

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Alloway, New Jersey
County of Salem

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

ALLOWAY TOWNSHIP SCHOOL DISTRICT

ALLOWAY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Constance McAllister
Interim Chief School Administrator

Melanie M. Allen
Business Administrator

March 8, 2023

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 Annual Comprehensive Financial Report (ACFR) of the Alloway Township School District for the fiscal year ended June 30, 2022, 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, 2022, 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 Annual Comprehensive 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 2021-2022 school year with an average daily enrollment of 297, which is a slight decrease 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 and social studies.
- * 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: Spanish, art, music, digital literacy, library, and physical education. Middle school students have two cycle periods for the following courses: Spanish, 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 and paraprofessionals.

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 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,



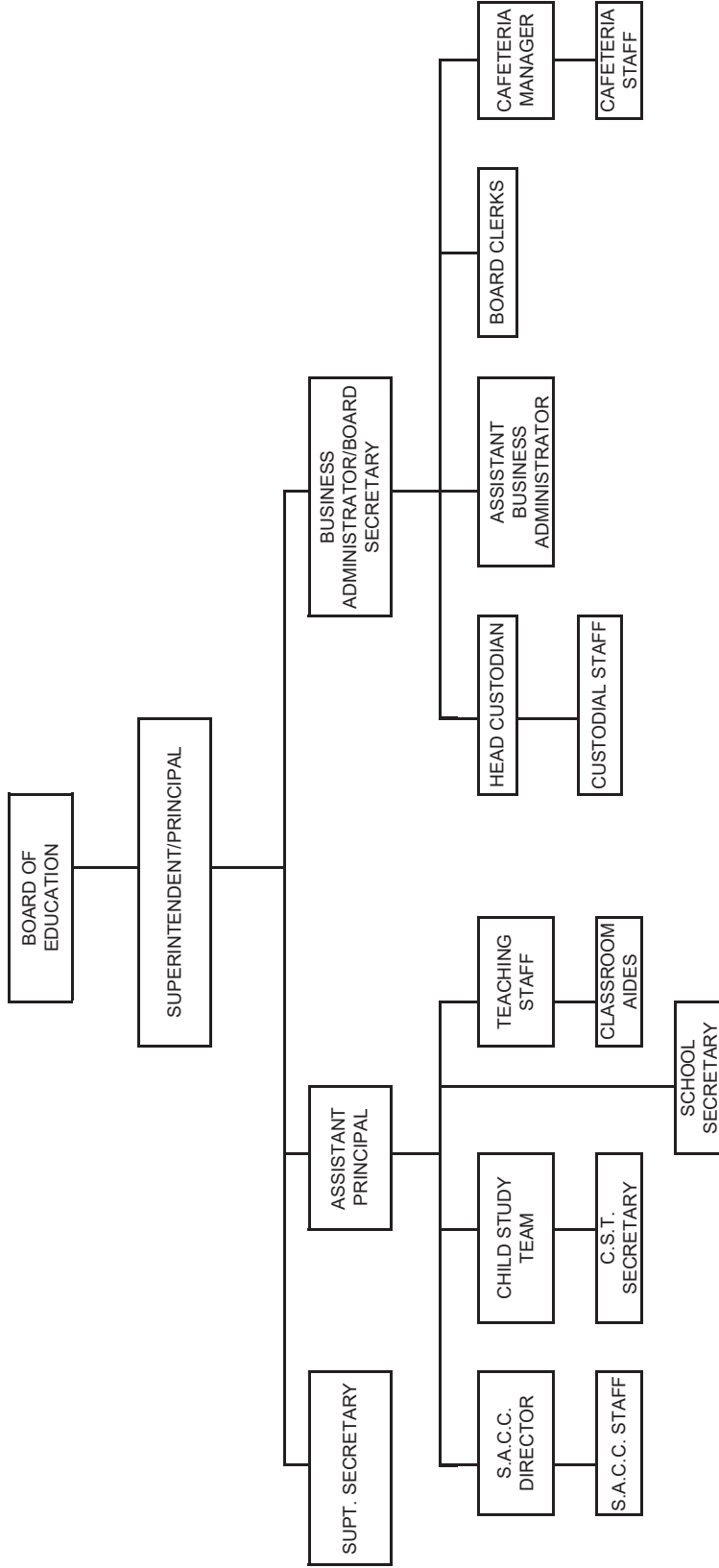
Constance McAllister, Interim Chief School Administrator



Melanie M. Allen, School Business Administrator/Board Secretary

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ALLOWAY TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



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ALLOWAY TOWNSHIP SCHOOL DISTRICT

Alloway, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2022

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Richard Morris, Jr., President	2023
Sara Cobb, Vice President	2023
Michael Dennison	2023
Elizabeth Decktor	2022
Joseph Fedora	2024
Jeffrey Hitchner	2024
Amanda Sheppard	2022
Carla Leady	2024
Kenneth McKeley, Jr.	2022

OTHER OFFICIALS

Pamela A. Southard, Chief School Administrator

Melanie M. Allen - School Business Administrator/Board Secretary

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ALLOWAY TOWNSHIP SCHOOL DISTRICT
Alloway, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

Michael Holt, CPA, PSA
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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HOLT MCNALLY & ASSOCIATES

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

Opinions

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, 2022, 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.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023 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 8, 2023

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, 2022
(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, 2022. 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, 2022
(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.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Table 1 provides a summary of the School Districts net position for the fiscal years 2022 compared to fiscal year 2021.

Table 1
Summary of Net Position

	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 3,332,460	\$ 2,474,547	\$ 857,913	34.7%
Capital Assets, Net	4,563,012	4,821,330	(258,318)	-5.4%
Total Assets	<u>7,895,472</u>	<u>7,295,877</u>	<u>599,595</u>	<u>8.2%</u>
Deferred Outflow of Resources	<u>77,706</u>	<u>173,342</u>	<u>(95,636)</u>	<u>-55.2%</u>
Current and other Liabilities	135,013	129,047	5,966	4.6%
Noncurrent Liabilities	1,250,617	1,768,117	(517,500)	-29.3%
Total Liabilities	<u>1,385,630</u>	<u>1,897,164</u>	<u>(511,534)</u>	<u>-27.0%</u>
Deferred Inflow of Resources	<u>594,478</u>	<u>628,073</u>	<u>(33,595)</u>	<u>-5.3%</u>
Net Position:				
Net Investment in Capital Assets	3,926,994	3,966,334	(39,340)	-1.0%
Restricted	2,241,911	1,596,496	645,415	40.4%
Unrestricted (Deficit)	(175,835)	(618,848)	443,013	-71.6%
Total Net Position	<u>\$ 5,993,070</u>	<u>\$ 4,943,982</u>	<u>\$ 1,049,088</u>	<u>21.2%</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2022 compared to fiscal year 2021.

Table 2
Summary of Changes in Net Position

	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 323,862	\$ 325,222	\$ (1,360)	-0.4%
Operating Grants & Contributions	2,092,060	2,593,276	(501,216)	-19.3%
General Revenues:				
Property Taxes	4,422,641	4,349,540	73,101	1.7%
Federal & State Aid	4,216,959	3,823,306	393,653	10.3%
Other General Revenues	52,981	10,308	42,673	414.0%
Total Revenues	<u>11,108,503</u>	<u>11,101,652</u>	<u>6,851</u>	<u>0.1%</u>
Function/Program Expenditures:				
Regular Instruction	1,836,776	1,751,774	85,002	4.9%
Special Education Instruction	471,477	350,689	120,788	34.4%
Other Special Education	6,827	88,846	(82,019)	-92.3%
Other Instruction	10,385	6,617	3,768	56.9%
Student & Instruction Related Services	4,009,502	3,724,661	284,841	7.6%
General Administrative	195,100	228,808	(33,708)	-14.7%
School Administrative Services	111,687	76,982	34,705	45.1%
Central Services	161,304	155,089	6,215	4.0%
Plant Operations & Maintenance	407,531	346,497	61,034	17.6%
Pupil Transportation	569,204	394,648	174,556	44.2%
Unallocated Benefits	1,529,087	2,694,079	(1,164,992)	-43.2%
Transfer to Charter Schools	289,314	294,928	(5,614)	-1.9%
Interest & Other Charges	39,867	68,769	(28,902)	-42.0%
Unallocated Depreciation	254,605	258,175	(3,570)	-1.4%
Food Service	126,532	120,577	5,955	4.9%
Child Care	40,217	27,969	12,248	43.8%
Total Expenditures	<u>10,059,415</u>	<u>10,589,108</u>	<u>(529,693)</u>	<u>-5.0%</u>
Change In Net Position	1,049,088	512,544	536,544	104.7%
Net Position - Beginning	<u>4,943,982</u>	<u>4,431,438</u>	<u>512,544</u>	<u>11.6%</u>
Net Position - Ending	<u>\$ 5,993,070</u>	<u>\$ 4,943,982</u>	<u>\$ 1,049,088</u>	<u>21.2%</u>

Governmental Activities

During the fiscal year 2022, the net position of governmental activities increased by \$976,612 or 19.9%. 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 \$5,889,406, with an unrestricted deficit balance of \$(268,030). 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, 2022
(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)	\$	(268,030)
Add back: PERS Pension Liability		539,857
Less: Deferred Outflows related to pensions		(67,079)
Add back: Deferred Inflows related to pensions		594,478
Unrestricted Net Position (Without GASB 68)	\$	799,226

General Fund Budgeting Highlights

Final budgeted revenues were \$8,033,797, which exceeded the original budget by \$582,179. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$420,222.

Final budgeted appropriations were \$8,408,687 which was an increase of \$594,473 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 the extra appropriations of state aid revenue. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$1,066,565.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$3,271,908 at June 30, 2022, an increase of \$723,902 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 \$2,988,634, an increase of \$738,683 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund increased by \$737,101 to \$2,963,825 at June 30, 2022, compared to an increase of \$356,359 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 \$1,582 to \$24,808 at June 30, 2022 compared to an increase of \$968 in fund balance in the prior fiscal year.

Debt service fund – During the current fiscal year, the fund balance of the School District’s debt service fund remained \$1 at June 30, 2022.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(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 \$71,899 to \$99,696 at June 30, 2022, compared to an increase of \$4,945 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 increased by \$577 to \$3,968 at June 30, 2022, compared to a decrease of \$3,568 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 \$30,363 to \$170,035 at June 30, 2022, compared to an increase of \$43,533 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, 2022, totaled \$4,563,012 (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 \$258,318. This decrease is due to the current year depreciation of capital assets. Table 4 shows fiscal 2022 balances compared to 2021.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 153,751	\$ 153,751	\$ -	0.0%
Land Improvements	13,057	17,070	(4,013)	-23.5%
Building and Improvements	4,184,059	4,426,622	(242,563)	-5.5%
Equipment	212,145	223,887	(11,742)	-5.2%
	<u>\$ 4,563,012</u>	<u>\$ 4,821,330</u>	<u>\$ (258,318)</u>	<u>-5.4%</u>

Depreciation expense for the year was \$258,318. 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 \$590,000, which is a decrease of \$205,000 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, 2022
(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:

- 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, 2022**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 1,593,680	\$ 67,087	\$ 1,660,767
Receivables, Net (Note 4)	684,668	6,794	691,462
Inventory	-	2,703	2,703
Internal Balances	(20,000)	20,000	-
Restricted Assets:			
Restricted Cash & Cash Equivalents	977,528	-	977,528
Capital Assets:			
Non-Depreciable (Note 5)	153,751	-	153,751
Depreciable, Net (Note 5)	4,397,792	11,469	4,409,261
Total Assets	7,787,419	108,053	7,895,472
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charges on Refunding of Debt	10,627	-	10,627
Deferred Outflows Related to Pensions (Note 8)	67,079	-	67,079
Total Deferred Outflow of Resources	77,706	-	77,706
Total Assets and Deferred Outflow of Resources	7,865,125	108,053	7,973,178
LIABILITIES			
Accounts Payable	4,405	-	4,405
Payroll Taxes Payable	26,134	-	26,134
Accrued Interest	6,925	-	6,925
Due to Other Governments	85,927	-	85,927
Unearned Revenue	9,648	1,974	11,622
Noncurrent Liabilities (Note 7):			
Due Within One Year	218,446	-	218,446
Due Beyond One Year	1,029,756	2,415	1,032,171
Total Liabilities	1,381,241	4,389	1,385,630
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	594,478	-	594,478
Total Deferred Inflow of Resources	594,478	-	594,478
Total Liabilities and Deferred Inflow of Resources	1,975,719	4,389	1,980,108
NET POSITION			
Net Investment in Capital Assets	3,915,525	11,469	3,926,994
Restricted For:			
Capital Projects	667,504	-	667,504
Maintenance Reserve	310,024	-	310,024
Excess Surplus	1,239,574	-	1,239,574
Debt Service	1	-	1
Student Activities	24,808	-	24,808
Unrestricted (Deficit)	(268,030)	92,195	(175,835)
Total Net Position	\$ 5,889,406	\$ 103,664	\$ 5,993,070

