

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Alloway, New Jersey
County of Salem

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

ALLOWAY TOWNSHIP SCHOOL DISTRICT

ALLOWAY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Alloway Township School District
Business Office**

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INTRODUCTORY SECTION

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Alloway Township School
Home of the Tigers

Pamela Southard
Chief School Administrator

Melanie M. Allen
Business Administrator

March 07, 2022

Honorable President and Members
of the Board of Education
Alloway Township School District
County of Salem
Alloway, New Jersey 08001

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Alloway Township School 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 Alloway Township School District. 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School 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 (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Alloway Township Board of Education and its one school (grades pre-K to 8), constitute the District's reporting entity. We completed the 2020-2021 school year with an average daily enrollment of 298, which is a decrease of 28 students over the previous year.

ECONOMIC CONDITION AND OUTLOOK

Alloway Township encompasses thirty-four square miles and is experiencing a period of low growth due to lack of jobs in the surrounding area, which is expected to continue with two results: 1) an increased tax base, and 2) a loss of land and the rural aspect, of which Alloway Township is famous. The above figures continue to reflect the economic condition of Alloway.

MAJOR INITIATIVES

Alloway Township values its unique heritage and is making revisions in an effort to increase student achievement. Alloway Township School District continues to support quality educational opportunities for all students in a changing community and world. Staff members are committed to provide excellent instruction to prepare our students for their place in the global economy of the 21st century. Curriculum revisions, quality staff development, and implementation of best practices of instruction are in place for the upcoming school year. In response to students' needs, we are focusing on excellence for all students in an effort to increase the number of students meeting and exceeding expectations on the NJSLA.

Major initiatives in the district focus on teacher practice for student-centered instruction, tailored programs to meet students' needs, and revisions to various curricula. These initiatives include:

- * Implementation of daily time designated during the school day for enrichment for all students at their level of preparedness. This includes Title 1 supportive services and extended learning for gifted and talented students.
- * Increased use of data to inform instruction.
- * Delivering a balanced literacy program through guided reading, phonic spelling/word study, Daily 5, shared reading, and writing.
- * Use of rich literature for language arts and digital resources especially in science in social and studies.
- * Expanded visual and performing arts classes for middle school students.
- * Use of PLC's to complete data analysis, determine needed curricular revisions, and enhance professional development.

Beside the traditional courses of study, our students are offered advanced mathematics through Algebra. Elementary students have a special cycle which includes: Art, music, digital literacy, library, and physical education. Middle school students have two cycle periods for the following courses: Visual art, performing art, digital literacy, and physical education. Our Basic Skills program has been renamed SOAR and is

provided during Tiger Time for K-5 and in-class for grades 6-8 using intervention resources and Title 1 teachers.

Community and parental involvement are crucial to the success of our public schools. There are many opportunities available to parents, grandparents, and community members to be active participants in the activities of the school. Classroom teachers welcome volunteers to serve as a room parent, read a favorite book, or share their occupation and/or travel experiences with our students. Parent nights, special programs, and involvement in the Parent-Teacher Association are some other avenues for participation.

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

The Mission of the Alloway Township School District is:

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

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statements in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School 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 the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets 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 included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

OTHER INFORMATION

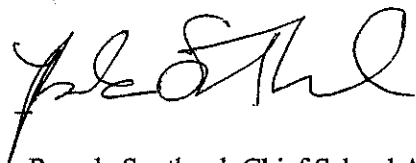
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accounts & Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

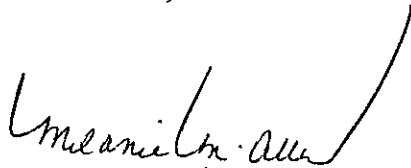
ACKNOWLEDGEMENTS

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

Respectfully submitted,

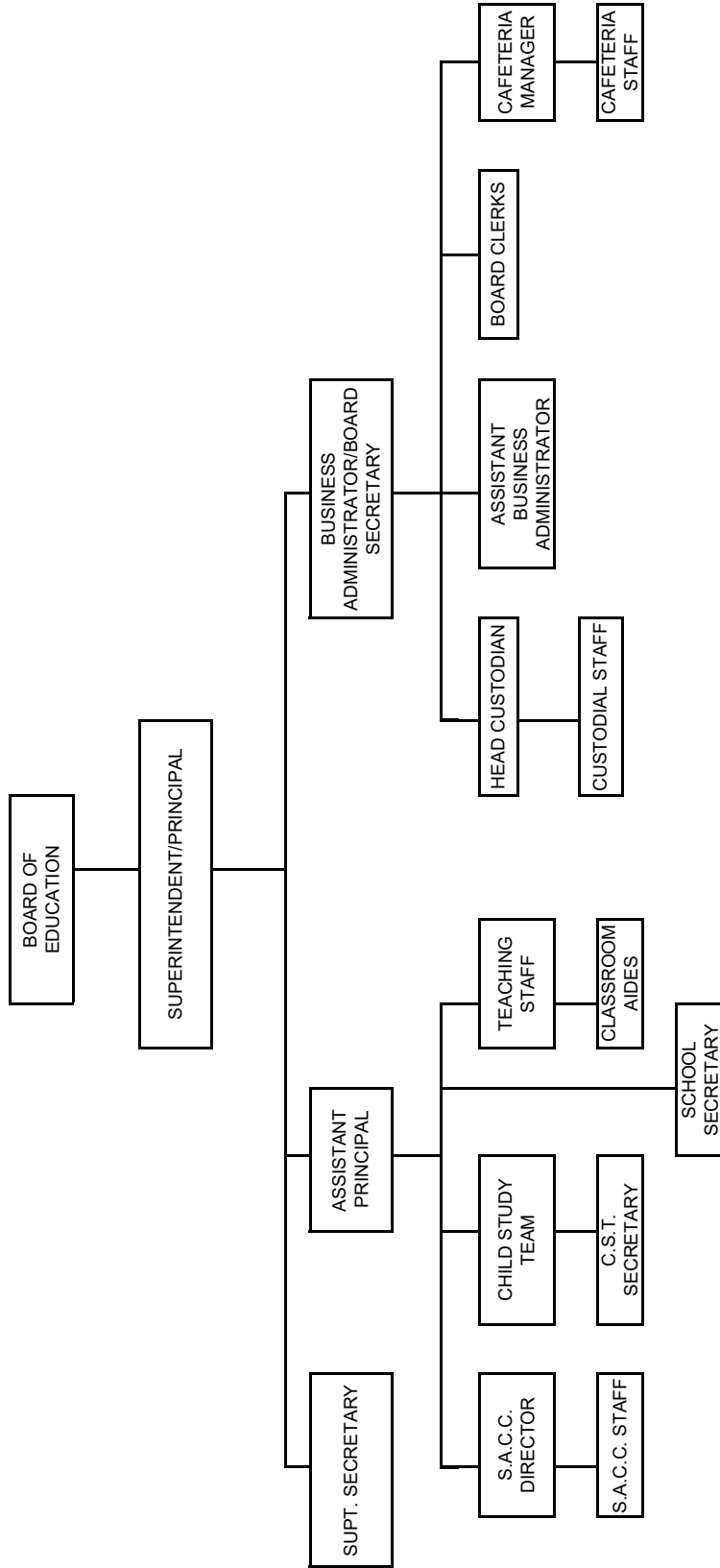


Pamela Southard, Chief School Administrator



Melanie M. Allen, School Business Administrator/Board Secretary

ALLOWAY TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



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ALLOWAY TOWNSHIP SCHOOL DISTRICT

Alloway, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Richard Morris, Jr., President	2023
Charles Angelus, Vice President	2021
Sara Cobb	2023
Elizabeth Decktor	2022
Michael Dennison	2023
Joseph Fedora	2021
Jeffrey Hitchner	2021
Kenneth McKeley, Jr.	2022
Deborah Zarin	2022

OTHER OFFICIALS

Steven Crispin, Superintendent

Shannon DuBois-Brody - School Business Administrator/Board Secretary

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ALLOWAY TOWNSHIP SCHOOL DISTRICT
Alloway, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

Michael Holt
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Parker McCay
9000 Midlantic Drive, Suite 300
PO Box 5054
Mount Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Fulton Bank
48 South Greenwich Street
Alloway, NJ 08001

Century Savings Bank
121 North Main Street
Elmer, NJ 08318

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FINANCIAL SECTION

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Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Alloway Township School District
County of Salem
Alloway, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Alloway Township School District, County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental 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 and requirements 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.

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Alloway Township School District, County of Salem, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of July 1, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Due to a correction for GASB Statement No. 68, fund balance as of July 1, 2020, on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alloway Township School Districts basic financial statements. The introductory section, combining and individual fund statements, long-term debt schedules and statistical section, are presented

for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022 on our consideration of the School 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 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 School 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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
March 7, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

As management of the Alloway Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Internal Service Fund. Business-type activities reflect the Food Service Fund and Child Care Program.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds* and *proprietary funds*.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Debt Service Fund, and the Internal Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains two types of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise funds provide the same information as the government-wide financial statements, only in more detail.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

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

As described in Note 1 to the financial statements "Adopted Accounting Pronouncements", the district has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2020 in the amount of \$22,258, as indicated in Note 20 to the Financial Statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

Table 1
Summary of Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 2,474,547	\$ 2,105,479	\$ 369,068	17.5%
Capital Assets, Net	4,821,330	4,944,424	(123,094)	-2.5%
Total Assets	<u>7,295,877</u>	<u>7,049,903</u>	<u>245,974</u>	<u>3.5%</u>
Deferred Outflow of Resources	<u>173,342</u>	<u>82,345</u>	<u>90,997</u>	<u>110.5%</u>
Current and other Liabilities	129,047	131,471	(2,424)	-1.8%
Noncurrent Liabilities	<u>1,768,117</u>	<u>2,051,850</u>	<u>(283,733)</u>	<u>-13.8%</u>
Total Liabilities	<u>1,897,164</u>	<u>2,183,321</u>	<u>(286,157)</u>	<u>-13.1%</u>
Deferred Inflow of Resources	<u>628,073</u>	<u>560,736</u>	<u>67,337</u>	<u>12.0%</u>
Net Position:				
Net Investment in Capital Assets	3,966,334	3,962,441	3,893	0.1%
Restricted	1,596,496	1,706,683	(110,187)	-6.5%
Unrestricted (Deficit)	<u>(618,848)</u>	<u>(1,280,933)</u>	<u>662,085</u>	<u>-51.7%</u>
Total Net Position	<u>\$ 4,943,982</u>	<u>\$ 4,388,191</u>	<u>\$ 555,791</u>	<u>12.7%</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Summary of Changes in Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 325,222	\$ 380,545	\$ (55,323)	-14.5%
Operating Grants & Contributions	2,593,276	318,520	2,274,756	714.2%
General Revenues:				
Property Taxes	4,349,540	4,278,155	71,385	1.7%
Federal & State Aid	3,823,306	5,014,575	(1,191,269)	-23.8%
Other General Revenues	10,308	27,325	(17,017)	-62.3%
Total Revenues	11,101,652	10,019,120	1,082,532	10.8%
Function/Program Expenditures:				
Regular Instruction	1,751,774	1,615,268	136,506	8.5%
Special Education Instruction	350,689	560,628	(209,939)	-37.4%
Other Special Education	88,846	57,887	30,959	53.5%
Other Instruction	6,617	7,202	(585)	-8.1%
Student & Instruction Related Services	3,724,661	3,427,117	297,544	8.7%
General Administrative	228,808	267,015	(38,207)	-14.3%
School Administrative Services	76,982	69,713	7,269	10.4%
Central Services	155,089	357,035	(201,946)	-56.6%
Plant Operations & Maintenance	346,497	351,502	(5,005)	-1.4%
Pupil Transportation	394,648	427,880	(33,232)	-7.8%
Unallocated Benefits	2,694,079	1,802,431	891,648	49.5%
Transfer to Charter Schools	294,928	100,399	194,529	193.8%
Interest & Other Charges	68,769	34,108	34,661	101.6%
Capital Outlay	-	35,593	(35,593)	-100.0%
Unallocated Depreciation	258,175	259,011	(836)	-0.3%
Food Service	120,577	111,151	9,426	8.5%
Child Care	27,969	36,784	(8,815)	-24.0%
Total Expenditures	10,589,108	9,520,724	1,068,384	11.2%
Change In Net Position	512,544	498,396	14,148	2.8%
Net Position - Beginning, as restated	4,431,438	3,889,795	541,643	13.9%
Net Position - Ending	\$ 4,943,982	\$ 4,388,191	\$ 555,791	12.7%

Governmental Activities

During the fiscal year 2021, the net position of governmental activities increased by \$511,167 or 11.6%. The primary reason for the increase was current year depreciation expense exceeding current year capital additions and an overall decrease in operating expenditures during the year.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$4,912,794, with an unrestricted deficit balance of \$(634,854). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(634,854)
Add back: PERS Pension Liability		809,295
Less: Deferred Outflows related to pensions		(158,730)
Add back: Deferred Inflows related to pensions		628,073
Unrestricted Net Position (Without GASB 68)	\$	643,784

General Fund Budgeting Highlights

Final budgeted revenues were \$7,515,995, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$409,212.

