156,964	11,977,982	202,185	(108,098)	12,359,149	11,869,884	4.12%
Deferred Outflow of Resources	523,296	741,263			523,296	741,263	-29.40%
Other Liabilities	644,706	283,604	288,203	24,152	932,909	307,756	
Long-Term Liabilities	10,114,087	10,827,941			10,114,087	10,827,941	
Total Liabilities	10,758,793	11,111,545	288,203	24,152	11,046,996	11,135,697	-0.80%
Deferred Inflows of Resources	1,072,708	913,530			1,072,708	913,530	17.42%
Net Position:							
Net Investment in Capital Assets	2,976,912	2,743,305	56,508	63,547	3,033,420	2,806,852	
Restricted	431,880	561,315			431,880	561,315	
Unrestricted/(Deficit)	(2,560,033)	(2,610,450)	(142,526)	(195,797)	(2,702,559)	(2,806,247)	
Total Net Position	\$ 848,759	\$ 694,170	\$ (86,018)	\$(132,250)	\$ 762,741	\$ 561,920	35.74%

Changes in Net Position. The District’s combined net position was \$762,741 on June 30, 2021, or \$200,821 more than it was the year before. The increase in the net position was primarily due to a decrease in Long-Term Liabilities offset by an increase in the Capital Assets. (See Figure A-3).

Allamuchy Township School District Management Discussion and Analysis

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
Revenue:							
Program Revenue:							
Charges for Services	\$ 136,431	\$ 474,368	\$ 46,559	\$ 209,435	\$ 182,990	\$ 683,803	
Operating Grants & Contribution	2,658,880	2,622,902	198,014	28,252	2,856,894	2,651,154	
General Revenue:							
Property Taxes	10,043,309	9,518,923			10,043,309	9,518,923	
Unrestricted Federal and State Aid	62,963	37,412			62,963	37,412	
Other	280,672	160,774	14,174	99	294,846	160,873	
Total Revenue	<u>13,182,255</u>	<u>12,814,379</u>	<u>258,747</u>	<u>237,786</u>	<u>13,441,002</u>	<u>13,052,165</u>	2.98%
Expenses:							
Instruction	5,850,678	5,070,806			5,850,678	5,070,806	
Pupil and Instruction Services	3,824,079	3,937,709			3,824,079	3,937,709	
Administrative and Business	1,065,789	1,003,109			1,065,789	1,003,109	
Maintenance and Operations	967,329	979,494			967,329	979,494	
Transportation	978,568	1,103,247			978,568	1,103,247	
Other	341,223	320,316	212,515	298,873	553,738	619,189	
Total Expenses	<u>13,027,666</u>	<u>12,414,681</u>	<u>212,515</u>	<u>298,873</u>	<u>13,240,181</u>	<u>12,713,554</u>	4.14%
Increase/(Decrease) in Net Position	<u>\$ 154,589</u>	<u>\$ 399,698</u>	<u>\$ 46,232</u>	<u>\$ (61,087)</u>	<u>\$ 200,821</u>	<u>\$ 338,611</u>	-40.69%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District remains stable. Maintaining existing programs along with the provision of programs and services for students with special needs place great demands on the District's resources along with rising employee salary and benefits costs.

Careful management of expenses remains essential for the District to maintain its financial health. State aid has been relatively flat while costs continue to escalate.

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

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

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

	<u>Total Costs of Services</u>		<u>Net Cost of Services</u>	
	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2019/20</u>
Instruction	\$ 5,850,678	\$ 5,070,806	\$ 3,650,469	\$ 3,632,787
Pupil and Instruction Services	3,824,079	3,937,709	3,709,189	3,510,299
Administrative and Business	1,065,789	1,003,109	932,849	848,927
Maintenance and Operations	967,329	979,494	933,694	850,173
Transportation	978,568	1,103,247	664,931	473,860
Other	341,223	320,316	341,223	1,366
	<u>\$ 13,027,666</u>	<u>\$ 12,414,681</u>	<u>\$ 10,232,355</u>	<u>\$ 9,317,412</u>

Business-Type Activities

Net position from the District’s business-type activity increased by \$46,232, (Refer to Figure A-4). The primary factor contributing to these results was:

- Food service net position increased by \$62,974 due to a decrease in operating expenses due to Covid-19.
- Rutherford Hall net position decreased by \$16,742 due to operating expenses exceeding revenues.

General Fund Budgetary Highlights

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

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

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

Capital Asset Administration

Figure A-6

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	Change 2020/21
Sites	\$ 2,311,034	\$ 2,311,034			\$ 2,311,034	\$ 2,311,034	
Site Improvements	133,839	91,713			133,839	91,713	
Buildings & Building Improvements	8,019,981	8,231,326			8,019,981	8,231,326	
Furniture, Machinery & Equipment	476,003	281,726	\$ 56,508	\$ 63,547	532,511	345,273	
Total	\$ 10,940,857	\$ 10,915,799	\$ 56,508	\$ 63,547	\$ 10,997,365	\$ 10,979,346	0.16%

- The change in Capital Assets is a result of the acquisition of assets in the amount of \$376,885 offset by depreciation expense of \$358,866.

Long-Term Liabilities

At year-end, the District had \$7,280,000 in general obligation bonds outstanding as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the basic financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage
	2020/21	2019/20	Change 2020/21
General Obligation Bonds (Financed with Property Taxes)	\$ 7,280,000	\$ 7,740,000	
Obligations Under Capital Leases	683,945	432,494	
Net Pension Liability	1,929,891	2,388,329	
Other Long Term Liabilities	220,251	267,118	
Total	\$ 10,114,087	\$ 10,827,941	-6.59%

- The District continued to pay down its debt, retiring \$460,000 of outstanding bonds.
- Obligations Under Capital Leases increased \$251,451 which comprised of additions in the amount of \$325,000 offset by a pay down of \$73,549.
- Other Long-Term Liabilities decreased \$46,867 due to a decrease in compensated absence.
- Net Pension Liability decreased by \$458,438.

Allamuchy Township School District Management Discussion and Analysis

Factors Bearing on the District's Future

At this time these financial statements were prepared and audited, the District was in a good financial position. However, the State imposed tax levy cap limit of 2% leaves the District with little protection in the event of costly emergencies and there is still a possibility of increased costs due to COVID-19.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 388,721	\$ 103,052	\$ 491,773
Receivables from State Government	110,354	871	111,225
Receivables from Federal Government	75,039	12,229	87,268
Receivables from Other Governments	289,531		289,531
Other Accounts Receivable		27,998	27,998
Internal Balances	21,488	(21,488)	
Inventory		1,527	1,527
Restricted Cash and Cash Equivalents	330,974		330,974
Capital Assets:			
Sites (Land)	2,311,034		2,311,034
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	8,629,823	56,508	8,686,331
Total Assets	<u>12,156,964</u>	<u>180,697</u>	<u>12,337,661</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pensions	523,296		523,296
Total Deferred Outflows of Resources	<u>523,296</u>		<u>523,296</u>
LIABILITIES:			
Accounts Payable	542,464	244,808	787,272
Payable to Federal Government	5,810		5,810
Unearned Revenue	11,499	21,907	33,406
Accrued Interest Payable	84,933		84,933
Noncurrent Liabilities:			
Due Within One Year	620,505		620,505
Due Beyond One Year	9,493,582		9,493,582
Total Liabilities	<u>10,758,793</u>	<u>266,715</u>	<u>11,025,508</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	1,072,708		1,072,708
Total Deferred Inflows of Resources	<u>1,072,708</u>		<u>1,072,708</u>
NET POSITION:			
Net Investment in Capital Assets	2,976,912	56,508	3,033,420
Restricted for:			
Capital Projects	203,532		203,532
Maintenance Reserve	71,813		71,813
Unemployment Compensation	6,746		6,746
Student Activities	48,883		48,883
Excess Surplus	100,906		100,906
Unrestricted/(Deficit)	(2,560,033)	(142,526)	(2,702,559)
Total Net Position	<u>\$ 848,759</u>	<u>\$ (86,018)</u>	<u>\$ 762,741</u>

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,628,872	\$ 78,723	\$ 1,462,560		\$ (3,087,589)	\$ (3,087,589)	
Special Education	1,022,845		603,710		(419,135)	(419,135)	
Other Special Instruction	63,445		17,935		(45,510)	(45,510)	
Other Instruction	135,516		37,281		(98,235)	(98,235)	
Support Services:							
Tuition	2,769,239				(2,769,239)	(2,769,239)	
Student & Instruction Related Services	1,054,840	57,708	57,182		(939,950)	(939,950)	
General Administrative Services	276,997		1,780		(275,217)	(275,217)	
School Administrative Services	544,713		131,160		(413,553)	(413,553)	
Central Services	244,079				(244,079)	(244,079)	
Plant Operations and Maintenance	967,329		33,635		(933,694)	(933,694)	
Pupil Transportation	978,568		313,637		(664,931)	(664,931)	
Business and Support Services	35,624				(35,624)	(35,624)	
Capital Outlay	1,366				(1,366)	(1,366)	
Interest on Long-Term Debt	304,233				(304,233)	(304,233)	
Total Governmental Activities	13,027,666	136,431	2,658,880	\$ -0-	(10,232,355)	(10,232,355)	

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 149,269	\$ 2,280	\$ 198,014			\$ 51,025	\$ 51,025
Rutherford Hall	63,246	44,279				(18,967)	(18,967)
Total Business-Type Activities	212,515	46,559	198,014			32,058	32,058
Total Primary Government	\$ 13,240,181	\$ 182,990	\$ 2,856,894	\$ -0-	\$ (10,232,355)	\$ 32,058	\$ (10,200,297)
General Revenue:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					9,336,672		9,336,672
Taxes Levied for Debt Service					706,637		706,637
Federal and State Aid not Restricted					62,963		62,963
Miscellaneous Income					280,672	14,174	294,846
Total General Revenue					10,386,944	14,174	10,401,118
Change in Net Position					154,589	46,232	200,821
Net Position - Beginning (Restated)					694,170	(132,250)	561,920
Net Position - Ending					\$ 848,759	\$ (86,018)	\$ 762,741

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

FUND FINANCIAL STATEMENTS

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 388,721			\$ 388,721
Receivables From State Government	75,039			75,039
Receivables From Federal Governments		\$ 110,354		110,354
Other Receivables	289,531			289,531
Interfund Receivable	119,582			119,582
Restricted Cash and Cash Equivalents	282,091	48,883		330,974
Total Assets	\$ 1,154,964	\$ 159,237	\$ -0-	\$ 1,314,201
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 405,071			\$ 405,071
Interfunds Payable		\$ 98,094		98,094
Payable to Federal Government		5,810		5,810
Unearned Revenue	5,049	6,450		11,499
Total Liabilities	410,120	110,354	-	520,474
Fund Balances:				
Restricted:				
Capital Reserve Account	203,532			203,532
Maintenance Reserve Account	71,813			71,813
Excess Surplus - 2021-2022	100,906			100,906
Unemployment Compensation	6,746			6,746
Student Activities		48,883		48,883
Assigned:				
Year-End Encumbrances	148,192			148,192
Subsequent Year's Expenditures	33,289			33,289
Unassigned	180,366			180,366
Total Fund Balances	744,844	48,883	-	793,727
Total Liabilities and Fund Balances	\$ 1,154,964	\$ 159,237	\$ -0-	

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.	\$ 10,940,857
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(84,933)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	385,903
Deferred Inflows	(1,072,708)
Long-term liabilities, including bonds payable, net pension liability and other long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(10,114,087)
Net Position of Governmental Activities	\$ 848,759

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 9,336,672		\$ 706,637	\$ 10,043,309
Tuition	78,723			78,723
Rents and Royalties	9,349			9,349
Restricted Miscellaneous Revenues	2	\$ 80,117		80,119
Unrestricted Miscellaneous Revenues	271,321			271,321
Total - Local Sources	9,696,067	80,117	706,637	10,482,821
State Sources	1,931,713		62,963	1,994,676
Federal Sources		276,199		276,199
Total Revenues	11,627,780	356,316	769,600	12,753,696
EXPENDITURES:				
Current:				
Regular Instruction	2,398,696	199,293		2,597,989
Special Education Instruction	594,043	99,315		693,358
Other Special Instruction	34,037			34,037
Other Instruction	70,754			70,754
Support Services and Undistributed Costs:				
Tuition	2,769,239			2,769,239
Student & Instruction Related Services	694,546	75,452		769,998
General Administrative Services	277,363			277,363
School Administrative Services	311,954			311,954
Central Services	165,850			165,850
Plant Operations and Maintenance	800,612			800,612
Pupil Transportation	792,050			792,050
Business and Support Services	35,624			35,624
Unallocated Benefits	2,687,169			2,687,169
Capital Outlay	378,251			378,251
Debt Service:				
Principal			460,000	460,000
Interest and Other Charges			309,600	309,600
Total Expenditures	\$ 12,010,188	\$ 374,060	\$ 769,600	\$ 13,153,848
Excess/(Deficiency) of Revenue over/(under) Expenditures	(382,408)	(17,744)		(400,152)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Debt Service:				
Principal			\$ 460,000	\$ 460,000
Interest and Other Charges			309,600	309,600
Total Expenditures	\$ 23,637,968	\$ 730,376	2,308,800	26,677,144
Excess/(Deficiency) of Revenue over/(under) Expenditures	(12,010,188)	(374,060)	(1,539,200)	(13,923,448)
OTHER FINANCING SOURCES/(USES):				
Capital Leases (Non-budgeted)	325,000			325,000
Total Other Financing Sources/(Uses)	325,000			325,000
Net Change in Fund Balances	(11,685,188)	(374,060)	(1,539,200)	(13,598,448)
Fund Balance - July 1 (Restated)	802,252	66,627		868,879
Fund Balance - June 30	<u>\$ (10,882,936)</u>	<u>\$ (307,433)</u>	<u>\$ (1,539,200)</u>	<u>\$ (12,729,569)</u>

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (75,152)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from the capital asset additions for the current year.