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, 2022

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	\$ 1,836,776	\$ -	417,615	(1,419,161)	-	(1,419,161)
Special Education	471,477	-	-	(471,477)	-	(471,477)
Other Special Instruction	6,827	-	-	(6,827)	-	(6,827)
Other Instruction	10,385	-	-	(10,385)	-	(10,385)
Support Services & Undistributed Costs:						
Student & Instruction Related Services	4,009,502	264,500	351,030	(3,393,972)	-	(3,393,972)
General Administration	195,100	-	122	(194,978)	-	(194,978)
School Administrative Services	111,687	-	-	(111,687)	-	(111,687)
Central Services	161,304	-	-	(161,304)	-	(161,304)
Plant Operations & Maintenance	407,531	-	-	(407,531)	-	(407,531)
Pupil Transportation	569,204	-	-	(569,204)	-	(569,204)
Unallocated Benefits	1,529,087	-	1,143,430	(385,657)	-	(385,657)
Transfer to Charter Schools	289,314	-	-	(289,314)	-	(289,314)
Interest and Other Charges	39,867	-	-	(39,867)	-	(39,867)
Unallocated Depreciation	254,605	-	-	(254,605)	-	(254,605)
Total Governmental Activities	9,892,666	264,500	1,912,197	(7,715,969)	-	(7,715,969)
Business-Type Activities:						
Food Service	126,532	18,568	179,863	-	71,899	71,899
Other Activities	40,217	40,794	-	-	577	577
Total Business-Type Activities	166,749	59,362	179,863	-	72,476	72,476
Total Primary Government	\$ 10,059,415	\$ 323,862	\$ 2,092,060	(7,715,969)	\$ 72,476	(7,643,493)

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, 2022

	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
	4,197,278	-	4,197,278
	225,363	-	225,363
	4,216,959	-	4,216,959
	24,848	-	24,848
	235	-	235
	27,898	-	27,898
	8,692,581	-	8,692,581
	976,612	72,476	1,049,088
	4,912,794	31,188	4,943,982
	\$ 5,889,406	\$ 103,664	\$ 5,993,070

FUNCTIONS/PROGRAMS

General Revenues:

- Taxes:
 - Property Taxes, Levied for General Purposes
 - Property Taxes Levied for Debt Service
 - Federal & State Aid Not Restricted
 - Tuition
 - Interest on Investments
 - Miscellaneous Income

Total General Revenues & Transfers

Change In Net Position

Net Position - July 1

Net Position - Ending

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B. Fund Financial Statements

Governmental Funds

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Assets:				
Cash & Cash Equivalents	\$ 1,660,355	\$ -	\$ 1	\$ 1,660,356
Receivables From Other Governments	376,481	308,187	-	684,668
Restricted Cash & Cash Equivalents	977,528	-	-	977,528
Total Assets	\$ 3,014,364	\$ 308,187	\$ 1	\$ 3,322,552
Liabilities & Fund Balances:				
Liabilities:				
Cash Deficit	\$ -	\$ 236,711	\$ -	\$ 236,711
Accounts Payable	4,405	-	-	4,405
Intergovernmental - Accounts Payable	-	37,020	-	37,020
Due to Other Funds	20,000	-	-	20,000
Payroll Withholdings and Deductions Payable	26,134	-	-	26,134
Unearned Revenue	-	9,648	-	9,648
Total Liabilities	50,539	283,379	-	333,918
Fund Balances:				
Restricted for:				
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	333,047	-	-	333,047
Excess Surplus - Current Year	906,527	-	-	906,527
Capital Reserve Account	667,504	-	-	667,504
Maintenance Reserve Account	310,024	-	-	310,024
Student Activities	-	24,808	-	24,808
Committed to:				
Debt Service Fund	-	-	1	1
Assigned to:				
Other Purposes	5,383	-	-	5,383
Designated by the BOE for Subsequent Year's Expenditures	371,477	-	-	371,477
Unassigned:				
General Fund	369,863	-	-	369,863
Total Fund Balances	2,963,825	24,808	1	2,988,634
Total Liabilities & Fund Balances Balances	\$ 3,014,364	\$ 308,187	\$ 1	

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 \$6,124,294. (See Note 5)	4,551,543
Deferred loss on refunding of debt is not recorded in the fund financials but is recorded on the government-wide financials	10,627
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	67,079
Deferred Inflows related to pensions	(594,478)
Accrued pension contributions for the June 30, 2022 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	(48,907)
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.	(6,925)
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.	170,035
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 7)	(1,248,202)
Net Position of Governmental Activities	\$ 5,889,406

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Sources:				
Local Tax Levy	\$ 4,197,278	\$ -	\$ 225,363	\$ 4,422,641
Transportation - From Other LEAS	24,848	-	-	24,848
Interest on Investments	235	-	-	235
Miscellaneous	27,898	18,713	-	46,611
Total Revenues - Local Sources	<u>4,250,259</u>	<u>18,713</u>	<u>225,363</u>	<u>4,494,335</u>
State Sources	5,472,831	-	-	5,472,831
Federal Sources	-	750,054	-	750,054
Total Revenues	<u>9,723,090</u>	<u>768,767</u>	<u>225,363</u>	<u>10,717,220</u>
Expenditures:				
Current Expense:				
Regular Instruction	1,419,161	417,615	-	1,836,776
Special Education Instruction	471,477	-	-	471,477
Other Instruction	6,827	-	-	6,827
School Sponsored Activities	10,385	-	-	10,385
Support Services & Undistributed Costs:				
Student & Instruction Related Services	3,461,923	349,448	-	3,811,371
General Administration	194,978	122	-	195,100
School Administrative Services	111,687	-	-	111,687
Central Services	161,304	-	-	161,304
Plant Operations & Maintenance	365,870	-	-	365,870
Student Transportation Services	569,204	-	-	569,204
Unallocated Benefits	1,850,166	-	-	1,850,166
Capital Outlay	38,100	-	-	38,100
Debt Service				
Principal	-	-	205,000	205,000
Interest and Other Charges	35,593	-	20,363	55,956
Total Expenditures	<u>8,696,675</u>	<u>767,185</u>	<u>225,363</u>	<u>9,689,223</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>1,026,415</u>	<u>1,582</u>	<u>-</u>	<u>1,027,997</u>
Other Financing Sources/(Uses):				
Transfer to Charter School	(289,314)	-	-	(289,314)
Total Other Financing Sources/(Uses)	<u>(289,314)</u>	<u>-</u>	<u>-</u>	<u>(289,314)</u>
Net changes in Fund Balance	737,101	1,582	-	738,683
Fund Balances July 1	<u>2,226,724</u>	<u>23,226</u>	<u>1</u>	<u>2,249,951</u>
Fund Balances June 30	<u>\$ 2,963,825</u>	<u>\$ 24,808</u>	<u>\$ 1</u>	<u>\$ 2,988,634</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, 2022**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	738,683
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period:		
Depreciation Expense	\$ (254,605)	
Capital Outlays	<u>-</u>	(254,605)
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.		
		205,000
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:		
Premium on Bond	2,536	
Loss on Issue	<u>(3,985)</u>	(1,449)
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.		
		215,844
Repayment of loan payable 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.		
		15,427
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.		
Prior year	9,036	
Current Year	<u>(6,925)</u>	2,111
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.		
		30,502
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 (+).		
		<u>25,099</u>
Change in Net Position of Governmental Activities	\$	<u><u>976,612</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, 2022**

	Business-Type Activities		TOTALS	Governmental Activities
	Food Service Fund	Other Funds	JUNE 30, 2022	Internal Service Fund
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 62,619	\$ 4,468	\$ 67,087	\$ 170,035
Accounts Receivable	6,333	461	6,794	-
Interfunds Receivable	20,000	-	20,000	-
Inventories	2,703	-	2,703	-
Total Current Assets	91,655	4,929	96,584	170,035
Capital Assets:				
Equipment	64,345	-	64,345	-
Less: Accumulated Depreciation	(52,876)	-	(52,876)	-
Total Capital Assets	11,469	-	11,469	-
Total Assets	103,124	4,929	108,053	170,035
LIABILITIES				
Unearned Revenue	1,013	961	1,974	-
Compensated Absences	2,415	-	2,415	-
Total Liabilities	3,428	961	4,389	-
NET POSITION				
Net Investment in Capital Assets	11,469	-	11,469	-
Unrestricted	88,227	3,968	92,195	170,035
Total Net Position	\$ 99,696	\$ 3,968	\$ 103,664	\$ 170,035

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, 2022**

	Business-Type Activities		TOTALS	Governmental
	Food Service Fund	Other Funds	JUNE 30, 2022	Internal Service Fund
Operating Revenues:				
Charges for Services:				
Daily Sales - Nonreimbursable Programs	\$ 18,568	\$ -	\$ 18,568	\$ -
Other Charges and Fees	-	-	-	264,500
Tuition	-	40,794	40,794	-
	<u>18,568</u>	<u>40,794</u>	<u>59,362</u>	<u>264,500</u>
Total Operating Revenues	18,568	40,794	59,362	264,500
Operating Expenses:				
Salaries	47,898	35,177	83,075	198,270
Employee Benefits	18,583	3,507	22,090	32,306
Supplies & Materials	2,840	933	3,773	361
Other Purchased Services (300-500 series)	2,120	-	2,120	-
Cost of Sales - Reimbursable	47,525	-	47,525	-
Cost of Sales - Non Reimbursable	3,803	-	3,803	-
Miscellaneous Expenditures	50	600	650	3,200
Depreciation Expense	3,713	-	3,713	-
	<u>126,532</u>	<u>40,217</u>	<u>166,749</u>	<u>234,137</u>
Total Operating Expenses	126,532	40,217	166,749	234,137
Operating Income/(Loss)	<u>(107,964)</u>	<u>577</u>	<u>(107,387)</u>	<u>30,363</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	3,331	-	3,331	-
Federal Sources:				
National School Lunch Program	141,799	-	141,799	-
Emergency Operating Cost Reimbursement	1,497	-	1,497	-
Pandemic EBT Admin Reimbursement	1,242	-	1,242	-
NSLP Equipment Assistance Grant	20,000	-	20,000	-
Food Distribution Program	11,994	-	11,994	-
	<u>179,863</u>	<u>-</u>	<u>179,863</u>	<u>-</u>
Total Nonoperating Revenues/(Expenses)	179,863	-	179,863	-
Change in Net Position	71,899	577	72,476	30,363
Net Position - July 1,	<u>27,797</u>	<u>3,391</u>	<u>31,188</u>	<u>139,672</u>
Total Net Position - June 30,	<u>\$ 99,696</u>	<u>\$ 3,968</u>	<u>\$ 103,664</u>	<u>\$ 170,035</u>

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, 2022**

	Business-Type Activities			Governmental Activities
	Food Service Fund	Childcare Program	Totals	Internal Service Fund
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 17,363	\$ 40,395	\$ 57,758	\$ 264,500
Payments to Employees	(47,898)	(35,177)	(83,075)	(198,270)
Payments for Employee Benefits	(18,583)	(3,507)	(22,090)	(32,306)
Payments to Suppliers	(44,550)	(1,533)	(46,083)	(3,561)
Net Cash Provided/(Used) by Operating Activities	(93,668)	178	(93,490)	30,363
Cash Flows From Noncapital Financing Activities:				
State Sources	4,235	-	4,235	-
Federal Sources	145,076	-	145,076	-
Net Cash Provided/(Used) by Noncapital Financing Activities	149,311	-	149,311	-
Net Increase/(Decrease) in Cash & Cash Equivalents	55,643	178	55,821	30,363
Balances - Beginning of Year	6,976	4,290	11,266	139,672
Balances - End of Year	\$ 62,619	\$ 4,468	\$ 67,087	\$ 170,035

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

Operating Income/(Loss)	\$ (107,964)	\$ 577	\$ (107,387)	\$ 30,363
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Food Distribution Program	11,994	-	11,994	-
Depreciation & Net Amortization	3,713	-	3,713	-
(Increase)/Decrease in Accounts Receivable	137	(54)	83	-
Increase/(Decrease) in Prepaid	(206)	-	(206)	-
(Increase)/Decrease in Compensated Absences	-	-	-	-
(Increase)/Decrease in Unearned Revenue	(1,342)	(345)	(1,687)	-
(Increase)/Decrease in Accounts Payable	-	-	-	-
Total Adjustments	14,296	(399)	13,897	-
Net Cash Provided/(Used) by Operating Activities	\$ (93,668)	\$ 178	\$ (93,490)	\$ 30,363

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, 2022

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**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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, 2022 of 287 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, 2022.

