

**ALLOWAY TOWNSHIP  
SCHOOL DISTRICT**

**Alloway Township School District  
Board of Education  
Alloway, Salem County  
New Jersey**

**Annual Comprehensive Financial Report  
For The Fiscal Year Ended June 30, 2023**

# **Annual Comprehensive**

# **Financial Report**

**of the**

**Alloway Township School District**

**Board of Education**

**Alloway, New Jersey**

**For the Fiscal Year Ending June 30, 2023**

**Prepared by**

**Alloway Township School District**

**Board of Education**

**Finance Department**

# OUTLINE OF ACFR

## INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

## FINANCIAL SECTION

<b>Independent Auditor's Report</b>	7-10
<b>Required Supplementary Information – Part I Management’s Discussion and Analysis</b>	12-18

### Basic Financial Statements

A. District-Wide Financial Statements:	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	25
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Funds:	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	28
B-6 Statement of Cash Flows	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A

<b>Notes to the Financial Statements</b>	31-59
--	-------

### Required Supplementary Information – Part II

C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	62-71
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	72
<b>Notes to Required Supplementary Information-Part II</b>	
C-3 Budget-to-GAAP Reconciliation	73

## OUTLINE OF ACFR

<b>Required Supplementary Information – Part III</b>	<u>Page</u>
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1/L- Schedule of the District's Proportionate Share of the Net Pension Liability	74
L-2 Schedule of District Contributions	75
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of the Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	76
 <b>Notes to Required Supplementary Information - Part III</b>	 77
 <b>Other Supplementary Information</b>	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
D-4 Schedule of DEOA Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	80-82
E-2 Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	83
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	89
F-2 Summary Schedule of Revenues and Expenditures	90
F-2a Schedule of Project Revenues and Expenditures-Auditorium & Lab Renovation	91
F-2b Schedule of Project Revenues and Expenditures-Lafayette-Pershing Site Expansion	92
G. Proprietary Funds	
Enterprise Fund:	
G-1 Combining Statement of Net Position	See B-4
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3 Combining Statement of Cash Flows	See B-6
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

## OUTLINE OF ACFR

<b>Other Supplementary Information-(Continued)</b>		<u>Page</u>
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	N/A
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds	88
I-2	Schedule of Obligations Under Capital Leases	89
I-3	Budgetary Comparison Schedule Debt Service Fund	90

## STATISTICAL SECTION (Unaudited)

### Introduction to the Statistical Section

#### Financial Trends

J-1	Net Position by Component	92
J-2	Changes in Net Position	93-94
J-3	Fund Balances - Governmental Funds	95
J-4	Changes in Fund Balances - Governmental Funds	96
J-5	General Fund Other Local Revenue by Source	97

#### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property	98
J-7	Direct and Overlapping Property Tax Rates	99
J-8	Principal Property Taxpayers	100
J-9	Property Tax Levies and Collections	101

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type	102
J-11	Ratios of General Bonded Debt Outstanding	103
J-12	Direct and Overlapping Governmental Activities Debt	104
J-13	Legal Debt Margin Information	105

#### Demographic and Economic Information

J-14	Demographic and Economic Statistics	106
J-15	Principal Employers	107

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	108
J-17	Operating Statistics	109
J-18	School Building Information	110
J-19	Schedule of Required Maintenance Expenditures by School Facility	111
J-20	Insurance Schedule	112

## OUTLINE OF ACFR

### SINGLE AUDIT SECTION

	<u>Page</u>
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	114-115
K-2 Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by <i>Uniform Guidance</i> and <i>New Jersey OMB's circular 15-08</i>	116-118
K-3 Schedule of Expenditures of Federal Awards, Schedule A	119
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	120
K-5 Notes to the Schedules of Awards and Financial Assistance	121-122
K-6 Schedule of Findings and Questioned Costs	123-125
K-7 Summary Schedule of Prior Audit Findings	126

## **Introductory Section**



**Alloway Township School**  
*Home of the Tigers*

***Amy Morley***  
*Chief School Administrator*

***Melanie M. Allen***  
*Business Administrator*

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February 16, 2024

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, 2023, 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 and 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, 2023, 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 2022-2023 school year with an average daily enrollment of 299, which is a slight increase 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**

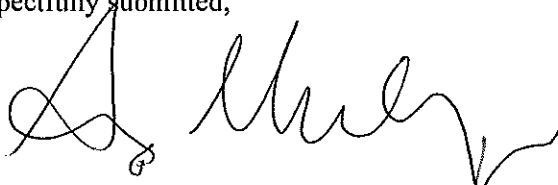
### *INDEPENDENT AUDIT*

State statutes require an annual audit by independent certified public accountants. The accounting firm of Ardito & Company LLC 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,

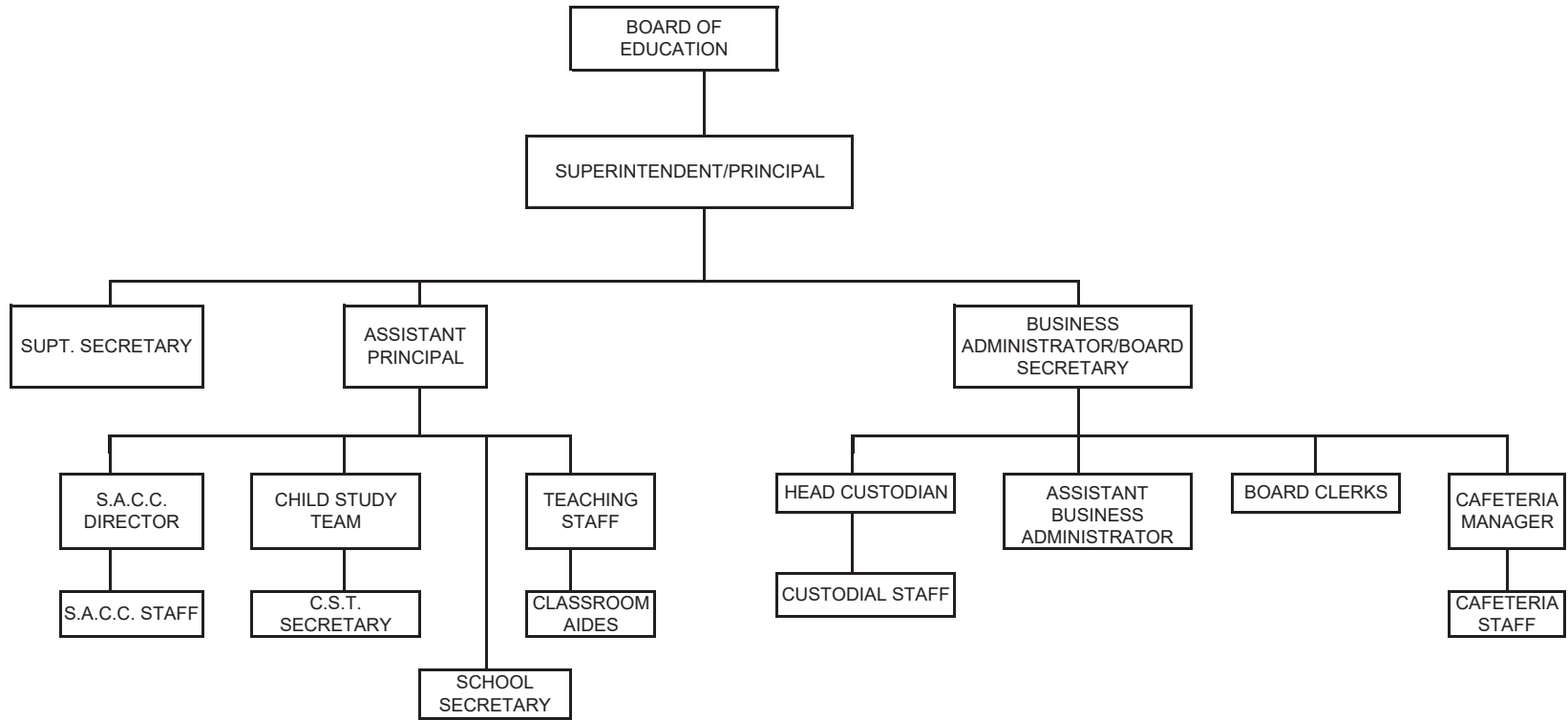
A handwritten signature in black ink, appearing to read 'Amy Morley'. The signature is fluid and cursive, with a large initial 'A' and a long, sweeping underline that extends to the right.

Amy Morley, Chief School Administrator

A handwritten signature in black ink, appearing to read 'Melanie M. Allen'. The signature is cursive and somewhat compact, with a clear 'M' and 'A'.

Melanie M. Allen, School Business Administrator/Board Secretary

**ALLOWAY TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE**



**ALLOWAY TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**June 30, 2023**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Richard Morris, Jr., President	2023
Michael Dennison, Vice-President	2025
Elizabeth Decktor	2025
Sara Cobb	2023
Joseph Fedora	2024
Jeffrey Hitchner	2024
Jeanie Horner	2025
Carla Leady	2024
Kenneth McKelvey, Jr.	2025

**Other Officials**

Constance McAllister, Interim Chief School Administrator

Melanie M. Allen, School Business Administrator/Board Secretary

**ALLOWAY TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Ardito & Company LLC**  
1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825

**ATTORNEY**

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

**OFFICIAL DEPOSITORIES**

**Fulton Bank of New Jersey**  
48 South Greenwich Street  
Alloway, New Jersey 08001

**Century Savings Bank**  
121 North Main Street  
Elmer, New Jersey 08318

## **Financial Section**



# **Independent Auditor's Report**



# **ARDITO & COMPANY LLC**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alloway Township School District Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Board of Education, as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Alloway Township School District Board of Education, and to meet our other 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.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

-Continued-

### ***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 opinions. 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*** will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Alloway Township School District Board of Education's basic financial statements. The combining and individual non-

-Continued-

major fund financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are 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 non-major fund financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the 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 our 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 February 16, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

*Ardito & Company LLC*

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
February 16, 2024

*Anthony Ardito*

Anthony Ardito  
Certified Public Accountant  
Licensed Public School Accountant No. 2369

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
February 16, 2024

**Required Supplementary Information -  
Part I**

**Management's Discussion and Analysis**

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

The discussion and analysis of Alloway Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- ◆ In total, Net Position increased \$952,097 which represents a 16.1% increase from 2022.
- ◆ General revenues accounted for \$4,531,126 in revenue or 44.7% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,598,217 or 55.3% of total revenues of \$10,129,343.
- ◆ Total assets of governmental activities increased by \$659,564, as cash and cash equivalents increased by \$695,646, receivables increased by \$222,023, and capital assets decreased by \$258,318.
- ◆ The School District had \$9,177,246 in expenses; \$5,598,217 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,531,126 were also available to provide for these programs.
- ◆ Among major funds, the General Fund had \$8,993,744 in revenues and \$8,236,153 in expenditures. The General Fund's surplus balance increased \$757,591 over 2022, which compares favorably to the budgeted decrease of \$703,524.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Alloway Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Alloway Township School District, the General Fund is by far the most significant fund.

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
  
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 24. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Funds**

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District’s Net Position for 2023 compared to 2022.

**Table 1  
Net Position**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current and Other Assets	\$ 4,270,342	\$ 3,352,460
Capital Assets	<u>4,192,303</u>	<u>4,450,621</u>
<b>Total Assets</b>	<u>8,462,645</u>	<u>7,803,081</u>
 <b>Deferred Outflows of Resources</b>	 <u>79,427</u>	 <u>115,985</u>
 <b>Liabilities</b>		
Long-Term Liabilities	276,823	492,314
Other Liabilities	<u>1,057,752</u>	<u>913,316</u>
<b>Total Liabilities</b>	<u>1,334,575</u>	<u>1,405,630</u>
 <b>Deferred Inflows of Resources</b>	 <u>332,457</u>	 <u>594,478</u>
 <b>Net Position</b>		
Invested in Capital Assets, Net of Debt	3,802,303	3,814,603
Restricted	3,157,096	2,241,911
Unrestricted	<u>(77,717)</u>	<u>(126,929)</u>
<b>Total Net Position</b>	<u>\$ 6,881,682</u>	<u>\$ 5,929,585</u>



ALLOWAY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

Total assets of governmental activities increased by \$659,564, as cash and cash equivalents increased by \$695,646, receivables increased by \$222,023, and capital assets decreased by \$258,318.

The cash increase was due to excess of budgeted revenues over expenditures and preschool education aid received but unspent.

Receivables increased due to collection of fiscal 2023 shared business services received in the subsequent year. Capital Assets decreased due to depreciations expense.

Table 2 shows the changes in Net Position from fiscal year 2022.

**Table 2  
Changes in Net Position**

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 394,719	\$ 323,862
Operating Grants and Contributions	5,203,498	6,309,019
General Revenues:		
Property Taxes	4,496,461	4,422,641
Investment Earnings	2,318	235
Other	<u>32,347</u>	<u>52,746</u>
<b>Total Revenues</b>	<u>10,129,343</u>	<u>11,108,503</u>
 <b>Program Expenses</b>		
Instruction	3,216,315	3,325,465
Support Services:		
Pupils and Instructional Staff	3,512,665	4,827,903
General Administration, School Administration, Business	568,949	468,091
Operations and Maintenance of Facilities	454,758	407,531
Pupil Transportation	714,913	569,204
Business-Type Activities	407,128	166,749
Interest, Fiscal Charges, and Unallocated Depreciation	<u>302,518</u>	<u>294,472</u>
<b>Total Expenses</b>	<u>9,177,246</u>	<u>10,059,415</u>
 Increase in Net Position	 <u>\$ 952,097</u>	 <u>\$ 1,049,088</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval in the form of ballot questions. Property taxes made up 59.8% percent of budgeted revenues for governmental activities for the Alloway Township School District for the fiscal year 2023.

Instruction comprises 35.0% of district expenses. Support services expenses make up 57.2% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of</u> <u>Services 2023</u>	<u>Net Cost of</u> <u>Services 2023</u>	<u>Total Cost of</u> <u>Services 2022</u>	<u>Net Cost of</u> <u>Services 2022</u>
Instruction	\$ 3,216,315	\$ 934,408	\$ 3,325,465	\$ 582,821
Support Services:				
Pupils and Instructional Staff	3,512,665	1,516,562	4,827,903	1,177,013
General Admin., School Admin., Business	568,949	289,852	468,091	467,969
Operation and Maintenance of Facilities	454,758	231,677	407,531	407,531
Pupil Transportation	714,913	364,214	569,204	569,204
Business-Type Activities	407,128	(60,202)	166,749	(72,476)
Interest and Fiscal Charges	302,518	302,518	294,472	294,472
<b>Total Expenses</b>	<u>\$ 9,177,246</u>	<u>\$ 3,579,029</u>	<u>\$ 10,059,415</u>	<u>\$ 3,426,534</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

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

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service and for providing academic and technical needs for high school students..