Final budgeted appropriations were \$8,082,658 which was an increase of \$20,595 from the original budget. The increase is due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget and transfers in from maintenance reserve. Excluding nonbudgeted expenditures, the School District's budget appropriations exceeded actual expenditures by \$324,185.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$2,548,006 at June 30, 2021, an increase of \$332,974 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$2,249,951, an increase of \$357,327 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$356,359 to \$2,226,724 at June 30, 2021, compared to an increase of \$375,190 in fund balance in the prior fiscal year.

Special revenue fund – During the current fiscal year, the fund balance of the School District's special revenue fund increased by \$968 to \$23,226 at June 30, 2021. There was no fund balance as of June 30, 2020. The beginning balance was restated as of July 1, 2020 to \$22,258 to accommodate for GASB 84 implementation.

Debt service fund – During the current fiscal year, the fund balance of the School District's capital projects fund remained \$1 at June 30, 2021.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$4,945 to \$27,797 at June 30, 2021, compared to an increase of \$10,935 in fund balance in the prior fiscal year.

School aged child care fund - During the current fiscal year, the net position of the School District's school aged child care fund decreased by \$3,568 to \$3,391 at June 30, 2021, compared to a decrease of \$6,447 in fund balance in the prior fiscal year.

Internal service fund - During the current fiscal year, the net position of the School District's internal service fund increased by \$43,533 to \$139,672 at June 30, 2021, compared to an increase of \$33,430 in fund balance in the prior fiscal year.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$4,821,330 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$123,094. This decrease is primarily due to the current year depreciation of capital assets. Table 4 shows fiscal 2021 balances compared to 2020.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 153,751	\$ 153,751	\$ -	0.0%
Land Improvements	17,070	21,140	(4,070)	-19.3%
Building and Improvements	4,426,622	4,670,018	(243,396)	-5.2%
Equipment	223,887	99,515	124,372	125.0%
	<u>\$ 4,821,330</u>	<u>\$ 4,944,424</u>	<u>\$ (123,094)</u>	-2.5%

Depreciation expense for the year was \$261,238. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$795,000, which is a decrease of \$210,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Factors on the School District's Future

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

- State Aid Formula for the FY2021 had a decrease of \$174,373
- The District's special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Melanie Allen, Business Administrator/Board Secretary, Alloway Township School District, P.O. Box 327, 43 Cedar Street, Alloway, NJ 08001, or by e-mail at allenm@allowayschool.org.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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**ALLOWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 1,307,413	\$ 11,266	\$ 1,318,679
Receivables, Net (Note 4)	568,223	8,319	576,542
Inventory	-	2,497	2,497
Restricted Assets:			
Restricted Cash & Cash Equivalents	576,829	-	576,829
Capital Assets:			
Non-Depreciable (Note 5)	153,751	-	153,751
Depreciable, Net (Note 5)	4,652,397	15,182	4,667,579
Total Assets	7,258,613	37,264	7,295,877
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charges on Refunding of Debt	14,612	-	14,612
Deferred Outflows Related to Pensions (Note 8)	158,730	-	158,730
Total Deferred Outflow of Resources	173,342	-	173,342
Total Assets and Deferred Outflow of Resources	7,431,955	37,264	7,469,219
LIABILITIES			
Accounts Payable	33,364	-	33,364
Payroll Taxes Payable	29,617	-	29,617
Accrued Interest	9,036	-	9,036
Due to Other Governments	53,369	-	53,369
Unearned Revenue	-	3,661	3,661
Noncurrent Liabilities (Note 6):			
Due Within One Year	222,783	-	222,783
Due Beyond One Year	1,542,919	2,415	1,545,334
Total Liabilities	1,891,088	6,076	1,897,164
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	628,073	-	628,073
Total Deferred Inflow of Resources	628,073	-	628,073
Total Liabilities and Deferred Inflow of Resources	2,519,161	6,076	2,525,237
NET POSITION			
Net Investment in Capital Assets	3,951,152	15,182	3,966,334
Restricted For:			
Capital Projects	466,805	-	466,805
Maintenance Reserve	110,024	-	110,024
Excess Surplus	996,440	-	996,440
Debt Service	1	-	1
Student Activities	23,226	-	23,226
Unrestricted (Deficit)	(634,854)	16,006	(618,848)
Total Net Position	\$ 4,912,794	\$ 31,188	\$ 4,943,982

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

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Governmental Activities:							
Instruction:							
Regular	\$ 1,751,774	\$ -	263,577	\$ (1,488,197)	\$ -	\$ (1,488,197)	
Special Education	350,689	-	-	(350,689)	-	(350,689)	
Other Special Instruction	88,846	-	-	(88,846)	-	(88,846)	
Other Instruction	6,617	-	-	(6,617)	-	(6,617)	
Support Services & Undistributed Costs:							
Student & Instruction Related Services	3,724,661	298,900	69,722	(3,356,039)	-	(3,356,039)	
General Administration	228,808	-	3,802	(225,006)	-	(225,006)	
School Administrative Services	76,982	-	-	(76,982)	-	(76,982)	
Central Services	155,089	-	-	(155,089)	-	(155,089)	
Plant Operations & Maintenance	346,497	-	-	(346,497)	-	(346,497)	
Pupil Transportation	394,648	-	-	(394,648)	-	(394,648)	
Unallocated Benefits	2,694,079	-	2,132,574	(561,505)	-	(561,505)	
Transfer to Charter Schools	294,928	-	-	(294,928)	-	(294,928)	
Interest and Other Charges	68,769	-	-	(68,769)	-	(68,769)	
Unallocated Depreciation	258,175	-	-	(258,175)	-	(258,175)	
Total Governmental Activities	10,440,562	298,900	2,469,675	(7,671,987)	-	(7,671,987)	
Business-Type Activities:							
Food Service	120,127	1,921	123,151	-	4,945	4,945	
Other Activities	27,969	24,401	-	-	(3,568)	(3,568)	
Total Business-Type Activities	148,096	26,322	123,151	-	1,377	1,377	
Total Primary Government	\$ 10,588,658	\$ 325,222	\$ 2,592,826	(7,671,987)	1,377	(7,670,610)	

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

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes	4,114,978	-	4,114,978
Property Taxes Levied for Debt Service	234,562	-	234,562
Federal & State Aid Not Restricted	3,823,306	-	3,823,306
Tuition	4,080	-	4,080
Interest on Investments	1,831	-	1,831
Miscellaneous Income	4,397	-	4,397
Total General Revenues & Transfers	8,183,154	-	8,183,154
Change In Net Position	511,167	1,377	512,544
Net Position - July 1, as previously stated	4,358,241	29,811	4,388,052
Prior Period Adjustment	43,386	-	167,368
Net Position - July 1 as Restated (See Note 20)	4,401,627	29,811	4,431,438
Net Position - Ending	4,912,794	31,188	4,943,982

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B. Fund Financial Statements

Governmental Funds

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Assets:				
Cash & Cash Equivalents	\$ 1,273,083	\$ -	\$ 1	\$ 1,273,084
Receivables From Other Governments	407,576	160,647	-	568,223
Restricted Cash & Cash Equivalents	576,829	-	-	576,829
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 2,257,488</u>	<u>\$ 160,647</u>	<u>\$ 1</u>	<u>\$ 2,418,136</u>
Liabilities & Fund Balances:				
Liabilities:				
Cash Deficit	\$ -	\$ 105,204	\$ -	\$ 105,204
Accounts Payable	1,147	32,217	-	33,364
Payroll Withholdings and Deductions Payable	29,617	-	-	29,617
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>30,764</u>	<u>137,421</u>	<u>-</u>	<u>168,185</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Prior Year - Designated for				
Subsequent Year's Expenditures	663,393	-	-	663,393
Excess Surplus - Current Year	333,047	-	-	333,047
Capital Reserve Account	466,805	-	-	466,805
Maintenance Reserve Account	110,024	-	-	110,024
Student Activities	-	23,226	-	23,226
Committed to:				
Debt Service Fund	-	-	1	1
Assigned to:				
Other Purposes	12,294	-	-	12,294
Designated by the BOE for				
Subsequent Year's Expenditures	258,350	-	-	258,350
Unassigned:				
Special Revenue Fund	-	-	-	-
General Fund	382,811	-	-	382,811
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>2,226,724</u>	<u>23,226</u>	<u>1</u>	<u>2,249,951</u>
Total Liabilities & Fund Balances				
Balances	<u>\$ 2,257,488</u>	<u>\$ 160,647</u>	<u>\$ 1</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,675,837 and the accumulated depreciation is \$5,869,689. (See Note 5)	4,806,148
Deferred loss on refunding of debt is not recorded in the fund financials but is recorded on the government-wide financials	14,612
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred Outflows related to pensions	158,730
Deferred Inflows related to pensions	(628,073)
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position	(53,369)
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payable is not due in the current period.	(9,036)
Internal service funds are used by the School District to charge related services to other school district's. The assets and liabilities of the internal service fund are included with governmental activities.	139,533
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 6)	<u>(1,765,702)</u>
Net Position of Governmental Activities	<u>\$ 4,912,794</u>

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 4,114,978	\$ -	\$ 234,562	\$ 4,349,540
Transportation - From Other LEAS	4,080	-	-	4,080
Interest on Investments	1,831	-	-	1,831
Miscellaneous	4,397	16,738	-	21,135
Total Revenues - Local Sources	<u>4,125,286</u>	<u>16,738</u>	<u>234,562</u>	<u>4,376,586</u>
State Sources	4,911,265	-	-	4,911,265
Federal Sources	-	320,363	-	320,363
Total Revenues	<u>9,036,551</u>	<u>337,101</u>	<u>234,562</u>	<u>9,608,214</u>
Expenditures:				
Current Expense:				
Regular Instruction	1,519,778	263,577	-	1,783,355
Special Education Instruction	350,689	-	-	350,689
Other Instruction	88,846	-	-	88,846
School Sponsored Activities	6,617	-	-	6,617
Support Services & Undistributed Costs:				
Student & Instruction Related Services	3,447,391	68,754	-	3,516,145
General Administration	225,006	3,802	-	228,808
School Administrative Services	76,982	-	-	76,982
Central Services	155,089	-	-	155,089
Plant Operations & Maintenance	344,401	-	-	344,401
Student Transportation Services	394,648	-	-	394,648
Unallocated Benefits	1,717,096	-	-	1,717,096
Capital Outlay	106,563	-	-	106,563
Debt Service				
Principal	-	-	210,000	210,000
Interest and Other Charges	35,593	-	24,562	60,155
Total Expenditures	<u>8,468,699</u>	<u>336,133</u>	<u>234,562</u>	<u>9,039,394</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>567,852</u>	<u>968</u>	<u>-</u>	<u>568,820</u>
Other Financing Sources/(Uses):				
Transfer to Charter School	(294,928)	-	-	(294,928)
Capital Leases (Nonbudget)	83,435	-	-	83,435
Total Other Financing Sources/(Uses)	<u>(211,493)</u>	<u>-</u>	<u>-</u>	<u>(211,493)</u>
Net changes in Fund Balance	356,359	968	-	357,327
Fund Balances July 1 as restated (See Note 20)	<u>1,870,365</u>	<u>22,258</u>	<u>1</u>	<u>1,892,624</u>
Fund Balances June 30	<u>\$ 2,226,724</u>	<u>\$ 23,226</u>	<u>\$ 1</u>	<u>\$ 2,249,951</u>

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

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

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	357,327
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period:</p>		
Depreciation Expense	\$ (258,175)	
Capital Outlays	<u>138,144</u>	(120,031)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		210,000
<p>Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:</p>		
Prior Year	6,678	
Current Year	<u>(32,569)</u>	(25,891)
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		103,783
<p>Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		18,125
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>		
Prior year	8,188	
Current Year	<u>(9,036)</u>	(848)
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of activities.</p>		
		(83,435)
<p>The Internal Service Fund is used by the School District to charge the cost of Related Services to other Districts. The activity of this fund is included in the Statement of Activities.</p>		
		43,533
<p>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 (+).</p>		
		<u>8,604</u>
Change in Net Position of Governmental Activities	\$	<u><u>511,167</u></u>

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

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Proprietary Funds

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

	Business-Type Activities		TOTALS	Governmental Activities
	Food Service Fund	Other Funds	JUNE 30, 2021	Internal Service Fund
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 6,976	\$ 4,290	\$ 11,266	\$ 139,672
Accounts Receivable	7,912	407	8,319	-
Inventories	2,497	-	2,497	-
	17,385	4,697	22,082	139,672
Total Current Assets				
Capital Assets:				
Equipment	64,345	-	64,345	-
Less: Accumulated Depreciation	(49,163)	-	(49,163)	-
	15,182	-	15,182	-
Total Capital Assets				
Total Assets	32,567	4,697	37,264	139,672
LIABILITIES				
Unearned Revenue	2,355	1,306	3,661	-
Compensated Absences	2,415	-	2,415	-
	4,770	1,306	6,076	-
Total Liabilities				
NET POSITION				
Net Investment in Capital Assets	15,182	-	15,182	-
Unrestricted	12,615	3,391	16,006	139,672
	27,797	3,391	31,188	139,672
Total Net Position	\$ 27,797	\$ 3,391	\$ 31,188	\$ 139,672