Depreciation Expense	\$ (351,827)	
Capital Outlays	376,885	25,058

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	458,438	
Change in Deferred Outflows	(355,360)	
Change in Deferred Inflows	(159,178)	

The governmental funds report the effect of bond premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (+)

Lease obligations are other financing sources in the Governmental Funds, but the obligations increase Long-term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.

Repayment of serial bonds and capital leases are an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

Change in Net Position of Governmental Activities (Exhibit A-2) 533,549

\$ 154,589

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Total</u>	
	<u>Food Service</u>	<u>Non-Major Funds</u>	
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 103,052		\$ 103,052
Intergovernmental Accounts Receivable:			
State	871		871
Federal	12,229		12,229
Other Accounts Receivable		\$ 27,998	27,998
Inventories	1,527		1,527
Total Current Assets	117,679	27,998	145,677
Non-Current Assets:			
Capital Assets	139,138		139,138
Less: Accumulated Depreciation	(82,630)		(82,630)
Total Non-Current Assets	56,508		56,508
Total Assets	174,187	27,998	202,185
LIABILITIES:			
Current Liabilities:			
Accounts Payable	2,978	241,830	244,808
Interfund Payable	21,488		21,488
Unearned Revenue - Summer Events		17,765	17,765
Unearned Revenue - Donations		3,725	3,725
Unearned Revenue - Donated Commodities	417		417
Total Current Liabilities	24,883	263,320	288,203
Total Liabilities	24,883	263,320	288,203
NET POSITION:			
Investment in Capital Assets	56,508		56,508
Unrestricted	92,796	(235,322)	(142,526)
Total Net Position	\$ 149,304	\$ (235,322)	\$ (86,018)

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	
	Food Service	Non-Major Funds	Total Enterprise
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 2,280		\$ 2,280
Program Fees		\$ 44,279	44,279
Total Operating Revenue	2,280	44,279	46,559
Operating Expenses:			
Cost of Sales:			
Non-Reimbursable Programs	78,733		78,733
Salaries	33,162	49,814	82,976
Purchased Professional Technical Services		3,380	3,380
Other Purchased Services		200	200
Supplies and Materials	22,570	5,550	28,120
Miscellaneous Expenditures		4,302	4,302
Management Fee	7,765		7,765
Depreciation Expense	7,039		7,039
Total Operating Expenses	149,269	63,246	212,515
Operating (Loss)	(146,989)	(18,967)	(165,956)
Non-Operating Revenue:			
Local Sources:			
Interest Income	4		4
Interfund Due to General Fund	11,945		11,945
Donations		2,225	2,225
State Sources:			
COVID - Seamless Summer Option	8,792		8,792
Federal Sources:			
COVID - Seamless Summer Option	176,630		176,630
Food Distribution Program	12,592		12,592
Total Non-Operating Revenue	209,963	2,225	212,188
Change in Net Position	62,974	(16,742)	46,232
Net Position/(Deficit) - Beginning of Year	86,330	(218,580)	(132,250)
Net Position/(Deficit)- End of Year	\$ 149,304	\$ (235,322)	\$ (86,018)

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	
	Food Service	Non-Major Funds	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,280	\$ 44,279	\$ 46,559
Payments to Food Service Company	(55,995)		(55,995)
Payments to/for Employees	(33,162)	(49,814)	(82,976)
Payments to Suppliers	(22,569)	240,172	217,603
Net Cash Provided by/(Used for) Operating Activities	(109,446)	234,637	125,191
Cash flows from Financing Activities:			
Interest Income	4		4
Interfund Due to General Fund	11,945		11,945
Donations		2,225	2,225
Net Cash Provided by Financing Activities	11,949	2,225	14,174
Cash Flows from Noncapital Financing Activities:			
State Sources	7,972		7,972
Federal Sources	167,613		167,613
Net Cash Provided by Noncapital Financing Activities	175,585		175,585
Net Increase in Cash and Cash Equivalents	78,088	236,862	314,950
Cash and Cash Equivalents/(Deficit), July 1	24,964	(236,862)	(211,898)
Cash and Cash Equivalents/(Deficit), June 30	\$ 103,052	\$ 0	\$ 103,052
Adjustment to Reconcile Operating (Loss)			
Net Cash Provided by/(Used for) Operating Activities:			
Operating (Loss)	\$ (146,989)	\$ (18,967)	\$ (165,956)
Depreciation	7,039		7,039
Food Distribution Program	12,592		12,592
Changes in Assets and Liabilities:			
(Increase)/Decrease in Other Accounts Receivable		(390)	(390)
(Increase)/Decrease in Intrafund Receivable	2,447		2,447
Increase/(Decrease) in Accounts Payable	2,978	241,044	244,022
Increase/(Decrease) in Interfund Payable	11,945		11,945
Increase/(Decrease) in Unearned Revenue		9,225	9,225
Increase/(Decrease) in Unearned Revenue - Donations		3,725	3,725
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(1,553)		(1,553)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Fees	(3,313)		(3,313)
(Increase)/Decrease in Inventory	5,408		5,408
Net Cash Provided by/(Used for) Operating Activities	\$ (109,446)	\$ 234,637	\$ 125,191

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$11,039 and utilized U.S.D.A. Commodities valued at \$12,592.

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental and proprietary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

The District reports the following governmental funds:

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

C. Measurement Focus and Basis of Accounting:

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

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

D. Budgets/Budgetary Control:

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

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget Amendments/Transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 11,630,134	\$ 358,466
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.		(2,150)
Prior Year State Aid Payments Recognized for GAAP Statements not Recognized for Budgetary Purposes	66,025	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(68,379)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 11,627,780</u>	<u>\$ 356,316</u>
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 12,010,188	\$ 376,210
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(2,150)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 12,010,188</u>	<u>\$ 374,060</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

E. Cash and Cash Equivalents, and Investments:

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

K. Capital Assets:

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

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

K. Capital Assets: (Cont'd)

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District allows certain employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year. As of June 30, 2021, the amount earned by these employees but not distributed was \$139,837.

N. Compensated Absences:

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

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$744,844 General Fund fund balance at June 30, 2021, \$203,532 is restricted in the capital reserve account; \$71,813 is restricted in the maintenance reserve account; \$6,746 is restricted in the unemployment compensation account; \$100,906 is restricted as prior year excess surplus and included as anticipated revenue for the year ending June 30, 2022; \$148,192 is assigned for year end encumbrances; and \$33,289 is assigned for subsequent year's expenditures in 2022; and \$180,366 is unassigned which is \$68,379 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2022.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2021 is \$48,883 and is restricted for student activities.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as described above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$68,379 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.

Q. Deficit Net Position:

The District has a \$2,560,033 deficit in its governmental activities unrestricted net position at June 30, 2021 primarily as a result of the net pension liability and compensated absences payable. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Q. Deficit Net Position: (Cont'd)

The District has a \$142,526 deficit in Business type Activities unrestricted net position at June 30, 2021 primarily as a result of the Rutherford Hall fund. The Board has a plan in place to address the Rutherford Hall fund deficit fund balance in the up coming years.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2021.

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

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

The Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2021.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for amounts designated for subsequent year's expenditures and encumbrances in the General Fund at June 30, 2021.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

U. Management Estimates:

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

V. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Deposits: (Cont'd)

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Cash and Cash Equivalents
Checking Accounts	\$ 491,773	\$ 330,974	\$ 822,747

The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$822,747 and the bank balance was \$1,185,773. The District did not hold any investments during the fiscal year ended June 30, 2021.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amount or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance at June 30, 2020	\$ 203,532
Balance at June 30, 2021	\$ 203,532

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2021.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District did not make any transfers to Capital Outlay.

NOTE 6. CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 205,830
Special Education	16,717
Other Instruction	750
Student and Instruction Related Services	4,458
General Administrative Services	10,223
School Administrative Services	10,223
Plant Operations and Maintenance	18,259
Pupil Transportation	85,367
Total Depreciation Expense	\$ 351,827

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 2,311,034			\$ 2,311,034
Total Capital Assets not Being Depreciated	2,311,034			2,311,034
Capital Assets Being Depreciated				
Site Improvements	195,185	\$ 51,885		247,070
Buildings and Building Improvements	11,214,736			11,214,736
Machinery and Equipment	1,357,443	325,000		1,682,443
Total Capital Assets Being Depreciated	12,767,364	376,885		13,144,249
Governmental Activities Capital Assets	15,078,398	376,885		15,455,283
Less Accumulated Depreciation for:				
Site Improvements	(103,472)	(9,759)		(113,231)
Buildings and Building Improvements	(2,983,410)	(211,345)		(3,194,755)
Machinery and Equipment	(1,075,717)	(130,723)		(1,206,440)
Total Accumulated Depreciation	(4,162,599)	(351,827)		(4,514,426)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,915,799</u>	<u>\$ 25,058</u>	<u>\$ -0-</u>	<u>\$ 10,940,857</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 139,138			\$ 139,138
Less Accumulated Depreciation	(75,591)	\$ (7,039)		(82,630)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 63,547</u>	<u>(7,039)</u>	<u>-0-</u>	<u>\$ 56,508</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2020	Issued/ Accrued	Retired	Balance 6/30/2021
Serial Bonds Payable	\$ 7,740,000		\$ 460,000	\$ 7,280,000
Net Pension Liability	2,388,329		458,438	1,929,891
Capital Leases Payable	432,494	\$ 325,000	73,549	683,945
Compensated Absences Payable	267,118		46,867	220,251
	\$ 10,827,941	\$ 325,000	\$ 1,038,854	\$ 10,114,087

A. Bonds Payable:

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

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

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2022	\$ 480,000	\$ 291,200	\$ 771,200
2023	500,000	272,000	772,000
2024	515,000	252,000	767,000
2025	540,000	231,400	771,400
2026	565,000	209,800	774,800
2027-2031	3,200,000	690,800	3,890,800
2032-2033	1,480,000	89,400	1,569,400
	\$ 7,280,000	\$ 2,036,600	\$ 9,316,600

The District had serial bonds outstanding as of June 30, 2021 as follows:

Purpose	Issue Dates	Interest Rates	Final Date of Maturity	Balance June 30, 2021
2016 Refunding Bonds	2/11/2016	4.00%	3/15/2033	\$ 7,280,000

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the Board has no bonds authorized but not issued.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

C. Capital Leases Payable:

The District is leasing transportation and various capital equipment under capital leases. All capital leases are for terms of five to ten years. The District has entered into capital leases totaling \$990,850 of which \$306,905 has been liquidated. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021.

<u>Year</u>	<u>Amount</u>
2022	\$ 152,894
2023	152,894
2024	152,894
2025	131,926
2026	<u>131,926</u>
	722,534
Less: Amount representing interest	<u>(38,589)</u>
 Present value of net minimum lease payments	 <u><u>\$ 683,945</u></u>

The current portion of Capital Leases payable at June 30, 2021 is \$140,505, the long term portion payable is \$543,440. Capital leases will be liquidated through the General Fund.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. There is no current portion of the compensated absences balance of the governmental funds in the current year. The long-term liability balance of compensated absences is \$220,251. The General Fund will be used to liquidate compensated absences payable.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, no liability existed for compensated absences in the Food Service Fund.

E. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long term portion is \$1,929,891. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$132,822 for fiscal year 2021.