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 51.3% of expenditures are supported with tax revenues. The community, as a whole, provides significant support for the Alloway Township School District.

**The School District's Funds**

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$10,210,346 and expenditures of \$9,510,537. The General Fund's surplus balance increased \$757,591 over 2022, which compares favorably to the budgeted decrease of \$703,524.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2023 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$7,872,094, \$571,421 over original budgeted estimates of \$7,300,673. This difference was due primarily to an increase of stabilization aid and extraordinary aid.

General fund revenues exceeded expenditures by \$714,065. Again this surplus compares to a budgeted deficit of \$703,524. The budgeted deficit was reduced due to under spending of the operating budget, as well as revenue increases as noted in the preceding paragraph.

Overall general fund balance (budget basis) was \$3,985,973, and amounts ear-marked and reserved for future purposes were \$3,173,474, creating a surplus in unreserved fund balance of \$812,499. This is the maximum unreserved amount allowed by law. Management believes the district can maintain unreserved fund balances at or near the statutory maximum level.

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2023, the School District had \$4,184,547 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	<u>2023</u>	<u>2022</u>
Land	\$ 153,751	\$ 153,751
Land Improvements	9,044	13,057
Buildings and Improvements	3,829,105	4,071,668
Machinery and Equipment	<u>192,647</u>	<u>200,676</u>
 Totals	 <u>\$ 4,184,547</u>	 <u>\$ 4,439,152</u>

Overall capital assets decreased \$254,605 from fiscal year 2022 to fiscal year 2023, which was due to depreciation expense.

\$00 in Capital improvements were purchased during fiscal year 2023

**Debt Administration**

At June 30, 2023, the School District had \$490,976 as outstanding long term debt. Of this amount, \$390,000 is for bonds payable, \$33,973 is for lease obligations, \$4,227 is for bond premiums, and \$62,776 is for compensated absences.

At June 30, 2023, the School District’s overall legal debt margin was \$8,852,382 and the unvoted debt margin was the same.

**For the Future**

The Alloway Township School District is in good financial condition presently. A major concern is the lack of enrollment growth of the District as state aid is based on enrollment. This places an increased reliance on local property taxes. However, future finances are not without challenges as the budget costs continue to grow.

The Alloway Township School District ratable base has been stagnant over the last ten years placing a larger burden on current taxpayers to foot the tax bills.

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

In conclusion, the Alloway Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at Alloway Township School District, 43 Cedar Street, Alloway, NJ 08001 or visit our website at [www.allowayschool.org](http://www.allowayschool.org).

# Basic Financial Statements

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of Net Position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2023

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,283,545	\$ 71,914	\$ 2,355,459
Receivables, Net	676,667	236,818	913,485
Interfund Receivable		20,000	20,000
Inventory		2,916	2,916
Restricted Assets:			
Capital Reserve Account - Cash	668,458		668,458
Maintenance Reserve Account - Cash	310,024		310,024
Capital Assets, Net (Note 5)	4,184,547	7,756	4,192,303
<b>Total Assets</b>	<b>8,123,241</b>	<b>339,404</b>	<b>8,462,645</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges on Refunding of Debt	6,642		6,642
Pension Deferred Outflows	79,427		79,427
Total Deferred Outflows of Resources	86,069		86,069
<b>LIABILITIES</b>			
Accounts Payable		2,415	2,415
Accrued Interest Payable	2,559		2,559
Due to Other Governments	76		76
Payroll Deductions and Withholdings Payable	21,089		21,089
Interfund Payable	20,000		20,000
Net Pension Liability (Note 8)	585,286		585,286
Unearned Revenue	209,086	3,088	212,174
Noncurrent Liabilities (Note 6):			
Due Within One Year	214,153		214,153
Due Beyond One Year	276,823		276,823
<b>Total Liabilities</b>	<b>1,329,072</b>	<b>5,503</b>	<b>1,334,575</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	332,457		332,457
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	3,794,547	7,756	3,802,303
Restricted for:			
Other Purposes	3,157,096		3,157,096
Unrestricted	(403,862)	326,145	(77,717)
<b>Total Net Position</b>	<b>\$ 6,547,781</b>	<b>\$ 333,901</b>	<b>\$ 6,881,682</b>

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



ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Instruction:							
Regular	\$ 2,728,460		\$ 2,042,591		\$ (685,869)		\$ (685,869)
Special Education	447,567		219,553		(228,014)		(228,014)
Other Special Instruction	28,060		13,765		(14,295)		(14,295)
Other Instruction	12,228		5,998		(6,230)		(6,230)
Support Services:							
Tuition	2,490,794		1,221,855		(1,268,939)		(1,268,939)
Student & Instruction Related Serv.	1,021,871		774,248		(247,623)		(247,623)
School Administrative Services	166,846		81,846		(85,000)		(85,000)
General and Business Admin. Serv.	402,103		197,251		(204,852)		(204,852)
Plant Operations and Maintenance	454,758		223,081		(231,677)		(231,677)
Pupil Transportation	714,913		350,699		(364,214)		(364,214)
Interest and charges on Long-term Debt	47,913				(47,913)		(47,913)
Unallocated Depreciation	254,605				(254,605)		(254,605)
Total Governmental Activities	8,770,118	-	5,130,887		(3,639,231)		(3,639,231)
Business-Type Activities:							
Food Service	124,120	\$ 73,585	72,611			\$ 22,076	22,076
Child Care Program	47,478	56,474	-			8,996	8,996
Shared Services	235,530	264,660	-			29,130	29,130
Total Business-Type Activities	407,128	394,719	72,611	-	-	60,202	60,202
Total Primary Government	\$ 9,177,246	\$ 394,719	\$ 5,203,498		\$ (3,639,231)	\$ 60,202	\$ (3,579,029)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 4,281,224		\$ 4,281,224
Property Taxes, Levied for Debt Service					215,237		215,237
Investment Earnings					2,318		2,318
Miscellaneous Income					32,347		32,347
Transfers					-		-
Total General Revenues, Special Items, Extraordinary Items and Transfers					4,531,126		4,531,126
Change in Net Position					891,895	60,202	952,097
Net Position—Beginning					5,889,406	103,664	5,993,070
Prior Period Adjustment (Note: 20)					(233,520)	170,035	(63,485)
Net Position—Beginning (As Restated)					5,655,886	273,699	5,929,585
<b>Net Position—Ending</b>					<b>\$ 6,547,781</b>	<b>\$ 333,901</b>	<b>\$ 6,881,682</b>

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

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,234,028	\$ 27,998	\$ 1	\$ 3,262,027
Receivables from Other Governments	106,180	570,487		676,667
Other Receivables				-
Interfund Receivables	422,297			422,297
<b>TOTAL ASSETS</b>	<b>\$ 3,762,505</b>	<b>\$ 598,485</b>	<b>\$ 1</b>	<b>\$ 4,360,991</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Payroll Deductions and Withholdings Payable	\$ 21,089			21,089
Interfund Payable	20,000	\$ 422,297		442,297
Due to Federal Government		76		76
Deferred Revenue		209,086		209,086
<b>Total Liabilities</b>	<b>41,089</b>	<b>631,459</b>	<b>-</b>	<b>672,548</b>
<b>Fund Balances:</b>				
<u>Restricted for:</u>				
Maintenance Reserve	310,024			310,024
Capital Reserve Account	668,458			668,458
Excess Surplus	816,143			816,143
Excess Surplus - Designated for Subs. Years	906,527			906,527
Student Activities		27,998		27,998
<u>Assigned to:</u>				
Year-End Encumbrances	44,376			44,376
General Fund - Designated for Subsequent Year's Expenditures	427,946			427,946
<u>Unassigned:</u>				
General Fund	547,942			547,942
Special Revenue Fund		(60,972)		(60,972)
Debt Service Fund			\$ 1	1
<b>Total Fund Balances</b>	<b>3,721,416</b>	<b>(32,974)</b>	<b>1</b>	<b>3,688,443</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,762,505</b>	<b>\$ 598,485</b>	<b>\$ 1</b>	<b>\$ 4,360,991</b>

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 \$10,563,446 and the accumulated depreciation is \$6,378,899.	\$ 4,184,547
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8)	79,427
Deferred Outflows related to Loss on Refunding of Bond Debt	6,642
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(332,457)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(585,286)
Accrued Interest on Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund statements (see Note 6)	(2,559)
Long-term liabilities, including Bonds payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(490,976)
Net Position of governmental activities (Exhibit A-1)	<u>\$ 6,547,781</u>

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
<b>Local sources:</b>				
Local Tax Levy	\$ 4,281,224		\$ 215,237	\$ 4,496,461
Miscellaneous	10,422	\$ 24,243		34,665
<b>Total - Local Sources</b>	<b>4,291,646</b>	<b>24,243</b>	<b>215,237</b>	<b>4,531,126</b>
<b>State Sources</b>	<b>4,702,098</b>	<b>189,028</b>		<b>4,891,126</b>
<b>Federal Sources</b>	<b>-</b>	<b>788,094</b>		<b>788,094</b>
<b>Total Revenues</b>	<b>8,993,744</b>	<b>1,001,365</b>	<b>215,237</b>	<b>10,210,346</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Regular Instruction	1,540,915	785,556		2,326,471
Special Education Instruction	379,016			379,016
Other Special Instruction	23,762			23,762
Other Instruction	10,355			10,355
Support services and undistributed costs:				
Tuition	2,109,297			2,109,297
Student and Instruction Related Services	591,767	272,971		864,738
School Administrative Services	141,291			141,291
Other Administrative Services	340,516			340,516
Plant Operations and Maintenance	385,106			385,106
Pupil Transportation	605,415			605,415
Unallocated Benefits	1,728,955			1,728,955
Transfer to Charter School	344,165			344,165
<b>Debt Service:</b>				
Principal			200,000	200,000
Interest and Other Charges			15,237	15,237
<b>Capital Outlay</b>	<b>35,593</b>	<b>620</b>		<b>36,213</b>
<b>Total Expenditures</b>	<b>8,236,153</b>	<b>1,059,147</b>	<b>215,237</b>	<b>9,510,537</b>
Excess (Deficiency) of Revenues Over Expend.	757,591	(57,782)	-	699,809
Net Change in Fund Balances	757,591	(57,782)	-	699,809
Fund Balance—July 1	2,963,825	24,808	1	2,988,634
Prior Period Adjustment	-	-		-
Fund Balance—July 1 (Restated)	2,963,825	24,808	1	2,988,634
<b>Fund Balance—June 30</b>	<b>\$ 3,721,416</b>	<b>\$ (32,974)</b>	<b>1</b>	<b>\$ 3,688,443</b>

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



ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION  
 PROPRIETARY FUNDS

June 30, 2023

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	Child Care Program	Shared Services	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and Cash Equivalents	\$ 94,688	\$ 12,347	\$ (35,121)	\$ 71,914
Accounts Receivable	1,363	1,160	234,286	236,809
Other Accounts Receivable	9			9
Interfund Accounts Receivable	20,000			20,000
Inventories	2,916	-	-	2,916
<b>Total Current Assets</b>	<u>118,976</u>	<u>13,507</u>	<u>199,165</u>	<u>331,648</u>
<b>Noncurrent Assets:</b>				
Furniture, Machinery and Equipment	64,345			64,345
Less Accumulated Depreciation	(56,589)	-	-	(56,589)
<b>Total Noncurrent Assets</b>	<u>7,756</u>	<u>-</u>	<u>-</u>	<u>7,756</u>
<b>Total Assets</b>	<u>126,732</u>	<u>13,507</u>	<u>199,165</u>	<u>339,404</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Compensated Absences	2,415	-		2,415
Deferred Revenue	2,545	543	-	3,088
<b>Total Current Liabilities</b>	<u>4,960</u>	<u>543</u>	<u>-</u>	<u>5,503</u>
<b>Total Liabilities</b>	<u>4,960</u>	<u>543</u>	<u>-</u>	<u>5,503</u>
<b>NET POSITION</b>				
Invested in Capital Assets Net of Related Debt	7,756	-	-	7,756
Unrestricted	114,016	12,964	199,165	326,145
<b>Total Net Position</b>	<u>\$ 121,772</u>	<u>\$ 12,964</u>	<u>\$ 199,165</u>	<u>\$ 333,901</u>

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

6335.86	Business-type Activities - Enterprise Fund			
	Food Service	Child Care Program	Shared Services	Total Enterprise
<b>Operating Revenues:</b>				
Charges for Services:				
Daily Sales - Reimbursable	\$ 48,252	-	-	\$ 48,252
Daily Sales - Non-Reimbursable Programs	25,333	-	-	25,333
Program Income		\$ 55,396	-	55,396
Miscellaneous Income	-	1,078	\$ 264,660	265,738
<b>Total Operating Revenues</b>	<u>73,585</u>	<u>56,474</u>	<u>264,660</u>	<u>394,719</u>
<b>Operating Expenses:</b>				
Cost of Sales - Reimbursable Programs	42,246	-	-	42,246
Cost of Sales - Non-reimbursable Programs	4,190	-	-	4,190
Salaries	49,733	41,270	180,675	271,678
Employee Benefits	17,301	3,386	45,719	66,406
Purchased Services	2,120	600	8,687	11,407
General Supplies	3,436	2,222	449	6,107
Miscellaneous	1,381	-	-	1,381
Depreciation	3,713	-	-	3,713
<b>Total Operating Expenses</b>	<u>124,120</u>	<u>47,478</u>	<u>235,530</u>	<u>407,128</u>
Operating Income (Loss)	<u>(50,535)</u>	<u>8,996</u>	<u>29,130</u>	<u>(12,409)</u>
<b>Nonoperating Revenues (Expenses):</b>				
State Sources:				
State School Lunch Program	1,342	-	-	1,342
Federal Sources:				
National School Lunch Program	34,624	-	-	34,624
Supply Chain Assistance	27,276	-	-	27,276
Food Distribution Program	9,369	-	-	9,369
<b>Total Nonoperating Revenues (Expenses)</b>	<u>72,611</u>	<u>-</u>	<u>-</u>	<u>72,611</u>
Income (Loss) Before Contributions and Transfers	22,076	8,996	29,130	60,202
Transfers In (Out)	-	-	-	-
Change in Net Position	22,076	8,996	29,130	60,202
Net Position—Beginning	99,696	3,968	170,035	273,699
Prior Period Adjustment	-	-	-	-
Net Position—Beginning (As Restated)	99,696	3,968	170,035	273,699
<b>Total Net Position—Ending</b>	<u>\$ 121,772</u>	<u>\$ 12,964</u>	<u>\$ 199,165</u>	<u>\$ 333,901</u>

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Food Service	Child Care Program	Shared Services	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 73,626	\$ 55,357	\$ 30,375	\$ 159,358
Payments to Employees	(49,733)	(41,270)	(180,675)	(271,678)
Payments to Suppliers	<u>(59,996)</u>	<u>(6,208)</u>	<u>(54,856)</u>	<u>(121,060)</u>
<b>Net Cash Provided by (used for) Operating Activities</b>	<u>(36,103)</u>	<u>7,879</u>	<u>(205,156)</u>	<u>(233,380)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	1,431	-	-	1,431
Federal Sources	66,741	-	-	66,741
Operating Subsidies and Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<u>68,172</u>	<u>-</u>	<u>-</u>	<u>68,172</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,069	7,879	(205,156)	(165,208)
Balances—Beginning of Year	<u>62,619</u>	<u>4,468</u>	<u>170,035</u>	<u>237,122</u>
<b>Balances—End of Year</b>	<u>\$ 94,688</u>	<u>12,347</u>	<u>(35,121)</u>	<u>\$ 71,914</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>				
Operating Income (Loss)	\$ (50,535)	\$ 8,996	\$ 29,130	\$ (12,409)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	3,713	-	-	3,713
Federal Commodities	9,369	-	-	9,369
(Increase) Decrease in Accounts Receivable	31	(699)	(234,286)	(234,954)
(Increase) Decrease in Inventories	(213)	-	-	(213)
Increase (Decrease) in Accounts Payable	<u>1,532</u>	<u>(418)</u>	<u>-</u>	<u>1,114</u>
Total Adjustments	<u>14,432</u>	<u>(1,117)</u>	<u>(234,286)</u>	<u>(220,971)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (36,103)</u>	<u>\$ 7,879</u>	<u>\$ (205,156)</u>	<u>\$ (233,380)</u>

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



# **Notes to Financial Statements**

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and included a phased-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions and GASB 98, Annual Comprehensive Financial Report. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2022.