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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2022 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, 2022 (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, 2022 (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, 2022.
- 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, 2022 (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, 2022:

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. The adoption of this pronouncement had no material effect on the financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

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.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

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 happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2022, the School District’s bank balance of \$3,288,578 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	3,230,263
Uninsured and Uncollateralized		58,315
		\$ 3,288,578

Investments

The School District had no investments at June 30, 2022.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	466,805
Increased by:		
Interest Earnings		699
Deposits approved by Board June 29, 2022		200,000
		200,000
Ending Balance, June 30, 2022	\$	667,504

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.

Maintenance Reserve

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	110,024
Increased by:		
Deposits approved by Board June 29, 2022		200,000
		200,000
Ending Balance, June 30, 2022	\$	310,024

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2022 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, 2022, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>		<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>	<u>Child Care Fund</u>	
Federal Awards	\$ -	\$ 308,187	\$ 308,187	\$ 6,150	\$ -	\$ 6,150
State Awards	376,481	-	376,481	142	-	142
Other	-	-	-	41	461	502
Total	\$ 376,481	\$ 308,187	\$ 684,668	\$ 6,333	\$ 461	\$ 6,794

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2022</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	715,125	-	-	715,125
Total Capital Assets being depreciated	10,522,086	-	-	10,522,086
Less: Accumulated Depreciation:				
Land Improvements	(114,033)	(4,013)	-	(118,046)
Buildings and Improvements	(5,249,236)	(242,563)	-	(5,491,799)
Equipment	(506,420)	(8,029)	-	(514,449)
Total Accumulated Depreciation	(5,869,689)	(254,605)	-	(6,124,294)
Total Capital Assets being depreciated, net	4,652,397	(254,605)	-	4,397,792
Total Governmental Activities Capital Assets, net	\$ 4,806,148	\$ (254,605)	\$ -	\$ 4,551,543

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 5. Capital Assets (continued)

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2022</u>
Business-Type Activities:				
Equipment	\$ 64,345	\$ -	\$ -	\$ 64,345
Total Capital Assets being depreciated	<u>64,345</u>	<u>-</u>	<u>-</u>	<u>64,345</u>
Less: Accumulated Depreciation:				
Equipment	(49,163)	(3,713)	-	(52,876)
Total Capital Assets being depreciated, net	<u>(49,163)</u>	<u>(3,713)</u>	<u>-</u>	<u>(52,876)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 15,182</u>	<u>\$ (3,713)</u>	<u>\$ -</u>	<u>\$ 11,469</u>

Note 6. Interfund Receivables, Payables and Transfers

The School District had the following interfund receivables/payables balances at June 30, 2022:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 20,000
Food Service Fund	<u>20,000</u>	<u>-</u>
	<u>\$ 20,000</u>	<u>\$ 20,000</u>

The interfund receivables and payables above predominately resulted from receipt of payment in one fund attributable to another. All interfund balances are expected to be repaid within one year.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 795,000	\$ -	\$ 205,000	\$ 590,000	\$ 200,000
Loans Payable	65,309	-	15,427	49,882	15,910
Unamortized Bond Premiums	9,299	-	2,536	6,763	2,536
Compensated Absences	86,799	-	25,099	61,700	-
Net Pension Liability	809,295	-	269,438	539,857	-
	<u>\$ 1,765,702</u>	<u>\$ -</u>	<u>\$ 517,500</u>	<u>\$ 1,248,202</u>	<u>\$ 218,446</u>
Business-Type Activities:					
Compensated Absences	\$ 2,145	\$ -	\$ -	\$ 2,145	\$ -
	<u>\$ 2,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,145</u>	<u>\$ -</u>

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 7. Long-Term Obligations (continued)

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, 2022 was \$590,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	200,000	15,237	215,237
2024	195,000	10,237	205,237
2025	195,000	5,119	200,119
	\$ 590,000	\$ 30,593	\$ 620,593

Bonds Authorized But Not Issued:

As of June 30, 2022, the District had no authorized but not issued bonds.

B. Loans Payable

The following is a schedule of the remaining future minimum loan payments under these capital loans and the present value of the net minimum loan payments at June 30, 2022:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	15,910	2,216	18,126
2024	16,617	1,509	18,126
2025	17,355	771	18,126
	\$ 49,882	\$ 4,496	\$ 54,378

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

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
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 2021, 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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 8. Pension Plans (continued):

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

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, 2022, the School District reported a liability of \$539,857 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The School District's proportion measured as of June 30, 2021, was 0.00456%, which was a decrease of 0.0004% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized full accrual pension expense of \$162,475 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2021 measurement date. At June 30, 2022 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 8,514	\$ 3,865
Changes of Assumptions	2,812	192,193
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	142,213
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	6,846	256,207
School District Contributions Subsequent to Measurement Date	48,907	-
	\$ 67,079	\$ 594,478

\$48,907 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, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 8. Pension Plans (continued):

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

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

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2022	\$ (224,538)
2023	(160,320)
2024	(109,311)
2025	(82,169)
2026	32
	<hr/>
	<u>\$ (576,306)</u>

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, 2022 (continued)**

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of 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	-
June 30, 2021	5.13	-
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
June 30, 2021	-	5.13
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
June 30, 2021	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
June 30, 2021	5.13	5.13

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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, 2021, 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 <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 743,013</u>	<u>\$ 539,857</u>	<u>\$ 378,090</u>

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
District's portion of the Plan's total Net Pension Liability	0.004557%	0.004963%

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 Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.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, 2022 (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 2021, 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, 2021 was \$11,474,711. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.02387%, which was an decrease of .00066% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the School District recognized \$270,005 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, 2021 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2022 (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	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%
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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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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 7.00% 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, 2022 (continued)**

Note 8. Pension Plans (continued):

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	13,576,500	11,474,711	9,709,340
	<u>\$ 13,576,500</u>	<u>\$ 11,474,711</u>	<u>\$ 9,709,340</u>

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, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,458,228
Collective Deferred Inflows of Resources	27,363,797,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
District's portion of the Plan's total Net Pension Liability	0.02387%	0.02453%

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

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP) (continued)

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;
- 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, 2022, employee contributions totaled \$10,240, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$5,585.

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'

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

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.

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, 2021, was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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: \$ 60,007,650,970

Inflation Rate: 2.50%

	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	2.75 - 5.65% based on years of service	3.00 - 7.00% based on years of service	Not Applicable

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-2021. 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-2021. 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-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

table with fully generational mortality improvement projections from the central year using Scale MP-2021. The actuarial assumptions used in the June 30, 2020 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.

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, 2022 was \$18,075,822. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the State proportionate share of the OPEB Obligation attributable to the School District was 0.03012%, which was a decrease of 0.00231% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$718,613 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, 2021 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. 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, 2021, respectively, 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:

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

	June 30, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 21,651,997	\$ 18,075,822	\$ 15,259,799
State of New Jersey's Total Non- employer Liability	\$ 71,879,745,555	\$ 60,007,650,970	\$ 50,659,089,138

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, 2021, 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, 2021		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 14,632,437	\$ 18,075,822	\$ 22,700,034
State of New Jersey's Total Nonemployer OPEB Liability	\$ 48,576,388,417	\$ 60,007,650,970	\$ 75,358,991,782

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,045,886,863	18,009,362,976
Contributions Made in Fiscal Year Year Ending 2022 After June 30, 2021 Measurement Date **	TBD	-
	<u>\$ 19,225,423,829</u>	<u>\$ 24,447,624,783</u>

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

** Employer Contributions made after June 30, 2021 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:

Fiscal Year Ending June 30,		
2022	\$	(1,182,303,041)
2023		(1,182,303,041)
2024		(1,182,303,041)
2025		(1,182,303,041)
2026		(840,601,200)
Thereafter		347,612,410
	\$	(5,222,200,954)

Plan Membership

At June 30, 2020, the Program membership consisted of the following:

	June 30, 2020
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	150,427
	364,328

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Total OPEB Liability	
Service Cost	\$ 3,217,184,264
Interest Cost	1,556,661,679
Difference Between Expected & Actual Experience	(11,385,071,658)
Changes of Benefit Terms	(63,870,842)
Changes of Assumptions	59,202,105
Contributions: Member	39,796,196
Gross Benefit Payments	(1,226,213,382)
Net Change in Total OPEB Liability	(7,802,311,638)
Total OPEB Liability (Beginning)	67,809,962,608
Total OPEB Liability (Ending)	\$ 60,007,650,970
Total Covered Employee Payroll	\$ 14,425,669,769
Net OPEB Liability as a Percentage of Payroll	415.98%

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (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 \$892,529, \$208,531, \$377 and \$154,435, 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 Annual Comprehensive 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, 2022 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, 2022 (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, 2022, the liability for compensated absences reported on the government-wide Statement and on the Proprietary fund Statement of Net Position was \$61,700 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, 2022 (continued)**

Note 16. Commitments

The School District has no contractual commitments at June 30, 2022.

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, 2022 was \$906,527.

Note 18. Fund Balances

General Fund – Of the \$2,963,825 General Fund balance at June 30, 2022, \$667,504 has been restricted for the Capital Reserve Account; \$310,024 has been restricted for the Maintenance Reserve Account; \$906,527 has been restricted for current year excess surplus; \$333,047 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$371,477 has been assigned and included as anticipated revenue for the year ending June 30, 2023; \$5,383 has been assigned for other purposes and \$369,863 has been unassigned.

Special Revenue Fund – Of the \$24,808 Special Revenue Fund Balance at June 30, 2022, \$24,808 is restricted for student activities.