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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities		TOTALS	Governmental
	Food Service Fund	Other Funds	JUNE 30, 2021	Internal Service Fund
Operating Revenues:				
Charges for Services:				
Daily Sales - Nonreimbursable Programs	\$ 1,921	\$ -	\$ 1,921	\$ -
Other Charges and Fees	-		-	298,900
Tuition		24,401	24,401	
Total Operating Revenues	1,921	24,401	26,322	298,900
Operating Expenses:				
Salaries	47,049	23,859	70,908	208,516
Employee Benefits	20,652	2,641	23,293	44,755
Supplies & Materials	2,344	690	3,034	622
Other Purchased Services (300-500 series)	2,586	-	2,586	
Cost of Sales - Reimbursable	43,480	-	43,480	
Cost of Sales - Non Reimbursable	885	-	885	
Miscellaneous Expenditures	68	779	847	1,474
Depreciation Expense	3,063	-	3,063	
Total Operating Expenses	120,127	27,969	148,096	255,367
Operating Income/(Loss)	(118,206)	(3,568)	(121,774)	43,533
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	5,103	-	5,103	-
Federal Sources:				
COVID-19 National School Lunch Program	102,724	-	102,724	-
COVID-19 Healthy Hunger-Free Kids Act	2,049	-	2,049	-
Food Distribution Program	13,275	-	13,275	-
Total Nonoperating Revenues/(Expenses)	123,151	-	123,151	-
Change in Net Position	4,945	(3,568)	1,377	43,533
Net Position - July 1,	22,852	6,959	29,811	96,139
Total Net Position - June 30,	\$ 27,797	\$ 3,391	\$ 31,188	\$ 139,672

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

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

	Business-Type Activities			Governmental
	Food Service Fund	Childcare Program	Totals	Activities Internal Service Fund
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 1,523	\$ 22,613	\$ 24,136	\$ 298,900
Payments to Employees	(47,049)	(23,859)	(70,908)	(208,516)
Payments for Employee Benefits	(22,362)	(2,641)	(25,003)	(46,443)
Payments to Suppliers	(35,987)	(1,469)	(37,456)	(2,096)
Net Cash Provided/(Used) by Operating Activities	<u>(103,875)</u>	<u>(5,356)</u>	<u>(109,231)</u>	<u>41,845</u>
Cash Flows From Noncapital Financing Activities:				
State Sources	4,423	-	4,423	-
Federal Sources	104,593	-	104,593	-
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>109,016</u>	<u>-</u>	<u>109,016</u>	<u>-</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	5,141	(5,356)	(215)	41,845
Balances - Beginning of Year	1,835	9,646	11,481	97,827
Balances - End of Year	<u>\$ 6,976</u>	<u>\$ 4,290</u>	<u>\$ 11,266</u>	<u>\$ 139,672</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (118,206)	\$ (3,568)	\$ (121,774)	\$ 43,533
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Food Distribution Program	13,275	-	13,275	-
Depreciation & Net Amortization	3,063	-	3,063	-
(Increase)/Decrease in Accounts Receivable	268	51	319	-
Increase/(Decrease) in Prepaid	101	-	101	-
(Increase)/Decrease in Compensated Absences	(1,710)	-	(1,710)	-
(Increase)/Decrease in Unearned Revenue	(666)	(1,839)	(2,505)	-
(Increase)/Decrease in Accounts Payable	-	-	-	(1,688)
Total Adjustments	<u>14,331</u>	<u>(1,788)</u>	<u>12,543</u>	<u>(1,688)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (103,875)</u>	<u>\$ (5,356)</u>	<u>(109,231)</u>	<u>\$ 41,845</u>

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

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ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Alloway Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Alloway Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades pre-school through eighth at its one school. The School District has an approximate enrollment at June 30, 2021 of 296 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14 The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The School District had no component units as of for the year ended June 30, 2021.

Government-Wide Financial Statements

The School District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the School District are

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the School District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the School District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements.

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

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and Childcare program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements.

The School District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the School District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings 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 from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

The School District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the School District's cafeteria operations.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Childcare Program – This fund accounts for the revenues and expenses pertaining to the School District’s childcare program.

Internal Service Fund (Related Service) – The related services internal service fund is used in order to account for related services provided to other local school districts.

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 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 School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or 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.

Cash and Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the School 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 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 public 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 at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving school district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

GASB Statement No. 84, "*Fiduciary Activities*". The objective GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management has implemented this Statement in the School District's financial statements for the year ended June 30, 2021 with a prior period restatement to beginning net position. See Note 20 for further details.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

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

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 2. Deposits and Investments (continued)

happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District's bank balance of \$2,095,345 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	2,036,468
Uninsured and Uncollateralized		58,877
		\$ 2,095,345

Investments

The School District had no investments at June 30, 2021.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by the inclusion of \$1,000 in October of 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2020	\$	465,996
Increased by:		
Interest Earnings		809
Ending Balance, June 30, 2021		\$ 466,805

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts (continued)

Maintenance Reserve

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

Beginning Balance, July 1, 2020	\$	30,000
Increased by:		
Interest Earnings		24
Deposits approved by Board		100,000
		130,024
Decreased by:		
Budget Withdrawals		(20,000)
Ending Balance, June 30, 2021	\$	110,024

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2021, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Child Care Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 146,236	\$ 146,236	\$ 6,688	\$ -	\$ 6,688
State Awards	407,576	14,411	421,987	1,046	-	1,046
Other	-	-	-	178	407	585
Total	\$ 407,576	\$ 160,647	\$ 568,223	\$ 7,912	\$ 407	\$ 8,319

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 153,751	\$ -	\$ -	\$ 153,751
Total Capital Assets not being depreciated	153,751	-	-	153,751
Capital Assets being depreciated:				
Land Improvements	131,103	-	-	131,103
Buildings and Improvements	9,675,858	-	-	9,675,858
Equipment	576,981	138,144	-	715,125
Total Capital Assets being depreciated	10,383,942	138,144	-	10,522,086
Less: Accumulated Depreciation:				
Land Improvements	(109,963)	(4,070)	-	(114,033)
Buildings and Improvements	(5,005,840)	(243,396)	-	(5,249,236)
Equipment	(495,711)	(10,709)	-	(506,420)
Total Accumulated Depreciation	(5,611,514)	(258,175)	-	(5,869,689)
Total Capital Assets being depreciated, net	4,772,428	(120,031)	-	4,652,397
Total Governmental Activities Capital Assets, net	\$ 4,926,179	\$ (120,031)	\$ -	\$ 4,806,148
	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
Business-Type Activities:				
Equipment	\$ 64,345	\$ -	\$ -	\$ 64,345
Total Capital Assets being depreciated	64,345	-	-	64,345
Less: Accumulated Depreciation:				
Equipment	(46,100)	(3,063)	-	(49,163)
Total Capital Assets being depreciated, net	(46,100)	(3,063)	-	(49,163)
Total Business-Type Activities Capital Assets, net	\$ 18,245	\$ (3,063)	\$ -	\$ 15,182

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 6. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 1,005,000	\$ -	\$ 210,000	\$ 795,000	\$ 205,000
Capital Leases	-	83,435	18,126	65,309	15,247
Unamortized Bond Premiums	-	11,835	2,536	9,299	2,536
Compensated Absences	95,403	-	8,604	86,799	-
Net Pension Liability	947,322	-	138,027	809,295	-
	<u>\$ 2,047,725</u>	<u>\$ 95,270</u>	<u>\$ 377,293</u>	<u>\$ 1,765,702</u>	<u>\$ 222,783</u>
Business-Type Activities:					
Compensated Absences	\$ 4,125	\$ -	\$ 1,710	\$ 2,415	\$ -
	<u>\$ 4,125</u>	<u>\$ -</u>	<u>\$ 1,710</u>	<u>\$ 2,415</u>	<u>\$ -</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases and net pension liability are liquidated by the general fund.

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

\$2,075,000 Refunding Bonds of 2014 dated October 16, 2014, payable in annual installments through March 1, 2025. Interest is paid semi-annually at an interest rate from 2%-4%. The remaining balance as of June 30, 2021 was \$795,000.

Principal and Interest due on the outstanding bonds is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 205,000	\$ 20,363	\$ 225,363
2023	200,000	15,237	215,237
2024	195,000	10,237	205,237
2025	195,000	5,119	200,119
	<u>\$ 795,000</u>	<u>\$ 50,956</u>	<u>\$ 845,956</u>

Bonds Authorized But Not Issued:

As of June 30, 2021, the District had no authorized but not issued bonds.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 6. Long-Term Obligations (continued)

B. Capital Leases

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2021:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 15,427	\$ 2,699	\$ 18,126
2023	15,910	2,216	18,126
2024	16,617	1,509	18,126
2025	17,355	771	18,126
	\$ 65,309	\$ 7,195	\$ 72,504

Note 7. Operating Leases

At June 30, 2021, the School District had operating lease agreements in effect for copy machines throughout the district. Total operating lease payments made during the year ended June 30, 2021 was \$11,754.

Fiscal Year Ending <u>June 30,</u>	
2022	\$ 7,855
2023	7,076
2024	590
Total Minimum Lease Payments	\$ 15,521

Note 8. Pension Plans

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 PERS, please refer to Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued)

- 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit 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. 15A* and requires contributions by active members and contributing employers. 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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$809,295 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.00496%, which was a decrease of 0.00029% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$54,290 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 14,736	\$ 2,862
Changes of Assumptions	26,254	338,859
Net Difference between Projected and Actual Earnings on Pension Plan Investments	27,662	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	36,709	286,352
School District Contributions Subsequent to Measurement Date	53,369	-
	\$ 158,730	\$ 628,073

\$53,369 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2021	\$ (171,164)
2022	(172,041)
2023	(105,105)
2024	(35,552)
2025	(38,850)
	\$ (522,712)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued)

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued)

Actuarial Assumptions – The collective 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 assumptions:

Inflation	
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%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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

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

In accordance with State statute, the long-term expected rate of return on 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals 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 70% 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 projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the School 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>1,026,778</u>	\$ <u>809,295</u>	\$ <u>636,518</u>

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 1,383,360,202	\$ 2,122,619,897
Collective Deferred Inflows of Resources	6,885,726,332	6,618,184,855
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.00496%	0.00526%

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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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 represents the membership tiers for TPAF:

<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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

years of service credit, and 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 employers. 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 includes 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.

As mentioned previously, 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, the School District is 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 School District does 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.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$16,155,851. The School District's proportionate share was \$-0-.

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 State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.02453%, which was an increase of .00016% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$1,004,640 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

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:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Inflation		
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 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on 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 municipals 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 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 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.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's 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:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	18,976,937	16,155,851	13,813,411
	\$ 18,976,937	\$ 16,155,851	\$ 13,813,411

Pension Plan Fiduciary Net Position - 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 Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)		
Collective Deferred Outflows of Resources	\$ 9,458,881,999	\$ 9,932,767,606
Collective Deferred Inflows of Resources	14,424,322,612	17,539,845,423
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.02453%	0.02437%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP) (continued)

- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2021 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$15,481, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$11,399.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees 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 paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit 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 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

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 is the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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.

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$21,992,950. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.03243%, which was a decrease of 0.00049% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$968,567 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was 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 (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 26,513,636	\$ 21,992,950	\$ 18,458,209
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate *</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 17,753,451	\$ 21,992,950	\$ 27,041,251
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Change in Assumptions	11,534,251,250	(7,737,500,827)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</u>

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Fiscal Year Ending June 30,		
2021	\$	43,440,417
2022		43,440,417
2023		43,440,417
2024		43,440,417
2025		43,440,417
Thereafter		4,704,163,473
	\$	4,921,365,558

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	366,108

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	(1,180,515,618)
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	41,729,084,045
Total OPEB Liability (Ending)	\$ 67,809,965,608
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for pension, post-retirement medical costs, long-term disability and social security were \$707,022, \$221,570, \$432 and \$158,935, respectively.

Note 11. Risk Management

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

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

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

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is not a defendant in any lawsuits. It is the opinion of the School Districts' attorney that no contingent liability exists that would have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School 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, could have an effect on the School District's programs and activities.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning
Met Life

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences 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.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported on the government-wide Statement and on the Proprietary fund Statement of Net Position was \$86,799 and \$2,415, respectively.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 16. Commitments

The School District has no contractual commitments at June 30, 2021.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve 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 years' budget. The excess fund balance at June 30, 2021 was \$333,047.

Note 18. Fund Balances

General Fund – Of the \$2,226,724 General Fund balance at June 30, 2021, \$466,805 has been restricted for the Capital Reserve Account; \$110,024 has been restricted for the Maintenance Reserve Account; \$333,047 has been restricted for current year excess surplus; \$663,393 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$12,294 has been assigned and included as anticipated revenue for the year ending June 30, 2021; \$258,350 has been assigned for other purposes and \$382,811 has been unassigned.

Special Revenue Fund – Of the \$23,226 Special Revenue Fund Balance at June 30, 2021, \$23,226 is restricted for student activities.