**A. Reporting Entity:**

The Alloway Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Alloway Township School District had an approximate enrollment at June 30, 2023, of 274 students.

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

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

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting:**

The School District’s basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Basis of Presentation**

*District-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**GOVERNMENTAL FUNDS (Continued)**

As required by the New Jersey State Department of Education, the 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, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. There is currently no activity in the Capital Projects Fund.

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

**PROPRIETARY FUNDS**

The District reports the following proprietary funds:

**Enterprise (Food Service) Fund** - This Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

**Child Care Program** - This Enterprise Fund accounts for fee revenues and related expenses for the before and after-care of students.

**Shared Services** - This Enterprise Fund accounts for fee revenues and related expenses for providing business office services and technology support services to other school districts.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

*District-wide, Proprietary, Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**C. 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. In addition, transfers are also covered by changes in N.J.A.C.6A:23A-2.3, that can require approval through the state department. All budget amendments/transfers must be approved by School Board resolution and are subject to transfer limitations and approvals per P.L. 2004, c.73(S-1701).

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets/Budgetary Control (Continued):**

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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 recognize encumbrances as expenditures. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**D. Encumbrance Accounting:**

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 reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Inventories:**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

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

**Compensated Absences:**

The 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.

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

District employees are granted varying amounts of vacation and sick leave with the District's personnel policies. Upon termination, employees are paid accrued vacation. The District's 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 District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the entire compensated absence liability is reported in accordance with GAAP. For the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes that were received as of June 30, 2023, but which were levied to finance subsequent fiscal years operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

**Accrued Liabilities and Long-Term Obligations:**

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

**Net Position:**

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



ALLOWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances, capital reserve, and maintenance reserve.

**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.

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**Allocation of Indirect Expenses:**

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

**Extraordinary and Special Items:**

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

**Management Estimates:**

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2023, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash <u>Equivalents (A-1)</u>
Checking and Money Market Accounts	<u>\$ 3,333,941</u>
	<u>\$ 3,333,941</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$3,333,941 and the bank balance was \$3,882,844. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$717,467 was covered by federal depository insurances and \$3,165,377 was covered by collateral pool.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 3: RECEIVABLES**

Receivables at June 30, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$ 106,180	\$ 106,233
Federal Aid	<u>570,487</u>	<u>571,797</u>
Gross Receivable	676,667	678,030
Shared Services	-	234,286
Child Care	-	1,160
Other	-	9
Less: Allow. for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 676,667</u>	<u>\$ 913,485</u>

**Note 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2023, consisted of the following:

Food & Supplies	<u>\$ 2,916</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**Note 5: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 153,751			\$ 153,751
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	131,103			131,103
Buildings and Building Improvements	9,563,467			9,563,467
Machinery and Equipment	715,125			715,125
Total at Historical Cost	<u>10,563,446</u>	-	-	<u>10,563,446</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (118,046)	\$ (4,013)		\$ (122,059)
Building and Improvements	(5,491,799)	(242,563)		(5,734,362)
Equipment	(514,449)	(8,029)		(522,478)
Total Accumulated Depreciation	<u>(6,124,294)</u>	<u>(254,605)</u>	-	<u>(6,378,899)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>4,439,152</u>	<u>(254,605)</u>		<u>4,184,547</u>
<b>Government Activity Capital Assets, Net</b>	<u>\$ 4,439,152</u>	<u>\$ (254,605)</u>	-	<u>\$ 4,184,547</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 5: CAPITAL ASSETS - (Continued)**

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Unallocated	\$ 254,605
Total	<u>\$ 254,605</u>

**Note 6: LONG-TERM OBLIGATIONS**

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	<u>Balance</u> <u>7/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 590,000		\$ (200,000)	\$ 390,000	\$ 195,000
Lease Obligations Payable	49,883		(15,910)	33,973	16,617
Unamortized Bond Premium	6,763		(2,536)	4,227	2,536
Other Liabilities:					
Compensated Absences Payable	61,700	\$ 1,076	-	62,776	
<b>Total</b>	<u>\$ 708,346</u>	<u>\$ 1,076</u>	<u>\$ (218,446)</u>	<u>\$ 490,976</u>	<u>\$ 214,153</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Lease obligations and compensated absences are liquidated by the general fund.

**B. Bonds Payable Debt Service Requirements:**

On October 16, 2014, the School District issued \$2,75,000 of refunding school bonds at interest rates varying from 2.00% to 4.00%. The final maturity of the refunding bonds is March 1, 2025. Annual payments regarding bonds payable are funded by the property taxes. The balance in this bond issue as of June 30, 2023 is \$390,000.

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

<u>Fiscal Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/24	\$ 195,000	\$ 10,237	\$ 205,237
6/30/25	<u>195,000</u>	<u>5,119</u>	<u>200,119</u>
Total Bond Debt Service	<u>\$ 390,000</u>	<u>\$ 15,356</u>	<u>\$ 405,356</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 6: LONG-TERM OBLIGATIONS (Continued)**

**C. Lease Obligation Payable:**

The District entered into a short-term lease on October 1, 2020 in the amount of \$83,435 for the acquisition of technology equipment. The implied interest rate on the lease is 4.2%

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ended</u>			
6/30/24	\$ 16,617	\$ 1,509	\$ 18,126
6/30/25	<u>17,356</u>	<u>771</u>	<u>18,127</u>
Total Lease Obligation Payable	<u>\$ 33,973</u>	<u>\$ 2,280</u>	<u>\$ 36,253</u>

**Note 7: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

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

**LITIGATION**

The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**Note 8: PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

*Summary of Significant Accounting Policies* - 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.

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) 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 district (employer) 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 district. However, the state's portion of the net pension liability that was associated with the district was \$11,030,520 as measured on June 30, 2022 and \$11,474,711 as measured on June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$296,862 and revenue of \$296,862 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2021 and June 30, 2022.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$11,474,711	\$11,030,520
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.023868%	0.021379%

*Actuarial assumptions* - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-5.65%
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equit	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*Sensitivity of the State's net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2022, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2022 was \$24,640,530,532.

*Amortization of Deferred Outflows and Inflows of Resources* - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	<u>(1,687,721,983)</u>
Total	<u>(\$14,678,515,482)</u>



ALLOWAY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$1,195,044,307
Interest on total ension liability	5,146,965,905
Member contributions	(907,326,471)
Administrative expense	12,635,916
Expected investment return net of investment expenses	(1,983,153,368)
Pension expense related to specific liabilities of individual employers	(395,540)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	200,689,404
Changes in assumptions	(2,396,459,882)
Difference between projected and actual investment earnings on pension plan investments	<u>122,761,073</u>
Total pension expense	<u>\$1,390,761,344</u>

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

*Summary of Significant Accounting Policies* - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

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

At June 30, 2023, the District reported a liability of \$585,286 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the District's proportion was 0.00388% which was a decrease of 0.00069% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$179,775). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 4,224	\$ 3,725
Changes of assumptions	1,813	87,641
Net difference between projected and actual earnings on pension plan investments	24,224	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	241,091
District contributions subsequent to the measurement date	49,166	
Total	<u>\$ 79,427</u>	<u>\$ 332,457</u>

\$49,166 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$248,297)
2024	(126,499)
2025	(61,691)
2026	134,587
2027	(296)
Total	<u>(\$302,196)</u>

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$539,857	\$585,286
District's proportion %	0.00455710%	0.00387828%

*Actuarial assumptions* - The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-6.55% based on years of service
Investment Rate of Return:	7.00%

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

*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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equit	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate* - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 751,921	\$585,286	\$ 443,473

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$119,653
Interest on total Pension liability	479,896
Benefit Changes	1,392
Member contributions	(99,784)
Administrative expens	2,143
Expected investment return net of investment expenses	(320,346)
Pension expense related to specific liabilities of individual employers	(1,719)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	5,681
Changes in assumptions	(358,725)
Difference between projected and actual investment earnings on pension plan investments	<u>(7,967)</u>
Total pension expense/(benefit)	<u>(\$179,775)</u>

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

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

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

**PERS and TPAF Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 8: PENSION PLANS (Continued)**

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2023	\$49,166	100 %	-0-
6/30/2022	\$48,906	100 %	-0-
6/30/2021	\$53,369	100 %	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2023	\$714,419	100 %	-0-
6/30/2022	\$892,906	100 %	-0-
6/30/2021	\$707,454	100 %	-0-

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$902,034 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$176,090 during the year ended June 30, 2023, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS**

**Plan description and benefits provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPES 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.

**State Health Benefit State Retired Employees Plan:**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion.

The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education.

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 are the responsibility of the individual local education employers.

*Actuarial assumptions and other imputes.* The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. 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:       \$           50,646,462,966

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

Based on service years

**(a) Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**(b) Discount Rate**

The discount rate used to measure the total OPEB liability was 3.54%. 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.



ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

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 disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

	<u>Total OPEB Liability</u>
<b>The State's Total OPEB Liability Balance at 6/30/2021</b>	<b>\$60,007,650,970</b>
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
<b>The State's Total OPEB Liability Balance at 6/30/2022</b>	<b><u>\$50,646,462,966</u></b>
<b>The State's total OPEB liability attributable to the District:</b>	<b>\$14,563,001</b>

Benefit Changes: The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022 and other changes.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2022		
	At 1% Decrease <u>2.54%</u>	At Discount Rate <u>3.54%</u>	At 1% Increase <u>4.54%</u>
Total OPEB Liability (School Retirees)	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

	June 30, 2021		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the State, as well as what the State’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

	June 30, 2022		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
	Total OPEB Liability (School Retirees)	\$41,862,397,291	\$50,646,462,966

	June 30, 2021		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
	Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$56,606 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee’s OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,042,402,619	\$15,462,950,679
Changes of assumptions or other inputs	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Total	<u>\$17,808,023,196</u>	<u>\$32,700,239,909</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

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

Year ended June 30:	
2023	(\$2,517,151,602)
2024	(\$2,517,151,602)
2025	(\$2,517,151,602)
2026	(\$2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>(\$14,892,216,713)</u>

**Note 10: DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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  
 MetLife

**Note 11: COMPENSATED ABSENCES**

The 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.

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 12: INTERFUND RECEIVABLES AND PAYABLES**

After consolidation, the following interfund balances are presented on the District-Wide Statement of Net Position:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	
General Fund		\$ 20,000	
Enterprise fund	\$ 20,000		
	<u>\$ 20,000</u>	<u>\$ 20,000</u>	

The general fund owes the food service fund for State and Federal lunch subsidies not yet turned over to the food service fund.

**Note 13: RISK MANAGEMENT**

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

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, 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 14: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$3,721,416 General Fund fund balance at June 30, 2023, \$44,376 is reserved for encumbrances; \$1,722,670 is reserved for excess surplus in accordance with N.J.S.A.18A:7F-7 (\$906,527 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$668,458 is reserved in the Capital Reserve Account; \$310,024 is reserved in the Maintenance Reserve Account; \$427,946 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2024; and \$547,942 is unreserved and undesignated.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Alloway Township School District Board of Education on October 2, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 1, 2022	\$ 667,504
Interest Earned	<u>954</u>
Ending balance June 30, 2023	<u>\$ 668,458</u>

**Note 16: MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Alloway Township School District Board of Education for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 1, 2022	<u>\$ 310,024</u>
Ending balance June 30, 2023	<u>\$ 310,024</u>

**Note 17: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$816,143.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 18: DEFICIT FUND BALANCES**

The District has a deficit fund balance (Exhibit B-1) of \$32,974 in the Special Revenue Fund as of June 30, 2023, as reported in the fund statements (modified accrual basis). P.L.2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficits do not alone indicate that the district is facing financial difficulties.

**Note 19: TAX ABATEMENTS**

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

**Note 20: PRIOR PERIOD ADJUSTMENT**

**Restatement of Prior Period:**

As a process of maintaining records in accordance with GASB#34, the district conducted a physical appraisal of capital assets as of June 30, 2023. The appraisal revealed asset activity that that should have been recorded as of June 30, 2022 due to unsubstantiated valuations remaining on the fixed asset ledgers. Accordingly, a restatement of Net Position as of June 30, 2022 was necessary. Additionally pension contributions subsequent the the GASB No. 68 measurement date were restated as required by GASB No. 68, and Shared Services activity was restated to present the fund as an enterprise fund.