Debt Service Fund – Of the \$1 Debt Service Fund Balance at June 30, 2022, \$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 \$268,030 at June 30, 2022. 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, 2022. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and March 8, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

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, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022				POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 4,197,278	\$ -	\$ 4,197,278	\$ 4,197,278	\$ -
Transportation Fee from Other LEAs	10-1420	-	-	-	24,848	24,848
Interest Earned on Investments	10-1510	-	-	-	235	235
Miscellaneous	10-1990	500	-	500	27,199	26,699
Interest Earned on Maintenance Reserve	10-1992	50	-	50	-	(50)
Interest Earned on Capital Reserve	10-1xxx	950	-	950	699	(251)
Total Local Sources		4,198,778	-	4,198,778	4,250,259	51,481
State Sources:						
Categorical Special Education Aid	10-3132	370,315	-	370,315	370,315	-
Equalization Aid	10-3176	2,616,594	-	2,616,594	2,616,594	-
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	-	-	-	364,971	364,971
Stabilization Aid	10-3246	-	570,599	570,599	570,599	-
Education Rescue Grant	10-3248	-	11,580	11,580	11,580	-
Non Public Transportation	10-3XXX	-	-	-	3,770	3,770
Nonbudgeted:						
On-Behalf TPAF Medical Contributions		-	-	-	208,531	208,531
On-Behalf TPAF Pension Contributions		-	-	-	892,529	892,529
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	377	377
Reimbursed TPAF Social Security Contributions		-	-	-	154,435	154,435
Total State Sources		3,252,840	582,179	3,835,019	5,459,632	1,624,613
Total Revenues		7,451,618	582,179	8,033,797	9,709,891	1,676,094
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	61,593	-	61,593	40,337	21,256
Kindergarten	11-110-100-101	176,324	(5,842)	170,482	163,685	6,797
Grades 1 - 5	11-120-100-101	672,052	53,721	725,773	687,992	37,781
Grades 6 - 8	11-130-100-101	526,607	(92,698)	433,909	401,563	32,346
Home Instruction:						
Salaries of Teachers	11-150-100-101	2,000	(190)	1,810	-	1,810
Purchased Professional - Educational Services	11-150-100-320	2,500	190	2,690	2,690	-
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	40,476	-	40,476	-	40,476
Purchased Professional Educational Services	11-190-100-320	-	54,652	54,652	54,652	-
Purchased Technical Services	11-190-100-340	32,400	(32,400)	-	-	-
Other Purchased Services	11-190-100-500	42,815	17,473	60,288	46,803	13,485
General Supplies	11-190-100-610	16,349	9,005	25,354	20,069	5,285
Textbooks	11-190-100-640	9,700	(568)	9,132	-	9,132
Other Objects	11-190-100-800	2,500	-	2,500	1,370	1,130
Total Regular Programs		1,585,316	3,343	1,588,659	1,419,161	169,498
Resource Room:						
Salaries of Teachers	11-213-100-101	299,133	58,558	357,691	351,476	6,215
Other Salaries for Instruction	11-213-100-106	59,754	28,949	88,703	76,539	12,164
General Supplies	11-213-100-610	2,700	-	2,700	-	2,700
Total Resource Room		361,587	87,507	449,094	428,015	21,079
Home Instruction:						
Salaries of Teachers	11-216-100-101	-	31,554	31,554	30,346	1,208
Other Salaries for Instruction	11-216-100-106	-	13,135	13,135	13,060	75
General Supplies	11-216-100-600	-	15,000	15,000	56	14,944
Total Home Instruction		-	59,689	59,689	43,462	16,227
Total Special Education		361,587	147,196	508,783	471,477	37,306
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	30,048	(18,125)	11,923	6,827	5,096
General Supplies	11-230-100-610	400	-	400	-	400
Total Basic Skills/Remedial		30,448	(18,125)	12,323	6,827	5,496
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	15,000	-	15,000	10,385	4,615
Total School Sponsored Cocurricular Activities		15,000	-	15,000	10,385	4,615
Total - Instruction		1,992,351	132,414	2,124,765	1,907,850	216,915

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022				POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Undistributed Expenditures:						
Tuition						
Tuition to Other LEA'S Within State - Regular	11-000-100-561	1,879,542	-	1,879,542	1,870,306	9,236
Tuition to Other LEA'S Within State - Special	11-000-100-562	236,576	19,300	255,876	254,112	1,764
Tuition to County Vocational Schools	11-000-100-563	120,764	-	120,764	120,764	-
Tuition to CSSD & Regular Day Schools	11-000-100-565	97,560	105,550	203,110	107,584	95,526
Tuition to Private School for Handicapped - State	11-000-100-566	161,609	(25,732)	135,877	129,967	5,910
Tuition to Private School for Handicapped - Outside State	11-000-100-567	416,175	-	416,175	416,175	-
Total Tuition		2,912,226	99,118	3,011,344	2,898,908	112,436
Attendance & Social Work Services:						
Salaries	11-000-211-100	2,681	-	2,681	1,900	781
Purchased Professional & Technical Services	11-000-211-300	500	-	500	-	500
Total Attendance & Social Work Services		3,181	-	3,181	1,900	1,281
Health Services:						
Salaries	11-000-213-100	69,349	430	69,779	69,779	-
Purchased Professional & Technical Services	11-000-213-300	4,400	(775)	3,625	53	3,572
Other Purchased Services	11-000-213-500	-	345	345	-	345
Supplies and Materials	11-000-213-600	1,325	-	1,325	944	381
Total Health Services		75,074	-	75,074	70,776	4,298
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	-	18,527	18,527	-	18,527
Purchased Technical Services	11-000-216-320	74,000	(299)	73,701	60,432	13,269
Supplies and Materials	11-000-216-600	250	-	250	-	250
Total Other Support Services - Students - Related Services		74,250	18,228	92,478	60,432	32,046
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	43,252	23,590	66,842	66,842	-
Purchased Technical Services	11-000-217-320	118,391	64,198	182,589	132,144	50,445
Supplies and Materials	11-000-217-600	100	-	100	-	100
Total Other Support Services - Students - Related Services		161,743	87,788	249,531	198,986	50,545
Other Support Services - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	72,503	(10,429)	62,074	59,129	2,945
Supplies and Materials	11-000-218-600	625	(45)	580	48	532
Total Other Support Services - Guidance		73,128	(10,474)	62,654	59,177	3,477
Other Support Services - Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	-	300	300	300	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	11,269	-	11,269	10,851	418
Purchased Professional Educational Services	11-000-219-320	93,849	22,187	116,036	106,475	9,561
Other Purchased Professional & Technical Services	11-000-219-390	5,300	(1,643)	3,657	3,647	10
Other Purchased Services	11-000-219-500	300	-	300	166	134
Supplies and Materials	11-000-219-600	3,200	-	3,200	3,113	87
Total Other Support Services - Child Study Team		113,918	20,844	134,762	124,552	10,210

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Purchased Professional Educational Services	11-000-221-320	16,500	(4,734)	11,766	-	11,766
Total Improvement of Instruction Services/Other Support Services Instructional Staff		16,500	(4,734)	11,766	-	11,766
Educational Media Services/School Library:						
Salaries	11-000-222-100	40,944	385	41,329	41,329	-
Other Purchased Services	11-000-222-500	2,400	319	2,719	2,719	-
Supplies and Materials	11-000-222-600	1,275	(704)	571	-	571
Total Educational Media Services/School Library		44,619	-	44,619	44,048	571
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	500	745	1,245	1,245	-
Purchased Professional Educational Services	11-000-223-320	500	(372)	128	89	39
Other Purchased Services	11-000-223-500	2,000	(372)	1,628	1,628	-
Supplies and Materials	11-000-223-610	500	-	500	182	318
Total Instructional Staff Training Services		3,500	1	3,501	3,144	357
Support Services General Administration:						
Salaries	11-000-230-100	113,430	(13,212)	100,218	98,600	1,618
Legal Services	11-000-230-331	35,000	-	35,000	15,956	19,044
Audit fees	11-000-230-332	15,000	11,500	26,500	26,500	-
Other Purchased Professional Services	11-000-230-339	11,300	(1,339)	9,961	5,800	4,161
Communications/Telephone	11-000-230-530	12,667	502	13,169	12,203	966
Other Purchased Services	11-000-230-590	27,550	(818)	26,732	26,362	370
Supplies and Materials	11-000-230-610	500	409	909	636	273
In House Training Supplies	11-000-230-630	550	(78)	472	32	440
Miscellaneous Expenditures	11-000-230-890	7,300	(2,878)	4,422	3,425	997
BOE Membership Dues	11-000-230-895	4,800	664	5,464	5,464	-
Total Support Services General Administration		228,097	(5,250)	222,847	194,978	27,869
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	62,500	28,800	91,300	91,300	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	16,869	2,853	19,722	17,442	2,280
Other Purchased Services	11-000-240-500	100	(48)	52	-	52
General Supplies	11-000-240-600	500	257	757	756	1
Other Objects	11-000-240-800	-	2,189	2,189	2,189	-
Total Support Services School Administration		79,969	34,051	114,020	111,687	2,333
Central Services:						
Salaries	11-000-251-100	150,615	-	150,615	146,846	3,769
Purchased Technical Services	11-000-251-340	10,200	(232)	9,968	9,345	623
Other Purchased Services	11-000-251-592	3,000	(364)	2,636	1,591	1,045
General Supplies	11-000-251-600	1,500	364	1,864	1,789	75
Miscellaneous Expenditures	11-000-251-890	1,600	232	1,832	1,733	99
Total Central Services		166,915	-	166,915	161,304	5,611
Required Maintenance for School Facilities:						
Cleaning, Repair & Maintenance	11-000-261-420	9,487	(3,135)	6,352	6,306	46
Lead Testing of Drinking Water	11-000-261-421	-	1,518	1,518	1,518	-
General Supplies	11-000-261-610	1,500	1,954	3,454	2,975	479
Total Required Maintenance for School Facilities		10,987	337	11,324	10,799	525

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Custodial Services:						
Salaries	11-000-262-100	94,273	35,279	129,552	125,613	3,939
Salaries of Non-Instructional Aides	11-000-262-107	-	5,724	5,724	5,724	-
Purchased Technical Services	11-000-262-340	31,400	(825)	30,575	27,265	3,310
Cleaning, Repair & Maintenance Services	11-000-262-420	18,300	(4,872)	13,428	11,261	2,167
Other Purchased Property Services	11-000-262-490	33,000	(389)	32,611	26,101	6,510
Insurance	11-000-262-520	28,000	-	28,000	23,470	4,530
Miscellaneous Purchased Services	11-000-262-590	1,500	260	1,760	1,760	-
General Supplies	11-000-262-610	-	2,019	2,019	2,013	6
Energy (Heat & Electricity)	11-000-262-622	90,000	(1,675)	88,325	84,234	4,091
Energy (Oil)	11-000-262-624	38,000	8,000	46,000	45,937	63
Total Custodial Services		334,473	43,521	377,994	353,378	24,616
Care & Upkeep of Grounds:						
General Supplies	11-000-263-610	-	114	114	114	-
Total Care & Upkeep of Grounds		-	114	114	114	-
Security:						
Cleaning, Repair & Maintenance Services	11-000-266-420	1,800	(114)	1,686	1,555	131
General Supplies	11-000-266-610	500	-	500	24	476
Total Security		2,300	(114)	2,186	1,579	607
Total Other Operating & Maintenance of Plant Services		347,760	43,858	391,618	365,870	25,748
Student Transportation Services:						
Salaries for Non-Instructional Aides	11-000-270-107	-	234	234	234	-
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	28,956	4,242	33,198	29,627	3,571
Contracted Services Aid in Lieu Nonpublic	11-000-270-503	10,000	6,718	16,718	16,714	4
Contracted Services Aid in Lieu Choice School	11-000-270-505	15,000	(4,960)	10,040	10,040	-
Contracted Svc Between Home/School - Vendors	11-000-270-511	302,934	(25,780)	277,154	277,094	60
Contracted Svc Other - Vendors	11-000-270-512	5,000	-	5,000	1,405	3,595
Contract Svc (btw home & sch) - joint agreements	11-000-270-513	20,000	-	20,000	17,393	2,607
Contract Svc (Sp Ed) - Vendors	11-000-270-514	9,382	(6,000)	3,382	-	3,382
Contract Svc (Sp Ed) - Joint Agreements	11-000-270-515	10,000	-	10,000	7,160	2,840
Contract Svc (Reg) - ESC	11-000-270-517	9,875	59,921	69,796	69,796	-
Contract Svc (Sp Ed) - ESC	11-000-270-518	107,000	35,796	142,796	127,094	15,702
Miscellaneous Purchased Services	11-000-270-593	3,000	(900)	2,100	2,100	-
Transportation Supplies	11-000-270-615	9,000	(4,215)	4,785	4,785	-
Miscellaneous Expenditures	11-000-270-800	100	5,662	5,762	5,762	-
Total Student Transportation Services		530,247	70,718	600,965	569,204	31,761
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	45,000	15,620	60,620	54,660	5,960
Other Retirement Contributions - PERS	11-000-291-241	58,000	2,937	60,937	60,937	-
Unemployment Compensation	11-000-291-250	13,600	-	13,600	11,424	2,176
Workmen's Compensation	11-000-291-260	40,000	-	40,000	29,126	10,874
Health Benefits	11-000-291-270	683,920	76,926	760,846	410,839	350,007
Tuition Reimbursement	11-000-291-280	10,000	(291)	9,709	6,173	3,536
Other Employee Benefits	11-000-291-290	1,380	5,750	7,130	7,130	-
Unused Sick Payments to Terminated/Retired Staff	11-000-291-299	8,500	5,505	14,005	14,005	-
Total Unallocated Benefits		860,400	106,447	966,847	594,294	372,553
Transfer to Cover Deficit	11-000-310-930	5,000	-	5,000	-	5,000
Nonbudgeted:						
On-Behalf TPAF Medical Contributions		-	-	-	208,531	(208,531)
On-Behalf TPAF Pension Contributions		-	-	-	892,529	(892,529)
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	377	(377)
Reimbursed TPAF Social Security Contributions		-	-	-	154,435	(154,435)
Total Nonbudgeted		-	-	-	1,255,872	(1,255,872)
Total Undistributed Expenditures		5,696,527	460,595	6,157,122	6,715,132	(558,010)
Total Expenditures - Current Expense		7,688,878	593,009	8,281,887	8,622,982	(341,095)
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604	950	-	950	-	950
Interest Deposit to Maintenance Reserve	10-606	50	-	50	-	50
Equipment:						
Undistributed Expenditures:						
Instruction	12-000-100-730	-	22,374	22,374	22,374	-
Security	12-000-266-730	-	15,726	15,726	15,726	-
Total Equipment		-	38,100	38,100	38,100	-