Debt Service Fund – Of the \$1 Debt Service Fund Balance at June 30, 2021, \$1 is restricted for debt service.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$634,854 at June 30, 2021. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Prior Period Restatement

During the year ended June 30, 2021 the School District adopted GASB Statement No. 84, *Fiduciary Activities* (See Note 1). The School District adjusted its beginning balances to reflect all newly adopted standards for its Prior Period Adjustment to Net Position and Restricted Fund Balance for New Jersey Student Activities. In addition, the prior year Deferred Inflows and Outflows related to Pension for GASB 68 required restatement. The beginning balances as of July 1, 2020 were adjusted as follows:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 20. Prior Period Restatement (Continued)

Governmental Activities (Exhibit A-2):

Net Position as previously reported at June 30, 2020	\$ 4,358,241
Prior Period Adjustment:	
Restatement of Deferred Inflows/Outflows related to Pension (GASB 68)	21,128
Student Activities Fund	<u>22,258</u>
Total Prior Period Adjustment	<u>43,386</u>
Net Position as restated, July 1, 2020	<u><u>\$ 4,401,627</u></u>

Special Revenue Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020	\$ -
Prior Period Adjustment:	
Student Activities Fund	<u>\$ 22,258</u>
Total Prior Period Adjustment	<u>22,258</u>
Net Position as restated, July 1, 2020	<u><u>\$ 22,258</u></u>

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 7, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021				POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 4,114,978	\$ -	\$ 4,114,978	\$ 4,114,978	\$ -
Transportation Fee from Other LEAs	10-1420	-	-	-	4,080	4,080
Interest Earned on Investments	10-1510	-	-	-	1,831	1,831
Miscellaneous	10-1990	500	-	500	3,588	3,088
Interest Earned on Capital Reserve	10-1xxx	1,000	-	1,000	809	(191)
Total Local Sources		4,116,478	-	4,116,478	4,125,286	8,808
State Sources:						
Categorical Special Education Aid	10-3132	370,315	-	370,315	370,315	-
Equalization Aid	10-3176	2,763,271	-	2,763,271	2,763,271	-
Security Aid	10-3177	47,622	-	47,622	47,622	-
Categorical Transportation Aid	10-3121	218,309	-	218,309	218,309	-
Extraordinary Aid	10-3131	-	-	-	395,184	395,184
Non Public Transportation	10-3XXX	-	-	-	5,220	5,220
Nonbudgeted:						
On-Behalf TPAF Medical Contributions		-	-	-	221,570	221,570
On-Behalf TPAF Pension Contributions		-	-	-	707,022	707,022
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	432	432
Reimbursed TPAF Social Security Contributions		-	-	-	158,935	158,935
Total State Sources		3,399,517	-	3,399,517	4,887,880	1,488,363
Total Revenues		7,515,995	-	7,515,995	9,013,166	1,497,171
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	63,097	(3,576)	59,521	59,110	411
Kindergarten	11-110-100-101	173,893	(2,788)	171,105	171,020	85
Grades 1 - 5	11-120-100-101	641,469	(43,216)	598,253	597,705	548
Grades 6 - 8	11-130-100-101	497,281	12,213	509,494	509,402	92
Home Instruction:						
Salaries of Teachers	11-150-100-101	2,000	(1,385)	615	615	-
Purchased Professional - Educational Services	11-150-100-320	2,500	2,729	5,229	5,229	-
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	8,988	25,250	34,238	33,798	440
Purchased Technical Services	11-190-100-340	30,550	-	30,550	30,000	550
Other Purchased Services	11-190-100-500	49,360	34,732	84,092	83,861	231
General Supplies	11-190-100-610	62,436	(24,089)	38,347	24,988	13,359
Textbooks	11-190-100-640	1,000	519	1,519	1,519	-
Other Objects	11-190-100-800	2,200	3,349	5,549	2,531	3,018
Total Regular Programs		1,534,774	3,738	1,538,512	1,519,778	18,734
Resource Room:						
Salaries of Teachers	11-213-100-101	295,920	(482)	295,438	284,371	11,067
Other Salaries for Instruction	11-213-100-106	82,955	(9,810)	73,145	63,302	9,843
General Supplies	11-213-100-610	2,450	590	3,040	3,016	24
Total Resource Room		381,325	(9,702)	371,623	350,689	20,934
Total Special Education		381,325	(9,702)	371,623	350,689	20,934
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	70,233	18,313	88,546	88,546	-
Other Salaries for Instruction	11-230-100-106	8,608	(8,608)	-	-	-
General Supplies	11-230-100-610	300	-	300	300	-
Total Basic Skills/Remedial		79,141	9,705	88,846	88,846	-
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	15,000	(5,000)	10,000	6,617	3,383
Total School Sponsored Cocurricular Activities		15,000	(5,000)	10,000	6,617	3,383
Total - Instruction		2,010,240	(1,259)	2,008,981	1,965,930	43,051

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures:						
Tuition						
Tuition to Other LEA'S Within State - Regular	11-000-100-561	1,762,444	1	1,762,445	1,762,444	1
Tuition to Other LEA'S Within State - Special	11-000-100-562	234,420	(9,000)	225,420	225,370	50
Tuition to County Vocational Schools	11-000-100-563	165,682	-	165,682	165,548	134
Tuition to CSSD & Regular Day Schools	11-000-100-565	193,084	(79,982)	113,102	112,716	386
Tuition to Private School for Handicapped - State	11-000-100-566	73,729	60,369	134,098	134,098	-
Tuition to Private School for Handicapped - Outside State	11-000-100-567	432,965	-	432,965	432,965	-
Total Tuition		2,862,324	(28,612)	2,833,712	2,833,141	571
Attendance & Social Work Services:						
Salaries	11-000-211-100	2,603	-	2,603	2,169	434
Purchased Professional & Technical Services	11-000-211-300	2,000	(2,000)	-	-	-
Total Attendance & Social Work Services		4,603	(2,000)	2,603	2,169	434
Health Services:						
Salaries	11-000-213-100	67,142	369	67,511	67,304	207
Purchased Professional & Technical Services	11-000-213-300	4,400	(1,535)	2,865	2,862	3
Other Purchased Services	11-000-213-500	400	400	400	400	-
Supplies and Materials	11-000-213-600	2,000	766	2,766	2,575	191
Total Health Services		73,542	-	73,542	73,141	401
Other Support Services - Students - Related Services:						
Purchased Technical Services	11-000-216-320	82,846	(7,037)	75,809	64,636	11,173
Supplies and Materials	11-000-216-600	200	37	237	87	150
Total Other Support Services - Students - Related Services		83,046	(7,000)	76,046	64,723	11,323
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	57,475	(6,057)	51,418	40,723	10,695
Purchased Technical Services	11-000-217-320	200,050	(13,943)	186,107	185,864	243
Supplies and Materials	11-000-217-600	500	-	500	-	500
Total Other Support Services - Students - Related Services		258,025	(20,000)	238,025	226,587	11,438
Other Support Services - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	69,551	459	70,010	70,010	-
Supplies and Materials	11-000-218-600	1,025	(459)	566	134	432
Total Other Support Services - Guidance		70,576	-	70,576	70,144	432
Other Support Services - Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	72,540	(33,700)	38,840	19,221	19,619
Salaries of Secretarial & Clerical Assistants	11-000-219-105	11,701	-	11,701	10,165	1,536
Purchased Educational Services	11-000-219-320	5,400	33,600	39,000	39,000	-
Other Purchased Professional & Technical Services	11-000-219-390	5,200	(542)	4,658	3,814	844
Other Purchased Services	11-000-219-500	400	(308)	92	-	92
Supplies and Materials	11-000-219-600	1,875	950	2,825	2,757	68
Total Other Support Services - Child Study Team		97,116	-	97,116	74,957	22,159

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	37,455	15,045	52,500	52,500	-
Salaries of Other Professional Staff	11-000-221-104	1,000	-	1,000	-	1,000
Total Improvement of Instruction Services/Other Support Services Instructional Staff		38,455	15,045	53,500	52,500	1,000
Educational Media Services/School Library:						
Salaries	11-000-222-100	42,020	-	42,020	39,964	2,056
Other Purchased Services	11-000-222-500	2,400	-	2,400	2,355	45
Supplies and Materials	11-000-222-600	2,775	-	2,775	-	2,775
Total Educational Media Services/School Library		47,195	-	47,195	42,319	4,876
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	500	6,825	7,325	5,685	1,640
Purchased Educational Services	11-000-223-320	1,500	-	1,500	-	1,500
Other Purchased Services	11-000-223-500	4,000	(2,821)	1,179	1,050	129
Supplies and Materials	11-000-223-610	-	996	996	975	21
Total Instructional Staff Training Services		6,000	5,000	11,000	7,710	3,290
Support Services General Administration:						
Salaries	11-000-230-100	154,448	(15,045)	139,403	127,881	11,522
Unused Sick Pay to Term/Retired Staff	11-000-230-299	-	3,285	3,285	3,285	-
Legal Services	11-000-230-331	35,000	7,215	42,215	32,716	9,499
Audit fees	11-000-230-332	14,000	400	14,400	12,575	1,825
Other Purchased Professional Services	11-000-230-339	14,500	(2,000)	12,500	9,050	3,450
Communications/Telephone	11-000-230-530	13,300	-	13,300	11,524	1,776
Other Purchased Services	11-000-230-590	34,950	(10,500)	24,450	22,987	1,463
Supplies and Materials	11-000-230-610	500	-	500	281	219
In House Training Supplies	11-000-230-630	550	-	550	16	534
Miscellaneous Expenditures	11-000-230-890	2,300	(2,000)	300	300	-
BOE Membership Dues	11-000-230-895	4,800	-	4,800	4,391	409
Total Support Services General Administration		274,348	(18,645)	255,703	225,006	30,697
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	37,455	19,043	56,498	56,300	198
Salaries of Secretarial & Clerical Assistants	11-000-240-105	16,315	3,042	19,357	19,205	152
Other Purchased Services	11-000-240-500	650	(650)	-	-	-
General Supplies	11-000-240-600	1,000	-	1,000	393	607
Other Objects	11-000-240-800	3,600	(2,392)	1,208	1,084	124
Total Support Services School Administration		59,020	19,043	78,063	76,982	1,081
Central Services:						
Salaries	11-000-251-100	148,585	(508)	148,077	141,218	6,859
Unused Vacation Pay to Terminated/Retired Staff	11-000-251-199	-	508	508	508	-
Purchased Technical Services	11-000-251-340	10,200	-	10,200	9,009	1,191
Other Purchased Services	11-000-251-592	3,200	(500)	2,700	1,461	1,239
General Supplies	11-000-251-600	1,200	535	1,735	1,689	46
Miscellaneous Expenditures	11-000-251-890	1,600	(35)	1,565	1,204	361
Total Central Services		164,785	-	164,785	155,089	9,696
Administrative Information Technology:						
Salaries	11-000-252-100	420	-	420	-	420
Total Administrative Information Technology		420	-	420	-	420
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	17,022	(7,000)	10,022	-	10,022
Cleaning, Repair & Maintenance	11-000-261-420	35,200	17,000	52,200	44,705	7,495
General Supplies	11-000-261-610	1,500	3,000	4,500	4,169	331
Total Required Maintenance for School Facilities		53,722	13,000	66,722	48,874	17,848

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	JUNE 30, 2021				POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Custodial Services:						
Salaries	11-000-262-100	87,699	7,000	94,699	91,890	2,809
Purchased Technical Services	11-000-262-340	29,000	2,195	31,195	26,474	4,721
Cleaning, Repair & Maintenance Services	11-000-262-420	18,300	(2,000)	16,300	10,888	5,412
Other Purchased Property Services	11-000-262-490	33,000	-	33,000	27,485	5,515
Insurance	11-000-262-520	24,458	-	24,458	22,000	2,458
Miscellaneous Purchased Services	11-000-262-590	2,100	-	2,100	1,000	1,100
General Supplies	11-000-262-610	20,000	-	20,000	10,891	9,109
Energy (Heat & Electricity)	11-000-262-622	80,000	-	80,000	74,814	5,186
Energy (Oil)	11-000-262-624	42,000	-	42,000	27,484	14,516
Total Custodial Services		336,557	7,195	343,752	292,926	50,826
Security:						
Cleaning, Repair & Maintenance Services	11-000-266-420	1,600	800	2,400	2,379	21
General Supplies	11-000-266-610	1,500	(800)	700	222	478
Total Security		3,100	-	3,100	2,601	499
Total Other Operating & Maintenance of Plant Services		393,379	20,195	413,574	344,401	69,173
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	30,200	-	30,200	15,630	14,570
Contracted Services Aid in Lieu Nonpublic	11-000-270-503	17,000	(300)	16,700	6,510	10,190
Contracted Services Aid in Lieu Choice School	11-000-270-505	7,000	8,300	15,300	15,300	-
Contracted Svc Between Home/School - Vendors	11-000-270-511	337,624	(51,000)	286,624	276,591	10,033
Contracted Svc Other - Vendors	11-000-270-512	8,000	(8,000)	-	-	-
Contract Svc (btw home & sch) - joint agreements	11-000-270-513	20,500	-	20,500	5,869	14,631
Contract Svc (Sp Ed) - Vendors	11-000-270-514	9,000	(7,436)	1,564	-	1,564
Contract Svc (Sp Ed) - Joint Agreements	11-000-270-515	7,000	2,210	9,210	6,900	2,310
Contract Svc (Reg) - ESC	11-000-270-517	20,000	-	20,000	15,569	4,431
Contract Svc (Sp Ed) - ESC	11-000-270-518	107,000	(46,171)	60,829	47,532	13,297
Miscellaneous Purchased Services	11-000-270-593	3,000	(400)	2,600	2,066	534
Transportation Supplies	11-000-270-615	8,000	865	8,865	2,646	6,219
Miscellaneous Expenditures	11-000-270-800	500	(465)	35	35	-
Total Student Transportation Services		574,824	(102,397)	472,427	394,648	77,779
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	50,000	2,810	52,810	52,807	3
Other Retirement Contributions - PERS	11-000-291-241	62,000	3,745	65,745	65,689	56
Unemployment Compensation	11-000-291-250	13,600	(2,810)	10,790	10,063	727
Workmen's Compensation	11-000-291-260	40,000	(3,500)	36,500	28,705	7,795
Health Benefits	11-000-291-270	627,900	(13,191)	614,709	447,270	167,439
Tuition Reimbursement	11-000-291-280	10,000	(955)	9,045	4,705	4,340
Other Employee Benefits	11-000-291-290	-	920	920	920	-
Unused Sick Payments to Terminated/Retired Staff	11-000-291-299	15,000	3,980	18,980	18,978	2
Total Unallocated Benefits		818,500	(9,001)	809,499	629,137	180,362
Transfer to Cover Deficit	11-000-310-930	10,000	-	10,000	-	10,000
Nonbudgeted:						
On-Behalf TPAF Medical Contributions		-	-	-	221,570	(221,570)
On-Behalf TPAF Pension Contributions		-	-	-	707,022	(707,022)
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	432	(432)
Reimbursed TPAF Social Security Contributions		-	-	-	158,935	(158,935)
Total Nonbudgeted					1,087,959	(1,087,959)
Total Undistributed Expenditures		5,836,158	(128,372)	5,707,786	6,360,613	(652,827)
Total Expenditures - Current Expense		7,846,398	(129,631)	7,716,767	8,326,543	(609,776)
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604	1,000	-	1,000	-	1,000
Undistributed Expenditures:						
Instruction	12-000-100-730	-	1,464	1,464	-	1,464
Required Maintenance for School Facilities	12-000-261-730	20,000	3,128	23,128	23,128	-
Non Instructional	12-000-300-730	15,000	(4,592)	10,408	-	10,408
Total Equipment		35,000	-	35,000	23,128	11,872