Governmental Activities Net Position:

Net Position (per A-1), June 30, 2022	\$ 5,889,406
Restatement of Capital Assets	(112,391)
Restatement of Deferred Pension Outflows	48,906
Restatement of Shared Services Net Position as Enterprise Activity	<u>(170,035)</u>
Net Position (per A-1), June 30, 2022, as Restated	<u>\$ 5,655,886</u>

Enterprise Activities Net Position:

Net Position (per A-1), June 30, 2022	\$ 103,664
Restatement of Shared Services Net Position as Enterprise Activity	<u>170,035</u>
Net Position (per A-1), June 30, 2022, as Restated	<u>\$ 273,699</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**



ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 4,281,224		\$ 4,281,224	\$ 4,281,224	
Miscellaneous	1,500		1,500	10,422	\$ 8,922
<b>Total - Local Sources</b>	<b>4,282,724</b>	<b>-</b>	<b>4,282,724</b>	<b>4,291,646</b>	<b>8,922</b>
<b>State Sources:</b>					
Equalization Aid	2,381,703		2,381,703	2,381,703	
Transportation Aid	218,309		218,309	218,309	
Special Education Aid	370,315		370,315	370,315	
Security Aid	47,622		47,622	47,622	
Supplemental Stabilization Aid				472,625	472,625
Extraordinary Aid				84,882	84,882
Non-Public Transportation Aid				4,992	4,992
TPAF Pension (On-Behalf - Non-Budgeted)				714,186	714,186
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				187,615	187,615
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				233	233
TPAF Social Security (Reimbursed - Non-Budgeted)				176,090	176,090
<b>Total State Sources</b>	<b>3,017,949</b>		<b>3,017,949</b>	<b>4,658,572</b>	<b>1,640,623</b>
<b>TOTAL REVENUES</b>	<b>7,300,673</b>		<b>7,300,673</b>	<b>8,950,218</b>	<b>1,649,545</b>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Salaries of Teachers	21,140	40,527	61,667	508	61,159
Kindergarten - Salaries of Teachers	173,745		173,745	161,893	11,852
Grades 1-5 - Salaries of Teachers	742,247		742,247	733,535	8,712
Grades 6-8 - Salaries of Teachers	478,215		478,215	461,746	16,469
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	2,000	1,728	3,728	3,728	
Purchased Professional-Educational Services	2,500		2,500	1,770	730
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	12,757	13,274	26,031	24,131	1,900
Purchased Professional-Educational Services	98,500	(14,446)	84,054	60,743	23,311
Purchased Professional-Tech Services	37,440	(3,406)	34,034	18,383	15,651
Other Purchased Services (400-500 series)	60,571	(318)	60,253	40,343	19,910
General Supplies	20,003	12,875	32,878	30,359	2,519
Textbooks	2,000	(1,044)	956		956
Other Objects	2,500	1,276	3,776	3,776	
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>1,653,618</b>	<b>50,466</b>	<b>1,704,084</b>	<b>1,540,915</b>	<b>163,169</b>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	382,466	(3,445)	379,021	321,876	57,145
Purchased Professional-Educational Services	56,419	563	56,982	55,209	1,773
General Supplies	2,400	(465)	1,935	1,931	4
<b>Total Resource Room/Resource Center</b>	<b>441,285</b>	<b>(3,347)</b>	<b>437,938</b>	<b>379,016</b>	<b>58,922</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	33,011	(21,318)	11,693		11,693
Other Salaries for Instruction	22,617	(14,348)	8,269		8,269
General Supplies	1,000	(996)	4		4
<b>Total Preschool Disabilities - Full-Time</b>	<b>56,628</b>	<b>(36,662)</b>	<b>19,966</b>		<b>19,966</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>497,913</b>	<b>(40,009)</b>	<b>457,904</b>	<b>379,016</b>	<b>78,888</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	13,084	13,405	26,489	23,642	2,847
General Supplies	400	(224)	176	120	56
<b>Total Basic Skills/Remedial - Instruction</b>	<b>13,484</b>	<b>13,181</b>	<b>26,665</b>	<b>23,762</b>	<b>2,903</b>
<b>School-Spon. Co/Extra Curricular Actvts. - Inst.:</b>					
Salaries	4,876	5,479	10,355	10,355	
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>4,876</b>	<b>5,479</b>	<b>10,355</b>	<b>10,355</b>	
<b>TOTAL INSTRUCTION</b>	<b>2,169,891</b>	<b>29,117</b>	<b>2,199,008</b>	<b>1,954,048</b>	<b>244,960</b>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEA's Within the State - Regular	1,591,228	70,442	1,661,670	1,661,309	361
Tuition to Other LEA's Within the State - Special	176,370	(70,442)	105,928	103,603	103,603
Tuition to County Voc. District - Regular	201,651	9	201,660	201,460	200
Tuition to CSSD & Reg. Day Schools	164,869	(53,226)	111,643	92,357	19,286
Tuition to Private Schools for the Disabled-Within State	80,200	11,497	91,697	50,568	41,129
Tuition to Private Schools for the Disabled-Out of State	430,030	(184,867)	245,163		245,163
<b>Total Instruction</b>	<b>2,644,348</b>	<b>(226,587)</b>	<b>2,417,761</b>	<b>2,109,297</b>	<b>409,742</b>
<b>Attendance and Social Work:</b>					
Personal Services - Salaries	5,871	60	5,931	5,931	
Purch Prof/Tech Serv	500	(339)	161		161
<b>Total Attendance and Social Work</b>	<b>6,371</b>	<b>(279)</b>	<b>6,092</b>	<b>5,931</b>	<b>161</b>
<b>Health Services:</b>					
Salaries	72,223	1,000	73,223	69,304	3,919
Purchased Professional and Technical Services	3,600	(1,000)	2,600	2,553	47
Health Serv-Other Purch Serv		624	624	624	
Supplies and Materials	2,199		2,199	1,477	722
<b>Total Health Services</b>	<b>78,022</b>	<b>624</b>	<b>78,646</b>	<b>73,958</b>	<b>4,688</b>
<b>Other Supp. Services Students-Related Services:</b>					
Purchased Professional - Educational Services	69,150	(9,762)	59,388	19,388	40,000
Supplies and Materials	300		300	267	33
<b>Total Other Supp. Services Students-Related Services</b>	<b>69,450</b>	<b>(9,762)</b>	<b>59,688</b>	<b>19,655</b>	<b>40,033</b>
<b>Other Supp. Services Students-Extra Services:</b>					
Salaries	77,384		77,384	43,122	34,262
Purchased Professional - Educational Services	66,096	146,975	213,071	211,050	2,021
<b>Total Other Supp. Services Students-Extra Services</b>	<b>143,480</b>	<b>146,975</b>	<b>290,455</b>	<b>254,172</b>	<b>36,283</b>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Supp. Services Students-Regular:</b>					
Salaries of Other Professional Staff	77,215	(121)	77,094	61,216	15,878
Supplies and Materials	625	121	746	746	
<b>Total Other Supp. Services Students-Regular</b>	<b>77,840</b>		<b>77,840</b>	<b>61,962</b>	<b>15,878</b>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Secretarial and Clerical Assistants	11,322	516	11,838	11,838	
Purchased Professional - Educational Services	99,000	(424)	98,576	94,689	3,887
Other Purch Prof and Tech Services	5,435	755	6,190	4,746	1,444
Misc. Pur Serv (400-500 series O/than Resid Costs)	300	(300)			
Supplies and Materials	3,000	(1,463)	1,537	1,456	81
<b>Total Other Supp. Services Students-Special</b>	<b>119,057</b>	<b>(916)</b>	<b>118,141</b>	<b>112,729</b>	<b>5,412</b>
<b>Improvement of Instruction Services :</b>					
Sal of Other Prof	12,376		12,376	12,358	18
Curriculum Coordinator	17,000	(16,975)	25	25	
<b>Total Improvement of Instruction Services</b>	<b>29,376</b>	<b>(16,975)</b>	<b>12,401</b>	<b>12,383</b>	<b>18</b>
<b>Educational Media Services/School Library:</b>					
Sal of Other Prof	43,254	800	44,054	43,960	94
Other Purchased Services (400-500 series)	2,200	979	3,179	3,179	
Supplies and Materials	1,275	920	2,195	236	1,959
<b>Total Educational Media Services/School Library</b>	<b>46,729</b>	<b>2,699</b>	<b>49,428</b>	<b>47,375</b>	<b>2,053</b>
<b>Instructional Staff Training Services:</b>					
Sal of Other Prof	2,000	520	2,520	2,520	
Purchased Professional-Educational Services	500	(111)	389	330	59
Other Purchased Services (400-500 series)	1,800	(284)	1,516	377	1,139
Misc Purch Svcs	500	(125)	375	375	
<b>Total Instructional Staff Training Services</b>	<b>4,800</b>		<b>4,800</b>	<b>3,602</b>	<b>1,198</b>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Supp. Services - General Administration:</b>					
Salaries of Other Professional Staff	63,750	4,329	68,079	60,891	7,188
Salaries of Secretarial and Clerical Assistants	27,398		27,398	27,398	
Legal Services	35,000	(9,329)	25,671	13,073	12,598
Audit Fees	27,030	5,470	32,500	32,500	
Other Purchased Professional Services	8,300	1,137	9,437	6,300	3,137
Communications/Telephone	11,875	993	12,868	12,733	135
Travel	1,200	(1,000)	200	200	
Other Purchased Services (400-500 series)	22,225	11,097	33,322	32,650	672
Miscellaneous Purch Services	2,341		2,341	2,328	13
General Supplies	1,000		1,000	502	498
BOE TRN/MTG Supplies	550	(500)	50	41	9
Miscellaneous Expenditures	4,825	2,500	7,325	7,295	30
BOE Membership Dues and Fees	5,300	(900)	4,400	4,390	10
<b>Total Supp. Services - General Administration</b>	<b>210,794</b>	<b>13,797</b>	<b>224,591</b>	<b>200,301</b>	<b>24,290</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	133,880		133,880	122,345	11,535
Salaries of Secretarial and Clerical Assistants	17,183	27	17,210	17,104	106
Other Purchased Services (400-500 series)	100	(31)	69	42	27
Supplies and Materials	500	4	504	455	49
Other Objects	1,500	410	1,910	1,345	565
<b>Total Support Services - School Administration</b>	<b>153,163</b>	<b>410</b>	<b>153,573</b>	<b>141,291</b>	<b>12,282</b>
<b>Central Services:</b>					
Salaries Personal Sevices	136,402	308	136,710	126,812	9,898
Purchased Technical Services	10,270	(308)	9,962	9,500	462
Miscellaneous Purch Services	3,116		3,116	1,391	1,725
Supplies and Materials	1,500		1,500	1,472	28
Miscellaneous Expenditures	2,000		2,000	1,040	960
<b>Total Central Services</b>	<b>153,288</b>		<b>153,288</b>	<b>140,215</b>	<b>13,073</b>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Required Maintenance for School Facilities:</b>					
Other Salaries		42,269	42,269	42,269	
Cleaning, Repair, and Maintenance Services	9,461	26,821	36,282	31,625	4,657
Lead Testing of Drinking Water	1,700	(1,010)	690		690
General Supplies	3,000	14,199	17,199	15,776	1,423
<b>Total Required Maintenance for School Facilities</b>	<b>14,161</b>	<b>82,279</b>	<b>96,440</b>	<b>89,670</b>	<b>6,770</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries of Non-Instructional Aides	6,395	(507)	5,888		5,888
Other Salaries	105,774	(23,438)	82,336	74,600	7,736
Other Purchased Professional Services	34,350	(17,917)	16,433	13,453	2,980
Cleaning, Repair and Maintenance Services	16,528	(99)	16,429	11,837	4,592
Other Purchased Property Services	33,000		33,000	25,950	7,050
Insurance	29,056	(436)	28,620	28,289	331
Miscellaneous Purch Services	1,500	(500)	1,000	1,000	
General Supplies	10,000	10,550	20,550	13,957	6,593
Energy (Electricity)	95,000	(3,327)	91,673	86,491	5,182
Energy (Gasoline)	45,000	(1,322)	43,678	34,208	9,470
<b>Total Other Operations and Maintenance of Plant</b>	<b>376,603</b>	<b>(36,996)</b>	<b>339,607</b>	<b>289,785</b>	<b>49,822</b>
<b>Care and Upkeep of Grounds:</b>					
Cleaning, Repair and Maintenance Services		552	552	552	
Supplies and Materials		887	887	887	
<b>Total Care and Upkeep of Grounds</b>		<b>1,439</b>	<b>1,439</b>	<b>1,439</b>	
<b>Undist. Expend. -Security</b>					
Cleaning, Repair, and Maintenance Services	1,500	637	2,137	1,584	553
General Supplies	1,500	1,128	2,628	2,628	
<b>Total Undist. Expend. -Security</b>	<b>3,000</b>	<b>1,765</b>	<b>4,765</b>	<b>4,212</b>	<b>553</b>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Student Transportation Services</b>					
Salaries for Non-Instructional Aides	378		378	378	
Salaries for Pupil Trans (Between Home & Sch - Reg.)	48,024		48,024	38,794	9,230
Contract Services - Aid in Lieu of Payments-Nonpub.Sch.	18,000	(1,416)	16,584	13,354	3,230
Contract Services - Aid in Lieu of Payments - Choice Sch	15,000	3,460	18,460	16,416	2,044
Contract Services - (Between Home and School) - Vendors	291,777	(8,199)	283,578	258,112	25,466
Contract Services (Other than Between Home & School)-Vendors	5,114	4,828	9,942	9,636	306
Contract Services - (Between Home and School) - Joint Agreements	17,687	38	17,725	17,725	
Contract Services - (Spl. Ed. Students) - Vendors		925	925	925	
Contract Services - (Spl. Ed. Students) - Vendors	10,000	932	10,932	10,931	1
Contract Services - (Regular Students) - ESCs & CTSA's	23,936	102,121	126,057	123,600	2,457
Contract Services - (Special Ed. Students) - ESCs & CTSA's	134,050	(12,054)	121,996	110,728	11,268
Miscellaneous Purch-Trans	2,300	(229)	2,071		2,071
Transportation Supplies	7,000	(250)	6,750	4,466	2,284
Other Objects	100	250	350	350	
<b>Total Student Transportation Services</b>	<b>573,366</b>	<b>90,406</b>	<b>663,772</b>	<b>605,415</b>	<b>58,357</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	57,082		57,082	42,473	14,609
Other Retirement Contributions - PERS	67,041		67,041	54,112	12,929
Unemployment Compensation	15,000		15,000	12,069	2,931
Workmen's Compensation	34,940	5,152	40,092	40,092	
Health Benefits	525,372	8,992	534,364	482,690	51,674
Tuition Reimbursement	10,000	(4,535)	5,465	3,424	2,041
Other Employee Benefits	11,040	2,392	13,432	10,810	2,622
Unused Sick Payments to Terminated/Retired Staff	8,500		8,500	5,161	3,339
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>728,975</b>	<b>12,001</b>	<b>740,976</b>	<b>650,831</b>	<b>90,145</b>
On-behalf TPAF pension Contrib. (non-budgeted)				714,186	(714,186)
On-behalf TPAF PRM Contrib. (non-budgeted)				187,615	(187,615)
On-behalf TPAF pension Non-contributory Ins. (non-budgeted)				233	(233)
Reimbursed TPAF Social Security Contributions (non-budgeted)				176,090	(176,090)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>1,078,124</b>	<b>(1,078,124)</b>



ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	728,975	12,001	740,976	1,728,955	(987,979)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>5,432,823</b>	<b>60,880</b>	<b>5,493,703</b>	<b>5,902,347</b>	<b>(307,366)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>7,602,714</b>	<b>89,997</b>	<b>7,692,711</b>	<b>7,856,395</b>	<b>(62,406)</b>
<b>Equipment</b>					
Undist. Expend. - Required Maintenance for School Facility		30,000	30,000		30,000
Undistributed Expenditures - Non-Inst. Serv.		20,000	20,000		20,000
<b>Total Equipment</b>		<b>50,000</b>	<b>50,000</b>		<b>50,000</b>
<b>Facilities Acquisition and Construction Services</b>					
Assessment for Debt Service on SDA Funding	35,593		35,593	35,593	
<b>Total Facilities Acquisition and Construction Services</b>	<b>35,593</b>		<b>35,593</b>	<b>35,593</b>	
<b>TOTAL CAPITAL OUTLAY</b>	<b>35,593</b>	<b>50,000</b>	<b>85,593</b>	<b>35,593</b>	<b>50,000</b>
Transfer of Funds to Charter Schools	360,890		360,890	344,165	16,725
<b>TOTAL EXPENDITURES</b>	<b>7,999,197</b>	<b>139,997</b>	<b>8,139,194</b>	<b>8,236,153</b>	<b>4,319</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(698,524)</b>	<b>(139,997)</b>	<b>(838,521)</b>	<b>714,065</b>	<b>1,552,586</b>
<b>Other Financing Sources:</b>					
<b>Operating Transfer In/(Out)</b>					
Transfers to Cover Deficit (Enterprise Fund)	(5,000)		(5,000)		(5,000)
<b>Total Other Financing Sources:</b>	<b>(5,000)</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>(5,000)</b>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(703,524)	(139,997)	(843,521)	714,065	1,547,586
<b>Fund Balance, July 1</b>	3,271,908		3,271,908	3,271,908	
<b>Prior Period Adjustment</b>	-		-	-	-
<b>Fund Balance, July 1 (Restated)</b>	3,271,908		3,271,908	3,271,908	
<b>Fund Balance, June 30</b>	<b>\$ 2,568,384</b>	<b>(139,997)</b>	<b>\$ 2,428,387</b>	<b>\$ 3,985,973</b>	<b>\$ 1,547,586</b>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 668,458	
Maintenance Reserve				310,024	
Excess Surplus - Designated for Subsequent Year's Expenditures				906,527	
Excess Surplus				816,143	
<b>Assigned to:</b>					
Year-End Encumbrances				44,376	
Designated for Subsequent Year's Expenditures				427,946	
<b>Unassigned:</b>					
Unrestricted Fund Balance				812,499	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<b>\$ 3,985,973</b>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				(264,557)	
<b>Fund Balance per Governmental Funds(GAAP Basis B-2)</b>				<b>\$ 3,721,416</b>	

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources		\$ 28,313	\$ 28,313	\$ 26,243	\$ (2,070)
State Sources		388,767	388,767	250,000	(138,767)
Federal Sources	\$ 668,478	185,865	854,343	835,893	(18,450)
<b>Total Revenues</b>	<b>668,478</b>	<b>602,945</b>	<b>1,271,423</b>	<b>1,112,136</b>	<b>(159,287)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	594,100	(330,913)	263,187	263,187	
Other Salaries for Instruction		31,723	31,723	31,723	
Other Purchased Services		36,045	36,045	36,045	
Tuition	74,378	314,725	389,103	389,103	
General Supplies		222,086	222,086	62,799	159,287
Other Objects		2,699	2,699	2,699	
<b>Total Instruction</b>	<b>668,478</b>	<b>276,365</b>	<b>944,843</b>	<b>785,556</b>	<b>159,287</b>
<b>Support Services</b>					
Salaries of Supervisors of Instruction		7,188	7,188	7,188	-
Other Salaries		54,078	54,078	54,078	-
Personal Services - Employee Benefits		52,384	52,384	52,384	-
Purchased Prof. -Ed. Services		3,887	3,887	3,887	-
Purchased Prof. Tech Svcs.		117,278	117,278	117,278	-
Cleaning, Repair & Maintenance Svcs.		20,980	20,980	20,980	-
Contr Serv-Trans. (Field Trips)		1,316	1,316	1,316	-
Other Purchased Services		10,662	10,662	10,662	-
Supplies & Materials		33,944	33,944	33,944	-
Student Activities		21,053	21,053	21,053	-
<b>Total Support Services</b>	<b>-</b>	<b>322,770</b>	<b>322,770</b>	<b>322,770</b>	<b>-</b>
<b>Facilities Acq. &amp; Construction Services:</b>					
Buildings	-	620	620	620	-
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>620</b>	<b>620</b>	<b>620</b>	<b>-</b>
Total Expenditures	668,478	599,755	1,268,233	1,108,946	159,287
<b>Total Outflows</b>	<b>\$ 668,478</b>	<b>\$ 599,755</b>	<b>\$ 1,268,233</b>	<b>\$ 1,108,946</b>	<b>\$ 159,287</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					
		3,190	3,190	3,190	
<b>Fund Balance Beginning</b>				24,808	
<b>Prior Period Adjustment *</b>				-	
<b>Fund Balance Beginning (Restated)</b>				24,808	
<b>Fund Balance Ending</b>				<u>\$ 27,998</u>	
<b>Recapitulation:</b>					
Restricted:					
Student Activities				\$ 27,998	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<u>\$ 27,998</u>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				(60,972)	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u>\$ (32,974)</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 8,950,218	\$ 1,112,136
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	(49,799)
Adjustment for: Prior Year Final State Aid Payment not included in Budgetary State Source Revenues and is considered a revenue for GAAP reporting purposes	308,083	-
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>\$ (264,557)</u>	<u>\$ (60,972)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 8,993,744</u>	<u>\$ 1,001,365</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 8,236,153	\$ 1,108,946
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		-
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	(49,799)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 8,236,153</u>	<u>\$ 1,059,147</u>

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last Ten Fiscal Years**

**Exhibit L-3**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 11,030,520	\$ 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
Total	\$ 11,030,520	\$ 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	\$ 2,362,839	\$ 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 of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

**Exhibit L-1**

**Public Employees' Retirement System (PERS)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.00388%	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)	\$ 585,286	\$ 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	\$ 375,533	\$ 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	155.85%	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 (Local)	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of District Contributions**  
**Last Ten Fiscal Years**

**Exhibit L-2**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 2,362,839	\$ 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
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

**Public Employees' Retirement System (PERS)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 49,166	\$ 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	(49,166)	(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	\$ 375,533	\$ 288,199	\$ 290,066	\$ 353,099	\$ 409,937	\$ 437,183	\$ 569,505	\$ 532,548	\$ 491,532	\$ 475,029
Contributions as a percentage of covered-employee payroll	13.09%	18.52%	15.82%	14.56%	16.06%	15.28%	13.21%	12.42%	11.95%	10.92%

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
 Required Supplementary Information - Part III  
 Schedule of Changes in the State's Total OPEB Liability and Related Ratios  
 Last Ten Fiscal Years \*

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

<u>The State of New Jersey's Total OPEB Liability</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)					
Benefit Payments	(13,586,368,097)	59,202,105	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521			
<b>Net change in total OPEB liability</b>	<b>(9,361,188,004)</b>	<b>(7,802,311,638)</b>	<b>26,080,881,563</b>	<b>(4,381,751,937)</b>	<b>(7,529,008,876)</b>	<b>(4,191,942,326)</b>	<b>10,982,132,360</b>			
<b>Total OPEB Liability - Beginning</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>	<b>\$ 46,849,651,824</b>			
<b>Total OPEB Liability - Ending</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>			
<b>The State of New Jersey's total OPEB liability **</b>	<b>\$ 50,646,462,966</b>	<b>\$ 60,007,650,970</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>			
<b>The State of New Jersey's OPEB liability attributable to the District **</b>	<b>\$ 11,474,711</b>	<b>\$ 11,030,520</b>	<b>\$ 18,075,822</b>	<b>\$ 21,992,950</b>	<b>\$ 13,740,345</b>	<b>\$ 15,596,900</b>	<b>\$ 17,241,676</b>			
<b>The District's proportionate share of the total OPEB liability</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>			
<b>District's covered employee payroll</b>	<b>\$ 2,738,372</b>	<b>\$ 2,301,877</b>	<b>\$ 2,414,087</b>	<b>\$ 2,870,766</b>	<b>\$ 3,145,014</b>	<b>\$ 3,105,302</b>	<b>\$ 3,407,499</b>			
<b>Total District's OPEB liability as a percentage of its covered-employee payroll</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>			
<b>District's contribution</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>			
<b>State's covered employee payroll ***</b>	<b>\$ 14,753,355,408</b>	<b>\$ 14,425,669,769</b>	<b>\$ 14,267,738,657</b>	<b>\$ 13,929,083,479</b>	<b>\$ 13,640,275,833</b>	<b>\$ 13,493,400,208</b>	<b>\$ 13,493,400,208</b>			
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	<b>415.98%</b>	<b>415.98%</b>	<b>475.27%</b>	<b>299.58%</b>	<b>338.05%</b>	<b>397.53%</b>	<b>428.59%</b>			

\*\* Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

\*\*\* Covered payroll for the Measurement Period ending June 30, 2021 and June 30, 2022 is based on the payroll on the June 30, 2020 and June 30, 2021 census data, respectively

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III**  
**Pension and OPEB Schedules**

For the Fiscal Year Ended June 30, 2023

**Teachers' Pension and Annuity Fund (TPAF)**

**Pension Schedules**

*Changes of benefit terms.* 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.

*Changes of assumptions.* 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.

**OPEB Schedules**

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

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

**Public Employees' Retirement System (PERS)**

**Pension Schedules**

*Changes of benefit terms.* 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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

*Changes of assumptions.* 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.

**OPEB Schedules**

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

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.



**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 1 of 3

	<b>TITLE I</b>	<b>TITLE II Part A</b>	<b>TITLE IV</b>	<b>IDEA BASIC</b>	<b>IDEA P/S</b>	<b>CRRSA ESSER II</b>	<b>CRRSA II LEARN</b>
<b>REVENUES</b>							
Local Sources							
State Sources							
Federal Sources	\$ 114,277	\$ 20,614	\$ 6,870	\$ 88,643	\$ 3,887	\$ 30,982	\$ 2,741
<b>TOTAL REVENUES</b>	<b>114,277</b>	<b>20,614</b>	<b>6,870</b>	<b>88,643</b>	<b>3,887</b>	<b>30,982</b>	<b>2,741</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	57,050	11,987				2,066	
Other Salaries for Instruction							
Other Purchased Services	1,500			30,000		4,545	
Tuition				58,643			
General Supplies	18,481		6,870				741
Other Objects							
<b>Total Instruction</b>	<b>77,031</b>	<b>11,987</b>	<b>6,870</b>	<b>88,643</b>		<b>6,611</b>	<b>741</b>
<b>Support Services:</b>							
Salaries of Supervisors of Instruction							
Other Salaries						6,000	
Personal Services - Employee Benefits	30,196	6,345				2,558	
Purchased Prof. -Ed. Services					3,887		
Purchased Prof. Tech Svcs.						8,469	
Cleaning, Repair & Maintenance Svcs.							
Contr Serv-Trans. (Field Trips)							
Other Purchased Services	500	2,282					2,000
Supplies & Materials	6,550					7,344	
Student Activities							
<b>Total Support Services</b>	<b>37,246</b>	<b>8,627</b>			<b>3,887</b>	<b>24,371</b>	<b>2,000</b>
<b>Facilities Acq. &amp; Contruction Services:</b>							
Buildings							
<b>Total Facilities Acq. &amp; Contruction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>114,277</b>	<b>20,614</b>	<b>6,870</b>	<b>88,643</b>	<b>3,887</b>	<b>30,982</b>	<b>2,741</b>
<b>Total Outflows</b>	<b>\$ 114,277</b>	<b>\$ 20,614</b>	<b>\$ 6,870</b>	<b>\$ 88,643</b>	<b>\$ 3,887</b>	<b>\$ 30,982</b>	<b>\$ 2,741</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 2 of 3

	<b>CRRSA II MENTAL</b>	<b>ARP ACERS</b>	<b>ARP ESSER III</b>	<b>ARP Accel Learn</b>	<b>ARP Summer</b>	<b>ARP Beyond Sch. Day</b>	<b>ARP Mental</b>
<b>REVENUES</b>							
Local Sources							
State Sources							
Federal Sources	\$ 30,141	\$ 231,514	\$ 253,521	\$ 5,685	\$ 20,854	\$ 158	\$ 26,006
<b>TOTAL REVENUES</b>	<b>30,141</b>	<b>231,514</b>	<b>253,521</b>	<b>5,685</b>	<b>20,854</b>	<b>158</b>	<b>26,006</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers			7,450		18,454		
Other Salaries for Instruction							
Other Purchased Services							
Tuition		231,514	98,946				
General Supplies			18,484				
Other Objects							
<b>Total Instruction</b>		<b>231,514</b>	<b>124,880</b>		<b>18,454</b>		
<b>Support Services:</b>							
Salaries of Supervisors of Instruction							
Other Salaries	9,990		35,688		2,400		
Personal Services - Employee Benefits	1,105		2,634				
Purchased Prof. -Ed. Services							
Purchased Prof. Tech Svcs.	16,455		53,223				26,006
Cleaning, Repair & Maintenance Svcs.			18,980				
Contr Serv-Trans. (Field Trips)							
Other Purchased Services	1,500		4,380				
Supplies & Materials	1,091		13,116	5,685		158	
Student Activities							
<b>Total Support Services</b>	<b>30,141</b>		<b>128,021</b>	<b>5,685</b>	<b>2,400</b>	<b>158</b>	<b>26,006</b>
<b>Facilities Acq. &amp; Construction Services:</b>							
Buildings			620				
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>30,141</b>	<b>231,514</b>	<b>253,521</b>	<b>5,685</b>	<b>20,854</b>	<b>158</b>	<b>26,006</b>
<b>Total Outflows</b>	<b>\$ 30,141</b>	<b>\$ 231,514</b>	<b>\$ 253,521</b>	<b>\$ 5,685</b>	<b>\$ 20,854</b>	<b>\$ 158</b>	<b>\$ 26,006</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