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	273,000	(36,636)	236,364	-	236,364
Assesment for Debt Service on SDA Funding	12-000-400-896	35,593	-	35,593	35,593	-
Total Facilities Acquisition & Construction Services		308,593	(36,636)	271,957	35,593	236,364
Total Capital Outlay		309,593	1,464	311,057	73,693	237,364
Total Expenditures		7,998,471	594,473	8,592,944	8,696,675	(103,731)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(546,853)	(12,294)	(559,147)	1,013,216	(1,572,363)
Other Financing Sources/(Uses):						
Transfer to Charter Schools		(374,890)	-	(374,890)	(289,314)	(85,576)
Total Other Financing Sources/(Uses)		(374,890)	-	(374,890)	(289,314)	(85,576)
Excess/(Deficiency) of Revenues Over/(Under) After Expenditures & Other Financing Sources/(Uses)		(921,743)	(12,294)	(934,037)	723,902	(1,657,939)
Fund Balances, July 1,		2,548,006	-	2,548,006	2,548,006	-
Fund Balances, June 30		\$ 1,626,263	\$ (12,294)	\$ 1,613,969	\$ 3,271,908	\$ (1,657,939)

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	<u>\$ 12,294</u>
Total Budget Transfers	<u>\$ 12,294</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:		
Excess Surplus	\$ 906,527	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	333,047	
Capital Reserve	667,504	
Maintenance Reserve	310,024	
Assigned Fund Balance:		
Reserve for Encumbrances	5,383	
Designated for Subsequent Year's Expenditures	371,477	
Unassigned Fund Balance	<u>677,946</u>	
Subtotal	3,271,908	
Reconciliation to Governmental Funds Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(308,083)</u>	
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,963,825</u>	

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	JUNE 30, 2022				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Federal Sources	\$ 592,093	\$ 1,083,247	\$ 1,675,340	\$ 733,230	\$ 942,110
Local Sources	17,713	-	17,713	18,713	(1,000)
Total Revenues	609,806	1,083,247	1,693,053	751,943	941,110
EXPENDITURES:					
Instruction:					
Salaries of Teachers	86,941	96,256	183,197	100,045	83,152
Other Salaries for Instruction	1,702	-	1,702	1,702	-
Purchased Professional - Educational Services	-	31,000	31,000	30,000	1,000
Other Purchased Services	234,310	73,023	307,333	196,648	110,685
General Supplies	17,000	132,121	149,121	89,220	59,901
Other Objects	-	2,876	2,876	-	2,876
Total Instruction	339,953	335,276	675,229	417,615	257,614
Support Services:					
Other Salaries	44,000	44,844	88,844	24,749	64,095
Personal Services - Employee Benefits	1,522	52,506	54,028	38,519	15,509
Purchased Professional & Technical Services	117,258	139,100	256,358	99,418	156,940
Purchased Professional - Educational Services	52,954	101,697	154,651	95,931	58,720
Other Purchased Services	31,500	(13,528)	17,972	3,042	14,930
Supplies & Materials	7,619	114,436	122,055	54,773	67,282
Student Activities	15,000	-	15,000	16,192	(1,192)
Total Support Services	269,853	439,055	708,908	332,624	376,284
Facilities Acquisitions & Construction Services:					
Non-Instructional Equipment	-	308,916	308,916	122	308,794
Total Facilities Acquisitions & Construction Services	-	308,916	308,916	122	308,794
Total Expenditures	609,806	1,083,247	1,693,053	750,361	942,692
Total Outflows	609,806	1,083,247	1,693,053	750,361	942,692
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)					
	-	-	-	1,582	1,582
Fund Balance, July 1	23,226	-	23,226	23,226	-
Fund Balance, June 30	\$ 23,226	\$ -	\$ 23,226	\$ 24,808	\$ 1,582

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, 2022**

**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	\$ 9,709,891	\$ 751,943
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	16,824
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(308,083)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	321,282	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 9,723,090</u>	<u>\$ 768,767</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$ 8,696,675</u>	<u>\$ 750,361</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/>	<hr/> 16,824
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 8,696,675</u>	<u>\$ 767,185</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 NINE FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00456%	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)	\$539,857	\$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	288,199	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	187.32%	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	70.33%	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 NINE FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 53,369	\$ 54,290	\$ 51,140	\$ 52,324	\$ 69,170	\$ 63,148	\$ 54,512	\$ 52,092	\$ 53,162
Contributions in relation to the contractually required contribution	(53,369)	(54,290)	(51,140)	(52,324)	(69,170)	(63,148)	(54,512)	(52,092)	(53,162)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 288,199	\$ 290,066	\$ 290,066	\$ 353,099	\$ 409,937	\$ 437,183	\$ 569,505	\$ 532,548	\$ 475,029
Contributions as a percentage of covered-employee payroll	18.52%	18.72%	17.63%	14.82%	16.87%	14.44%	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 NINE FISCAL YEARS

	2022	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%	0.00%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 11,474,711	\$ 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	2,013,678	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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	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 FIVE FISCAL YEARS*

	2022	2021	2020	2019	2018
District's Total OPEB Liability					
Service Cost	\$ 804,790	\$ 457,486	\$ 451,004	\$ 551,817	\$ 664,364
Interest Cost	468,906	490,483	613,209	629,863	544,977
Difference between Expected and Actual Differences	(4,832,039)	3,658,554	(2,716,353)	(633,992)	-
Changes of Benefit Terms	(19,240)	-	-	-	-
Changes of Assumptions	17,833	4,017,356	204,870	(1,789,822)	(2,231,613)
Contributions: Member	11,988	11,605	12,503	14,414	14,705
Gross Benefit Payments	(369,366)	(382,879)	(421,788)	(417,056)	(399,354)
Net Change in District's Total OPEB Liability	(3,917,128)	8,252,605	(1,856,555)	(1,644,776)	(1,406,921)
District's Total OPEB Liability (Beginning)	21,992,950	13,740,345	15,596,900	17,241,676	18,648,597
District's Total OPEB Liability (Ending)	<u>\$ 18,075,822</u>	<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	\$ 2,301,877	\$ 2,414,087	\$ 2,870,766	\$ 3,145,014	\$ 3,105,302
District's Net OPEB Liability as a Percentage of Payroll	785.26%	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.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.21% as of June 30, 2020, to 2.16% as of June 30, 2021.

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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, 2022**

	CARES STABILIZATION FUND	ESEA		TITLE IV	REAP	CRRSA			
		TITLE I PART A	TITLE II PART A			ESSER II ACCELERATED LEARNING	ESSER II MENTAL HEALTH		
Revenues:									
Federal Sources	\$ 13,862	\$ 94,422	\$ 19,940	\$ 10,000	\$ 16,033	\$ 319,672	\$ 22,259	\$ 10,414	
Total Revenues	\$ 13,862	\$ 94,422	\$ 19,940	\$ 10,000	\$ 16,033	\$ 319,672	\$ 22,259	\$ 10,414	
Expenditures:									
Instruction:									
Salaries of Teachers	\$ -	\$ 58,655	\$ 11,036	\$ -	\$ -	\$ 1,650	\$ 14,400	\$ -	
Other Salaries for Instruction	-	-	-	-	-	-	1,702	-	
Other Purchased Services	-	-	-	-	-	124,397	-	1,504	
General Supplies	-	4,609	-	-	16,033	17,000	5,056	-	
Total Instruction	-	63,264	11,036	-	16,033	143,047	21,158	1,504	
Support Services:									
Other Salaries	1,194	-	-	-	-	20,000	-	3,555	
Personal Services - Employee Benefits	-	31,158	5,862	-	-	126	1,101	272	
Purchased Professional & Technical Services	-	-	-	10,000	-	88,289	-	-	
Purchased Professional Educational Services	-	-	-	-	-	52,954	-	-	
Other Purchased Services	-	-	3,042	-	-	-	-	-	
Supplies and Materials	12,546	-	-	-	-	15,256	-	5,083	
Total Support Services	13,740	31,158	8,904	10,000	-	176,625	1,101	8,910	
Facilities Acquisitions & Construction Services:									
Non-Instructional Equipment	122	-	-	-	-	-	-	-	
Total Facilities Acquisitions & Construction Services	122	-	-	-	-	-	-	-	
Total Expenditures	\$ 13,862	\$ 94,422	\$ 19,940	\$ 10,000	\$ 16,033	\$ 319,672	\$ 22,259	\$ 10,414	

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ARP - ESSER III	ARP - ESSER III ACCELERATED LEARNING	ARP - ESSER III EVIDENCE BASED CBSD	IDEA PART B BASIC REGULAR ARP	IDEA PRESCHOOL ARP	IDEA PART B BASIC REGULAR	IDEA PRESCHOOL	STUDENT ACTIVITIES	NJ SBA SAFETY	TOTALS
Revenues:										
Federal Sources	92,079	26,783	2,273	13,243	1,129	87,504	3,617	-	-	733,230
Local Sources	-	-	-	-	-	-	-	17,774	939	18,713
Total Revenues	92,079	26,783	2,273	13,243	1,129	87,504	3,617	17,774	939	751,943
Expenditures:										
Instruction:										
Salaries of Teachers	12,031	-	2,273	-	-	-	-	-	-	100,045
Other Salaries for Instruction	-	-	-	-	-	-	-	-	-	1,702
Purchased Professional Educational Services	-	-	-	-	-	30,000	-	-	-	30,000
Other Purchased Services	-	-	-	13,243	-	57,504	-	-	-	196,648
General Supplies	40,362	6,160	-	-	-	-	-	-	-	89,220
Total Instruction	52,393	6,160	2,273	13,243	-	87,504	-	-	-	417,615
Support Services:										
Other Salaries	-	-	-	-	-	-	-	-	-	24,749
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-	-	38,519
Purchased Professional & Technical Services	-	-	-	-	1,129	-	-	-	-	99,418
Purchased Professional Educational Services	39,360	-	-	-	-	-	3,617	-	-	95,931
Other Purchased Services	-	-	-	-	-	-	-	-	-	3,042
Supplies and Materials	326	20,623	-	-	-	-	-	-	939	54,773
Student Activities	-	-	-	-	-	-	-	16,192	-	16,192
Total Support Services	39,686	20,623	-	-	1,129	-	3,617	16,192	939	332,624
Facilities Acquisitions & Construction Services:										
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	122
Total Facilities Acquisitions and Construction Services	-	-	-	-	-	-	-	-	-	122
Total Expenditures	92,079	26,783	2,273	13,243	1,129	87,504	3,617	16,192	939	750,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	1,582	-	1,582
Fund Balance, July 1	-	-	-	-	-	-	-	23,226	-	23,226
Fund Balance, June 30	-	-	-	-	-	-	-	24,808	-	24,808