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2021, the District reported a liability of \$1,929,891 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.0118%, which was a decrease of 0.0037% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$52,406. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2016	5.57	\$ 62,608	
	2017	5.48		\$ (182,680)
	2018	5.63		(179,222)
	2019	5.21		(142,328)
	2020	5.16		(303,833)
			<u>62,608</u>	<u>(808,063)</u>
Difference between Expected and Actual Experience	2016	5.57	1,899	
	2017	5.48	5,433	
	2018	5.63	10,880	(6,825)
	2019	5.21	16,928	
	2020	5.16		
			<u>35,140</u>	<u>(6,825)</u>
Changes in Proportion	2016	5.57	8,444	
	2017	5.48	15,067	
	2018	5.63	118,812	
	2019	5.21	79,867	
	2020	5.16		(257,820)
			<u>222,190</u>	<u>(257,820)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(23,616)	
	2018	5.00	(21,902)	
	2019	5.00	5,300	
	2020	5.00	106,183	
			<u>65,965</u>	
District Contribution Subsequent to the Measurement Date	2020	1.00	137,393	
			<u>\$ 523,296</u>	<u>\$ (1,072,708)</u>

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (242,166)
2022	(220,782)
2023	(126,171)
2024	(51,021)
2025	(11,035)
	\$ (651,175)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,424,029	\$ 1,929,891	\$ 1,502,698

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$711,403 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$958,664.

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

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$15,416,502. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.023%, which was an increase of 0.025% from its proportion measured as of June 30, 2019.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>15,416,502</u>
Total	\$	<u><u>15,416,502</u></u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$958,664 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	<u>1,411,170,422</u>	
				<u>7,815,939,253</u>
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		<u>7,520,890</u>
				<u>986,767,511</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	<u>965,582,162</u>	
				<u>656,175,235</u>
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returned, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the net pension liability of the State as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 18,108,487	\$ 15,416,502	\$ 13,181,260

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$3,537 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$5,925 for the fiscal year ended June 30, 2021.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. DEFERRED COMPENSATION

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

AXA Equitable

VALIC

NOTE 10. RISK MANAGEMENT

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

Property and Liability

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

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Below is selected financial information for the SAIF as of June 30, 2021 is as follows:

Total Assets	\$ 52,863,732
Net Position	\$ 20,991,515
Total Revenue	\$ 42,790,929
Total Expenses	\$ 42,339,323
Change in Net Position	\$ 451,606
Members Dividends	\$ -0-

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

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

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

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ -0-	\$ 13,708		\$ 21,827	\$ 11,292
2019-2020	-0-	12,739		13,225	10,806
2020-2021	-0-	2,708	\$ 2	6,770	6,746

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. TAX CALENDAR

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 13. INTERFUND RECEIVABLES, PAYABLES

The District had the following interfund payables or receivables on their various balance sheets as of June 30, 2021:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 119,582	
Special Revenue Fund		\$ 98,094
Food Service Fund		21,488
	\$ 119,582	\$ 119,582

The general fund receivable is to the cover cash deficit for grants receivable in the special revenue fund and for a transfer in error to the food service fund.

NOTE 14. ACCOUNTS PAYABLE

At year end June 30, 2021, the Board has the following accounts payable in the governmental funds:

	Governmental Funds	Total Governmental Funds	Subsequent to Measurement Date	Total Governmental Activities	Business-Type Activities Proprietary Funds
Vendors	\$ 240,829	\$ 240,829		\$ 240,829	\$ 244,808
Payroll Deductions and Withholdings	24,405	24,405		24,405	
Accrued Salaries and Wages	139,837	139,837		139,837	
Due to:					
State of New Jersey			\$ 137,393	137,393	
	\$ 405,071	\$ 405,071	\$ 137,393	\$ 542,464	\$ 244,808

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Encumbrances

On the District's Governmental Fund Balance Sheet as of June 30, 2021, \$148,192 is assigned for year-end encumbrances in the General Fund. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue in the Special Revenue Fund.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 148,192	\$ 2,150	\$ 150,342

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

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

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

Total Nonemployer OPEB Liability

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.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on service years	based on service years

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 PERS, respectively.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rates for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2018	\$ 12,379,953
Changes for Year:	
Service Cost	571,489
Interest Cost	494,751
Changes in Assumptions	(1,945,421)
Differences between Expected and Actual Experience	168,964
Member Contributions	10,312
Gross Benefit Payments	(347,864)
Net Changes	(1,047,769)
Balance at June 30, 2019	\$ 11,332,184

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 13,387,787	\$ 11,332,184	\$ 9,699,325

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 9,337,215	\$ 11,332,184	\$ 13,973,114

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$408,482 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,319,295
	2018	9.51		1,134,773
	2019	9.29	\$ 150,776	
			<u>150,776</u>	<u>2,454,068</u>
Differences between Expected and Actual Experience	2018	9.51		1,072,713
	2019	9.29		1,774,643
				<u>2,847,356</u>
Changes in Proportion	N/A	N/A	574,778	201,148
			<u>\$ 725,554</u>	<u>\$ 5,502,572</u>

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

Fiscal Year Ending June 30,	Total
2020	\$ (691,550)
2021	(691,549)
2022	(691,549)
2023	(691,549)
2024	(691,549)
Thereafter	<u>(1,692,902)</u>
	<u>\$ (5,150,648)</u>

NOTE 17. MAINTENANCE RESERVE ACCOUNT

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 17. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance at June 30, 2020		\$ 116,813
Decreased by:		
Withdrawal by Resolution		<u>(45,000)</u>
Balance at June 30, 2021		<u>\$ 71,813</u>

NOTE 18. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District continues to offer free lunch to all students under the Seamless Summer Option.

The District's Rutherford Hall Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District revenues continue to be lower than normal.

NOTE 19. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 19. PRIOR YEAR ADJUSTMENT (Cont'd)

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 616,737	\$ 77,433	\$ 694,170
 <u>Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 857,471	\$ 10,806	\$ 868,277
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 66,627	\$ 66,627
 <u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 10,806	\$ (10,806)	\$ -0-

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0123819468%	0.0108838593%	0.0112990335%	0.0115549207%	0.0126826105%	0.0132548630%	0.0118344579%
District's proportionate share of the net pension liability	\$ 2,318,239	\$ 2,443,208	\$ 3,346,450	\$ 2,689,801	\$ 2,497,143	\$ 2,388,329	\$ 1,929,891
District's covered employee payroll	\$ 860,363	\$ 763,085	\$ 725,896	\$ 844,343	\$ 918,588	\$ 892,734	\$ 916,398
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	269.45%	320.18%	461.01%	318.57%	271.85%	267.53%	210.60%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.92%	40.14%	48.10%	53.60%	56.27%	58.32%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

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

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.02337727%	0.0221522183%	0.0235400819%	0.0229126128%	0.0217996390%	0.0210587927%	0.0234119774%
State's proportionate share of the net pension liability attributable to the District	\$ 12,494,391	\$ 14,001,148	\$ 18,516,127	\$ 15,448,510	\$ 13,868,462	\$ 12,923,980	\$ 15,416,502
District's covered employee payroll	\$ 2,290,291	\$ 2,343,733	\$ 2,022,353	\$ 2,209,360	\$ 2,439,181	\$ 2,602,542	\$ 2,805,161
District's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	545.54%	597.39%	915.57%	699.23%	568.57%	496.59%	549.58%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 672,316	\$ 854,896	\$ 1,391,380	\$ 1,070,195	\$ 808,483	\$ 762,290	\$ 958,664
Contributions in relation to the contractually required contribution	-0-	-0-	-0-	328,822	422,845	522,718	711,403
Contribution deficiency/(excess)	\$ 672,316	\$ 854,896	\$ 1,391,380	\$ 1,399,017	\$ 1,231,328	\$ 1,285,008	\$ 1,670,067
District's covered employee payroll	\$ 2,343,733	\$ 2,022,353	\$ 2,209,360	\$ 2,439,181	\$ 2,602,542	\$ 2,805,161	\$ 2,973,390
Contributions as a percentage of covered employee payroll	28.69%	42.27%	62.98%	43.88%	31.07%	27.17%	32.24%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Years Ending June 30,		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 793,005	\$ 660,555	\$ 571,489
Interest Cost	456,982	532,946	494,751
Differences between Expected and Actual Experiences		(1,457,901)	(1,945,421)
Changes in Assumptions	(1,945,262)	(1,420,662)	168,964
Member Contributions	12,268	11,441	10,312
Gross Benefit Payments	(333,178)	(331,036)	(347,864)
Net Change in Total OPEB Liability	(1,016,185)	(2,004,657)	(1,047,769)
Total OPEB Liability - Beginning	15,400,795	14,384,610	12,379,953
Total OPEB Liability - Ending	<u>\$ 14,384,610</u>	<u>\$ 12,379,953</u>	<u>\$ 11,332,184</u>
District's Covered Employee Payroll *	\$ 2,748,249	\$ 3,053,703	\$ 3,357,769
Total OPEB Liability as a Percentage of Covered Employee Payroll	19%	25%	30%

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

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The mortality rates in the valuation as of June 30, 2019 were based on the following:

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,336,672		\$ 9,336,672	\$ 9,336,672	
Tuition from other LEAs within the State	225,944		225,944	223,140	\$ (2,804)
Tuition From Individuals	20,750		20,750	78,723	57,973
Rents and Royalties	39,000		39,000	9,349	(29,651)
Restricted Miscellaneous Revenue				2	2
Unrestricted Miscellaneous Revenue	65,368		65,368	48,181	(17,187)
Total - Local Sources	9,687,734		9,687,734	9,696,067	8,333
State Sources:					
Special Education Aid	369,852		369,852	369,852	
Transportation Aid	277,862		277,862	277,862	
Security Aid	37,450		37,450	37,450	
Extraordinary Aid - Prior Year Additional				7,341	7,341
Extraordinary Aid	40,000		40,000	40,717	717
Nonpublic Transportation Aid				11,310	11,310
Securing our Childrens Future Aid				23,012	23,012
On-Behalf TPAF Pension Contributions				711,403	711,403
On-Behalf TPAF Non-Contributory Insurance				13,535	13,535
On-Behalf TPAF Post Retirement Medical Benefits				227,184	227,184
On-Behalf TPAF Long-Term Disability Insurance				476	476
Reimbursed TPAF Social Security Contributions				213,925	213,925
Total State Sources	725,164		725,164	1,934,067	1,208,903
TOTAL REVENUES	10,412,898		10,412,898	11,630,134	1,217,236

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 238,382	\$ 54,853	\$ 293,235	\$ 303,321	\$ (10,086)
Grades 1-5	1,225,403	(43,123)	1,182,280	1,222,801	(40,521)
Grades 6-8	614,211	(33,250)	580,961	599,747	(18,786)
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000	(2,000)			
Purchased Professional - Educational Services	3,000	250	3,250	3,250	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	36,000	8,182	44,182	44,172	10
Other Purchased Services (400-500 series)	47,496	(13,223)	34,273	8,199	26,074
General Supplies	61,600	3,041	64,641	59,390	5,251
Textbooks	26,000	7,285	33,285	33,285	
Purchased Professional - Educational Services	42,000	(5,250)	36,750	36,750	
Purchased Technical Services	84,395	(339)	84,056	84,056	
Other Objects	7,400	(3,675)	3,725	3,725	
Total Regular Programs	<u>2,387,887</u>	<u>(27,249)</u>	<u>2,360,638</u>	<u>2,398,696</u>	<u>(38,058)</u>
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	113,093	(9,045)	104,048	107,681	(3,633)
Purchased Professional - Educational Services	4,400	14,320	18,720	19,583	(863)
General Supplies	1,000	(874)	126	126	
Total Multiple Disabilities	<u>118,493</u>	<u>4,401</u>	<u>122,894</u>	<u>127,390</u>	<u>(4,496)</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 149,924	\$ 24,555	\$ 174,479	\$ 180,576	\$ (6,097)
Other Salaries for Instruction	171,788	56,041	227,829	237,330	(9,501)
General Supplies	1,700		1,700	1,599	101
Total Resource Room/Resource Center	323,412	80,596	404,008	419,505	(15,497)
Preschool Disabilities - Part-Time:					
Salaries of Teachers	26,616		26,616	27,546	(930)
Other Salaries for Instruction	22,958	(4,415)	18,543	19,602	(1,059)
General Supplies	250		250		250
Total Preschool Disabilities - Part-Time	49,824	(4,415)	45,409	47,148	(1,739)
Total Special Education	491,729	80,582	572,311	594,043	(21,732)
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	90,685	(15,000)	75,685	70,754	4,931
Supplies and Materials	500		500		500
Other Objects	100		100		100
Total School Sponsored Cocurricular Activities - Instruction	91,285	(15,000)	76,285	70,754	5,531
School-Sponsored Athletics - Instruction:					
Salaries	10,030	(5,000)	5,030		5,030
Purchased Services (300-500 series)	1,000		1,000		1,000
Supplies and Materials	500		500		500
Total School Sponsored Athletics - Instruction	11,530	(5,000)	6,530		6,530