Page 3 of 3

	<b>Preschool Education State Aid</b>	<b>Safety Grant Local</b>	<b>Student Activity Local</b>	<b>Totals</b>
<b>REVENUES</b>				
Local Sources		\$ 2,000	\$ 24,243	\$ 26,243
State Sources	\$ 250,000			250,000
Federal Sources				835,893
<b>TOTAL REVENUES</b>	<b>250,000</b>	<b>2,000</b>	<b>24,243</b>	<b>1,112,136</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers	166,180			263,187
Other Salaries for Instruction	31,723			31,723
Other Purchased Services				36,045
Tuition				389,103
General Supplies	18,223			62,799
Other Objects	2,699			2,699
<b>Total Instruction</b>	<b>218,825</b>			<b>785,556</b>
<b>Support Services:</b>				
Salaries of Supervisors of Instruction	7,188			7,188
Other Salaries				54,078
Personal Services - Employee Benefits	9,546			52,384
Purchased Prof. -Ed. Services				3,887
Purchased Prof. Tech Svcs.	13,125			117,278
Cleaning, Repair & Maintenance Svcs.		2,000		20,980
Contr Serv-Trans. (Field Trips)	1,316			1,316
Other Purchased Services				10,662
Supplies & Materials				33,944
Student Activities			21,053	21,053
<b>Total Support Services</b>	<b>31,175</b>	<b>2,000</b>	<b>21,053</b>	<b>322,770</b>
<b>Facilities Acq. &amp; Construction Services:</b>				
Buildings				620
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>620</b>
<b>TOTAL EXPENDITURES</b>	<b>250,000</b>	<b>2,000</b>	<b>21,053</b>	<b>1,108,946</b>
<b>Total Outflows</b>	<b>\$ 250,000</b>	<b>\$ 2,000</b>	<b>\$ 21,053</b>	<b>\$ 1,108,946</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>				
	-	-	3,190	3,190
<b>Fund Balance Beginning</b>	-	-	24,808	24,808
<b>Prior Period Adjustment *</b>	-	-	-	-
<b>Fund Balance Beginning (Restated)</b>	-	-	24,808	24,808
<b>Fund Balance Ending</b>	-	-	\$ 27,998	\$ 27,998

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Preschool Education Aid Schedule of Expenditures**  
**Preschool - All Programs**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 127,362	\$ 38,818	\$ 166,180	\$ 166,180	-
Other Salaries for Instruction	33,825	(2,102)	31,723	31,723	-
Other Purchased Services	1,854	(1,854)	-	-	-
General Supplies	7,000	11,223	18,223	18,223	-
Other Objects	7,349	(4,650)	2,699	2,699	-
<b>Total instruction</b>	<u>177,390</u>	<u>41,435</u>	<u>218,825</u>	<u>218,825</u>	<u>-</u>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	14,167	(6,979)	7,188	7,188	-
Personal Services - Employee Benefits	30,567	(21,021)	9,546	9,546	-
Purchased Prof. Tech Svcs.	19,987	(6,862)	13,125	13,125	-
Contr Serv-Trans. (Field Trips)	1,389	(73)	1,316	1,316	-
Supplies & Materials	1,500	(1,500)	-	-	-
<b>Total support services</b>	<u>67,610</u>	<u>(36,435)</u>	<u>31,175</u>	<u>31,175</u>	<u>-</u>
<b>Facilities Acq. &amp; Construction:</b>					
Instructional Equipment	5,000	(5,000)	-	-	-
<b>Total Facilities Acq. &amp; Construction</b>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 250,000</u>	<u>-</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>-</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2022-2023 PreK Aid Allocation	\$ 388,767
Add: Actual ECPA Carryover June 30, 2022	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2022-2023 Budget	<u>388,767</u>
Less: 2022-2023 Budgeted PreK & ECPA (Including prior year budgeted carryover)	<u>(250,000)</u>
Available & Unbudgeted Funds as of June 30, 2023	138,767
Add: June 30, 2023 Unexpended PreK Aid	-
2022-2023 Actual Carryover - PreK Aid	<u>138,767</u>
2022-2023 PreK Carryover Budgeted in 2023-2024	<u>-</u>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

N/A

**PROPRIETARY FUND  
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** - This fund provides for the operation of food services in all schools within the school district.

**Child Care Program** - This Enterprise Fund accounts for fee revenues and related expenses for the before and after-care of students.

**Shared Services** - This Enterprise Fund accounts for fee revenues and related expenses for providing business office services and technology support services to other school districts.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**



**FIDUCIARY FUND  
DETAIL STATEMENTS**

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

SCHEDULE OF SERIAL BONDS  
AS OF ENDED JUNE 30, 2023

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2022</u>	<u>DECREASED</u>	<u>BALANCE JUNE 30, 2023</u>
			<u>DATE</u>	<u>AMOUNT</u>				
School Refunding Bonds	10/16/14	\$2,075,000	3/1/24	\$ 195,000	3.000%	\$ 590,000	\$ 200,000	\$ 390,000
			3/1/25	195,000	3.000%			
						<u>\$ 590,000</u>	<u>\$ 200,000</u>	<u>390,000</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>ISSUE</u>	<u>DATE</u>	<u>INTEREST RATE</u>	<u>AMOUNT OF ISSUE</u>	<u>BALANCE July 1, 2022</u>	<u>RETIRE</u>	<u>BALANCE June 30, 2023</u>
Technology Lease	10/1/2020	8.621%	\$ 83,435	\$ 49,883	\$ 15,910	\$ 33,973
<b>Total</b>				<b>49,883</b>	<b>\$ 15,910</b>	<b>\$ 33,973</b>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 215,237		\$ 215,237	\$ 215,237	
	215,237	-	215,237	215,237	
<b>TOTAL REVENUES</b>	<b>215,237</b>	<b>-</b>	<b>215,237</b>	<b>215,237</b>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	15,238	-	15,238	15,237	\$ (1)
Redemption of Principal	200,000	-	200,000	200,000	-
Total Regular Debt Service	215,238	-	215,238	215,237	(1)
<b>TOTAL EXPENDITURES</b>	<b>215,238</b>	<b>-</b>	<b>215,238</b>	<b>215,237</b>	<b>(1)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(1)	-	(1)	-	1
Fund Balance, July 1	1	-	1	1	
Fund Balance, June 30	-	-	-	\$ 1	\$ 1
<b>Recapitulation of Excess (Deficiency) of <u>Revenues Over (Under) Expenditures</u> Budgeted Fund Balance</b>					

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
**Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	92-97
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	98-101
<b>Debt Capacity (J-10 thru J-13)</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and	102-105
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	106-107
<b>Operating Information (J-16 thru J-20)</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	108-112

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-1**

	2014		2015		2016		2017		Fiscal Year Ending June 30,		2018		2019		2020		2021		2022		2023		
<b>Governmental activities</b>																							
Invested in capital assets, net of related debt	\$	3,655,252	\$	3,641,137	\$	4,013,234	\$	3,989,593	\$	3,999,675	\$	3,993,452	\$	3,944,196	\$	3,951,152	\$	3,915,525	\$	3,915,525	\$	3,794,547	
Restricted		1,384,505		1,436,371		972,754		1,082,893		1,448,375		1,509,702		1,706,683		1,596,496		2,241,911		2,241,911		3,157,096	
Unrestricted		(182,804)		(1,482,420)		(1,430,774)		(1,495,114)		(1,695,984)		(1,638,821)		(1,316,159)		(634,854)		(268,030)		(268,030)		(403,862)	
<b>Total governmental activities Net Position</b>	<b>\$</b>	<b>4,856,953</b>	<b>\$</b>	<b>3,595,088</b>	<b>\$</b>	<b>3,555,214</b>	<b>\$</b>	<b>3,577,372</b>	<b>\$</b>	<b>3,752,066</b>	<b>\$</b>	<b>3,864,333</b>	<b>\$</b>	<b>4,334,720</b>	<b>\$</b>	<b>4,912,794</b>	<b>\$</b>	<b>5,889,406</b>	<b>\$</b>	<b>10,518,653</b>			
<b>Business-type activities</b>																							
Invested in capital assets, net of related debt	\$	4,363	\$	11,879	\$	19,748	\$	26,198	\$	23,485	\$	20,770	\$	18,245	\$	15,182	\$	11,469	\$	11,469	\$	7,756	
Unrestricted		13,005		2,740		(6,062)		2,770		(4,525)		4,692		11,705		16,006		92,195		92,195		326,145	
<b>Total business-type activities Net Position</b>	<b>\$</b>	<b>17,368</b>	<b>\$</b>	<b>14,619</b>	<b>\$</b>	<b>13,686</b>	<b>\$</b>	<b>28,968</b>	<b>\$</b>	<b>18,960</b>	<b>\$</b>	<b>25,462</b>	<b>\$</b>	<b>29,950</b>	<b>\$</b>	<b>31,188</b>	<b>\$</b>	<b>103,664</b>	<b>\$</b>	<b>333,901</b>			
<b>District-wide</b>																							
Invested in capital assets, net of related debt	\$	3,659,615	\$	3,653,016	\$	4,032,982	\$	4,015,791	\$	4,023,160	\$	4,014,222	\$	3,962,441	\$	3,966,334	\$	3,926,994	\$	3,926,994	\$	3,802,303	
Restricted		1,384,505		1,436,371		972,754		1,082,893		1,448,375		1,509,702		1,706,683		1,596,496		2,241,911		2,241,911		3,157,096	
Unrestricted		(169,799)		(1,478,680)		(1,436,836)		(1,492,344)		(1,700,509)		(1,634,129)		(1,304,454)		(618,848)		(175,835)		(175,835)		(77,717)	
<b>Total district Net Position</b>	<b>\$</b>	<b>4,874,321</b>	<b>\$</b>	<b>3,610,707</b>	<b>\$</b>	<b>3,568,900</b>	<b>\$</b>	<b>3,606,340</b>	<b>\$</b>	<b>3,771,026</b>	<b>\$</b>	<b>3,889,795</b>	<b>\$</b>	<b>4,364,670</b>	<b>\$</b>	<b>4,943,982</b>	<b>\$</b>	<b>5,993,070</b>	<b>\$</b>	<b>6,881,682</b>			

Source: ACFR Schedule A-1

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	2014		2015		2016		2017		Fiscal Year Ending June 30,		2018		2019		2020		2021		2022		2023		
<b>Expenses:</b>																							
Governmental activities																							
Instruction:																							
Regular	\$	1,816,724	\$	1,770,651	\$	1,724,878	\$	1,725,547	\$	1,769,342	\$	1,764,446	\$	1,615,268	\$	1,751,774	\$	1,836,776	\$	1,836,776	\$	2,728,460	
Special Education		515,937		464,598		551,878		494,389		532,888		524,234		560,628		350,689		471,477		471,477		447,567	
Other Special Instruction		169,305		158,520		128,394		62,833		82,339		76,124		57,887		88,846		6,827		6,827		28,060	
Other Instruction		31,489		30,985		29,269		29,825		10,746		10,112		7,202		6,617		10,385		10,385		12,228	
Support Services & Undistributed Costs:																							
Student & Instructions related Services		2,630,605		3,079,536		3,167,978		3,413,852		3,179,336		3,457,933		3,427,117		3,724,661		4,009,502		4,009,502		2,490,794	
General Administration		248,738		275,712		281,273		201,192		282,131		340,985		267,015		228,808		195,100		195,100		1,021,871	
School Administrative Services		142,917		124,732		143,006		135,563		82,866		76,812		69,713		76,982		111,687		111,687		166,846	
Central Services		365,370		391,976		323,862		346,851		364,556		375,656		357,035		155,089		161,304		161,304		402,103	
Administrative Informaion Technology		2,378		1,697		2,575		578		420		-		-		-		-		-		-	
Plant Operations & Maintenance		457,900		419,411		402,302		350,435		330,187		375,662		351,502		346,497		407,531		407,531		454,758	
Pupil Transportation		410,698		497,998		546,707		447,606		411,379		452,875		427,880		394,648		569,204		569,204		714,913	
Unallocated Benefits		1,326,186		1,459,652		1,513,749		1,714,725		2,581,530		2,414,390		1,802,431		2,694,079		1,529,087		1,529,087		-	
Interest on long-term debt		97,640		92,128		59,708		54,689		48,241		41,140		34,108		294,928		289,314		289,314		47,913	
Capital Outlay		12,593		43,768		47,530		44,343		35,593		35,593		35,593		68,769		39,867		39,867		-	
Transfer to Charter Schools		-		-		-		-		-		-		100,399		-		-		-		-	
Unallocated Depreciation		234,426		234,875		247,034		259,795		262,082		261,202		259,011		258,175		254,605		254,605		254,605	
Total governmental activities Net Position	\$	<u>8,462,906</u>	\$	<u>9,046,239</u>	\$	<u>9,170,143</u>	\$	<u>9,282,223</u>	\$	<u>9,973,636</u>	\$	<u>10,207,164</u>	\$	<u>9,372,789</u>	\$	<u>10,440,562</u>	\$	<u>9,892,666</u>	\$	<u>9,892,666</u>	\$	<u>8,770,118</u>	
Business-type activities																							
Food Service	\$	152,100	\$	146,010	\$	148,862	\$	148,862	\$	150,420	\$	142,890	\$	120,699	\$	111,151	\$	126,532	\$	126,532	\$	124,120	
Childcare		81,306		92,080		78,280		78,280		60,707		48,698		34,622		36,784		40,217		40,217		47,478	
Shared Services		-		-		-		-		-		-		-		-		-		-		235,530	
Total Business-Type Activities Expense	\$	<u>233,406</u>	\$	<u>238,090</u>	\$	<u>227,142</u>	\$	<u>227,142</u>	\$	<u>211,127</u>	\$	<u>191,588</u>	\$	<u>155,321</u>	\$	<u>147,935</u>	\$	<u>166,749</u>	\$	<u>166,749</u>	\$	<u>407,128</u>	
Total District Expenses	\$	<u>8,696,312</u>	\$	<u>9,284,329</u>	\$	<u>9,397,285</u>	\$	<u>9,509,365</u>	\$	<u>10,184,763</u>	\$	<u>10,398,752</u>	\$	<u>9,528,110</u>	\$	<u>10,588,497</u>	\$	<u>10,059,415</u>	\$	<u>10,059,415</u>	\$	<u>9,177,246</u>	
Program Revenues																							
Governmental Activities:																							
Charges for Services:	\$	420,501	\$	486,664	\$	435,085	\$	370,257	\$	342,000	\$	352,728	\$	302,500	\$	298,900	\$	264,500	\$	264,500	\$	-	
Operating Grants & Contributions		192,382		179,826		249,856		269,747		275,950		260,129		274,142		2,469,675		1,912,197		1,912,197		5,130,887	
Total Governmental Activities Program Revenues	\$	<u>612,883</u>	\$	<u>666,490</u>	\$	<u>684,941</u>	\$	<u>640,004</u>	\$	<u>617,950</u>	\$	<u>612,857</u>	\$	<u>576,642</u>	\$	<u>2,768,575</u>	\$	<u>2,176,697</u>	\$	<u>2,176,697</u>	\$	<u>5,130,887</u>	
Business-type activities:																							
Food service		92,532		81,429		83,990		84,419		72,535		71,606		47,708		1,921		18,568		18,568		73,585	
Childcare		85,298		84,938		77,309		59,752		49,393		4,414		30,337		24,401		40,794		40,794		56,474	
Shared Services		-		-		-		-		-		-		-		-		-		-		264,660	
Operating Grants & Contributions		46,217		47,474		44,490		44,488		44,152		39,076		44,378		123,151		179,863		179,863		72,611	
Total business-type activities revenue		<u>224,047</u>		<u>213,841</u>		<u>205,789</u>		<u>188,659</u>		<u>166,080</u>		<u>115,096</u>		<u>122,423</u>		<u>149,473</u>		<u>239,225</u>		<u>239,225</u>		<u>467,330</u>	
Total district revenue	\$	<u>836,930</u>	\$	<u>880,331</u>	\$	<u>890,730</u>	\$	<u>828,663</u>	\$	<u>784,030</u>	\$	<u>767,680</u>	\$	<u>699,065</u>	\$	<u>2,918,048</u>	\$	<u>2,415,922</u>	\$	<u>2,415,922</u>	\$	<u>5,598,217</u>	
<b>Net (Expense)/Revenue</b>																							
Governmental activities	\$	(7,850,023)	\$	(8,379,749)	\$	(8,485,202)	\$	(8,642,219)	\$	(9,355,686)	\$	(9,594,307)	\$	(8,796,147)	\$	(7,671,987)	\$	(7,715,969)	\$	(7,715,969)	\$	(3,639,231)	
Business-type activities		(9,359)		(24,249)		(21,353)		(22,468)		(25,508)		(498)		(25,512)		1,377		72,476		72,476		60,202	
Total district-wide net expense	\$	<u>(7,859,382)</u>	\$	<u>(8,403,998)</u>	\$	<u>(8,506,555)</u>	\$	<u>(8,664,687)</u>	\$	<u>(9,381,194)</u>	\$	<u>(9,594,805)</u>	\$	<u>(8,821,659)</u>	\$	<u>(7,670,610)</u>	\$	<u>(7,643,493)</u>	\$	<u>(7,643,493)</u>	\$	<u>(3,579,029)</u>	