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, 2022**

	Business-Type Activities		Total
	Food Service Fund	Other Funds	
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 62,619	\$ 4,468	\$ 67,087
Accounts Receivable:			
State	142	-	142
Federal	6,150	-	6,150
Other	41	461	502
Interfunds Receivable	20,000		20,000
Inventories	2,703	-	2,703
Total Current Assets	91,655	4,929	96,584
Capital Assets:			
Equipment	64,345	-	64,345
Accumulated Depreciation	(52,876)	-	(52,876)
Total Capital Assets	11,469	-	11,469
Total Assets	103,124	4,929	108,053
LIABILITIES			
Unearned Revenue	1,013	961	1,974
Compensated Absence Payable	2,415	-	2,415
Accounts Payable	-	-	-
Total Liabilities	3,428	961	4,389
NET POSITION			
Net Investment in Capital Assets	11,469	-	11,469
Unrestricted	88,227	3,968	92,195
Total Net Position	\$ 99,696	\$ 3,968	\$ 103,664

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-type Activities		
	Food Service Fund	Other Funds	Total
Operating Revenues:			
Local Sources:			
Daily Sales - Nonreimbursable Programs	\$ 18,568	\$ -	\$ 18,568
Tuition	-	40,794	40,794
Total Operating Revenue	18,568	40,794	59,362
Operating Expenses:			
Salaries	47,898	35,177	83,075
Employee Benefits	18,583	3,507	22,090
Supplies & Materials	2,840	933	3,773
Other Purchased Services (300-500 series)	2,120	-	2,120
Cost of Sales - Reimbursable	47,525	-	47,525
Cost of Sales - Non Reimbursable	3,803	-	3,803
Miscellaneous expenditures	50	600	650
Depreciation Expense	3,713	-	3,713
Total Operating Expenses	126,532	40,217	166,749
Operating Income/(Loss)	(107,964)	577	(107,387)
Nonoperating Revenues:			
Contributed Capital	-	-	-
State Sources:			
State School Lunch Program	3,331	-	3,331
Federal Sources:			
National School Lunch Program	141,799	-	141,799
Emergency Operating Cost Reimbursement	1,497	-	1,497
Pandemic EBT Admin Reimbursement	1,242	-	1,242
NSLP Equipment Assistance Grant	20,000	-	20,000
Food Distribution Program	11,994	-	11,994
Total Nonoperating Revenues	179,863	-	179,863
Net Income/(Loss)	71,899	577	72,476
Net Position - July 1	27,797	3,391	31,188
Net Position/(Deficit) - June 30	\$ 99,696	\$ 3,968	\$ 103,664

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-type Activities		Total
	Food Service Fund	Other Funds	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 17,363	\$ 40,395	\$ 57,758
Payments to Employees	(47,898)	(35,177)	(83,075)
Payments for Employee Benefits	(18,583)	(3,507)	(22,090)
Payments to Suppliers	(44,550)	(1,533)	(46,083)
Net Cash Provided/(Used) by Operating Activities	<u>(93,668)</u>	<u>178</u>	<u>(93,490)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	4,235	-	4,235
Federal Sources	145,076	-	145,076
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>149,311</u>	<u>-</u>	<u>149,311</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	55,643	178	55,821
Balances - Beginning of Year	<u>6,976</u>	<u>4,290</u>	<u>11,266</u>
Balances - End of Year	<u>\$ 62,619</u>	<u>\$ 4,468</u>	<u>\$ 67,087</u>

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

Operating Income/(Loss)	\$ (107,964)	\$ 577	\$ (107,387)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Food Distribution Program	11,994	-	11,994
Depreciation & Net Amortization	3,713	-	3,713
(Increase)/Decrease in Accounts Receivable	137	(54)	83
(Increase)/Decrease in Inventories	(206)	-	(206)
Increase/(Decrease) in Compensated Absences	-	-	-
Increase/(Decrease) in Unearned Income	(1,342)	(345)	(1,687)
Increase/(Decrease) in Accounts Payable	-	-	-
Total Adjustments	<u>14,296</u>	<u>(399)</u>	<u>13,897</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (93,668)</u>	<u>\$ 178</u>	<u>\$ (93,490)</u>

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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, 2022**

	FOOD SERVICES	BUSINESS SERVICES	TUITION/ TRANSPORTATION SERVICES	CHILD STUDY TEAM CONSORTIUM	ART TEACHER SERVICES	TOTAL
ASSETS						
Cash & Cash Equivalents	\$ 139	\$ 107,898	\$ 15,548	\$ 33,412	\$ 13,038	\$ 170,035
Total Assets	\$ 139	\$ 107,898	\$ 15,548	\$ 33,412	\$ 13,038	\$ 170,035
NET POSITION						
Unrestricted	139	107,898	15,548	33,412	13,038	170,035
Total Net Position	\$ 139	\$ 107,898	\$ 15,548	\$ 33,412	\$ 13,038	\$ 170,035

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	FOOD SERVICES	BUSINESS SERVICES	TUITION/ TRANSPORTATION SERVICES	CHILD STUDY TEAM CONSORTIUM	ART TEACHER SERVICES	TOTAL
Operating Revenues:						
Local Sources:						
Other Charges and Fees	\$ -	\$ 226,000	\$ -	\$ -	\$ 38,500	\$ 264,500
Total Operating Revenue	-	226,000	-	-	38,500	264,500
Operating Expenses:						
Salaries	-	166,656	-	-	31,614	198,270
Benefits	-	31,939	-	-	367	32,306
Supplies & Materials	-	361	-	-	-	361
Miscellaneous	-	3,200	-	-	-	3,200
Total Operating Expenses	-	202,156	-	-	31,981	234,137
Operating Income/(Loss)	-	23,844	-	-	6,519	30,363
Change in Net Position	-	23,844	-	-	6,519	30,363
Total Net Position - Beginning	139	84,054	15,548	33,412	6,519	139,672
Total Net Position - Ending	\$ 139	\$ 107,898	\$ 15,548	\$ 33,412	\$ 13,038	\$ 170,035

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	FOOD SERVICES	BUSINESS SERVICES	TUITION/ TRANSPORTATION SERVICES	CHILD STUDY TEAM CONSORTIUM	ART STUDY TEAM SERVICES	TOTAL
Cash Flows From Operating Activities:						
Other Charges and Fees	\$ -	\$ 226,000	\$ -	\$ -	\$ 38,500	\$ 264,500
Payments to Employees	-	(166,656)	-	-	(31,614)	(198,270)
Payments for Employee Benefits	-	(31,939)	-	-	(367)	(32,306)
Payments to Suppliers	-	(3,561)	-	-	-	(3,561)
Net Cash Provided/(Used) by Operating Activities	-	23,844	-	-	6,519	30,363
Net Increase/(Decrease) in Cash & Cash Equivalents	-	23,844	-	-	6,519	30,363
Balances - Beginning of Year	139	84,054	15,548	33,412	6,519	139,672
Balances - Ending of Year	139	107,898	15,548	33,412	13,038	170,035

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

Operating Income/(Loss)	\$ -	\$ 23,844	\$ -	\$ -	\$ 6,519	\$ 30,363
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Increase/(Decrease) in Accounts Payable	-	-	-	-	-	-
Net Cash Provided/(Used) by Operating Activities	\$ -	\$ 23,844	\$ -	\$ -	\$ 6,519	\$ 30,363

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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, 2022

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2021	RETIRED	BALANCE JUNE 30, 2022
			DATE	AMOUNT				
REFUNDING BONDS OF 2014	10/16/14	\$ 2,075,000	3/1/23	\$ 200,000	2.500%	\$ 795,000	\$ 205,000	\$ 590,000
			3/1/24	195,000	2.625%			
			3/1/25	195,000	2.625%			
Total						\$ 795,000	\$ 205,000	\$ 590,000

ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LOANS PAYABLE
JUNE 30, 2022

SERIES	DATE OF LOAN	TERM OF LOAN	AMOUNT OF ORIGINAL LOAN PRINCIPAL	INTEREST RATE	INTEREST RATE	AMOUNT OUTSTANDING JULY 1, 2021	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2022
Technology	10/1/20	5 Years	\$ 83,435	7,193	8.621%	\$ 65,310	-	-	\$ 49,883
Total									
			\$			\$ 65,310	\$	\$ 15,427	\$ 49,883

**ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 225,363	\$ -	\$ 225,363	\$ 225,363	\$ -
Total Revenues	225,363	-	225,363	225,363	-
Expenditures:					
Regular Debt Service:					
Interest	20,363	-	20,363	20,363	-
Redemption of Principal	205,000	-	205,000	205,000	-
Total Expenditures	225,363	-	225,363	225,363	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	-	-
Fund Balances July 1,	1	-	1	1	-
Fund Balances June 30,	\$ 1	\$ -	\$ 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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 3,915,525	\$ 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
Restricted	2,241,911	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
Unrestricted	(268,030)	(634,854)	(1,316,159)	(1,638,821)	(1,695,984)	(1,495,114)	(1,430,774)	(1,482,420)	(182,804)	(156,338)
Total Governmental Activities Net Position	\$ 5,889,406	\$ 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
Business-Type Activities:										
Net Investment in Capital Assets	\$ 11,469	\$ 15,182	\$ 18,245	\$ 20,770	\$ 23,485	\$ 26,198	\$ 19,748	\$ 11,879	\$ 4,363	\$ 4,537
Unrestricted	92,195	16,006	11,705	4,692	(4,525)	2,770	(6,062)	3,740	13,005	11,390
Total Business-Type Activities Net Position	\$ 103,664	\$ 31,188	\$ 29,950	\$ 25,462	\$ 18,960	\$ 28,968	\$ 13,686	\$ 15,619	\$ 17,368	\$ 15,927
District-Wide:										
Net Investment in Capital Assets	\$ 3,926,994	\$ 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
Restricted	2,241,911	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
Unrestricted	(175,835)	(618,848)	(1,304,454)	(1,634,129)	(1,700,509)	(1,492,344)	(1,436,836)	(1,478,680)	(169,799)	(144,948)
Total District Net Position	\$ 5,993,070	\$ 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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 1,836,776	\$ 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
Special Education	471,477	350,689	560,628	524,234	532,888	494,389	551,878	464,598	515,937	504,953
Other Special Instruction	6,827	88,846	57,887	76,124	82,339	62,833	128,394	158,520	169,305	164,465
Other Instruction	10,385	6,617	7,202	10,112	10,746	29,825	29,269	30,985	31,489	30,215
Support Services & Undistributed Costs:										
Student & Instruction Related Services	4,009,502	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
General Administration	195,100	228,808	267,015	340,985	282,131	201,192	281,273	275,712	248,738	270,797
School Administrative Services	111,687	76,982	69,713	76,812	82,866	135,563	143,006	124,732	142,917	132,697
Central Services	161,304	155,089	357,035	375,656	364,556	346,851	323,862	391,976	365,370	368,003
Administrative Information Technology	-	-	-	-	420	578	2,575	1,697	2,378	588
Plant Operations & Maintenance	407,531	346,497	351,502	375,662	330,187	350,435	402,302	419,411	457,900	399,613
Pupil Transportation	569,204	394,648	427,880	452,875	411,379	447,606	546,707	497,998	410,698	421,885
Unallocated Benefits	1,529,087	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
Interest on long-term debt	289,314	294,928	34,108	41,140	48,241	54,689	59,708	92,128	97,640	103,640
Capital Outlay	39,867	68,769	35,593	35,593	35,593	44,343	47,530	43,768	12,593	23,083
Transfer to Charter Schools	-	-	100,399	-	-	-	-	-	-	-
Unallocated Depreciation	254,605	258,175	259,011	261,202	262,082	259,795	247,034	234,875	234,426	236,764
Total Governmental Activities	9,892,666	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
Expenses										
Business-Type Activities:										
Food Service	126,532	120,127	111,151	120,699	142,890	150,420	148,862	146,010	152,100	148,094
Childcare	40,217	27,969	36,784	34,622	48,698	60,707	78,280	92,080	81,306	77,362
Total Business-Type Activities	166,749	148,096	147,935	155,321	191,588	211,127	227,142	238,090	233,406	225,456
Expense										
Total District Expenses	\$ 10,059,415	\$ 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
Program Revenues:										
Governmental Activities:										
Charges for Services:	\$ 264,500	\$ 298,900	\$ 302,500	\$ 352,728	\$ 342,000	\$ 370,257	\$ 435,085	\$ 486,664	\$ 420,501	\$ 426,465
Operating Grants & Contributions	1,912,197	2,469,675	274,142	260,129	275,950	269,747	249,856	179,826	192,382	217,698
Total Governmental Activities	\$ 2,176,697	\$ 2,768,575	\$ 576,642	\$ 612,857	\$ 617,950	\$ 640,004	\$ 684,941	\$ 666,490	\$ 612,883	\$ 644,163
Program Revenues										