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Summer School - Instruction:					
Salaries of Teachers	\$ 39,132	\$ (5,095)	\$ 34,037	\$ 34,037	
Total Summer School - Instruction	<u>39,132</u>	<u>(5,095)</u>	<u>34,037</u>	<u>34,037</u>	
Total Instruction	<u>3,021,563</u>	<u>28,238</u>	<u>3,049,801</u>	<u>3,097,530</u>	<u>\$ (47,729)</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State-Regular	2,144,507		2,144,507	2,144,507	
Tuition to Private Schools for the Disabled - Within State	241,183	(39,590)	201,593	174,604	26,989
Tuition to Other LEAs Within the State-Special	215,097	65,000	280,097	278,037	2,060
Tuition to County Voc. School Dist.-Regular	26,320	20,400	46,720	39,072	7,648
Tuition to County Voc. School Dist.-Special	1,840		1,840	1,840	
Tuition - Other	132,500	4,791	137,291	131,179	6,112
Total Undistributed Expenditures - Instruction	<u>2,761,447</u>	<u>50,601</u>	<u>2,812,048</u>	<u>2,769,239</u>	<u>42,809</u>
Health Services:					
Salaries	125,513		125,513	129,897	(4,384)
Purchased Professional and Technical Services	4,000	(1,416)	2,584	2,000	584
Supplies and Materials	2,100	1,432	3,532	3,532	
Other Objects	200	(16)	184	60	124
Total Health Services	<u>131,813</u>		<u>131,813</u>	<u>135,489</u>	<u>(3,676)</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	\$ 77,303	\$ 15,974	\$ 93,277	\$ 94,947	\$ (1,670)
Purchased Professional - Educational Services	12,000	500	12,500	9,690	2,810
Supplies and Materials	500		500		500
Total Other Support Services - Speech, OT, PT and Related Services	89,803	16,474	106,277	104,637	1,640
Other Support Services Student - Extraordinary Services:					
Salaries	133,897	(87,832)	46,065	46,560	(495)
Purchased Professional - Educational Services	38,000	(15,656)	22,344	21,764	580
Total Other Support Services Student - Extraordinary Services	171,897	(103,488)	68,409	68,324	85
Other Support Services - Guidance:					
Salaries of Other Professional Staff	98,575	8,507	107,082	110,525	(3,443)
Supplies and Materials	1,000		1,000	226	774
Total Other Support Services - Guidance	99,575	8,507	108,082	110,751	(2,669)
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	75,016	65	75,081	77,701	(2,620)
Salaries of Secretarial and Other Clerical Assistants	20,665	(12,543)	8,122	6,688	1,434
Purchased Professional - Educational Services	98,000	16,546	114,546	103,957	10,589
Supplies and Materials	3,227	(65)	3,162	1,606	1,556
Other Objects	200		200	75	125
Total Other Support Services - Child Study Team	197,108	4,003	201,111	190,027	11,084

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Other Professional Staff	\$ 8,500	\$ (7,350)	\$ 1,150		\$ 1,150
Purchased Professional - Educational Services	1,300		1,300	\$ 1,300	
Total Improvement of Instructional Services	9,800	(7,350)	2,450	1,300	1,150
Educational Media Services/School Library:					
Salaries	70,700		70,700	73,169	(2,469)
Purchased Professional and Technical Services	10,500	(220)	10,280	4,333	5,947
Supplies and Materials	300	(131)	169		169
Total Educational Media Services/School Library	81,500	(351)	81,149	77,502	3,647
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	7,500	351	7,851	6,516	1,335
Total Instructional Staff Training Services	7,500	351	7,851	6,516	1,335

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 16,797	\$ 16,797	\$ 16,797	\$ 16,797	
Legal Services	34,576	48,169	82,745	75,519	\$ 7,226
Audit Fees	18,000	200	18,200	18,200	
Other Purchased Professional Services	23,771	449	24,220	22,849	1,371
Communications/Telephone	32,000	3,254	35,254	35,254	
BOE Other Purchased Services	111,232	(34,667)	76,565	59,841	16,724
Miscellaneous Purchased Services (400-500 series)	32,100	(1,420)	30,680	24,430	6,250
General Supplies	4,000	(953)	3,047	3,047	
Miscellaneous Expenditures	25,000	(3,408)	21,592	21,426	166
Total Support Services - General Administration	280,679	28,421	309,100	277,363	31,737

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 161,204	\$ 41,270	\$ 202,474	\$ 200,159	\$ 2,315
Salaries of Secretarial and Clerical Assistants	116,062	(20,278)	95,784	95,784	
Purchased Professional and Technical Services	14,500	143	14,643	14,643	
Supplies and Materials	1,000	588	1,588	1,268	320
Other Objects	100		100	100	
Total Support Services - School Administration	292,866	21,723	314,589	311,954	2,635
Central Services:					
Salaries	146,454	156	146,610	146,610	
Purchased Technical Services	18,000	294	18,294	18,294	
Miscellaneous Purchased Services (400-500 series)		946	946	946	
Total Central Services	164,454	1,396	165,850	165,850	
Required Maintenance for School Facilities:					
Salaries	112,302	(69,954)	42,348	43,827	(1,479)
Cleaning, Repair and Maintenance Services	60,000	1,052	61,052	56,241	4,811
General Supplies	10,000	(451)	9,549	7,970	1,579
Other Objects	50	1,150	1,200	1,200	
Total Required Maintenance for School Facilities	182,352	(68,203)	114,149	109,238	4,911

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 193,453	\$ 18,332	\$ 211,785	\$ 213,731	\$ (1,946)
Purchased Professional and Technical Services	48,000	(6,000)	42,000	40,737	1,263
Other Purchased Property Services	20,000	(382)	19,618	15,998	3,620
Cleaning, Repair, and Maintenance Services	7,288	59,028	66,316	63,442	2,874
Insurance	37,000	2,972	39,972	39,972	
General Supplies	50,225	24,492	74,717	71,074	3,643
Energy (Natural Gas)	6,000	(1,274)	4,726	4,280	446
Energy (Electricity)	98,000	9,000	107,000	83,232	23,768
Energy (Oil)	76,000	2,472	78,472	78,472	
Other Objects	1,000	6,143	7,143	6,333	810
Total Custodial Services	536,966	114,783	651,749	617,271	34,478
Care and Upkeep of Grounds					
Salaries	50,079	7,945	58,024	59,772	(1,748)
Purchased Professional and Technical Services	12,000	(1,147)	10,853	10,149	704
General Supplies	3,000	1,182	4,182	4,182	
Total Care and Upkeep of Grounds	65,079	7,980	73,059	74,103	(1,044)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$ 52,826	\$ (1,540)	\$ 51,286	\$ 65,115	\$ (13,829)
Salaries for Pupil Transportation (Between Home and School) Regular	215,910	32,668	248,578	242,289	6,289
Salaries for Pupil Transportation (Between Home and School) Special Ed	50,688	(18,533)	32,155	30,123	2,032
Salaries for Pupil Transportation (Other than Bet. Home and School)	36,419	(23,595)	12,824	8,650	4,174
Other Purchased Professional and Technical Services	20,000	(7,150)	12,850	12,730	120
Cleaning, Repair, and Maintenance Services	100,000	33,292	133,292	133,292	
Lease Purchase Payments - School Buses	103,970	(18,226)	85,744	85,744	
Contracted Services:					
Special Ed Students - ESC's & CTSA's	156,200	(32,474)	123,726	107,556	16,170
Aid in Lieu Payments - Non-Public Schools	62,987	(10,803)	52,184	43,500	8,684
Transportation Supplies	86,700	(14,320)	72,380	63,051	9,329
Total Student Transportation Services	885,700	(60,681)	825,019	792,050	32,969
Allocated Benefits:					
Support Services - Business Office - Health Benefits:					
Health Benefits	4,550	426	4,976	4,976	
Total Support Services - General Administration	4,550	426	4,976	4,976	
Support Services - Business Office - Health Benefits:					
Health Benefits	14,285		14,285	14,285	
Total Support Services - School Administration	14,285		14,285	14,285	

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Support Services - Business Office - Health Benefits:					
Health Benefits	\$ 18,783	\$ (2,420)	\$ 16,363	\$ 16,363	
Total Support Services - Central Services	18,783	(2,420)	16,363	16,363	
Total Allocated Benefits	37,618	(1,994)	35,624	35,624	
Unallocated Benefits:					
Social Security Contributions	130,000		130,000	124,840	\$ 5,160
T.P.A.F. Contributions - ERIP	10,000	(5)	9,995	9,901	94
Other Retirement Contributions - PERS	135,000		135,000	132,822	2,178
Other Retirement Contributions - Regular	5,000		5,000	3,537	1,463
Workmen's Compensation	65,000		65,000	60,928	4,072
Health Benefits	1,190,445	12,999	1,203,444	1,164,944	38,500
Tuition Reimbursement	20,000		20,000	5,756	14,244
Other Employee Benefits	14,000	(12,995)	1,005	827	178
Unused Sick Payment to Terminated/Retirement Staff	10,000	17,091	27,091	17,091	10,000
Total Unallocated Benefits	1,579,445	17,090	1,596,535	1,520,646	75,889

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
On-Behalf Contributions (Non-Budgeted):					
On-Behalf TPAF Pension Contributions				\$ 711,403	\$ (711,403)
On-Behalf TPAF Non-Contributory Insurance				13,535	(13,535)
On-Behalf TPAF Post Retirement Medical Benefits				227,184	(227,184)
On-Behalf TPAF Long-Term Disability Insurance				476	(476)
Reimbursed TPAF Social Security Contributions				213,925	(213,925)
Total On-Behalf Contributions				1,166,523	(1,166,523)
Total Undistributed Expenditures	\$ 7,575,602	\$ 29,262	\$ 7,604,864	8,534,407	(929,543)
Total Expenditures - Current Expense	10,597,165	57,500	10,654,665	11,631,937	(977,272)
Capital Outlay:					
Facilities Acquisition and Construction:					
Land Improvements	105,415		105,415	51,885	53,530
Assessment for Debt Service - SDA Funding	1,366		1,366	1,366	
Total Facilities Acquisition and Construction	106,781		106,781	53,251	53,530
Assets Acquired Under Capital Leases (non-budgeted):					
Various Equipment				325,000	(325,000)
Total Assets Acquired Under Capital Leases (non-budgeted)				325,000	(325,000)
Total Capital Outlay	106,781		106,781	378,251	(271,470)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Transfer to Charter School	\$ 12,500	\$ (12,500)			
Total Transfer to Charter School	12,500	(12,500)			
Total Expenditures	10,716,446	45,000	\$ 10,761,446	\$ 12,010,188	\$ (1,248,742)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(303,548)	(45,000)	(348,548)	(380,054)	(31,506)
Other Financing Sources:					
Capital Leases (Non-budgeted)				325,000	325,000
Total Other Financing Sources				325,000	325,000
Excess/Deficiency of Revenues Over/(Under) Expenditures and Other Financing Sources	(303,548)	(45,000)	(348,548)	(55,054)	293,494
Fund Balance, July 1 (Restated)	868,277		868,277	868,277	
Fund Balance, June 30	\$ 564,729	\$ (45,000)	\$ 519,729	\$ 813,223	\$ 293,494

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - 2021-2022	\$ 100,906				
Capital Reserve	203,532				
Maintenacne Reserve	71,813				
Unemployment Compensation	6,746				
Assigned Fund Balance:					
For Subsequent Year's Expenditures	33,289				
Year End Encumbrances	148,192				
Unassigned Fund Balance	248,745				
	813,223				
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis				(68,379)	
Fund Balance per Governmental Funds (GAAP)				\$ 744,844	

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 177,500	\$ 111,939	\$ 289,439	\$ 278,349	\$ (11,090)
Local Sources	4,500	81,208	85,708	80,117	(5,591)
Total Revenues	182,000	193,147	375,147	358,466	(16,681)
EXPENDITURES:					
Instruction					
Salaries	38,000	(1,321)	36,679	35,106	1,573
Purchased Professional - Technical Services	50,000	3,695	53,695	53,695	
Other Purchased Services	4,500	3,800	8,300	8,300	
General Supplies	36,000	65,553	101,553	88,782	12,771
Total Instruction	128,500	71,727	200,227	185,883	14,344
Support Services					
Purchased Professional - Technical Services	53,500	340	53,840	53,840	
Other Purchased Services		50,000	50,000	47,663	2,337
Supplies and Materials		13,372	13,372	13,372	
Student Activities		75,452	75,452	75,452	
Total Support Services	53,500	139,164	192,664	190,327	2,337
Total Expenditures	182,000	210,891	392,891	376,210	16,681
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ - 0 -	\$ (17,744)	\$ (17,744)	\$ (17,744)	\$ - 0 -