(Continued)



**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Property Taxes, Levied for General Purposes, Net	\$ 3,390,760	\$ 3,525,085	\$ 3,595,502	\$ 3,698,284	\$ 3,877,636	\$ 3,955,188	\$ 4,034,292	\$ 4,114,978	\$ 4,197,278	\$ 4,281,224
Taxes Levied for Debt Service	253,640	282,640	275,240	248,467	258,713	247,262	243,863	234,562	225,363	215,237
Federal & State Aid Not Restricted	4,365,143	4,456,919	4,491,334	4,483,990	4,612,519	5,437,770	5,014,575	3,823,306	4,216,959	-
Tuition	-	-	-	12,393	41,482	14,666	10,346	4,080	24,848	-
Transportation Fees	-	-	-	1,722	20,458	27,065	25,534	-	-	-
Investment Earnings	26,882	21,590	22,315	6,229	3,651	8,577	8,157	1,831	235	2,318
Miscellaneous Income	3,419	215	51,283	5,071	54,232	21,046	(16,712)	4,397	27,898	32,347
Loss on disposal of assets	-	(5,946)	-	(788)	-	-	-	-	-	-
Transfer to Business-type activities	(12,137)	(10,800)	(22,500)	(10,040)	(17,500)	(5,000)	(30,000)	-	-	-
<b>Total governmental activities expenses</b>	<b>8,027,707</b>	<b>8,269,703</b>	<b>8,413,174</b>	<b>8,445,328</b>	<b>8,851,191</b>	<b>9,706,574</b>	<b>9,290,055</b>	<b>8,183,154</b>	<b>8,692,581</b>	<b>4,531,126</b>
<b>Business-type activities:</b>										
Miscellaneous Income	-	-	-	9,380	-	-	-	-	-	-
Transfers	12,137	10,800	22,500	10,040	17,500	5,000	30,000	-	-	-
<b>Total business-type activities</b>	<b>12,137</b>	<b>10,800</b>	<b>22,500</b>	<b>19,420</b>	<b>17,500</b>	<b>5,000</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total district-wide</b>	<b>8,039,844</b>	<b>8,280,503</b>	<b>8,435,674</b>	<b>8,464,748</b>	<b>8,868,691</b>	<b>9,711,574</b>	<b>9,320,055</b>	<b>8,183,154</b>	<b>8,692,581</b>	<b>4,531,126</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 177,684	\$ (110,046)	\$ (72,028)	\$ (196,891)	\$ (504,495)	\$ 112,267	\$ 493,908	\$ 511,167	\$ 976,612	\$ 891,895
Business-type activities	2,778	(13,449)	1,147	(3,048)	(8,008)	4,502	4,488	1,377	72,476	60,202
<b>Total district</b>	<b>\$ 180,462</b>	<b>\$ (123,495)</b>	<b>\$ (70,881)</b>	<b>\$ (199,939)</b>	<b>\$ (512,503)</b>	<b>\$ 116,769</b>	<b>\$ 498,396</b>	<b>\$ 512,544</b>	<b>\$ 1,049,088</b>	<b>\$ 952,097</b>

Source: ACFR Schedule A-2

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 783,296	\$ 690,750	\$ 721,591	\$ 951,733	\$ 1,235,165	\$ 1,397,247	\$ 1,597,721	\$ 1,573,269	\$ 2,217,102	\$ 2,701,152
Assigned	195,800	296,985	217,731	107,402	189,452	88,697	108,961	270,644	376,860	472,322
Unreserved	(87,844)	(144,165)	(28,010)	(929)	(8,626)	9,231	140,162	382,811	369,863	547,942
Total general fund	<u>\$ 891,252</u>	<u>\$ 843,570</u>	<u>\$ 911,312</u>	<u>\$ 1,058,206</u>	<u>\$ 1,415,991</u>	<u>\$ 1,495,175</u>	<u>\$ 1,846,844</u>	<u>\$ 2,226,724</u>	<u>\$ 2,963,825</u>	<u>\$ 3,721,416</u>
All Other Governmental Funds										
Reserved										
Special Revenue Fund	-	-	-	-	-	-	-	\$ 23,226	\$ 24,808	\$ 27,998
Unreserved, reported in:										
Special Revenue Fund										(60,972)
Capital projects fund	\$ 405,409	\$ 417,965	\$ 23,757	\$ 23,757	\$ 23,757	\$ 23,757				
Debt service fund		30,671	9,675	1	1	1	\$ 1	1	1	1
Total all other governmental funds	<u>\$ 405,409</u>	<u>\$ 448,636</u>	<u>\$ 33,432</u>	<u>\$ 23,758</u>	<u>\$ 23,758</u>	<u>\$ 23,758</u>	<u>\$ 1</u>	<u>\$ 23,227</u>	<u>\$ 24,809</u>	<u>\$ (32,973)</u>

Source: ACFR Schedule B-1

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

**Exhibit J-4**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Revenues</b>										
Tax levy	\$ 3,807,725	\$ 3,870,742	\$ 3,946,751	\$ 4,057,092	\$ 4,136,349	\$ 4,202,450	\$ 4,278,155	\$ 4,349,540	\$ 4,422,641	\$ 4,496,461
Tuition charges	-	-	12,393	35,229	41,482	14,666	10,346	4,080	24,848	-
Transportation Fees	-	-	1,722	3,208	20,482	27,065	25,534	-	-	-
Interest Charges	21,590	22,315	6,229	3,205	3,651	8,577	8,157	1,831	235	-
Miscellaneous	215	55,855	7,546	7,815	57,304	24,585	18,360	21,135	46,611	34,665
State sources	4,456,919	4,491,334	4,483,990	4,589,383	4,612,519	4,736,353	4,758,530	4,911,265	5,472,831	4,891,126
Federal sources	192,382	175,254	247,381	267,192	272,878	256,590	269,437	320,363	750,054	788,094
<b>Total revenue</b>	<b>8,478,831</b>	<b>8,615,500</b>	<b>8,706,012</b>	<b>8,963,124</b>	<b>9,144,665</b>	<b>9,270,286</b>	<b>9,368,519</b>	<b>9,608,214</b>	<b>10,717,220</b>	<b>10,210,346</b>
<b>Expenditures</b>										
<b>Current Expense</b>										
Instuction	2,537,634	2,437,994	2,429,220	2,322,194	2,403,018	2,374,586	2,242,942	2,229,507	2,325,465	2,739,604
Undistributed Expenses	5,185,738	5,802,805	5,958,431	6,139,523	6,010,340	6,479,804	6,333,922	6,433,169	7,064,702	6,519,483
Capital outlay	67,860	112,087	457,694	70,025	97,285	84,450	35,593	106,563	38,100	36,213
<b>Debt service:</b>										
Principal	185,000	185,000	215,000	215,000	215,000	210,000	215,000	210,000	205,000	200,000
Interest and other charges	97,640	69,244	54,463	50,162	43,713	37,262	28,863	60,155	55,956	15,237
<b>Total expenditures</b>	<b>8,073,872</b>	<b>8,607,130</b>	<b>9,114,808</b>	<b>8,796,904</b>	<b>8,769,356</b>	<b>9,186,102</b>	<b>8,856,320</b>	<b>9,039,394</b>	<b>9,689,223</b>	<b>9,510,537</b>
Excess (Deficiency) of revenues over (under) expenditures	404,959	8,370	(408,796)	166,220	375,309	84,184	512,199	568,820	1,027,997	699,809
<b>Other Financing Sources/(Uses)</b>										
Refunding Bond Proceeds	-	\$ 9,675	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	\$ (100,399)	\$ (294,928)	\$ (289,314)	-
Capital Leases (Nonbudget)	-	-	-	-	-	-	-	84,435	-	-
Prior year receivable canceled	-	-	-	-	-	-	(30,367)	-	-	-
Transfer from Internal Service Funds	-	-	\$ 73,334	-	-	-	-	-	-	-
Transfer to Enterprise Funds	\$ (10,800)	(22,500)	(12,000)	\$ (29,000)	\$ (17,500)	\$ (5,000)	(30,000)	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>(10,800)</b>	<b>(12,825)</b>	<b>61,334</b>	<b>(29,000)</b>	<b>(17,500)</b>	<b>(5,000)</b>	<b>(160,766)</b>	<b>(210,493)</b>	<b>(289,314)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 394,159</b>	<b>\$ (4,455)</b>	<b>\$ (347,462)</b>	<b>\$ 137,220</b>	<b>\$ 357,785</b>	<b>\$ 79,184</b>	<b>\$ 351,433</b>	<b>\$ 357,327</b>	<b>\$ 738,683</b>	<b>\$ 699,809</b>
Debt service as a percentage of noncapital expenditures	2.80%	3.10%	2.80%	2.80%	3.10%	3.10%	3.20%	3.10%	3.70%	2.3%

Source: ACFR Schedule B-2

ALLOWAY TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Miscellaneous</u>	<u>Donations</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Other</u> <u>Local</u>	<u>Total</u>
2014	\$ 215	-	-	-	\$ 215
2015	1,747	-	\$ 49,536	-	51,283
2016	2,501	\$ 2,570	-	\$ 2,475	7,546
2017	2,248	-	3,012	-	5,260
2018	9,357	-	44,875	-	54,232
2019	132	-	20,914	-	21,046
2020	1,942	-	11,713	-	13,655
2021	810	-	3,587	-	4,397
2022	654	-	27,244	-	27,898
2023	6,101	-	4,321	-	10,422

SOURCE: District Records

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

**Exhibit J-6**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <b>a</b>	Net Valuation Taxable	Total Direct School Tax Rate <b>b</b>	Estimated Actual (County Equalized Value)
2014	\$10,955,100	\$207,289,200	\$44,768,800	\$5,826,100	\$15,384,500	-	-	284,223,700	\$627,629	284,851,329	\$1.200	\$290,561,112
2015	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
2016	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
2017	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
2018	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
2019	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
2020	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
2021	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
2022	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
2023	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

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**

**Exhibit J-7**

**Direct and Overlapping Property Tax Rates - Township of Alloway  
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	Municipal Open Space	Salem County	
2014	1.334	1.334	0.181	0.010	0.959	2.484
2015	1.377	1.377	0.186	0.005	0.954	2.522
2016	1.410	1.410	0.225	0.005	0.985	2.625
2017	1.452	1.452	0.244	0.005	1.059	2.760
2018	1.478	1.478	0.250	0.005	1.109	2.842
2019	1.500	1.500	0.250	0.005	1.109	2.864
2020	1.518	1.518	0.258	0.005	1.237	3.018
2021	1.537	1.537	0.268	0.005	1.251	3.061
2022	1.575	1.575	0.286	0.005	1.271	3.137
2023	1.575	1.575	0.284	0.005	1.320	3.184

Source: District Records and Municipal Tax Collector

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

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

**b** Rates for debt service are based on each year's requirements.

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
T/P Campground Inc.	\$ 3,000,000	1	1.05%			
Angelo Massari, Inc.	2,521,500	2	0.88%			
Taxpayer #1	1,187,600	3	0.42%			
Taxpayer #2	1,039,600	4	0.36%	INFORMATION NOT AVAILABLE		
Taxpayer #3	874,100	5	0.31%			
Taxpayer #4	835,200	6	0.29%			
Fulton Bank	703,000	7	0.25%			
Taxpayer #5	693,200	8	0.24%			
NL Properties LLC	599,000	9	0.21%			
Taxpayer #6	578,800	10	0.20%			
Total	<u>\$ 12,032,000</u>		<u>4.22%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: District ACFR & Municipal Tax Assessor