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

ACCOUNT NUMBER	JUNE 30, 2021				POSITIVE (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Facilities Acquisition & Construction Services: Assesment for Debt service On SDA funding	12-000-400-896	35,593	-	35,593	35,593	-
Total Facilities Acquisition & Construction Services		35,593	-	35,593	35,593	-
Total Capital Outlay		71,593	-	71,593	58,721	12,872
Total Assets Acquired Under Capital Leases (Nonbudgeted):						
Instruction/Non-Instruction		-	-	-	83,435	(83,435)
Total Assets Acquired Under Capital Leases/ (Nonbudgeted)		-	-	-	83,435	(83,435)
Total Expenditures		7,917,991	(129,631)	7,788,360	8,468,699	(680,339)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(401,996)	129,631	(272,365)	544,467	816,832
Other Financing Sources/(Uses):						
Transfer to Charter Schools		(144,702)	(150,226)	(294,928)	(294,928)	-
Capital Leases (Nonbudgeted)		-	-	-	83,435	83,435
Total Other Financing Sources/(Uses)		(144,702)	(150,226)	(294,928)	(211,493)	83,435
Excess/(Deficiency) of Revenues Over/(Under) After Expenditures & Other Financing Sources/(Uses)		(546,698)	(20,595)	(567,293)	332,974	900,267
Fund Balances, July 1,		2,215,032	-	2,215,032	2,215,032	-
Fund Balances, June 30		\$ 1,668,334	\$ (20,595)	\$ 1,647,739	\$ 2,548,006	\$ 900,267

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 595
Withdrawal from Maintenance Reserv	20,000
Total Budget Transfers	<u>\$ 20,595</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	\$ 333,047
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	663,393
Capital Reserve	466,805
Maintenance Reserve	110,024
Assigned Fund Balance:	
Reserve for Encumbrances	12,294
Designated for Subsequent Year's Expenditures	258,350
Unassigned Fund Balance	<u>704,093</u>
Subtotal	2,548,006
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	(321,282)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,226,724</u>

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

	JUNE 30, 2021				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Federal Sources	\$ 319,187	\$ 365,134	\$ 684,321	\$ 339,764	\$ 344,557
Local Sources	-	-	-	16,738	(16,738)
Total Revenues	319,187	365,134	684,321	356,502	327,819
EXPENDITURES:					
Instruction:					
Salaries of Teachers	77,625	1,970	79,595	79,595	-
Other Salaries for Instruction	3,335	-	3,335	3,335	-
Purchased Professional & Technical Services	35,000	-	35,000	35,000	-
Tuition	54,396	-	54,396	54,396	-
General Supplies	71,251	20,000	91,251	91,251	-
Total Instruction	241,607	21,970	263,577	263,577	-
Support Services:					
Other Salaries	1,858	15,742	17,600	16,406	1,194
Personal Services - Employee Benefits	47,047	(17,229)	29,818	29,818	-
Other Purchased Services (400-500 Series)	3,675	2,317	5,992	5,565	427
Supplies & Materials	21,000	342,334	363,334	23,788	339,546
Student Activities	-	-	-	12,578	(12,578)
Total Support Services	73,580	343,164	416,744	88,155	328,589
Facilities Acquisitions & Construction Services:					
Non-Instructional Equipment	4,000	-	4,000	3,802	198
Total Facilities Acquisitions & Construction Services	4,000	-	4,000	3,802	198
Total Expenditures	319,187	365,134	684,321	355,534	328,787
Total Outflows	319,187	365,134	684,321	355,534	328,787
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	968	968
Fund Balance, July 1 as restated	-	-	-	22,258	22,258
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 23,226	\$ 23,226

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 9,013,166	\$ 356,502
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(19,401)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(321,282)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	344,667	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 9,036,551</u>	<u>\$ 337,101</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$ 8,468,699</u>	<u>\$ 355,534</u>
Differences- Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposed, but in the year the supplies are received for financial reporting purposes.	<hr/>	(19,401)
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 8,468,699</u>	<u>\$ 336,133</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00496%	0.00526%	0.00526%	0.00747%	0.00711%	0.00634%	0.00632%	0.00706%
District's proportionate share of the net pension liability (asset)	\$809,295	\$947,322	\$ 1,035,747	\$ 1,738,103	\$ 2,105,237	\$ 1,423,334	\$ 1,183,069	1,348,453
District's covered-employee payroll	290,066	353,099	409,937	437,183	569,505	532,548	491,532	\$ 475,029
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	279.00%	268.29%	252.66%	397.57%	369.66%	267.27%	240.69%	283.87%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

** This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 54,290	\$ 51,140	\$ 52,324	\$ 69,170	\$ 63,148	\$ 54,512	\$ 52,092	\$ 53,162
Contributions in relation to the contractually required contribution	(54,290)	(51,140)	(52,324)	(69,170)	(63,148)	(54,512)	(52,092)	(53,162)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 290,066	\$ 353,099	\$ 409,937	\$ 437,183	\$ 569,505	\$ 532,548	\$ 491,532	\$ 475,029
Contributions as a percentage of covered-employee payroll	18.72%	14.48%	12.76%	15.82%	11.09%	N/A	**N/A	**N/A

** This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 16,155,851	\$ 14,957,788	\$ 16,220,573	\$ 18,992,792	\$ 22,584,934	\$ 19,079,009	\$15,937,571	\$15,042,189
District's covered-employee payroll	2,124,021	2,517,667	2,735,077	2,668,119	2,837,994	3,026,482	3,099,500	3,053,742
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

** This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)

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ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS*

	2021	2020	2019	2018
District's Total OPEB Liability				
Service Cost	\$ 457,486	\$ 451,004	\$ 551,817	\$ 664,364
Interest Cost	490,483	613,209	629,863	544,977
Difference between Expected and Actual Differences	3,658,554	(2,716,353)	(633,992)	-
Changes of Assumptions	4,017,356	204,870	(1,789,822)	(2,231,613)
Contributions: Member	11,605	12,503	14,414	14,705
Gross Benefit Payments	(382,879)	(421,788)	(417,056)	(399,354)
Net Change in District's Total OPEB Liability	8,252,605	(1,856,555)	(1,644,776)	(1,406,921)
District's Total OPEB Liability (Beginning)	13,740,345	15,596,900	17,241,676	18,648,597
District's Total OPEB Liability (Ending)	<u>\$ 21,992,950</u>	<u>\$ 13,740,345</u>	<u>\$ 15,596,900</u>	<u>\$ 17,241,676</u>
District's Covered Employee Payroll	\$ 2,414,087	\$ 2,870,766	\$ 3,145,014	\$ 3,105,302
District's Net OPEB Liability as a Percentage of Payrol	911.03%	478.63%	495.92%	555.23%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60 % as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

	CARES STABILIZATION FUND	CORONAVIRUS RELIEF FUND (CRF)	TITLE IV	REAP	TOTAL CARRIED FORWARD
Revenues:					
Federal Sources	\$ 76,439	\$ 18,573	\$ 20,000	\$ 18,155	\$ 133,167
Total Revenues	\$ 76,439	\$ 18,573	\$ 20,000	\$ 18,155	\$ 133,167
Expenditures:					
Instruction:					
General Supplies	\$ 45,096	\$ 8,000	\$ 20,000	\$ 18,155	\$ 91,251
Total Instruction	\$ 45,096	\$ 8,000	\$ 20,000	\$ 18,155	\$ 91,251
Support Services:					
Other Salaries	16,406	-	-	-	16,406
Supplies and Materials	11,135	10,573	-	-	21,708
Total Support Services	27,541	10,573	-	-	38,114
Facilities Acquisitions & Construction Services:					
Non-Instructional Equipment	3,802	-	-	-	3,802
Total Facilities Acquisitions & Construction Services	3,802	-	-	-	3,802
Total Expenditures	\$ 76,439	\$ 18,573	\$ 20,000	\$ 18,155	\$ 133,167

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	TOTAL BROUGHT FORWARD Ex. E-1	TITLE I PART A	ESEA TITLE II PART A	IDEA PART B BASIC REGULAR PROGRAM	IDEA PRESCHOOL	STUDENT ACTIVITIES	NJ SBA SAFETY	TOTALS
Revenues:								
Federal Sources	\$ 133,167	\$ 95,182	\$ 18,429	\$ 89,396	\$ 3,590	\$ 13,546	\$ 3,192	\$ 339,764
Local Sources	-	-	-	-	-	-	-	16,738
Total Revenues	\$ 133,167	\$ 95,182	\$ 18,429	\$ 89,396	\$ 3,590	\$ 13,546	\$ 3,192	\$ 356,502
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ 66,612	\$ 12,983	\$ -	\$ -	\$ -	\$ -	\$ 79,595
Other Salaries for Instruction	-	-	-	-	3,335	-	-	3,335
Purchased Professional & Technical Services	-	-	-	35,000	-	-	-	35,000
General Supplies	91,251	-	-	-	-	-	-	91,251
Tuition	-	-	-	54,396	-	-	-	54,396
Total Instruction	91,251	66,612	12,983	89,396	3,335	-	-	263,577
Support Services:								
Other Salaries	16,406	-	-	-	-	-	-	16,406
Personal Services - Employee Benefits	-	28,570	993	-	255	-	-	29,818
Other Purchased Services	-	-	4,453	-	-	-	1,112	5,565
Supplies and Materials	21,708	-	-	-	-	-	2,080	23,788
Student Activities	-	-	-	-	-	12,578	-	12,578
Total Support Services	38,114	28,570	5,446	-	255	12,578	3,192	88,155
Facilities Acquisitions & Construction Services:								
Non-Instructional Equipment	3,802	-	-	-	-	-	-	3,802
Total Facilities Acquisitions and Construction Services	3,802	-	-	-	-	-	-	3,802
Total Expenditures	\$ 133,167	\$ 95,182	\$ 18,429	\$ 89,396	\$ 3,590	\$ 12,578	\$ 3,192	\$ 355,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	968	-	968
Fund Balance, July 1 as previously stated	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	22,258	-	22,258
Fund Balance, July 1 (Restated)	-	-	-	-	-	22,258	-	22,258
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,226	\$ -	\$ 23,226

F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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Enterprise Funds

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**ALLOWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities		2021
	Food Service Fund	Other Funds	
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 6,976	\$ 4,290	\$ 11,266
Accounts Receivable:			
State	1,046	-	1,046
Federal	6,688	-	6,688
Other	178	407	585
Inventories	2,497	-	2,497
Total Current Assets	17,385	4,697	22,082
Capital Assets:			
Equipment	64,345	-	64,345
Accumulated Depreciation	(49,163)	-	(49,163)
Total Capital Assets	15,182	-	15,182
Total Assets	32,567	4,697	37,264
LIABILITIES			
Unearned Revenue	2,355	1,306	3,661
Compensated Absence Payable	2,415	-	2,415
Total Liabilities	4,770	1,306	6,076
NET POSITION			
Net Investment in Capital Assets	15,182	-	15,182
Unrestricted	12,615	3,391	16,006
Total Net Position	\$ 27,797	\$ 3,391	\$ 31,188