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FISCAL YEAR ENDING JUNE 30.										
Business-Type Activities										
Charges for Services:										
Food Service	18,568	1,921	47,708	71,606	72,535	84,419	83,990	81,429	92,532	95,786
Childcare	40,794	24,401	30,337	44,141	49,393	59,752	77,309	84,938	85,298	71,264
Operating Grants & Contributions	179,863	123,151	44,378	39,076	44,152	44,488	44,490	47,474	46,217	40,838
Total Business Type Activities	239,225	149,473	122,423	154,823	166,080	188,659	205,789	213,841	224,047	207,888
Program Revenues	2,415,922	2,918,048	699,065	767,680	784,030	828,663	890,730	880,331	836,930	852,051
Total District Program Revenues	\$ 2,655,147	\$ 3,067,521	\$ 821,488	\$ 922,503	\$ 950,110	\$ 1,017,322	\$ 1,096,519	\$ 1,094,172	\$ 1,063,967	\$ 1,060,939
Net (Expense)/Revenue:										
Governmental Activities	\$ (7,715,969)	\$ (7,671,987)	\$ (8,796,147)	\$ (9,594,307)	\$ (9,355,686)	\$ (8,642,219)	\$ (8,485,202)	\$ (8,379,749)	\$ (7,850,023)	\$ (8,359,965)
Business-Type Activities	72,476	1,377	(25,512)	(498)	(25,508)	(22,468)	(21,353)	(24,249)	(9,359)	(17,568)
Total District-Wide Net Expense	\$ (7,643,493)	\$ (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)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	4,197,278	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
Taxes Levied for Debt Service	225,363	234,562	243,863	247,262	258,713	248,467	275,240	282,640	253,640	259,640
Federal & State Aid Not Restricted	4,216,959	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
Tuition	24,848	4,080	10,346	14,666	41,482	12,393	-	-	-	24,413
Transportation Fees	-	-	25,534	27,065	20,458	1,722	-	-	-	-
Investment Earnings	235	1,831	8,157	8,577	3,651	6,229	22,315	21,590	26,882	26,706
Miscellaneous Income	27,898	4,397	(16,712)	21,046	54,232	5,071	51,283	215	3,419	11,999
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	8,692,581	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
Business-Type Activities	-	-	-	-	-	9,380	-	-	-	-
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	\$ 8,692,581	\$ 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
Change in Net Position:										
Governmental Activities	\$ 976,612	\$ 511,167	\$ 493,908	\$ 112,267	\$ (504,495)	\$ (196,891)	\$ (72,028)	\$ (110,046)	\$ 177,684	\$ (402,096)
Business-Type Activities	72,476	1,377	4,488	4,502	(8,008)	(3,048)	1,147	(13,449)	2,778	(17,568)
Total District	\$ 1,049,088	\$ 512,544	\$ 498,396	\$ 116,769	\$ (512,503)	\$ (199,939)	\$ (70,881)	\$ (123,495)	\$ 180,462	\$ (419,664)

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted	\$ 2,217,102	\$ 1,573,269	\$ 1,597,721	\$ 1,397,247	\$ 1,235,165	\$ 951,733	\$ 721,591	\$ 690,750	\$ 783,296	\$ 725,273
Assigned	376,860	270,644	108,961	88,697	189,452	107,402	217,731	296,985	195,800	212,981
Unassigned	369,863	382,811	140,162	9,231	(8,626)	(929)	(28,010)	(144,165)	(87,844)	(35,752)
Total General Fund	\$ 2,963,825	\$ 2,226,724	\$ 1,846,844	\$ 1,495,175	\$ 1,415,991	\$ 1,058,206	\$ 911,312	\$ 843,570	\$ 891,252	\$ 902,502
All Other Governmental Funds:										
Restricted										
Special Revenue Fund	\$ 24,808	\$ 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	1	9,675	30,671	-	-
Total All Other Governmental Funds	\$ 24,809	\$ 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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Tax Levy	\$ 4,422,641	\$ 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
Tuition	24,848	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	235	1,831	8,157	8,577	3,651	3,205	6,229	22,315	21,590	26,882
Miscellaneous	46,611	21,135	18,360	24,585	57,304	7,815	7,546	55,855	215	7,541
State Sources	5,472,831	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
Federal Sources	750,054	320,363	269,437	256,590	272,878	267,192	247,381	175,254	192,382	213,576
Total Revenue	10,717,220	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
Expenditures:										
Current Expense:										
Instruction	2,325,465	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
Undistributed Expenditures	7,064,702	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
Capital Outlay	38,100	106,563	35,593	84,450	97,285	70,025	457,694	112,087	67,860	39,733
Debt Service										
Principal	205,000	210,000	215,000	210,000	215,000	215,000	215,000	185,000	185,000	150,000
Interest	55,956	60,155	28,863	37,262	43,713	50,162	54,463	69,244	97,640	103,640
Total Expenditures	9,689,223	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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,027,997	568,820	512,199	84,184	375,285	166,220	(408,796)	8,370	404,959	(265,036)
Other Financing Sources/(Uses):										
Refunding Bond Proceeds	-	-	-	-	-	-	-	9,675	-	-
Cost of Issuance	(289,314)	(294,928)	(100,399)	-	-	-	-	-	-	-
Capital Leases (Nonbudget)	-	83,435	-	-	-	-	-	-	-	-
Prior year receivable canceled	-	-	(30,367)	-	-	-	-	-	-	-
Transfer from Internal Service Funds	-	-	-	-	-	-	73,334	-	-	-
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)	(289,314)	(211,493)	(160,766)	(5,000)	(17,500)	(29,000)	61,334	(12,825)	(10,800)	44,036
Net Change in Fund Balances	\$ 738,683	\$ 357,327	\$ 351,433	\$ 79,184	\$ 357,785	\$ 137,220	\$ (347,462)	\$ (4,455)	\$ 394,159	\$ (221,000)
Debt Service as a Percentage of Noncapital Expenditures	2.8%	3.1%	2.8%	2.8%	3.1%	3.1%	3.2%	3.1%	3.7%	3.1%

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>
2022	\$ -	\$ 654	\$ -	\$ 27,244	\$ -	\$ 27,898
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

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
2022	6,223,400	214,036,100	47,105,800	6,012,000	11,437,600	-	-	284,814,900	640,220	285,455,120	1.575	306,503,322
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

Source: Salem County Abstract of Rates

**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		
2022	1.575	1.575	0.284	1.320	0.005	3.184	
2021	1.575	1.575	0.286	1.271	0.005	3.137	
2020	1.537	1.537	0.268	1.252	0.005	3.062	
2019	1.518	1.518	0.258	1.237	0.005	3.018	
2018	1.500	1.500	0.250	1.109	0.005	2.864	
2017	1.478	1.478	0.250	1.109	0.005	2.842	
2016	1.452	1.452	0.244	1.059	0.005	2.760	
2015	1.410	1.410	0.225	0.985	0.005	2.625	
2014	1.377	1.377	0.186	0.954	0.005	2.522	
2013	1.334	1.334	0.181	0.959	0.010	2.484	

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

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

TAXPAYER	2022		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
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		0.29%
Fulton Bank (The Bank)	703,000		0.25%
Taxpayer #5	693,200		0.24%
NL Properties LLC	599,000		0.21%
Taxpayer #6	578,800		0.20%
Total	\$ 12,032,000		4.25%

TAXPAYER	2013		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
T/P Campground Inc.	\$ 6,650,000		2.33%
Angelo Massari, Inc.	2,521,500		0.89%
Taxpayer #1	1,193,200		0.42%
Heritage-Cobb Mill Estates LP	1,126,900		0.40%
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		5.70%

**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
2022	\$ 4,422,641	\$ 4,422,641	100.00%
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%

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	LOANS PAYABLE		
2022	\$ 590,000	\$ 49,883	\$ 639,883	N/A
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

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		
2022	590,000	-	590,000	0.21%	N/A
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

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Alloway	\$ 946,376	100.00%	\$ 946,376
Salem County	78,474,542	5.82%	4,570,059
Subtotal, Overlapping Debt			5,516,435
Alloway Township School District Debt			590,000
Total Direct & Overlapping Debt			\$ 6,106,435

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

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

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 8,853,400	\$ 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
Total Net Debt Applicable to Limit	590,000	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
Legal Debt Margin	\$ 8,263,400	\$ 7,941,407	\$ 7,730,684	\$ 7,488,816	\$ 7,230,606	\$ 7,065,100	\$ 6,871,754	\$ 6,607,550	\$ 6,450,153	\$ 6,423,910
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (2.5%)	6.66%	9.10%	11.50%	14.01%	16.51%	18.89%	21.30%	23.90%	25.27%	26.92%

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Valuation Basis	
2021	\$ 302,308,960
2020	289,877,691
2019	293,153,365

\$ 885,340,016

\$ 295,113,339

\$ 8,853,400

590,000

\$ 8,263,400

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)
2022	3,286	N/A	\$54,578	5.70%
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%

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular	21.4	23.3	23.4	24.8	24.8	24.8	30.0	30.0	32.0	32.0
Special Education	11.7	9.7	11.3	12.6	14.2	13.4	12.0	12.0	11.0	13.0
Support Services:										
Student & instruction related services	3.0	2.5	3.6	4.3	4.3	4.3	4.0	4.0	2.5	2.5
General & Business Administrative Services	2.5	2.0	1.2	1.2	1.5	1.5	1.5	1.5	1.5	1.5
School Administrative Services	1.8	1.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Business & Other Support Services	2.4	2.2	2.2	2.0	2.5	2.5	2.0	2.0	2.0	1.5
Plant Operations & Maintenance	5.0	4.8	3.0	3.5	3.5	3.5	3.9	4.1	4.1	5.0
Food Service	2.9	2.8	2.8	2.8	3.3	3.4	3.5	3.5	3.5	4.0
Childcare	2.5	1.5	2.0	2.0	2.0	2.0	2.0	3.5	3.5	4.0
Total	53.2	50.2	51.5	55.2	58.1	57.4	60.9	62.6	62.1	65.5

Source: District Personnel Records

ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2022	297	\$ 9,390,167	31,617	8.76%	27	1:11	297.0	281.3	-0.53%	94.71%
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%

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 YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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)	297	298	324	360	361	375	384	376	384	401
Enrollment										

Number of Schools at June 30, 2022:
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	10,799	10,799
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, 2022**

	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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HOLT MCNALLY & ASSOCIATES

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, 2022, 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 8, 2023.

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

618 Stokes Road, Medford, NJ 08055

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on 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 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 were 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 8, 2023



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR 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 Federal and State Program

Opinion on Each Major Federal and 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 federal and state programs for the fiscal year ended June 30, 2022. The School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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 federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District’s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding No. 2022-001. Our opinions on each major federal and state program is not modified with respect to these matters.