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 11,630,134	\$ 358,466
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.		(2,150)
Prior year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	66,025	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(68,379)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 11,627,780</u>	<u>\$ 356,316</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 12,010,188	\$ 376,210
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		<u>(2,150)</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 12,010,188</u>	<u>\$ 374,060</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted on the previous page. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Local Grants	REAP	IDEA			Elementary and Secondary Education Act		
			Part B	Preschool	Title I	Title IIA	Title IV	
REVENUE:								
Local Sources	\$ 22,409							
Federal Sources		\$ 38,721	\$ 94,762	\$ 5,486	\$ 29,914	\$ 7,287	\$ 10,000	
Total Revenue	22,409	38,721	94,762	5,486	29,914	7,287	10,000	
EXPENDITURES:								
Instruction:								
Salaries of Teachers		11,414			23,692			
Purchased Professional/Technical Services			48,209	5,486				
Other Purchased Services	8,300							
General Supplies	14,109	13,935			6,222			10,000
Total Instruction	22,409	25,349	48,209	5,486	29,914			10,000
Support Services:								
Purchased Professional/Technical Services			46,553			7,287		
Other Purchased Services								
Supplies and Materials		13,372						
Student Activities								
Total Support Services		13,372	46,553			7,287		
Total Expenditures	\$ 22,409	\$ 38,721	\$ 94,762	\$ 5,486	\$ 29,914	\$ 7,287	\$ 10,000	

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Digital Divide	CRRSA ESSER II	CARES Emergency Relief	Coronavirus Relief Fund	Student Activities	Totals
REVENUE:						
Local Sources	\$ 1,079	\$ 47,663	\$ 24,370	\$ 19,067	\$ 57,708	\$ 80,117
Federal Sources						278,349
Total Revenue	1,079	47,663	24,370	19,067	57,708	358,466
EXPENDITURES:						
Instruction:						
Salaries of Teachers						35,106
Purchased Professional/Technical Services						53,695
Other Purchased Services						8,300
General Supplies	1,079		24,370	19,067		88,782
Total Instruction	1,079		24,370	19,067		185,883
Support Services:						
Purchased Professional/Technical Services						53,840
Other Purchased Services		47,663				47,663
Supplies and Materials						13,372
Student Activities					75,452	75,452
Total Support Services		47,663			75,452	190,327
Total Expenditures	\$ 1,079	\$ 47,663	\$ 24,370	\$ 19,067	\$ 75,452	\$ 376,210

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major Funds</u>	
	<u>Food</u>	<u>Rutherford</u>	
	<u>Service</u>	<u>Hall</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 103,052		\$ 103,052
Intergovernmental Accounts Receivable:			
State	871		871
Federal	12,229		12,229
Other Accounts Receivable		\$ 27,998	27,998
Inventories	1,527		1,527
Total Current Assets	<u>117,679</u>	<u>27,998</u>	<u>145,677</u>
Non-Current Assets:			
Capital Assets	139,138		139,138
Less: Accumulated Depreciation	<u>(82,630)</u>		<u>(82,630)</u>
Total Non-Current Assets	<u>56,508</u>		<u>56,508</u>
Total Assets	<u>174,187</u>	<u>27,998</u>	<u>202,185</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	2,978	241,830	244,808
Interfund Payable	21,488		21,488
Unearned Revenue - Summer Events		17,765	17,765
Unearned Revenue - Donations		3,725	3,725
Unearned Revenue - Donated Commodities	417		417
Total Current Liabilities:	<u>24,883</u>	<u>263,320</u>	<u>288,203</u>
Total Liabilities	<u>24,883</u>	<u>263,320</u>	<u>288,203</u>
NET POSITION:			
Investment in Capital Assets	56,508		56,508
Unrestricted/(Deficit)	<u>92,796</u>	<u>(235,322)</u>	<u>(142,526)</u>
Total Net Position/(Deficit)	<u>\$ 149,304</u>	<u>\$ (235,322)</u>	<u>\$ (86,018)</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major Funds</u>	<u>Totals</u>
	<u>Food Service</u>	<u>Rutherford Hall</u>	
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 2,280		\$ 2,280
Program Fees		\$ 44,279	44,279
Total Operating Revenue	<u>2,280</u>	<u>44,279</u>	<u>46,559</u>
Operating Expenses:			
Cost of Sales:			
Non-Reimbursable Programs	78,733		78,733
Salaries	33,162	49,814	82,976
Purchased Professional Technical Services		3,380	3,380
Other Purchased Services		200	200
Supplies and Materials	22,570	5,550	28,120
Miscellaneous Expenditures		4,302	4,302
Management Fee	7,765		7,765
Depreciation Expense	7,039		7,039
Total Operating Expenses	<u>149,269</u>	<u>63,246</u>	<u>212,515</u>
Operating (Loss)	<u>(146,989)</u>	<u>(18,967)</u>	<u>(165,956)</u>
Non-Operating Revenue:			
Interest Income	4		4
Interfund Due to General Fund	11,945		11,945
Donations		2,225	2,225
State Sources:			
COVID - Seamless Summer Option	8,792		8,792
Federal Sources:			
COVID - Seamless Summer Option	176,630		176,630
Food Distribution Program	12,592		12,592
Total Non-Operating Revenue	<u>209,963</u>	<u>2,225</u>	<u>212,188</u>
Change in Net Position	62,974	(16,742)	46,232
Net Position / (Deficit) - Beginning of Year	<u>86,330</u>	<u>(218,580)</u>	<u>(132,250)</u>
Net Position / (Deficit) - End of Year	<u>\$ 149,304</u>	<u>\$ (235,322)</u>	<u>\$ (86,018)</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	Food	Rutherford	
	Service	Hall	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,280	\$ 44,279	\$ 46,559
Payments to Food Service Company	(55,995)		(55,995)
Payments to/for Employees	(33,162)	(49,814)	(82,976)
Payments to Suppliers	(22,569)	240,172	217,603
Net Cash Provided by/(Used for) Operating Activities	<u>(109,446)</u>	<u>234,637</u>	<u>125,191</u>
Cash Flows from Financing Activities:			
Interest Income	4		4
Interfund Due to General Fund	11,945		11,945
Donations		2,225	2,225
Net Cash Provided by Financing Activities	<u>11,949</u>	<u>2,225</u>	<u>14,174</u>
Cash Flows by Noncapital Financing Activities:			
State Sources	7,972		7,972
Federal Sources	167,613		167,613
Net Cash Provided by Noncapital Financing Activities	<u>175,585</u>		<u>175,585</u>
Net Increase in Cash and Cash Equivalents	78,088	236,862	314,950
Cash and Cash Equivalents/(Deficit), July 1	<u>24,964</u>	<u>(236,862)</u>	<u>(211,898)</u>
Cash and Cash Equivalents/(Deficit), June 30	<u>\$ 103,052</u>	<u>\$ 103,052</u>	<u>\$ 103,052</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	Food	Rutherford	
	Service	Hall	Totals
Adjustment to Reconcile Operating (Loss)			
Net Cash Provided by/(Used for) Operating Activities:			
Operating (Loss)	\$ (146,989)	\$ (18,967)	\$ (165,956)
Depreciation	7,039		7,039
Food Distribution Program	12,592		12,592
Changes in Assets and Liabilities:			
(Increase)/Decrease in Other Accounts Receivable		(390)	(390)
(Increase)/Decrease in Intrafund Receivable	2,447		2,447
Increase/(Decrease) in Accounts Payable	2,978	241,044	244,022
Increase/(Decrease) in Interfund Payable	11,945		11,945
Increase/(Decrease) in Unearned Revenue		9,225	9,225
Increase/(Decrease) in Unearned Revenue - Donations		3,725	3,725
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(1,553)		(1,553)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Fees	(3,313)		(3,313)
(Increase)/Decrease in Inventory	5,408		5,408
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (109,446)</u>	<u>\$ 234,637</u>	<u>\$ 125,191</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$11,039 and utilized U.S.D.A. Commodities valued at \$12,592.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Matured	Balance June 30, 2021
			Date	Amount	Interest Rate	Balance June 30, 2020		
2016 Refunding Bonds	2/11/2016	\$ 8,740,000	3/15/2022	\$ 480,000	4.00%			
			3/15/2023	500,000	4.00%			
			3/15/2024	515,000	4.00%			
			3/15/2025	540,000	4.00%			
			3/15/2026	565,000	4.00%			
			3/15/2027	585,000	4.00%			
			3/15/2028	615,000	4.00%			
			3/15/2029	640,000	4.00%			
			3/15/2030	665,000	4.00%			
			3/15/2031	695,000	4.00%			
			3/15/2032	725,000	4.00%			
		3/15/2033	755,000	4.00%				
						\$ 7,740,000	\$ 7,280,000	
						\$ 7,740,000	\$ 7,280,000	

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2021</u>
Buses (5)	2.444%	\$ 569,850	\$ 357,462		\$ 56,039	\$ 301,423
Bus (1)	2.125%	96,000	75,032		17,510	57,522
Various Capital Equipment	1.280%	325,000	<u> </u>	<u>\$ 325,000</u>	<u> </u>	<u>325,000</u>
			<u>\$ 432,494</u>	<u>\$ 325,000</u>	<u>\$ 73,549</u>	<u>\$ 683,945</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance Final to Actual
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 706,637	\$ 706,637	\$ 706,637	
State Sources:				
Debt Service State Aid Support	62,963	62,963	62,963	
Total Revenue	<u>769,600</u>	<u>769,600</u>	<u>769,600</u>	
EXPENDITURES:				
Regular Debt Service:				
Interest	309,600	309,600	309,600	
Redemption of Principal	460,000	460,000	460,000	
Total Regular Debt Service	<u>769,600</u>	<u>769,600</u>	<u>769,600</u>	
Total Expenditures	<u>769,600</u>	<u>769,600</u>	<u>769,600</u>	
Fund Balance, July 1				
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

	<u>Exhibit</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information	
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

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

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities									Restated	
Net Investment in Capital Assets	\$ 627,201	\$ 1,021,587	\$ 1,202,205	\$ 1,092,433	\$ 1,455,944	\$ 1,768,330	\$ 2,039,067	\$ 2,438,843	\$ 2,743,305	\$ 2,976,912
Restricted	86,442	62,704	278,298	185,236	632,514	658,727	575,340	397,812	561,315	431,880
Unrestricted/(Deficit)	79,317	28,792	(84,743)	(2,232,235)	(2,140,552)	(2,426,355)	(2,509,767)	(2,619,617)	(2,610,450)	(2,560,033)
Total Governmental Activities Net Position	\$ 792,960	\$ 1,113,083	\$ 1,395,760	\$ (954,566)	\$ (52,094)	\$ 702	\$ 104,640	\$ 217,038	\$ 694,170	\$ 848,759
Business-Type Activities										
Investment in Capital Assets	\$ 53,482	\$ 48,546	\$ 43,610	\$ 38,674	\$ 37,648	\$ 82,270	\$ 78,293	\$ 70,587	\$ 63,547	\$ 56,508
Unrestricted	(80,539)	(89,292)	(113,853)	(192,891)	(200,312)	(208,173)	(207,366)	(141,750)	(195,797)	(142,526)
Total Business-Type Activities Net Position	\$ (27,057)	\$ (40,746)	\$ (70,243)	\$ (154,217)	\$ (162,664)	\$ (125,903)	\$ (129,073)	\$ (71,163)	\$ (132,250)	\$ (86,018)
District-Wide										
Net Investment in Capital Assets	\$ 680,683	\$ 1,070,133	\$ 1,245,815	\$ 1,131,107	\$ 1,493,592	\$ 1,850,600	\$ 2,117,360	\$ 2,509,430	\$ 2,806,852	\$ 3,033,420
Restricted	86,442	62,704	278,298	185,236	632,514	658,727	575,340	397,812	561,315	431,880
Unrestricted/(Deficit)	(1,222)	(60,500)	(198,596)	(2,425,126)	(2,340,864)	(2,634,528)	(2,717,133)	(2,761,367)	(2,806,247)	(2,702,559)
Total District Net Position	\$ 765,903	\$ 1,072,337	\$ 1,325,517	\$ (1,108,783)	\$ (214,758)	\$ (125,201)	\$ (24,433)	\$ 145,875	\$ 561,920	\$ 762,741