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities		2021
	Food Service Fund	Other Funds	
Operating Revenues:			
Local Sources:			
Daily Sales - Nonreimbursable Programs	\$ 1,921	\$ -	\$ 1,921
Tuition	-	24,401	24,401
Total Operating Revenue	1,921	24,401	26,322
Operating Expenses:			
Salaries	47,049	23,859	70,908
Employee Benefits	20,652	2,641	23,293
Supplies & Materials	2,344	690	3,034
Other Purchased Services (300-500 series)	2,586	-	2,586
Cost of Sales - Reimbursable	43,480	-	43,480
Cost of Sales - Non Reimbursable	885	-	885
Miscellaneous expenditures	68	779	847
Depreciation Expense	3,063	-	3,063
Total Operating Expenses	120,127	27,969	148,096
Operating Income/(Loss)	(118,206)	(3,568)	(121,774)
Nonoperating Revenues:			
Contributed Capital			-
State Sources:			
State School Lunch Program	5,103	-	5,103
Federal Sources:			
COVID-19 National School Lunch Program	102,724	-	102,724
COVID-19 Healthy Hunger-Free Kids Act	2,049	-	2,049
Food Distribution Program	13,275	-	13,275
Total Nonoperating Revenues	123,151	-	123,151
Net Income/(Loss)	4,945	(3,568)	1,377
Net Position - July 1	22,852	6,959	29,811
Net Position/(Deficit) - June 30	\$ 27,797	\$ 3,391	\$ 31,188

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities		2021
	Food Service Fund	Other Funds	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 1,523	\$ 22,613	\$ 24,136
Payments to Employees	(47,049)	(23,859)	(70,908)
Payments for Employee Benefits	(22,362)	(2,641)	(25,003)
Payments to Suppliers	(35,987)	(1,469)	(37,456)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(103,875)	(5,356)	(109,231)
Cash Flows From Noncapital Financing Activities:			
State Sources	4,423	-	4,423
Federal Sources	104,593	-	104,593
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Noncapital Financing Activities	109,016	-	109,016
Net Increase/(Decrease) in Cash & Cash Equivalents	5,141	(5,356)	(215)
Balances - Beginning of Year	1,835	9,646	11,481
	<hr/>	<hr/>	<hr/>
Balances - End of Year	\$ 6,976	\$ 4,290	\$ 11,266

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (118,206)	\$ (3,568)	\$ (121,774)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Food Distribution Program	13,275	-	13,275
Depreciation & Net Amortization	3,063	-	3,063
(Increase)/Decrease in Accounts Receivable	268	51	319
(Increase)/Decrease in Inventories	101	-	101
Increase/(Decrease) in Compensated Absences	(1,710)	-	(1,710)
Increase/(Decrease) in Unearned Income	(666)	(1,839)	(2,505)
Increase/(Decrease) in Accounts Payable	-	-	-
	<hr/>	<hr/>	<hr/>
Total Adjustments	14,331	(1,788)	12,543
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (103,875)	\$ (5,356)	\$ (109,231)

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Internal Service Fund

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**ALLOWAY TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021**

	FOOD SERVICES	BUSINESS SERVICES	TUITION/ TRANSPORTATION SERVICES	CHILD STUDY TEAM CONSORTIUM	ART TEACHER SERVICES	2021
ASSETS						
Cash & Cash Equivalents	\$ 139	\$ 84,054	\$ 15,548	\$ 33,412	\$ 6,519	\$ 139,672
Total Assets	\$ 139	\$ 84,054	\$ 15,548	\$ 33,412	\$ 6,519	\$ 139,672
NET POSITION						
Unrestricted	139	84,054	15,548	33,412	6,519	139,672
Total Net Position	\$ 139	\$ 84,054	\$ 15,548	\$ 33,412	\$ 6,519	\$ 139,672

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	FOOD SERVICES	BUSINESS SERVICES	TUITION/ TRANSPORTATION SERVICES	CHILD STUDY TEAM CONSORTIUM	ART TEACHER SERVICES	2021
Operating Revenues:						
Local Sources:						
Other Charges and Fees	-	226,000	-	35,000	37,900	298,900
Total Operating Revenue	-	226,000	-	35,000	37,900	298,900
Operating Expenses:						
Salaries	-	158,319	-	19,183	31,014	208,516
Benefits	-	31,347	-	13,041	367	44,755
Supplies & Materials	-	622	-	-	-	622
Miscellaneous	-	1,474	-	-	-	1,474
Total Operating Expenses	-	191,762	-	32,224	31,381	255,367
Operating Income/(Loss)	-	34,238	-	2,776	6,519	43,533
Change in Net Position	-	34,238	-	2,776	6,519	43,533
Total Net Position - Beginning	139	49,816	15,548	30,636	-	96,139
Total Net Position - Ending	139	84,054	15,548	33,412	6,519	139,672

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	FOOD SERVICES	BUSINESS SERVICES	TUITION/ TRANSPORTATION SERVICES	CHILD STUDY TEAM CONSORTIUM	ART STUDY TEAM SERVICES	2021
Cash Flows From Operating Activities:						
Other Charges and Fees	\$ -	\$ 226,000	\$ -	\$ 35,000	\$ 37,900	\$ 298,900
Payments to Employees	-	(158,319)	-	(19,183)	(31,014)	(208,516)
Payments for Employee Benefits	-	(31,347)	-	(14,729)	(367)	(46,443)
Payments to Suppliers	-	(2,096)	-	-	-	(2,096)
Net Cash Provided/(Used) by Operating Activities	-	34,238	-	1,088	6,519	41,845
Net Increase/(Decrease) in Cash & Cash Equivalents	-	34,238	-	1,088	6,519	41,845
Balances - Beginning of Year	139	49,816	15,548	32,324	-	97,827
Balances - Ending of Year	139	84,054	15,548	33,412	6,519	139,672

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ -	\$ 34,238	\$ -	\$ 2,776	\$ 6,519	\$ 43,533
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Increase/(Decrease) in Accounts Payable	-	-	-	(1,688)	-	(1,688)
Net Cash Provided/(Used) by Operating Activities	\$ -	\$ 34,238	\$ -	\$ 1,088	\$ 6,519	\$ 41,845

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I. Long-Term Debt

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**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2020	RETIRED	BALANCE JUNE 30, 2021
			DATE	AMOUNT				
REFUNDING BONDS OF 2014	10/16/14	\$ 2,075,000	3/1/22	\$ 205,000	2.500%	\$	210,000	795,000
			3/1/23	200,000	2.500%			
			3/1/24	195,000	2.625%			
			3/1/25	195,000	2.625%			
			Total			\$ 1,005,000	\$ 210,000	\$ 795,000

ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2021

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST RATE	AMOUNT OUTSTANDING JULY 1, 2020	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2021
Technology Lease	10/1/20	5 Years	\$ 83,435	7.193	\$ -	\$ 83,435	\$ 18,125	\$ 65,310
Total					\$ -	\$ 83,435	\$ 18,125	\$ 65,310

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 234,562	\$ -	\$ 234,562	\$ 234,562	\$ -
Total Revenues	234,562	-	234,562	234,562	-
Expenditures:					
Regular Debt Service:					
Interest	24,563	-	24,563	24,562	1
Redemption of Principal	210,000	-	210,000	210,000	-
Total Expenditures	234,563	-	234,563	234,562	1
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(1)	-	(1)	-	1
Fund Balances July 1,	1	-	1	1	-
Fund Balances June 30,	\$ -	\$ -	\$ -	\$ 1	\$ 1

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STATISTICAL SECTION (Unaudited)

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ALLOWAY TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in Capital Assets	\$ 3,951,152	\$ 3,944,196	\$ 3,993,452	\$ 3,999,675	\$ 3,989,593	\$ 4,013,234	\$ 3,641,137	\$ 3,655,252	\$ 3,655,357	\$ 3,725,471
Restricted	1,596,496	1,706,683	1,509,702	1,448,375	1,082,893	972,754	1,436,371	1,384,505	938,254	1,149,692
Unrestricted	(634,854)	(1,316,159)	(1,638,821)	(1,695,984)	(1,495,114)	(1,430,774)	(1,482,420)	(182,804)	(156,338)	(105,632)
Total Governmental Activities Net Position	\$ 4,912,794	\$ 4,334,720	\$ 3,864,333	\$ 3,752,066	\$ 3,577,372	\$ 3,555,214	\$ 3,595,088	\$ 4,856,953	\$ 4,437,273	\$ 4,769,531
Business-Type Activities:										
Net Investment in Capital Assets	\$ 15,182	\$ 18,245	\$ 20,770	\$ 23,485	\$ 26,198	\$ 19,748	\$ 11,879	\$ 4,363	\$ 4,537	\$ 4,710
Unrestricted	16,006	11,705	4,692	(4,525)	2,770	(6,062)	3,740	13,005	11,390	16,648
Total Business-Type Activities Net Position	\$ 31,188	\$ 29,950	\$ 25,462	\$ 18,960	\$ 28,968	\$ 13,686	\$ 15,619	\$ 17,368	\$ 15,927	\$ 21,358
District-Wide:										
Net Investment in Capital Assets	\$ 3,966,334	\$ 3,962,441	\$ 4,014,222	\$ 4,023,160	\$ 4,015,791	\$ 4,032,982	\$ 3,653,016	\$ 3,659,615	\$ 3,659,894	\$ 3,730,181
Restricted	1,596,496	1,706,683	1,509,702	1,448,375	1,082,893	972,754	1,436,371	1,384,505	938,254	1,149,692
Unrestricted	(618,848)	(1,304,454)	(1,634,129)	(1,700,509)	(1,492,344)	(1,436,836)	(1,478,680)	(169,799)	(144,948)	(88,984)
Total District Net Position	\$ 4,943,982	\$ 4,364,670	\$ 3,889,795	\$ 3,771,026	\$ 3,606,340	\$ 3,568,900	\$ 3,610,707	\$ 4,874,321	\$ 4,453,200	\$ 4,790,889

ALLOWAY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30.									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 1,751,774	\$ 1,615,268	\$ 1,764,446	\$ 1,769,342	\$ 1,725,547	\$ 1,724,878	\$ 1,770,651	\$ 1,816,724	\$ 1,998,727	\$ 1,842,196
Special Education	350,689	560,628	524,234	532,888	494,389	551,878	464,598	515,937	504,953	469,372
Other Special Instruction	88,846	57,887	76,124	82,833	62,833	128,394	158,520	169,305	164,465	104,039
Other Instruction	6,617	7,202	10,112	10,746	29,825	29,269	30,985	31,489	30,215	29,050
Support Services & Undistributed Costs:										
Student & Instruction Related Services	3,724,661	3,427,117	3,457,933	3,179,336	3,413,852	3,167,978	3,079,536	2,630,605	2,747,944	2,829,270
General Administration	228,808	267,015	340,985	282,131	201,192	281,273	275,712	248,738	270,797	268,006
School Administrative Services	76,982	69,713	76,812	82,866	135,563	143,006	124,732	142,917	132,697	152,487
Central Services	155,089	357,035	375,656	364,556	346,851	323,862	391,976	365,370	368,003	371,392
Administrative Information Technology				420	578	2,575	1,697	2,378	588	242
Plant Operations & Maintenance	346,497	351,502	375,662	330,187	350,435	402,302	419,411	457,900	399,613	404,053
Pupil Transportation	394,648	427,880	452,875	411,379	447,606	546,707	497,998	410,698	421,885	381,786
Unallocated Benefits	2,694,079	1,802,431	2,414,390	2,581,530	1,714,725	1,513,749	1,459,652	1,326,186	1,600,754	1,395,945
Interest on long-term debt	294,928	34,108	41,140	48,241	54,689	59,708	92,128	97,640	103,640	109,640
Capital Outlay	68,769	35,593	35,593	35,593	44,343	47,530	43,768	12,593	23,083	16,819
Transfer to Charter Schools		100,399								
Unallocated Depreciation	258,175	259,011	261,202	262,082	259,795	247,034	234,875	234,426	236,764	232,902
Total Governmental Activities Expenses	10,440,562	9,372,789	10,207,164	9,973,636	9,282,223	9,170,143	9,046,239	8,462,906	9,004,128	8,607,199
Business-Type Activities:										
Food Service	120,127	111,151	120,699	142,890	150,420	148,862	146,010	152,100	148,094	143,559
Childcare	27,969	36,784	34,622	48,698	60,707	78,280	92,080	81,306	77,362	78,370
Total Business-Type Activities Expense	148,096	147,935	155,321	191,588	211,127	227,142	238,090	233,406	225,456	221,929
Total District Expenses	\$ 10,588,658	\$ 9,520,724	\$ 10,362,485	\$ 10,165,224	\$ 9,493,350	\$ 9,397,285	\$ 9,284,329	\$ 8,696,312	\$ 9,229,584	\$ 8,829,128
Program Revenues:										
Governmental Activities Charges for Services:										
Operating Grants & Contributions	\$ 298,900	\$ 302,500	\$ 352,728	\$ 342,000	\$ 370,257	\$ 435,085	\$ 486,664	\$ 420,501	\$ 426,465	\$ 420,719
Total Governmental Activities Program Revenues	2,469,675	274,142	260,129	275,950	269,747	249,856	179,826	192,382	217,698	219,628
Total Governmental Activities Program Revenues	2,768,575	576,642	612,857	617,950	640,004	684,941	666,490	612,883	644,163	640,347