School District's Response to Findings

The School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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
Certified Public Accountants & Advisors



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

Medford, New Jersey
March 8, 2023

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ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2022

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, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2022	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	221NJ304N1099	Unavailable	\$11,994	7/1/21-6/30/22	\$ -	\$ 11,994	\$ (11,994)	\$ -	\$ -	\$ -	\$ -	\$ -
NSLP Equipment Assistance	10.579	221NJ304N1099	100-010-33-50-007	20,000	7/1/20-6/30/22	-	20,000	(20,000)	-	-	-	-	-
COVID-19 Emergency Operational Cost Reimbursement	10.555	221NJ304N1099	100-010-33-50-112	1,497	7/1/21-6/30/22	-	1,497	(1,497)	-	-	-	-	-
COVID-19 National School Lunch Program	10.555	221NJ304N1099	100-010-33-50-026	102,724	7/1/20-6/30/21	(6,557)	6,557	-	-	-	-	-	-
COVID-19 National School Lunch Program	10.555	221NJ304N1099	100-010-33-50-026	141,799	7/1/21-6/30/22	-	135,649	(141,799)	-	-	(6,150)	-	-
COVID-19 Healthy Hunger-Free Kids Act	10.555	221NJ304N1099	100-010-33-50-026	2,049	7/1/20-6/30/21	(131)	131	-	-	-	-	-	-
Total Child Nutrition Cluster						(6,688)	175,828	(175,290)	-	-	(6,150)	-	-
COVID-19 Pandemic ERT Food Benefit Program	10.649	2022222900941	100-010-3-50-115	1,242	7/1/21-6/30/22	-	1,242	(1,242)	-	-	-	-	-
Subtotal						(6,688)	177,070	(176,532)	-	-	(6,150)	-	-
Total U.S. Department of Agriculture													
U.S. Department of Education													
Passed Through New Jersey Department of Education:													
Title I - Part A	84.010	S000A210030	100-034-5064-194	107,811	7/1/21-9/30/22	-	56,745	(94,422)	-	-	(37,677)	-	-
Subtotal	84.010	S000A200030	100-034-5064-194	95,182	7/1/20-9/30/21	(54,390)	54,390	(94,422)	-	-	(37,677)	-	-
Title IIIA - Part A	84.367	S367A210029	100-034-5065-290	19,071	7/1/21-9/30/22	(11,093)	11,755	(19,940)	-	-	(8,185)	-	-
Subtotal	84.367	S367A200029	100-034-5065-290	18,856	7/1/20-9/30/21	(11,093)	11,094	(19,940)	-	-	(8,185)	-	-
Title IV	84.424A	S424A210031	100-034-5065-348	10,000	7/1/21-9/30/22	(20,000)	10,000	(10,000)	-	-	-	-	-
Subtotal	84.424A	S424A200031	100-034-5064-187	20,000	7/1/20-9/30/21	(20,000)	20,000	(10,000)	-	-	-	-	-
Rural Education Achievement Program	84.358	S3588210030	100-034-5064-187	16,663	7/1/21-9/30/22	(14,411)	14,411	(16,033)	-	-	(1,603)	-	-
Subtotal	84.358	S3588200030	100-034-5064-187	18,155	7/1/20-9/30/21	(14,411)	14,411	(16,033)	-	-	(1,603)	-	-
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	100-034-5065-016	87,504	7/1/21-9/30/22	-	-	(87,504)	-	-	(87,504)	-	-
Subtotal	84.027A	H027A200100	100-034-5065-016	89,396	7/1/20-9/30/21	(18,046)	18,046	(87,504)	-	-	(87,504)	-	-
COVID-19 I.D.E.A. Basic - ARP Funds	84.027X	H027X210100	100-034-5065-094	13,243	7/1/21-9/30/22	-	-	(13,243)	-	-	(13,243)	-	-
Subtotal													
I.D.E.A. Preschool	84.173A	H173A210114	100-034-5065-020	3,617	7/1/21-9/30/22	-	3,617	(3,617)	-	-	-	-	-
Subtotal	84.173A	H173A200114	100-034-5065-020	3,590	7/1/20-9/30/21	(1,436)	1,436	(3,617)	-	-	-	-	-
COVID-19 I.D.E.A. Preschool - ARP Funds	84.173X	H173X210114	100-034-5065-020	1,129	7/1/21-9/30/22	-	-	(1,129)	-	-	(1,129)	-	-
Subtotal													
Total Special Education Cluster						(19,482)	23,099	(105,493)	-	-	(101,876)	-	-
Education Stabilization Fund													
COVID-19 CARES Stabilization Fund	84.425D	S425D200027	100-034-5120-513	85,696	3/13/20-9/30/22	(60,761)	66,898	(13,862)	-	-	(7,225)	-	-
Subtotal						(60,761)	66,898	(13,862)	-	-	(7,225)	-	-
COVID-19 CRBSA - ESSER II	84.425D	S425D200027	100-034-5120-518	350,654	3/13/20-9/30/23	-	301,794	(319,672)	-	-	(17,878)	-	-
COVID-19 CRBSA - ESSER II - Accelerated Learning	84.425D	S425D200027	100-034-5120-518	25,000	3/13/20-9/30/23	-	22,258	(22,259)	-	-	(1)	-	-
Subtotal	84.425D	S425D200027	100-034-5120-518	45,000	3/13/20-9/30/23	-	10,414	(10,414)	-	-	(1)	-	-
COVID-19 ARP - ESSER III	84.425U	S425U210027	100-034-5120-523	788,072	3/13/20-9/30/24	-	-	(92,079)	-	-	(92,079)	-	-
Subtotal	84.425U	S425U200027	100-034-5120-523	50,000	3/13/20-9/30/24	-	-	(26,783)	-	-	(26,783)	-	-
COVID-19 ARP - Evidence Based CBSD	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	-	(2,273)	-	-	(2,273)	-	-
Subtotal													
Total Education Stabilization Fund						(60,761)	401,364	(487,342)	-	-	(146,739)	-	-
Total US Department of Education						(180,048)	602,768	(733,230)	-	-	(310,510)	-	-
Total Special Revenue Fund						(180,048)	602,768	(733,230)	-	-	(310,510)	-	-
Total Expenditures of Federal Awards						\$ (186,736)	\$ 779,838	\$ (909,762)	\$ -	\$ -	\$ (316,660)	\$ -	\$ -

ALLOWAY TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2022

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	BALANCE AT JUNE 30, 2022			MEMO CUMULATIVE TOTAL EXPENDITURES	
								(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR		
New Jersey Department of Education:												
General Fund:												
Categorical Special Education Aid	495-034-5120-089	\$ 370,315	7/1/21-6/30/22	\$ -	\$ 370,315	\$ (370,315)	\$ -	\$ -	\$ -	\$ -	\$ 370,315	
Equalization Aid	495-034-5120-078	2,616,594	7/1/21-6/30/22	-	2,616,594	(2,616,594)	-	-	-	-	2,616,594	
Security Aid	495-034-5120-084	47,622	7/1/21-6/30/22	-	47,622	(47,622)	-	-	-	-	47,622	
Total State Aid Public				-	3,034,531	(3,034,531)	-	-	-	-	3,034,531	
Categorical Transportation Aid	495-034-5120-014	218,309	7/1/21-6/30/22	-	218,309	(218,309)	-	-	-	-	218,309	
Nonpublic Transportation Aid	495-034-5120-014	3,770	7/1/21-6/30/22	-	-	(3,770)	-	-	-	-	3,770	
Nonpublic Transportation Aid	495-034-5120-014	5,220	7/1/20-6/30/21	(5,220)	5,220	-	-	-	-	-	-	
Total Transportation Aid				(5,220)	223,529	(222,079)	-	(3,770)	-	20,677	222,079	
Extraordinary Aid	495-034-5120-044	364,971	7/1/21-6/30/22	-	-	(364,971)	-	-	-	-	364,971	
Extraordinary Aid	495-034-5120-044	395,184	7/1/20-6/30/21	(395,184)	395,184	-	-	(364,971)	-	-	-	
Stabilization Aid	495-034-5120-114	570,599	7/1/21-6/30/22	-	570,599	(570,599)	-	-	-	-	570,599	
Education Rescue Aid	100-034-5120-521	11,580	7/1/21-6/30/22	-	11,580	(11,580)	-	-	-	-	11,580	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	154,435	7/1/21-6/30/22	-	146,695	(154,435)	-	(7,740)	-	-	154,435	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	158,935	7/1/20-6/30/21	(7,172)	7,172	-	-	-	-	-	-	
Nonecash Assistance:												
On Behalf Post Retirement Long Term Disability Insurance Contributions	495-034-5094-004	377	7/1/21-6/30/22	-	377	(377)	-	-	-	-	377	
On Behalf TPAF Pension Contributions (Non-Budgeted)	495-034-5094-002	892,529	7/1/21-6/30/22	-	892,529	(892,529)	-	-	-	-	892,529	
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	495-034-5094-001	208,531	7/1/21-6/30/22	-	208,531	(208,531)	-	-	-	-	208,531	
Total General Fund				(407,576)	5,490,727	(5,459,632)	-	(376,481)	-	308,083	5,459,632	
Special Revenue Fund:												
N.J. School Development Authority Aid: Emergent and Capital Maintenance Needs	unavailable	7,782	7/1/21-6/30/22	-	7,782	-	-	7,782	-	-	-	
Total Special Revenue Fund				-	7,782	-	-	7,782	-	-	-	
Enterprise Fund:												
National School Lunch Program (State Share)	100-010-3350-023	3,331	7/1/21-6/30/22	-	3,189	(3,331)	-	(142)	-	-	3,331	
National School Lunch Program (State Share)	100-010-3350-023	5,103	7/1/20-6/30/21	(1,046)	1,046	-	-	-	-	-	-	
Total Enterprise Fund				(1,046)	4,235	(3,331)	-	(142)	-	-	3,331	
Total State Financial Assistance				(408,622)	5,502,744	(5,462,963)	\$ -	(376,623)	\$ 7,782	\$ -	\$ 308,083	
Less: Grants Not Subject to Major Program Determination:												
On Behalf Post Retirement Long Term Disability Insurance Contributions	100-034-5094-004	377	7/1/21-6/30/22	-	-	377	-	-	-	-	-	
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-002	892,529	7/1/21-6/30/22	-	-	892,529	-	-	-	-	-	
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	208,531	7/1/21-6/30/22	-	-	208,531	-	-	-	-	-	
Total State Financial Assistance subject to Calculation for Major Program Determination											\$ (4,361,526)	

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022. 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, 2022.

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, 2022**

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 \$13,199 for the general fund and \$16,824 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	\$ -	\$ 5,472,831	\$ 5,472,831
Special Revenue Fund	750,054	-	750,054
Food Service Fund	176,532	3,331	179,863
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 926,586</u>	<u>\$ 5,476,162</u>	<u>\$ 6,402,748</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, 2022.

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, 2022**

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

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>ALN Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Education Stabilization Fund:</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>COVID-19 C.R.R.S.A</u>
<u> </u>	<u> </u>	<u>COVID-19 A.R.P</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee? yes X no

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

State Financial Assistance

Dollar threshold used to determine Type A programs _____ \$ 750,000 _____

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

 2) Significant 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? X yes no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078	State Aid Public:
495-034-5120-084	Equalization Aid
495-034-5120-089	Security Aid
	Special Education Categorical Aid

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022**

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

None.

STATE FINANCIAL ASSISTANCE

Finding No. 2022-001

Information on the State Program

State Aid Public:	
Equalization Aid	495-034-5120-078
Security Aid	495-034-5120-084
Special Education Categorical Aid	495-034-5120-089

Criteria or Specific Requirement:

N.J.S.A 18A:17-10 requires Districts to submit the Annual Board Secretary's Report to the Executive County Superintendent by August 1.

Condition:

The District was late and submitted the report on October 3, 2022.

Questioned Costs:

None.

Context:

The District's needed to submit the Board Secretary's Report by August 1, 2022.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

STATE FINANCIAL ASSISTANCE (continued)

Finding No. 2022-001 (continued)

Effect or Potential Effect:

The District did not comply with N.J.S.A 18A:17-10 requirements.

Cause:

The District lacked oversight on this process.

Identification as a Repeat Finding

This is not a repeat finding.

Recommendation:

The District should establish procedures to ensure that it timely submits reports.

View of Responsible Officials:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

**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, 2022**

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.