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 2,513,183	\$ 2,580,192	\$ 2,777,284	\$ 2,619,331	\$ 2,516,299	\$ 2,924,138	\$ 4,074,799	\$ 4,112,068	\$ 3,992,227	\$ 4,628,872
Special Education	846,033	879,240	764,929	908,399	833,425	675,940	1,068,179	802,038	925,123	1,022,845
Other Special Education										63,445
Other Instruction	157,302	167,575	157,353	91,943	102,342	92,967	129,017	168,952	153,456	135,516
Support Services:										
Tuition	1,579,086	1,827,662	1,966,282	2,838,921	2,881,678	2,852,171	2,614,756	2,596,940	2,668,966	2,769,239
Student & Instruction Related Services	1,167,961	1,283,518	1,174,738	976,799	931,559	1,018,138	1,279,539	1,318,807	1,268,744	1,054,840
General and Business Administrative Services	508,878	451,384	390,896	470,840	393,524	457,865	508,343	560,621	546,884	276,997
School Administrative Services	357,591	368,064	297,084	303,508	334,263	366,243	492,093	592,203	456,226	544,713
Central Services										244,079
Plant Operations And Maintenance	827,108	893,657	926,860	779,532	783,662	936,449	1,017,558	1,016,189	979,494	967,329
Pupil Transportation	729,375	743,371	769,233	842,102	861,670	963,716	1,019,483	1,059,522	1,103,246	978,568
Business and Support Services										35,624
Charter Schools							20,230	39,986		
Interest On Long-Term Debt	486,019	472,470	458,332	451,622	259,588	366,004	348,442	331,831	318,950	304,233
Capital Outlay	645	886	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366
Total Governmental Activities Expenses	9,173,181	9,668,018	9,684,359	10,284,364	9,899,376	10,654,997	12,573,804	12,600,524	12,414,682	13,027,666
Business-Type Activities:										
Food Service	149,223	142,411	153,884	141,945	132,806	143,446	145,487	136,680	105,674	149,269
Rutherford Hall	111,106	132,024	206,216	215,580	201,541	214,470	215,375	219,399	193,199	63,246
Total Business-Type Activities Expense	260,329	274,435	360,101	357,525	334,346	357,916	360,862	356,079	298,873	212,515
Total District Expenses	\$ 9,433,509	\$ 9,942,453	\$ 10,044,460	\$ 10,641,889	\$ 10,233,722	\$ 11,012,913	\$ 12,934,666	\$ 12,956,603	\$ 12,713,555	\$ 13,240,181

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Continued)

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 277,976	\$ 355,256	\$ 247,395	\$ 165,894	\$ 215,540	\$ 84,948	\$ 65,612	\$ 14,760	\$ 62,974	\$ 78,723
Student & Instruction Related Services	518,103	538,245	511,475	510,824	280,516	365,741	370,245	326,693	474,368	57,708
Operating Grants and Contributions	1,439,377	1,576,559	1,297,257	1,127,676	1,140,865	1,193,308	3,148,235	2,931,301	2,622,902	2,658,880
Total Governmental Activities Program Revenues	2,235,456	2,470,060	2,056,127	1,804,394	1,636,921	1,643,996	3,584,092	3,272,754	3,160,244	2,795,311
Business-Type Activities:										
Charges for Services:										
Food Service	118,282	108,944	117,368	114,777	114,531	120,104	118,562	101,055	70,699	2,280
Rutherford Hall	6,007	120,921	179,284	127,600	179,129	196,028	158,723	233,903	138,736	44,279
Operating Grants and Contributions	35,424	30,793	33,813	30,976	32,141	28,288	29,972	28,575	28,252	198,014
Total Business Type Activities Program Revenues	159,713	260,658	330,465	273,353	325,801	344,420	307,257	363,533	237,687	244,573
Total District Program Revenues	\$ 2,395,169	\$ 2,730,718	\$ 2,386,592	\$ 2,077,747	\$ 1,962,722	\$ 1,988,416	\$ 3,891,349	\$ 3,636,287	\$ 3,397,931	\$ 3,039,884
Net (Expense)/Revenue	\$ (6,937,725)	\$ (7,197,958)	\$ (7,628,232)	\$ (8,479,970)	\$ (8,262,455)	\$ (9,011,001)	\$ (8,989,712)	\$ (9,327,770)	\$ (9,254,438)	\$ (10,232,355)
Governmental Activities	(100,616)	(13,777)	(29,636)	(84,172)	(8,545)	(13,496)	(53,605)	7,454	(61,186)	32,058
Business-Type Activities	\$ (7,038,342)	\$ (7,211,735)	\$ (7,657,869)	\$ (8,564,142)	\$ (8,271,000)	\$ (9,024,497)	\$ (9,043,317)	\$ (9,320,316)	\$ (9,315,624)	\$ (10,200,297)
Total District-Wide Net Expense										
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 6,769,586	\$ 7,023,122	\$ 7,340,882	\$ 8,089,997	\$ 8,345,824	\$ 8,512,609	\$ 8,666,893	\$ 8,811,890	\$ 9,075,073	\$ 9,336,672
Taxes Levied for Debt Service	298,973	311,022	327,760	65,853	554,962	395,046	363,241	428,719	443,850	706,637
Unrestricted Grants and Contributions	39,309	36,756	42,718	48,012	53,559	72,466	54,705	53,120	37,412	62,963
Investment Earnings	5,336	2,736	3,010	3,408	3,127	4,724	7,927	10,352	6,285	2
Miscellaneous Income	174,411	144,445	196,540	58,484	102,455	128,953	50,883	186,087	91,515	280,672
Adjustments to Capital Assets	(4,765,748)				105,000					
Proceeds of Long-Term Debt						(50,000)	(50,000)	(50,000)		
Transfers						9,063,797	9,093,649	9,440,168	9,654,136	10,386,946
Total Governmental Activities	2,521,867	7,518,081	7,910,910	8,265,754	9,164,927	9,063,797	9,093,649	9,440,168	9,654,136	10,386,946
Business-Type Activities:										
Investment Earnings	67	88	139	198	98	257	435	456	99	4
Miscellaneous Income										14,170
Transfers										
Total Business-Type Activities	67	88	139	198	98	257	435	456	99	14,170
Total District-Wide	\$ 2,521,934	\$ 7,518,169	\$ 7,911,049	\$ 8,265,952	\$ 9,165,025	\$ 9,114,054	\$ 9,144,084	\$ 9,490,624	\$ 9,654,235	\$ 10,401,120
Change in Net Position	(4,415,858)	320,123	282,677	(214,216)	902,472	52,796	103,937	112,399	399,698	154,591
Governmental Activities	(100,549)	(13,689)	(29,497)	(83,974)	(8,447)	36,761	(3,170)	57,910	(61,087)	46,232
Business-Type Activities	\$ (4,516,408)	\$ 306,434	\$ 253,180	\$ (298,190)	\$ 894,025	\$ 89,557	\$ 100,767	\$ 170,309	\$ 338,611	\$ 200,823
Total District										

Source: School District Financial Reports

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

		June 30,									
		2012	2013	2014	2015	2016	2017	2018	2019	Restated 2020	2021
General Fund											
Restricted	1	\$	\$ 74,051	\$ 237,224	\$ 163,175	\$ 497,893	\$ 549,775	\$ 564,484	\$ 423,504	\$ 531,988	\$ 382,997
Assigned		89,970	216,028	203,352	266,071	290,777	173,221	118,295	68,458	53,000	181,481
Unassigned		245,443	217,809	215,170	189,111	218,650	211,064	235,785	215,885	217,264	180,366
Total General Fund		\$ 335,414	\$ 507,888	\$ 655,746	\$ 618,357	\$ 1,007,320	\$ 934,060	\$ 918,564	\$ 707,847	\$ 802,252	\$ 744,844
All Other Governmental Funds											
Restricted		\$ 59,633				\$ 52,067	\$ 52,067			\$ 66,627	\$ 48,883
Assigned		74,173	7,353	7,353							
Total All Other Governmental Funds		\$ 133,806	\$ 7,353	\$ 7,353	\$ -0-	\$ 52,067	\$ 52,067	\$ -0-	\$ -0-	\$ 66,627	\$ 48,883
Total Governmental Funds:											
Restricted		\$ 59,634	\$ 74,051	\$ 237,224	\$ 163,175	\$ 549,960	\$ 601,842	\$ 564,484	\$ 423,504	\$ 598,615	\$ 431,880
Assigned		164,143	223,381	210,705	266,071	290,777	173,221	118,295	68,458	53,000	181,481
Unassigned		245,443	217,809	215,170	189,111	218,650	211,064	235,785	215,885	217,264	180,366
Total Governmental Funds		\$ 469,220	\$ 515,241	\$ 663,099	\$ 618,357	\$ 1,059,387	\$ 986,127	\$ 918,564	\$ 707,847	\$ 868,879	\$ 793,727

Source: School District Financial Reports

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 7,512,007	\$ 7,764,253	\$ 8,084,412	\$ 8,565,136	\$ 9,093,734	\$ 9,207,135	\$ 9,324,611	\$ 9,510,217	\$ 9,775,467	\$ 10,043,309
Tuition Charges	277,976	355,256	247,395	165,894	215,540	84,948	65,612	14,760	62,974	78,723
Transportation Fees	74,655	108,136	95,705	101,538	87,568	66,261	75,768	57,085	217,824	
Rents and Royalties										9,349
Restricted Miscellaneous Revenues	187,414	147,183	199,550	61,892	105,582	152,713	59,305	196,603	97,800	80,119
Unrestricted Miscellaneous Revenues	1,016,258	1,148,401	1,066,476	1,021,244	1,058,077	1,077,370	1,448,322	1,547,626	1,703,835	1,994,676
State Sources	454,762	464,914	273,499	154,444	136,348	169,368	165,599	183,266	199,377	276,199
Federal Sources										
Total Revenue	9,523,071	9,988,142	9,967,037	10,070,148	10,696,849	10,757,794	11,139,217	11,509,557	12,057,277	12,753,696
Expenditures:										
Instruction:										
Regular Instruction	1,687,712	1,730,386	1,895,567	1,742,486	1,778,728	1,944,333	2,172,355	2,210,020	2,294,592	2,597,989
Special Education Instruction	601,105	626,646	549,663	678,835	616,800	489,385	602,118	445,373	545,283	693,358
Other Special Instruction										34,037
Other Instruction	109,606	116,679	110,009	66,137	73,653	63,558	68,203	90,320	87,306	70,754
Support Services:										
Tuition	1,579,086	1,827,662	1,966,282	2,838,921	2,881,678	2,852,171	2,614,756	2,596,940	2,668,966	2,769,239
Student & Instruction Related Services	905,407	1,005,348	912,470	724,673	683,149	736,365	781,018	808,071	802,732	769,998
General And Business Administrative Services	395,730	304,868	307,398	350,194	370,722	367,961	351,879	394,441	430,328	277,363
School Administrative Services	246,068	247,697	206,796	220,446	230,125	249,145	260,423	331,238	264,292	311,954
Central Services										165,850
Plant Operations And Maintenance	696,799	720,260	795,786	729,007	651,735	792,099	758,766	740,218	739,693	800,612
Pupil Transportation	659,760	692,251	725,342	795,870	745,652	835,149	759,838	806,013	861,338	792,050
Allocated and Unallocated Benefits	1,624,964	1,631,167	1,538,957	1,442,129	1,447,358	1,521,103	1,895,726	2,196,917	2,392,281	2,722,793
Debt Service:										
Principal	296,455	308,415	325,004	65,000	480,000	390,000	410,000	425,000	440,000	460,000
Interest And Other Charges	488,537	475,077	461,088	452,475	282,483	371,050	353,750	335,550	322,800	309,600
Capital Outlay	184,759	255,666	24,816	8,717	609,036	168,735	107,720	250,185	220,067	378,251
Charter Schools										
Total Expenditures	9,475,988	9,942,121	9,819,178	10,114,890	10,851,119	10,781,054	11,156,781	11,670,273	12,069,678	13,153,848
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	47,083	46,021	147,858	(44,742)	(154,271)	(23,260)	(17,563)	(160,716)	(12,401)	(400,152)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	89,235				595,301				96,000	325,000
Transfers Out						(50,000)	(50,000)	(50,000)		
Total Other Financing Sources (Uses)	89,235				595,301	(50,000)	(50,000)	(50,000)	96,000	325,000
Net Change In Fund Balances	\$ 136,318	\$ 46,021	\$ 147,858	\$ (44,742)	\$ 441,030	\$ (73,260)	\$ (67,563)	\$ (210,716)	\$ 83,599	\$ (75,152)
Debt Service As A Percentage Of Noncapital Expenditures	8.45%	8.09%	8.03%	5.12%	7.44%	7.17%	6.91%	6.66%	6.44%	6.00%