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
Business-Type Activities										
Charges for Services:										
Food Service	1,921	47,708	71,606	72,535	84,419	83,990	81,429	92,532	95,786	103,879
Childcare	24,401	30,337	44,141	49,393	59,752	77,309	84,938	85,298	71,264	80,491
Operating Grants & Contributions	123,151	44,378	39,076	44,152	44,488	44,490	47,474	46,217	40,838	35,417
Total Business Type Activities:	149,473	122,423	154,823	166,080	188,659	205,789	213,841	224,047	207,888	219,787
Program Revenues										
Total District Program Revenues	\$ 2,918,048	\$ 699,065	\$ 767,680	\$ 784,030	\$ 828,663	\$ 890,730	\$ 880,331	\$ 836,930	\$ 852,051	\$ 860,134
Net (Expense)/Revenue:										
Governmental Activities:										
Business-Type Activities	\$ (7,671,987)	\$ (8,796,147)	\$ (9,594,307)	\$ (9,355,686)	\$ (8,642,219)	\$ (8,483,202)	\$ (8,379,749)	\$ (7,850,023)	\$ (8,359,965)	\$ (7,966,852)
	1,377	(25,512)	(498)	(25,508)	(22,468)	(21,353)	(24,249)	(9,339)	(17,568)	(2,142)
Total District-Wide Net Expense	\$ (7,670,610)	\$ (8,821,659)	\$ (9,594,805)	\$ (9,381,194)	\$ (8,664,687)	\$ (8,506,555)	\$ (8,403,998)	\$ (7,859,382)	\$ (8,377,533)	\$ (7,968,994)
General Revenues & Other Changes in Net Position										
Governmental Activities										
Property Taxes, Levied for General Purposes, Net	\$ 4,114,978	\$ 4,034,292	\$ 3,955,188	\$ 3,877,636	\$ 3,698,284	\$ 3,595,502	\$ 3,525,085	\$ 3,390,760	\$ 3,325,480	\$ 3,325,480
Taxes Levied for Debt Service	234,562	243,863	247,262	258,713	248,467	275,240	282,640	253,640	259,640	265,640
Federal & State Aid Not Restricted	3,823,306	5,014,575	5,437,770	4,612,519	4,483,990	4,491,334	4,456,919	4,365,143	4,310,771	3,982,331
Tuition	4,080	10,346	14,666	41,482	12,393	-	-	-	24,413	29,339
Transportation Fees		25,534	27,065	1,722	1,722	-	-	-	10,310	10,310
Investment Earnings	1,831	8,157	8,577	3,651	6,229	22,315	21,590	26,882	26,706	24,696
Miscellaneous Income	4,397	(16,712)	21,046	54,232	5,071	51,283	215	3,419	11,999	42,376
Loss on disposal of assets					(788)		(5,946)		(1,140)	
Transfer to Business-type activities:										
		(30,000)	(5,000)	(17,500)	(10,040)	(22,500)	(10,800)	(12,137)		
Total Governmental Activities	8,183,154	9,290,055	9,706,574	8,851,191	8,445,328	8,413,174	8,269,703	8,027,707	7,957,869	7,680,172
Business-Type Activities										
Other										
Transfers		30,000	5,000	17,500	10,040	22,500	10,800	12,137		
Total Business-Type Activities		30,000	5,000	17,500	19,420	22,500	10,800	12,137		
Total District-Wide	\$ 8,183,154	\$ 9,320,055	\$ 9,711,574	\$ 8,868,691	\$ 8,464,748	\$ 8,435,674	\$ 8,280,503	\$ 8,039,844	\$ 7,957,869	\$ 7,680,172
Change in Net Position:										
Governmental Activities	\$ 511,167	\$ 493,908	\$ 112,267	\$ (504,495)	\$ (196,891)	\$ (72,028)	\$ (110,046)	\$ 177,684	\$ (402,096)	\$ (286,680)
Business-Type Activities	1,377	4,488	4,502	(8,008)	(3,048)	1,147	(13,449)	2,778	(17,568)	(2,142)
Total District	\$ 512,544	\$ 498,396	\$ 116,769	\$ (512,503)	\$ (199,939)	\$ (70,881)	\$ (123,495)	\$ 180,462	\$ (419,664)	\$ (288,822)

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 1,573,269	\$ 1,597,721	\$ 1,397,247	\$ 1,235,165	\$ 951,733	\$ 721,591	\$ 690,750	\$ 783,296	\$ 725,273	\$ 1,070,929
Assigned	270,644	108,961	88,697	189,452	107,402	217,731	296,985	195,800	212,981	78,763
Unassigned	382,811	140,162	9,231	(8,626)	(929)	(28,010)	(144,165)	(87,844)	(35,752)	(26,190)
Total General Fund	\$ 2,226,724	\$ 1,846,844	\$ 1,495,175	\$ 1,415,991	\$ 1,058,206	\$ 911,312	\$ 843,570	\$ 891,252	\$ 902,502	\$ 1,123,502
All Other Governmental Funds:										
Restricted										
Special Revenue Fund	\$ 23,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned:										
Capital Projects Fund	-	-	23,757	23,757	23,757	23,757	417,965	405,409	-	-
Debt Service Fund	1	1	1	1	1	9,675	30,671	-	-	-
Total All Other Governmental Funds	\$ 23,227	\$ 1	\$ 23,758	\$ 23,758	\$ 23,758	\$ 33,432	\$ 448,636	\$ 405,409	\$ -	\$ -

**ALLOWAY TOWNSHIP/SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Tax Levy	\$ 4,349,540	\$ 4,278,155	\$ 4,202,450	\$ 4,136,349	\$ 4,057,092	\$ 3,946,751	\$ 3,870,742	\$ 3,807,725	\$ 3,644,400	\$ 3,585,120
Tuition	4,080	10,346	14,666	41,482	35,229	12,393	-	-	-	-
Transportation Fees		25,534	27,065	20,458	3,208	1,722	-	-	-	-
Interest Charges	1,831	8,157	8,577	3,651	3,205	6,229	22,315	21,590	26,882	26,709
Miscellaneous	21,135	18,360	24,585	57,304	7,815	7,546	55,855	215	7,541	16,269
State Sources	4,911,265	4,758,530	4,736,353	4,612,519	4,589,383	4,483,990	4,491,334	4,456,919	4,365,143	4,182,543
Federal Sources	320,363	269,437	256,590	272,878	267,192	247,381	175,254	192,382	213,576	343,586
Total Revenue	9,608,214	9,368,519	9,270,286	9,144,641	8,963,124	8,706,012	8,615,500	8,478,831	8,257,542	8,154,227
Expenditures:										
Current Expense:										
Instruction	2,229,507	2,242,942	2,374,586	2,403,018	2,322,194	2,429,220	2,437,994	2,537,634	2,676,130	2,445,187
Undistributed Expenditures	6,433,169	6,333,922	6,479,804	6,010,340	6,139,523	5,958,431	5,802,805	5,185,738	5,553,075	5,383,496
Capital Outlay	106,563	35,593	84,450	97,285	70,025	457,694	112,087	67,860	39,733	52,169
Debt Service										
Principal	210,000	215,000	210,000	215,000	215,000	215,000	185,000	185,000	150,000	150,000
Interest	60,155	28,863	37,262	43,713	50,162	54,463	69,244	97,640	103,640	109,640
Total Expenditures	9,039,394	8,856,320	9,186,102	8,769,356	8,796,904	9,114,808	8,607,130	8,073,872	8,522,578	8,140,492
Excess (Deficiency) of Revenues Over/(Under) Expenditures	568,820	512,199	84,184	375,285	166,220	(408,796)	8,370	404,959	(265,036)	13,735
Other Financing Sources/(Uses):										
Refunding Bond Proceeds	-	-	-	-	-	-	9,675	-	-	-
Cost of Issuance	(294,928)	(100,399)	-	-	-	-	-	-	-	-
Capital Leases (Nonbudget)	83,435	-	-	-	-	-	-	-	-	-
Prior year receivable canceled	-	(30,367)	-	-	-	-	-	-	-	-
Transfer from Internal Service Funds	-	-	-	-	-	73,334	-	-	56,536	-
Transfer to Enterprise Funds	-	(30,000)	(5,000)	(17,500)	(29,000)	(12,000)	(22,500)	(10,800)	(12,500)	-
Total Other Financing Sources/ (Uses)	(211,493)	(160,766)	(5,000)	(17,500)	(29,000)	61,334	(12,825)	(10,800)	44,036	-
Net Change in Fund Balances	\$ 357,327	\$ 351,433	\$ 79,184	\$ 357,785	\$ 137,220	\$ (347,462)	\$ (4,455)	\$ 394,159	\$ (221,000)	\$ 13,735
Debt Service as a Percentage of Noncapital Expenditures	3.1%	2.8%	2.8%	3.1%	3.1%	3.2%	3.1%	3.7%	3.1%	3.3%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDED <u>JUNE 30.</u>	<u>Facility Rentals</u>	<u>Miscellaneous</u>	<u>Donations</u>	<u>Prior Year Refunds</u>	<u>Other Local</u>	<u>TOTAL</u>
2021	\$ -	\$ 810	\$ -	\$ 3,587	\$ -	\$ 4,397
2020	-	1,942	-	11,713	-	13,655
2019	-	132	-	20,914	-	21,046
2018	-	9,357	-	44,875	-	54,232
2017	-	2,248	-	3,012	-	5,260
2016	-	2,501	2,570	-	2,475	7,546
2015	-	1,747	-	49,536	-	51,283
2014	-	215	-	-	-	215
2013	-	260	-	3,159	-	3,419
2012	-	6,132	-	5,867	-	11,999

ALLOWAY TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2021	6,507,000	211,902,300	46,686,400	6,031,000	11,620,000	-	-	282,746,700	400,543	283,147,243	1.537	295,976,171
2020	6,971,000	210,189,600	46,526,000	6,028,300	11,653,700	-	-	281,368,600	397,375	281,765,975	1.518	292,464,089
2019	7,326,300	209,233,900	45,527,100	6,000,600	11,708,000	-	-	279,795,900	377,670	280,173,570	1.500	292,341,815
2018	7,661,700	209,389,800	45,151,700	5,925,200	11,708,000	-	-	279,836,400	385,714	280,222,114	1.478	292,718,815
2017	7,829,300	208,100,500	45,516,800	6,000,300	11,604,300	-	-	279,051,200	399,169	279,450,369	1.452	285,661,657
2016	8,489,100	207,582,200	45,833,000	6,009,900	11,604,300	-	-	279,518,500	406,893	279,925,393	1.410	296,158,778
2015	9,975,700	206,966,300	45,870,600	6,047,000	11,919,200	-	-	280,778,800	414,575	281,193,375	1.377	289,929,202
2014	10,219,000	207,215,300	45,486,900	5,872,700	16,141,800	-	-	284,935,700	569,261	285,504,961	1.334	282,175,294
2013	10,955,100	207,289,200	44,768,800	5,826,100	15,384,500	-	-	284,223,700	627,629	284,851,329	1.280	290,561,112
2012	12,231,900	208,335,300	44,590,500	5,992,900	15,191,000	-	-	286,341,600	614,413	286,956,013	1.250	308,742,510

Source: Gloucester County Abstract of Ratables

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	TOTAL DIRECT	ALLOWAY TOWNSHIP	SALEM COUNTY	MUNICIPAL OPEN SPACE		
2021	1.537	1.537	0.286	1.271	0.005	3.099	
2020	1.518	1.518	0.268	1.252	0.005	3.043	
2019	1.500	1.500	0.258	1.237	0.005	3.000	
2018	1.478	1.478	0.250	1.109	0.005	2.842	
2017	1.452	1.452	0.250	1.109	0.005	2.816	
2016	1.410	1.410	0.244	1.059	0.005	2.718	
2015	1.377	1.377	0.225	0.985	0.005	2.592	
2014	1.334	1.334	0.186	0.954	0.005	2.479	
2013	1.280	1.280	0.181	0.959	0.010	2.430	
2012	1.250	1.250	0.190	0.961	0.002	2.403	

Source: Gloucester County Board of Taxation - Abstract of Ratables.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2021		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
T/P Campground Inc.	\$ 3,000,000		1.06%
Angelo Massari, Inc.	2,521,500		0.89%
Taxpayer #1	1,187,600		0.42%
Taxpayer #2	1,039,600		0.37%
Taxpayer #3	874,100		0.31%
Taxpayer #4	835,200		0.30%
Fulton Bank (The Bank)	703,000		0.25%
Taxpayer #5	693,200		0.25%
NL Properties LLC	599,000		0.21%
Taxpayer #6	578,800		0.21%
Total	\$ 12,032,000		4.27%

TAXPAYER	2012		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
T/P Campground Inc.	\$ 6,650,000		2.32%
Angelo Massari, Inc.	2,521,500		0.88%
Taxpayer #1	1,193,200		0.42%
Heritage-Cobb Mill Estates LP	1,126,900		0.39%
Taxpayer #2	910,400		0.32%
Taxpayer #3	835,200		0.29%
Taxpayer #4	833,900		0.29%
Fulton Bank (The Bank)	726,000		0.25%
Taxpayer #5	723,900		0.25%
Heritage-Stonebridge, LP	703,700		0.25%
Total	\$ 16,224,700		5.65%

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2021	\$ 4,349,540	\$ 4,349,540	100.00%
2020	4,278,155	4,278,155	100.00%
2019	4,202,450	4,202,450	100.00%
2018	4,136,349	4,136,349	100.00%
2017	4,057,092	4,057,092	100.00%
2016	3,946,751	3,946,751	100.00%
2015	3,870,742	3,870,742	100.00%
2014	3,807,725	3,807,725	100.00%
2013	3,644,400	3,644,400	100.00%
2012	3,585,120	2,710,235	100.00%