Source: School District Financial Reports

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Prior Year Refunds	Other	Total
2012	\$ 5,336	\$ 277,976		\$ 249,066	\$ 532,378
2013	2,736	355,256		252,582	610,574
2014	3,010	247,395		292,245	542,650
2015	3,408	165,894		160,022	329,324
2016	3,127	215,540	\$ 43,335	148,122	410,124
2017	4,724	87,448	29,485	165,898	287,555
2018	7,927	65,612	14,810	112,866	201,215
2019	10,352	14,760	33,274	209,898	268,284
2020	6,285	62,974	8,649	300,690	378,598
2021	231	78,723	1,032	279,409	359,395

Source: Allamuchy Township School District records

ALLAMUCHY BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31,	Vacant Land		Residential		Farm		Commercial		Apartment		Total Assessed Value		Public Utilities ^a		Net Valuation Taxable		Total Direct School Tax Rate ^b		Estimated Actual (County Equalized Value)
2011	\$ 15,588,300	\$ 15,591,000	\$ 510,591,000	\$ 23,133,555	\$ 15,892,800	\$ 15,892,800	\$ 1,158,652	\$ 565,205,655	\$ 1,158,652	\$ 566,364,307	\$ 1.280	\$ 670,191,556							
2012	10,071,600	521,530,400	22,779,635	15,892,800	1,254,168	570,274,435	1,254,168	571,528,603	1.339	619,696,239									
2013	11,114,700	476,465,300	21,945,700	24,309,500	1,276,451	533,835,200	1,276,451	535,111,651	1.485	562,515,326									
2014	10,325,300	479,465,200	22,054,500	19,604,700	906,575	531,449,700	906,575	532,356,275	1.526	575,790,232									
2015	6,991,900	492,125,700	22,373,000	18,971,700	1.609	540,462,300	1.609	540,462,300	1.664	584,260,244									
2016	7,160,000	501,673,600	22,372,200	18,041,700	1.664	549,247,500	1.664	549,247,500	1.676	602,220,217									
2017	5,230,900	511,499,900	22,310,700	18,225,700	1.676	557,267,200	1.676	557,267,200	1.699	614,775,390									
2018	5,359,200	521,386,900	22,511,400	13,722,900	\$ 4,337,800	567,318,200	567,318,200	567,318,200	1.689	628,189,791									
2019	7,407,400	527,255,300	22,551,500	13,887,900	4,337,800	575,439,900	575,439,900	575,439,900	1.689	654,727,387									
2020	5,216,600	540,280,500	22,564,700	13,802,600	4,337,800	586,202,200	586,202,200	586,202,200	1.689	694,305,579									

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.
- b Tax rates are per \$100 of assessed valuation.

Source: Municipal Tax Assessor

ALLAMUCHY BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Allamuchy Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Debt Service ^b	Total Direct	Allamuchy Township	Warren County	
2011	\$ 1.14	\$ 0.14	\$ 1.28	\$ 0.49	\$ 0.75	\$ 2.52
2012	1.20	0.14	1.34	0.34	0.72	2.40
2013	1.34	0.15	1.49	0.48	0.65	2.62
2014	1.38	0.15	1.53	0.45	0.77	2.75
2015	1.51	0.10	1.61	0.43	0.84	2.87
2016	1.53	0.14	1.66	0.43	0.83	2.91
2017	1.53	0.14	1.66	0.43	0.84	2.94
2018	1.54	0.14	1.68	0.43	0.85	2.96
2019	1.57	0.13	1.70	0.45	0.82	2.96
2020	1.57	0.12	1.69	0.45	0.82	2.95

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

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

Source: Municipal Tax Collector and School Business Administrator

ALLAMUCHY BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2020		2011			2011	
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer		Taxable Assessed Value	% of Total District Net Assessed Value
Baker Residential Ltd. Partnership		\$ 6,647,800	1.13%	Panther Valley Golf & Country Club	\$ 6,345,400	1.12%	
Colonial Manor at Panther Valley LLC		4,337,800	0.74%	Baker Residential	4,067,900	0.72%	
Allamuchy Mall Partners LLC		4,049,000	0.69%	Bowers Glen Inc	3,730,000	0.66%	
EMS Partnership LLC		2,700,000	0.46%	Colonial Manor	2,200,000	0.39%	
Van Vugt		2,140,200	0.37%	Allamuchy Land Development	1,516,600	0.27%	
13 Old Farm LLC		1,817,500	0.31%	C & K Partnership	1,483,500	0.26%	
Allamuchy Corp Center		1,420,000	0.24%	Gibbs, J & N	1,440,570	0.25%	
Gibbs, J & N		1,311,100	0.22%	Keck, D & K	1,300,300	0.23%	
Allamuchy Land Development		1,189,500	0.20%	Freeborn, L & C	1,252,350	0.22%	
Russo, Lawrence Jr.		1,146,600	0.20%	Payne, J & E	1,241,300	0.22%	
Total		\$ 26,759,500	4.56%		\$ 24,577,920	4.34%	

Source: Allamuchy Municipal Tax Assessor

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy ^a</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2012	\$ 7,512,007	\$ 7,512,007	100.00%	\$ -0-
2013	7,764,253	7,764,253	100.00%	-0-
2014	8,084,412	8,084,412	100.00%	-0-
2015	8,565,136	8,565,136	100.00%	-0-
2016	9,093,734	9,093,734	100.00%	-0-
2017	9,207,135	9,207,135	100.00%	-0-
2018	9,324,611	9,324,611	100.00%	-0-
2019	9,510,217	9,510,217	100.00%	-0-
2020	9,775,467	9,775,467	100.00%	-0-
2021	10,043,309	10,043,309	100.00%	-0-

^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

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

ALLAMUCHY BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities							Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Capital Leases	Percentage of Personal Income ^a			
2012	\$ 10,180,000	\$ 508,419	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,688,419	5.07%	\$ 2,395.97	
2013	10,120,000	260,004	406,127	-0-	-0-	-0-	10,786,131	5.07%	2,394.26	
2014	10,055,000	-0-	299,410	-0-	-0-	-0-	10,354,410	4.87%	2,296.39	
2015	9,990,000	-0-	206,834	-0-	-0-	-0-	10,196,834	4.66%	2,243.03	
2016	9,405,000	-0-	700,942	-0-	-0-	-0-	10,105,942	4.42%	2,209.43	
2017	9,015,000	-0-	604,191	-0-	-0-	-0-	9,619,191	4.03%	2,089.31	
2018	8,605,000	-0-	505,411	-0-	-0-	-0-	9,110,411	3.65%	1,965.99	
2019	8,180,000	-0-	430,081	-0-	-0-	-0-	8,610,081	3.33%	1,841.73	
2020	7,740,000	-0-	432,494	-0-	-0-	-0-	8,172,494	3.07%	1,720.16	
2021	7,280,000	-0-	683,945	-0-	-0-	-0-	7,963,945	2.90%	1,676.27	

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

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

Source: School District Financial Reports.

ALLAMUCHY BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Net Valuation ^a Taxable	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 10,180,000	\$ -0-	\$ 10,180,000	1.80%	\$ 2,282.00
2013	10,120,000	-0-	10,120,000	1.77%	2,246.39
2014	10,055,000	-0-	10,055,000	1.88%	2,229.98
2015	9,990,000	-0-	9,990,000	1.88%	2,197.54
2016	9,405,000	-0-	9,405,000	1.74%	2,056.19
2017	9,015,000	-0-	9,015,000	1.64%	1,958.08
2018	8,605,000	-0-	8,605,000	1.54%	1,856.93
2019	8,180,000	-0-	8,180,000	1.44%	1,749.73
2020	7,740,000	-0-	7,740,000	1.35%	1,629.13
2021	7,280,000	-0-	7,280,000	1.24%	1,532.31

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

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

Source: School District Financial Reports.

ALLAMUCHY BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Allamuchy Township	\$ 8,227,792	100.00%	\$ 8,227,792
Warren County General Obligation Debt	13,271,614	6.210%	<u>824,227</u>
Subtotal, Overlapping Debt			9,052,019
Township of Allamuchy School District			<u>7,740,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 16,792,019</u></u>

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

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Allamuchy. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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

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

Legal Debt Margin Calculation for Fiscal Year 2021

Year Ended December 31,	Equalized Valuation Basis
2018	\$ 645,486,631
2019	668,339,024
2020	669,377,078
	<u>\$ 1,983,202,733</u>
Average Equalized Valuation of Taxable Property	<u>\$ 661,067,578</u>
Debt Limit (3% of Average Equalization Value) ^a	\$ 19,832,027
Net Bonded School Debt	<u>7,280,000</u>
Legal Debt Margin	<u>\$ 12,552,027</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 19,665,447	\$ 18,443,697	\$ 17,813,349	\$ 17,338,688	\$ 17,430,494
Total Net Debt Applicable to Limit	<u>10,180,000</u>	<u>10,120,000</u>	<u>10,055,000</u>	<u>10,085,000</u>	<u>9,990,000</u>
Legal Debt Margin	<u>\$ 9,485,447</u>	<u>\$ 8,323,697</u>	<u>\$ 7,758,349</u>	<u>\$ 7,253,688</u>	<u>\$ 7,440,494</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	51.77%	54.87%	56.45%	58.16%	57.31%

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt Limit	\$ 17,746,919	\$ 18,125,596	\$ 18,670,123	\$ 19,309,857	\$ 19,832,027
Total Net Debt Applicable to Limit	<u>9,015,000</u>	<u>8,605,000</u>	<u>8,180,000</u>	<u>7,740,000</u>	<u>7,280,000</u>
Legal Debt Margin	<u>\$ 8,731,919</u>	<u>\$ 9,520,596</u>	<u>\$ 10,490,123</u>	<u>\$ 11,569,857</u>	<u>\$ 12,552,027</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	50.80%	47.47%	43.81%	40.08%	36.71%

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

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

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

Year	Population ^a	Warren County Per Capita Personal Income ^c	Personal Income (thousands of dollars) ^b	Unemployment Rate ^d
2012	4,461	\$ 47,099	\$ 210,108,639	4.40%
2013	4,505	47,606	214,465,030	8.70%
2014	4,509	49,212	221,896,908	5.20%
2015	4,546	51,146	232,509,716	5.20%
2016	4,574	52,006	237,875,444	4.00%
2017	4,604	53,669	247,092,076	3.80%
2018	4,634	55,448	256,946,032	3.40%
2019	4,675	57,854	270,467,450	3.00%
2020	4,751	57,854 *	274,864,354	8.30%
2021	4,751 **	57,854 *	274,864,354 ***	N/A

* - Latest Warren County per capita personal income available (2019) was used for calculation purposes.

** - Latest population data available (2020) was used for calculation purposes.

*** - Latest per capital personal income available (2019) and latest population data available (2020) was used for calculation purposes.

N/A - Information Not Available for this year

Sources:

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

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

Employer	2020		Percentage of Total Employment
	Employees	Rank	

INFORMATION IS NOT AVAILABLE

Employer	2011		Percentage of Total Employment
	Employees	Rank (Optional)	
Mars Snack Foods	1,000	1	1.84%
Warren Hospital	1,000	2	1.84%
Hackettstown Regional Medical Center	900	3	1.65%
Warren County government	766	4	1.41%
Phillipsburg Board of Education	630	5	1.16%
Mallinckrodt/Baker, Inc.	483	6	0.89%
Genesis Health Center	425	7	0.78%
ShopRite of Greenwich	407	8	0.75%
Wal-Mart Stores, Inc.	363	9	0.67%
Centenary College	350	10	0.64%
	6,324		11.62%
Total Employment	54,424		

Source: New Jersey Department of Labor

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

UNAUDITED

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction:										
Regular	30.5	27.0	26.5	29.2	26.5	27.9	38.5	30.5	31.5	32.0
Special Education	5.5	9.0	8.1	8.9	8.1	6.9	3.5	3.5	3.8	4.0
Other Special Education	-0-	6.0	6.4	6.0	6.4	5.0	10.5	7.5	9.5	12.0
Support Services:										
Student & Instruction Related Services	7.3	7.8	9.0	11.0	9.0	20.3	15.3	13.5	13.8	9.5
School Administrative Services	3.0	2.5	5.6	4.5	5.6	5.0	4.5	4.5	4.0	4.5
General Administrative Services	1.6	3.3	2.6	1.6	2.6	1.6	1.4	1.4	1.4	1.4
Plant Operations and Maintenance	6.0	7.5	5.7	5.7	5.7	5.4	4.0	4.0	5.0	6.0
Pupil Transportation	11.5	10.6	11.5	11.0	11.5	11.0	10.6	10.6	10.6	12.6
Total	65.4	73.7	75.4	77.9	75.4	83.1	88.3	75.5	79.6	82.0

Source: Allamuchy Township School District personnel records.

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily		% Change in Average Daily Enrollment	Student Attendance Percentage
							Enrollment (ADE) ^c	Attendance (ADA) ^c		
2012	440	\$ 8,506,236	\$ 19,332	-2.71%	38	11.2	424.0	411.0	0.24%	96.93%
2013	439	8,902,963	20,280	4.90%	42	10.1	426.0	444.7	0.47%	104.39%
2014	444	9,008,270	20,289	0.04%	42	10.7	447.3	427.9	5.00%	95.66%
2015	433	9,588,697	22,145	9.15%	43	10.1	433.7	410.8	-3.04%	94.72%
2016	423	9,479,600	22,410	1.20%	44	9.6	423.8	409.8	-2.28%	96.70%
2017	412	9,851,269	23,911	6.70%	40	10.3	413.9	394.9	-2.34%	95.41%
2018	425	10,285,311	24,201	1.21%	38	11.0	418.4	401.4	1.09%	95.94%
2019	431	10,659,539	24,732	2.20%	42	10.3	434.3	416.1	3.80%	95.81%
2020	431	11,086,811	25,723	4.01%	45	9.5	428.2	415.6	-1.40%	97.06%
2021	423	12,005,997	28,383	10.34%	48	8.7	418.9	404.7	-2.17%	96.61%

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment.
This Cost Per Pupil may be different from other Cost Per Pupil Calculations.

Source: Allamuchy Township School District records.

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

<u>District Building</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Allamuchy Elementary School										
Square Feet	56,879	56,879	56,879	56,879	56,879	56,879	56,879	56,879	56,879	56,879
Capacity (Students)	398	398	398	398	398	398	398	398	398	398
Enrollment	330	330	340	350	272	276	275	276	282	287
Mountain Villa School										
Square Feet	27,260	27,260	27,260	27,260	27,260	27,260	27,260	27,260	27,260	27,260
Capacity (Students)	180	180	180	180	180	180	180	180	180	180
Enrollment	94	94	107	99	150	136	151	155	149	136

Number of Schools at June 30, 2021:

Elementary = 2

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

Source: Allamuchy Township School District Facilities Office.

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

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

School Facilities *	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Allamuchy Township Elementary School	\$ 112,200	\$ 113,923	\$ 127,983	\$ 116,773	\$ 125,406	\$ 209,679	\$ 173,086	\$ 137,400	\$ 103,468	\$ 82,013
Mountain Villa School	37,406	26,904	60,999	50,748	35,110	71,448	56,536	46,819	35,257	27,225
	<u>\$ 149,606</u>	<u>\$ 140,827</u>	<u>\$ 188,982</u>	<u>\$ 167,521</u>	<u>\$ 160,516</u>	<u>\$ 281,127</u>	<u>\$ 229,622</u>	<u>\$ 184,219</u>	<u>\$ 138,725</u>	<u>\$ 109,238</u>

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

Source: Allamuchy Township School District records.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED

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

Source: Allamuchy Township School District records.

SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Allamuchy Township School District, in the County of Warren (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2021.

Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members of
the Board of Education
Allamuchy Township School District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 19, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

John J. Mooney

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

Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Allamuchy Township School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on the District's major state programs for the fiscal year ended June 30, 2021. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB 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 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 District's compliance.

The Honorable President and Members of
the Board of Education
Allamuchy Township School District
Page 2

Opinion on Each Major State Program

In our opinion, the 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 fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the 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 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 the Uniform Guidance and NJOMB 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 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 the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

November 19, 2021
Mount Arlington, New Jersey

Nisiroccia LLP
NISIVOCCIA LLP

John J. Mooney

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned/ (Accounts Receivable) 6/30/2020	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Balance 6/30/2021		Amount Paid to Subrecipients	
									Accounts Receivable	Unearned Revenue		
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Federal Food Distribution Program	10.555	N/A	7/1/20-6/30/21	\$ 11,039	\$ (10,622)	\$	(10,622)			\$ 417		
Federal Food Distribution Program	10.555	N/A	7/1/19-6/30/20	5,573	(1,970)		(1,970)					
COVID 19 - Seamless Summer Option - Lunch	10.555	N/A	7/1/20-6/30/21	176,630		164,401	(176,630)		\$ (12,229)			
COVID 19 - Seamless Summer Option - Lunch	10.555	N/A	3/18/20-6/30/20	21,695	(3,212)	3,212	(189,222)			417		
Total Child Nutrition Cluster					(1,242)	178,652	(189,222)					
Total U.S. Department of Agriculture					(1,242)	178,652	(189,222)			417		
Passed-through State Department of Education:												
Special Revenue Fund:												
U.S. Department of Education:												
Passed-through State Department of Education:												
Elementary and Secondary Education Act Consolidated Grant:												
Title I	84.010	ESEA003021	7/1/20-9/30/21	29,914	(15,609)	21,686	(29,914)		(8,228)			
Title I	84.010	ESEA003020	7/1/19-9/30/20	37,200	1,611	15,014		\$ (1,611)	(595)			
Title I	84.010	ESEA003021	7/1/18-6/30/19	31,545	39					39		
Title I	84.010	ESEA003020	7/1/15-6/30/16	16,156	(13,959)	36,700	(29,914)	(1,611)	(8,823)	39		
Total Title I						7,327	(7,287)			40		
Title IIA	84.367	ESEA003021	7/1/20-9/30/21	7,287		7,327	(7,287)			40		
Total Title IIA												
Title IV	84.424	ESEA003021	7/1/20-9/30/21	10,000	(4,269)	6,974	(10,000)		(3,026)	5,731		
Title IV	84.424	ESEA003020	7/1/19-9/30/20	14,659	(4,269)	10,000	(10,000)		(3,026)	5,731		
Total Title IV						16,974	(10,000)					
Rural School Achievement Program	84.358A	ESEA003021	7/1/20-9/30/21	41,438	(14,280)	14,280	(38,721)		(38,721)			
Rural School Achievement Program	84.358A	ESEA003020	7/1/19-9/30/20	31,999	(14,280)	14,280	(38,721)		(38,721)			
Total Rural School Achievement Program												
Special Education Cluster:												
ID.E.A. Part B, Basic	84.027	FT-0030-21	7/1/20-9/30/21	94,762		80,491	(94,762)		(14,271)			
ID.E.A. Part B, Basic	84.027	FT-0030-19	7/1/19-9/30/20	91,553	(31,917)	31,917						
ID.E.A. Part B, Preschool	84.173	FT-0030-21	7/1/20-9/30/21	5,486		5,486	(5,486)					
ID.E.A. Part B, Preschool	84.173	FT-0030-20	7/1/19-9/30/20	5,503	(1,524)	1,524	(100,248)		(14,271)			
Total Special Education Cluster					(33,441)	119,418	(100,248)					
Education Stabilization Fund												
COVID-19 CARES - Emergency Relief Fund	84.425D	N/A	3/13/20-9/30/22	25,229		25,229	(24,370)			859		
COVID-19 Digital Divide	84.425D	N/A	3/13/20-9/30/22	1,079		1,079	(1,079)					
COVID-19 CRSA ESSER II	84.425D	N/A	3/13/20-9/30/23	50,000		26,308	(47,663)		(47,663)			
Total Education Stabilization Fund										859		
U.S. Department of Treasury Passed-through State Department of Education:												
COVID-19 Coronavirus Relief Fund	21.019	N/A	3/1/20-12/31/20	19,067		19,067	(19,067)					
Total U.S. Department of Treasury												
Total Special Revenue Fund/U.S. Department of Treasury					(65,949)	240,074	(278,349)	(1,611)	(112,504)	6,669		
Total Federal Awards					\$ (67,191)	\$ 418,726	\$ (467,571)	\$ (1,611)	\$ (124,753)	\$ 7,086	\$ -0-	

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

N/A: Not Available/Applicable

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Project Number	Grant or State	Grant Period	Award Amount	Budgetary Balance Unearned Revenue/ (Accounts Receivable) 6/30/2020	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Receivable Cancelled	Balance 6/30/2021		Memo	
										GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
General Fund													
NJ Department of Education:													
Transportation Aid	21-495-034-5120-014		7/1/20-6/30/21	\$ 277,862			\$ 250,132	\$ (277,862)				\$ (27,730)	\$ 277,862
Special Education Aid	21-495-034-5120-089		7/1/20-6/30/21	369,852			332,940	(369,852)				(36,912)	369,852
Security Aid	21-495-034-5120-084		7/1/20-6/30/21	37,450			33,713	(37,450)				(3,737)	37,450
Non-Public Transportation Aid	21-495-034-5120-014		7/1/20-6/30/21	11,310				(11,310)			\$ (11,310)	(11,310)	11,310
Extraordinary Aid	21-495-034-5120-044		7/1/20-6/30/21	40,717				(40,717)			(40,717)	(40,717)	40,717
Securing Our Children's Future Bond Act	N/A		7/1/20-6/30/21	23,012				(23,012)			(23,012)	(23,012)	23,012
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003		7/1/20-6/30/21	213,925			213,925	(213,925)					213,925
Transportation Aid	20-495-034-5120-014		7/1/19-6/30/20	277,862	\$ (27,729)		277,729						277,862
Special Education Aid	20-495-034-5120-089		7/1/19-6/30/20	346,296	(34,559)		34,559						346,296
Security Aid	20-495-034-5120-084		7/1/19-6/30/20	37,450	(3,737)		3,737						37,450
Non-Public Transportation Aid	20-495-034-5120-014		7/1/19-6/30/20	13,630	(13,630)		13,630						13,630
Extraordinary Aid	20-495-034-5120-044		7/1/19-6/30/20	73,289	(65,948)		73,289	(7,341)					73,289
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003		7/1/19-6/30/20	194,053	(10,102)		10,102						194,053
On-Behalf TPAF Post Retirement Contribution	21-495-034-5094-001		7/1/20-6/30/21	227,184			227,184	(227,184)					227,184
On-Behalf TPAF Pension Contribution	21-495-034-5094-002		7/1/20-6/30/21	711,403			711,403	(711,403)					711,403
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004		7/1/20-6/30/21	13,535			13,535	(13,535)					13,535
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004		7/1/20-6/30/21	476			476	(476)					476
Total General Fund State Aid					(155,705)		1,946,354	(1,934,067)			(75,039)	(143,418)	2,869,306
Debt Service Aid Type II	21-100-034-5120-124		7/1/20-6/30/21	62,963			62,963	(62,963)					62,963
Total Debt Service Aid							62,963	(62,963)					62,963
Total NJ Department of Education					(155,705)		2,009,317	(1,997,030)			(75,039)	(143,418)	2,932,269
New Jersey Department of Agriculture:													
Food Service Fund:													
COVID 19 - Seamless Summer Option	21-100-010-3350-023		7/1/20-6/30/21	8,792			7,921	(8,792)			(871)	(871)	8,792
COVID 19 - Seamless Summer Option	20-100-010-3350-023		3/18/20-6/30/20	984	(51)		51						984
Total NJ Department of Agriculture					(51)		7,972	(8,792)			(871)	(871)	9,776
Total State Awards Subject to Single Audit Determination					(155,756)		\$ 2,017,289	(2,005,822)			\$ (75,910)	\$ (144,289)	\$ 2,942,045
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001		7/1/20-6/30/21	(227,184)									
On-Behalf TPAF Pension Contributions	21-495-034-5094-002		7/1/20-6/30/21	(711,403)									
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004		7/1/20-6/30/21	(13,535)									
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004		7/1/20-6/30/21	(476)									
Subtotal - On-Behalf TPAF Pension System Contributions													952,598
Total State Awards Subject to Single Audit Major Program Determination													\$ (1,053,224)
N/A - Not Available													

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Allamuchy Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,354) for the General Fund and (\$2,150) for the Special Revenue Fund. See exhibit C-3 for a reconciliation of the Budgetary Basis to the modified accrual basis of accounting for the general and special revenue funds.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,931,713	\$ 1,931,713
Special Revenue Fund	\$ 276,199		276,199
Debt Service Fund		62,963	62,963
Proprietary Fund	<u>189,222</u>	<u>8,792</u>	<u>198,014</u>
Total Financial Awards	<u>\$ 465,421</u>	<u>\$ 2,003,468</u>	<u>\$ 2,468,889</u>

Note 5: Relationship to Federal and State Financial Reports

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

Note 6: Federal and State Loans Outstanding

The Allamuchy Township School District had no loan balances outstanding at June 30, 2021.

Note 7: Other

T.P.A.F. Social Security Contributions represent the amount reimbursed by the State for the employer's share of social security contributions for T.P.A.F. members for the fiscal year ended June 30, 2021. Revenue and expenditures reported under the Federal Food Distribution Program represents current year value received and current year distributions, respectively.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on the major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2021 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Circular.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 05-18 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following awards:

<u>State Program:</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State Awards:				
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 369,852	\$ 369,852
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	37,450	37,450

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District qualified as a "low-risk" auditee for state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings/Recommendations:

The District had no prior year audit findings.