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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2021	\$ 795,000	\$ 65,310	\$	860,310	N/A
2020	1,005,000	-		1,005,000	299
2019	1,220,000	-		1,220,000	363
2018	1,430,000	-		1,430,000	425
2017	1,645,000	-		1,645,000	490
2016	1,860,000	-		1,860,000	555
2015	2,075,000	-		2,075,000	614
2014	2,181,000	-		2,181,000	640
2013	2,366,000	-		2,366,000	689
2012	2,516,000	-		2,516,000	726

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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	795,000	-	795,000	0.28%	N/A
2020	1,005,000	-	1,005,000	0.45%	299
2019	1,220,000	-	1,220,000	0.51%	363
2018	1,430,000	-	1,430,000	0.51%	425
2017	1,645,000	-	1,645,000	0.59%	490
2016	1,860,000	-	1,860,000	0.66%	555
2015	2,075,000	-	2,075,000	0.74%	614
2014	2,181,000	-	2,181,000	0.76%	640
2013	2,366,000	-	2,366,000	0.83%	689
2012	2,516,000	-	2,516,000	0.88%	726

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Alloway	\$ 1,107,590	100.00%	\$ 1,107,590
Salem County	78,474,542	5.82%	4,570,059
Subtotal, Overlapping Debt			5,677,649
Alloway Township School District Debt			1,005,000
Total Direct & Overlapping Debt			\$ 6,682,649

Sources: Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 8,736,407	\$ 8,735,684	\$ 8,708,816	\$ 8,660,606	\$ 8,710,100	\$ 8,731,754	\$ 8,682,550	\$ 8,631,153	\$ 8,789,910	\$ 9,382,275
Total Net Debt Applicable to Limit	795,000	1,005,000	1,220,000	1,430,000	1,645,000	1,860,000	2,075,000	2,181,000	2,366,000	2,516,000
Legal Debt Margin	\$ 7,941,407	\$ 7,804,564	\$ 7,488,816	\$ 7,230,606	\$ 7,065,100	\$ 6,871,754	\$ 6,607,550	\$ 6,450,153	\$ 6,423,910	\$ 6,866,275
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (2.5%)	9.10%	11.50%	14.01%	16.51%	18.89%	21.30%	23.90%	25.27%	26.92%	26.82%

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized Valuation Basis	
2020	\$ 290,278,234
2019	293,550,740
2018	289,811,724

\$ 873,640,698

\$ 291,213,566

\$ 8,736,407

795,000

\$ 7,941,407

Average Equalized Valuation of Taxable Property

Debt Limit (3.0% of Average Equalization Value)

Net Bonded School Debt

Legal Debt Margin

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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	SALEM COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE (d)
2021	N/A	N/A	N/A	N/A
2020	3,363	N/A	N/A	7.80%
2019	3,359	168,631,877	50,203	4.10%
2018	3,362	161,729,010	48,105	4.40%
2017	3,360	156,962,400	46,715	5.00%
2016	3,350	153,872,200	45,932	5.10%
2015	3,381	152,888,820	45,220	7.10%
2014	3,410	147,448,400	43,240	8.20%
2013	3,433	144,934,394	42,218	5.90%
2012	3,467	144,476,824	41,672	11.90%

Source:

- (a) Population information provided by US Bureau of the Census; Population Division
 (b) Personal income calculated using population and per capita personal income
 (c) Per Capita Personal Income provided by the NJ Dept. of Labor and Workforce Development
 (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
 N/A - Information not available

PRINCIPAL EMPLOYERS

	2021	2012
	EMPLOYEES	EMPLOYEES
Ranch Hope	145	145
Alloway Township Board of Education	70	80
B.R. Williams	215	50
Alloway Township	28	30
Edgar Joyce Nursery	19	20
	<u>477</u>	<u>325</u>

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	23.3	23.4	24.8	24.8	24.8	30.0	30.0	32.0	32.0	34.0
Special Education	9.7	11.3	12.6	14.2	13.4	12.0	12.0	11.0	13.0	7.4
Support Services:										
Student & instruction related services	2.5	3.6	4.3	4.3	4.3	4.0	4.0	2.5	2.5	3.8
General & Business Administrative Services	2.0	1.2	1.2	1.5	1.5	1.5	1.5	1.5	1.5	1.5
School Administrative Services	1.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Business & Other Support Services	2.2	2.2	2.0	2.5	2.5	2.0	2.0	2.0	1.5	2.5
Plant Operations & Maintenance	4.8	3.0	3.5	3.5	3.5	3.9	4.1	4.1	5.0	5.2
Food Service	2.8	2.8	2.8	3.3	3.4	3.5	3.5	3.5	4.0	4.0
Childcare	1.5	2.0	2.0	2.0	2.0	2.0	3.5	3.5	4.0	4.0
Total	50.2	51.5	55.2	58.1	57.4	60.9	62.6	62.1	65.5	64.4

Source: District Personnel Records

ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE	
				PERCENTAGE CHANGE	TEACHING STAFF (b)					ELEMENTARY
2021	298	\$ 8,662,676	29,069	9.81%	29	1:16	298.6	232.1	-8.50%	77.73%
2020	324	8,576,864	26,472	7.63%	29	1:16	326.3	315.8	-8.56%	96.77%
2019	360	8,854,390	24,596	5.53%	30	1:12	356.9	338.2	-3.04%	94.76%
2018	361	8,413,358	23,306	3.28%	30	1:12	368.1	348.7	-1.75%	94.74%
2017	375	8,461,717	22,565	3.30%	33	1:12	374.6	354.6	-2.19%	94.66%
2016	384	8,387,651	21,843	-0.34%	36	1:11	383.0	359.0	1.61%	93.73%
2015	376	8,240,799	21,917	8.97%	34	1:11	376.9	358.1	-3.08%	95.02%
2014	384	7,723,372	20,113	-1.99%	36	1:11	388.9	372.5	-3.23%	95.78%
2013	401	8,229,205	20,522	9.83%	34	1:12	401.9	384.8	-4.08%	95.75%
2012	419	7,828,683	18,684	7.50%	35	1:12	419.0	401.5	-2.78%	95.82%

Sources: District records

Note: Enrollment based on annual June 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 taken from the District Staff Lis
- c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DISTRICT BUILDINGS										
Elementary Schools:										
Alloway Elementary	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760
Square Feet	629	629	629	629	629	629	629	629	629	629
Capacity (Students)	298	324	360	361	375	384	376	384	401	419
Enrollment										

Number of Schools at June 30, 2021:
Elementary = 1

Source: District Facilities Office

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	Alloway School	TOTAL
2021	48,874	48,874
2020	43,119	43,119
2019	59,211	59,211
2018	35,800	35,800
2017	48,461	48,461
2016	70,781	70,781
2105	72,823	72,823
2104	8,755	8,755
2103	54,877	54,877
2012	57,585	57,585

Source: District records

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021**

	COVERAGE	DEDUCTIBLE
School package policy - Utica National Insurance Company		
Property- blanket building & contents	16,376,476	5,000
Data processing equipment	400,000	1,000
Equipment breakdown	100,000,000	5,000
Crime		
Employee Blanket bond/per employee	100,000	1,000
Employee Blanket bond/money & securities in/out	25,000	500
Employee Blanket bond/money orders & counterfeit paper	25,000	500
Employee Blanket bond/forgery & alteration per occurrence	100,000	1,000
Employee Blanket bond/computer fraud per occurrence	100,000	500
General Liability		
Body injury & property damage	6,000,000	None
Body injury products and completed operations	6,000,000	None
Sexual abuse	6,000,000	None
Personal and advertising injury	6,000,000	None
Employee Benefits Liability	6,000,000	1,000
Premises medical payments	5,000	None
Terrorism	1,000,000	None
Commercial automobile liability		
Bodily injury & property damage	6,000,000	None
Errors & omissions Liability policy		
Coverage A	6,000,000	5,000
Coverage B	100,000	5,000
Workmen's Cmpensation-NJ School Board Association Insurance Group		
Bodily injury - by accident	3,000,000	None
Bodily injury - by disease	3,000,000	None
Bodily injury - by employee	3,000,000	None
Public employees' faithful performance bonds-		
Ohio Casualty Insurance Compnay		
Employee bond- Shannon Dubois-Brody, Business Administrator/ Board Secretary	200,000	None

Source: District Records.

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SINGLE AUDIT SECTION

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Certified Public Accountants & Advisors

EXHIBIT K-1

**INDEPENDENT AUDITOR'S 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**

Honorable President and Members
of the Board of Education
Alloway Township School District
County of Salem
Alloway, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Alloway Township School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 7, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

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financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
March 7, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Alloway Township School District
County of Salem
Alloway, New Jersey

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

Purpose of this Report

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 and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
March 7, 2022

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2021 UNEARNED REVENUE	DUE TO GRANTOR
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture:													
Child Nutrition Cluster:													
Food Distribution Program (Noncash Assistance)	10-555	21IN304N1099	Unavailable	\$10,924	7/1/20-6/30/21	\$ -	10,924	\$ (10,924)	\$ -	\$ -	\$ -	\$ -	\$ -
Food Distribution Program (Noncash Assistance)	10-555	20IN304N1099	Unavailable	10,650	7/1/19-6/30/20	2,351	-	(2,351)	-	-	-	-	-
COVID-19 National School Lunch Program	10-555	21IN304N1099	100-010-3350-026	102,724	7/1/20-6/30/21	(6,508)	96,167	(102,724)	-	-	(6,557)	-	-
COVID-19 National School Lunch Program	10-555	20IN304N1099	100-010-3350-026	32,501	7/1/19-6/30/20	-	6,508	-	-	-	-	-	-
COVID-19 Healthy Hunger-Free Kids Act	10-555	21IN304N1099	100-010-3350-026	2,049	7/1/20-6/30/21	-	1,918	(2,049)	-	-	(131)	-	-
Total Child Nutrition Cluster						(4,157)	115,517	(118,048)	-	-	(6,688)	-	-
Total U.S. Department of Agriculture						(4,157)	115,517	(118,048)	-	-	(6,688)	-	-
U.S. Department of Education Passed Through New Jersey Department of Education:													
Title I - Part A	84-010	S010A200030	100-034-5064-194	95,182	7/1/20-9/30/21	-	40,792	(95,182)	-	-	(54,390)	-	-
Subtotal							40,792	(95,182)	-	-	(54,390)	-	-
Title II A - Part A	84-367	S567A200029	100-034-5063-290	18,856	7/1/20-9/30/21	-	7,425	(18,429)	-	-	(1,004)	-	-
Subtotal							7,425	(18,429)	-	-	(1,004)	-	-
Title IV	84-424A	S424A200031	100-034-5063-348	20,000	7/1/20-9/30/21	-	-	(20,000)	-	-	(20,000)	-	-
Subtotal							-	(20,000)	-	-	(20,000)	-	-
Rural Education Achievement Program	84-358	S358B200030	100-034-5064-187	18,155	7/1/20-9/30/21	-	3,744	(18,155)	-	-	(14,411)	-	-
Subtotal							3,744	(18,155)	-	-	(14,411)	-	-
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular	84-027	H027A200100	100-034-5065-016	89,396	7/1/20-9/30/21	-	71,350	(89,396)	-	-	(18,046)	-	-
Subtotal							71,350	(89,396)	-	-	(18,046)	-	-
I.D.E.A. Preschool	84-173A	H173A200114	100-034-5065-020	3,590	7/1/20-9/30/21	-	2,154	(3,590)	-	-	(1,436)	-	-
Subtotal							2,154	(3,590)	-	-	(1,436)	-	-
Total Special Education Cluster							73,504	(92,986)	-	-	(19,482)	-	-
COVID-19 CARES Stabilization Fund	84-425D	S425D200027	100-034-5120-513	85,696	3/13/20-9/30/22	-	15,678	(76,439)	-	-	(60,761)	-	-
Total CARES Grants							15,678	(76,439)	-	-	(60,761)	-	-
Total US Department of Education							141,143	(321,191)	-	-	(180,048)	-	-
U.S. Department of Treasury COVID-19 Coronavirus Relief Aid	21-019	S425D200027	100-034-5120-515	18,573	9/23/20-12/30/20	-	18,573	(18,573)	-	-	-	-	-
Total Coronavirus Aid Relief							18,573	(18,573)	-	-	-	-	-
Total Special Revenue Fund							159,716	(339,764)	-	-	(180,048)	-	-
Total Expenditures of Federal Awards							275,233	(457,812)	-	-	(186,756)	-	-

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

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Alloway Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

Note 3. Relationship to Basic Financial Statements

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

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

Note 3. Relationship to Basic Financial Statements (continued):

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$23,385 for the general fund and (\$19,401) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 4,911,265	\$ 4,911,265
Special Revenue Fund	320,363	-	320,363
Food Service Fund	118,498	5,103	123,601
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 438,861</u>	<u>\$ 4,916,368</u>	<u>\$ 5,355,229</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

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

Note 6: On-Behalf Programs Not Subject To State Single Audit Major Program Determination

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

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

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

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

 2) Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-078</u>	<u>State Aid Public:</u>
<u>495-034-5120-089</u>	<u>Equalization Aid</u>
<u>495-034-5120-084</u>	<u>Special Education Categorical Aid</u>
<u> </u>	<u>Security Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
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**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

N/A – Federal single audit not required

STATE FINANCIAL ASSISTANCE

None.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

N/A – No Federal Single Audit in prior year.

State Financial Assistance

No Prior Year Findings.