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

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2014	\$ 3,807,725	\$ 3,807,725	100.00%
2015	3,870,742	3,870,742	100.00%
2016	3,946,751	3,946,751	100.00%
2017	4,057,092	4,057,092	100.00%
2018	4,136,349	4,136,349	100.00%
2019	4,202,450	4,202,450	100.00%
2020	4,278,155	4,278,155	100.00%
2021	4,349,540	4,349,540	100.00%
2022	4,422,641	4,422,641	100.00%
2023	4,496,461	4,496,461	100.00%

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

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



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

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Per Capita <sup>a</sup>
	General Obligation Bonds	Loans Payable			
2014	\$ 2,181,000	-	\$ 2,181,000	\$640	
2015	2,075,000	-	2,075,000	614	
2016	1,860,000	-	1,860,000	555	
2017	1,645,000	-	1,645,000	490	
2018	1,430,000	-	1,430,000	425	
2019	1,220,000	-	1,220,000	363	
2020	1,005,000	-	1,005,000	299	
2021	795,000	\$ 65,310	860,310	256	
2022	590,000	49,883	639,883	195	
2023	390,000	33,973	423,973	128	

Source: District ACFR Schedules I-1, I-2

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

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

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

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 2,181,000	-0-	\$ 2,181,000	0.76%	\$640
2015	2,075,000	-0-	2,075,000	0.74%	614
2016	1,860,000	-0-	1,860,000	0.60%	555
2017	1,645,000	-0-	1,645,000	0.59%	490
2018	1,430,000	-0-	1,430,000	0.51%	425
2019	1,220,000	-0-	1,220,000	0.51%	363
2020	1,005,000	-0-	1,005,000	0.45%	299
2021	795,000	-0-	795,000	0.28%	236
2022	590,000	-0-	590,000	0.21%	180
2023	390,000	-0-	390,000	0.14%	118

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

**R** Revised

\* Current data unavailable

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2023**

**Exhibit J-12**

<u><b>Governmental Unit</b></u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Township of Alloway	\$ 781,922	100%	\$ 946,376
<b>Other debt</b>			
Salem County	77,900,051	5.66%	<u>4,406,353</u>
Subtotal, overlapping debt			5,352,729
<b>Alloway Township School District Debt</b>			390,000
<b>Total direct and overlapping debt</b>			<u><u>\$ 5,742,729</u></u>

**Sources:** Constituent Municipalities Finance Officer, Salem County Finance Office and Utility Authorities

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

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

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

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2023**

	Equalized valuation basis	
	2020	\$ 289,877,691
	2021	302,308,960
	2022	332,051,553
	[A]	<u>\$ 924,238,204</u>
Average equalized valuation of taxable property	[A/3]	\$ 308,079,401
Debt limit (3.0 % of average equalization value) a	[B]	9,242,382
Net bonded school debt	[C]	390,000
Legal debt margin	[B-C]	<u>\$ 8,852,382</u>

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$8,631,153	\$8,682,550	\$8,731,754	\$8,710,100	\$8,660,606	\$8,708,816	\$8,735,684	\$8,736,407	\$8,853,400	9,242,382
Total net debt applicable to limit	<u>2,181,000</u>	<u>2,075,000</u>	<u>1,860,000</u>	<u>1,645,000</u>	<u>1,430,000</u>	<u>1,220,000</u>	<u>1,005,000</u>	<u>795,000</u>	<u>590,000</u>	<u>390,000</u>
Legal debt margin	<u>\$6,450,153</u>	<u>\$6,607,550</u>	<u>\$6,871,754</u>	<u>\$7,065,100</u>	<u>\$7,230,606</u>	<u>\$7,488,816</u>	<u>\$7,730,684</u>	<u>\$7,941,407</u>	<u>\$8,263,400</u>	<u>\$8,852,382</u>
Total net debt applicable to the limit as a percentage of debt limit	25.27%	23.90%	21.30%	18.89%	16.51%	14.01%	11.50%	9.10%	6.66%	4.22%

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

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

**Exhibit J-14**

Salem County				
Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2014	3,433	\$ 145,600,396	\$42,412 R	8.2%
2015	3,410	\$ 152,004,160	\$44,576 R	7.0%
2016	3,381	\$ 152,571,006	\$45,126 R	5.1%
2017	3,350	\$ 153,842,050	\$45,923 R	5.0%
2018	3,360	\$ 159,549,600	\$47,485 R	4.4%
2019	3,362	\$ 170,107,114	\$50,597 R	4.1%
2020	3,359	\$ 183,327,502	\$54,578 R	7.8%
2021	3,363	\$ 193,530,561	\$57,547 R	5.7%
2022	3,286	\$ 189,099,442	\$57,547 *	4.2%
2023	3,306	\$ 190,250,382	\$57,547 *	*

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income provided by US Dept Commerce

<sup>c</sup> Per Capita provided by NJ Dept of Labor

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

R Revised

P Projected

\* Current data unavailable

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Nine Years Ago**

**Exhibit J-15**

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
	INFORMATION NOT AVAILABLE			INFORMATION NOT AVAILABLE		
	-			-		

**Source:** Salem County Office of Economic Development  
and Employer Directly

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

**Exhibit J-16**

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	32.0	30.0	30.0	24.8	24.8	24.8	23.4	23.3	21.4	25.6
Special education	11.0	12.0	12.0	13.4	14.2	12.6	11.3	9.7	11.7	9.5
Support Services:										
Student & instruction related services	2.5	4.0	4.0	4.3	4.3	4.3	3.6	2.5	3.0	3.6
General administrative services	1.5	1.5	1.5	1.5	1.5	1.2	1.2	2.0	2.5	2.5
School administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.4	1.8	1.8
Business administrative services	2.0	2.0	2.0	2.5	2.5	2.0	2.2	2.2	2.4	2.2
Plant operations and maintenance	4.1	4.1	3.9	3.5	3.5	3.5	3.0	4.8	5.0	4.0
Food Service	3.5	3.5	3.5	3.4	3.3	2.8	2.8	2.8	2.9	2.5
Childcare	3.5	3.5	2.0	2.0	2.0	2.0	2.0	1.5	2.5	2.3
Total	62.1	62.6	60.9	57.4	58.1	55.2	51.5	50.2	53.2	54.0

**Source:** District Personnel Records

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

**Exhibit J-17**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Pupil/Teacher Ratio</b>		<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
					<b>Teaching Staff<sup>b</sup></b>	<b>Elementary</b>				
2014	384	\$ 7,723,372	\$ 20,113	-1.99%	36	1:11	388.9	372.5	-3.23%	95.78%
2015	376	8,240,799	21,917	8.97%	34	1:11	376.9	358.1	-3.09%	95.01%
2016	384	8,387,651	21,843	-0.34%	36	1:11	383.0	359.0	1.62%	93.73%
2017	375	8,461,717	22,565	3.30%	33	1:12	374.6	354.6	-2.19%	94.66%
2018	361	8,413,358	23,306	3.28%	30	1:12	368.1	348.7	-1.74%	94.73%
2019	360	8,854,390	24,596	5.53%	30.0	1:12	356.9	338.2	-3.04%	94.76%
2020	324	8,576,864	26,472	7.63%	29.0	1:16	326.3	315.8	-8.57%	96.78%
2021	298	8,662,676	29,069	9.81%	29.0	1:16	298.6	232.1	-8.49%	77.73%
2022	297	9,390,167	31,617	8.76%	27.0	1:11	297.0	281.3	-0.54%	94.71%
2023	274	9,259,087	33,792	6.88%	29.0	1:10	299.2	279.3	0.74%	93.35%

**Sources:** District records and ASSA Schedules

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).



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

**Exhibit J-18**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>District Buildings</u></b>										
<b><u>Elementary Schools:</u></b>										
Alloway Elementary:										
Square Feet	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760
Capacity (Students)	629	629	629	629	629	629	629	629	629	629
Enrollment	384	376	384	375	361	360	324	298	297	274

Number of Schools at June 30, 2023  
 Elementary School = 1

**Source:** District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and/or additions. Enrollment is based on the annual October district count.

\* Functional Educational Capacity. Fluctuation in capacity based on change in State of New Jersey formula.

ALLOWAY TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 Last Ten Fiscal Years Ending June 30, 2023

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Alloway School		\$ 54,877	\$ 8,755	\$ 72,823	\$ 70,781	\$ 48,461	\$ 35,800	\$ 59,211	\$ 43,119	\$ 10,799	\$ 89,670	\$ 494,296
Total School Facilities		54,877	8,755	72,823	70,781	48,461	35,800	59,211	43,119	10,799	89,670	494,296
<b>Grand Total</b>		<u>\$ 54,877</u>	<u>\$ 8,755</u>	<u>\$ 72,823</u>	<u>\$ 70,781</u>	<u>\$ 48,461</u>	<u>\$ 35,800</u>	<u>\$ 59,211</u>	<u>\$ 43,119</u>	<u>\$ 10,799</u>	<u>\$ 89,670</u>	<u>\$ 494,296</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2023

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>PROPERTY SECTION -</b>		
Property-Blanket Building and Contents	\$ 16,376,476	\$ 5,000
Data processing equipment	400,000	1,000
Equipment breakdown	100,000,000	5,000
Property Valuation:		
<b>CRIME -</b>		
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
<b>GENERAL LIABILITY SECTION -</b>		
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
<b>COMMERCIAL AUTOMOBILE LIABILITY SECTION -</b>		
Body injury & property damage	6,000,000	None
<b>ERRORS &amp; OMISSIONS LIABILITY POLICY</b>		
Coverage A	6,000,000	5,000
Coverage B	100,000	5,000
<b>WORKERS' COMPENSATION - NJ School Board Association Insurance Group -</b>		
Bodily injury - by accident	3,000,000	None
Bodily injury - by disease	3,000,000	None
Bodily injury - by employee	3,000,000	None
<b>PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE BONDS -</b>		
Ohio Casualty Insurance Company		
Employee bond-Business Administrator/Board Secretary	200,000	None

SOURCE: District Records

# Single Audit Section

## ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA



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

#### Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alloway Township School District Board of Education in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Alloway Township School District Board of Education's basic financial statements, and have issued our report thereon dated February 16, 2024.

#### **Internal Control Over Financial Reporting**

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

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

-Continued-

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

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the Alloway Township School District, in a separate letter dated February 16, 2024 entitled "Auditor's Management Report on Administrative Findings".

### **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 for New Jersey Department of Education use, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with **Government Auditing Standards** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ardito & Company LLC*

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
February 16, 2024

*Anthony Ardito*

Anthony Ardito  
Certified Public Accountant  
Licensed Public School Accountant No. 2369

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
February 16, 2024



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Anthony Ardito, CPA, RMA, CMFO, PSA

### **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 08001

#### **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 Board of Education's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The Alloway Township School District Board of Education'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 Alloway Township School District Board of Education 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, 2023.

##### ***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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and New Jersey OMB Circular 15-08 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 Alloway Township School District Board of Education, and to meet our other 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Alloway Township School District Board of Education's compliance with the compliance requirements referred to above.

### ***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 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 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 generally accepted auditing standards, ***Government Auditing Standards***, the Uniform Guidance, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. 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, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the 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 auditing standards, ***Government Auditing Standards***, the Uniform Guidance and New Jersey OMB Circular 15-08, 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 the 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 the 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 Uniform Guidance, and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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 instances of noncompliance, which are required to be reported in accordance with Uniform Guidance, and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal and state program is not modified with respect to these matters.

***Government Auditing Standards*** requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

-Continued-



***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 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 program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

*Ardito & Company LLC*

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
February 16, 2024

*Anthony Ardito*

Anthony Ardito  
Certified Public Accountant  
Licensed Public School Accountant No. 2369

**ARDITO & COMPANY LLC**

Frenchtown, New Jersey  
February 16, 2024

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2023

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Program or Award Amount	Grant Period		Balance At June 30, 2022	Carryover/Walkover Amount	Cash Received	Budgetary Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education:</b>															
<b>Special Revenue Fund:</b>															
IDEA Part B, Basic Regular	84.027	H027A220100	\$ 88,643	7/1/22	6/30/23			\$ 85,800	\$ (88,643)			\$ (2,843)			\$ 88,643
IDEA Part B, Basic Regular	84.027	H027A210100	87,504	7/1/21	6/30/22	\$ (87,504)		87,504				-			87,504
IDEA Part B, Preschool	84.173	H173A220114	3,887	7/1/22	6/30/23				(3,887)			(3,887)			3,887
American Rescue Plan-IDEA Basic	84.027X	H027X220100	13,243	3/13/20	9/30/24	(13,243)		13,243				-			13,243
American Rescue Plan-IDEA Preschool	84.173X	H173X220100	1,129	3/13/20	9/30/24	(1,129)		1,129				-			1,129
Special Education Cluster						(101,876)	-	187,676	(92,530)	-	-	(6,730)	-	-	194,406
Title I	84.010	S010A220030	123,388	7/1/22	6/30/23				(114,277)			(114,277)			114,277
Title I	84.010	S010A210030	107,811	7/1/21	6/30/22	(37,677)		37,676				(1)			107,811
Title I Cluster						(37,677)	-	37,676	(114,277)	-	-	(114,278)	-	-	222,088
Title II Part A	84.367	S367A220027	19,925	7/1/22	6/30/23				(20,614)			(20,614)			20,614
Title II Part A	84.367	S367A210027	19,471	7/1/21	6/30/22	(8,185)		7,716		\$ 469		-			19,471
Title IV	84.424A	S424A220027	10,000	7/1/22	6/30/23				(6,870)			(6,870)			6,870
Total Other ESEA						(8,185)	-	7,716	(27,484)	469	-	(27,484)	-	-	46,955
American Rescue Plan-ESSER III	84.425U	S425U220027	788,072	3/13/20	9/30/24	(92,079)		235,866	(253,521)	1		(109,733)			345,600
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U220027	50,000	3/13/20	9/30/24	(26,783)		32,906	(5,685)			-	\$ 438		32,468
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	40,000	3/13/20	9/30/24			22,920	(20,854)			-	2,066		20,854
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	40,000	3/13/20	9/30/24	(2,273)		10,596	(158)			-	8,165		2,431
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U220027	45,000	3/13/20	9/30/24			21,230	(26,006)			(4,776)			26,006
American Rescue Plan-ACERS	84.425U	S425U220027	231,514	3/13/20	9/30/24				(231,514)			(231,514)			231,514
CARES Emergency Relief Grant	84.425D	S425D220027	90,377	3/13/20	9/30/22	(7,725)		7,801				-		\$ 76	90,301
CRRSA ESSER II	84.425D	S425D220027	350,654	3/13/20	9/30/23	(17,878)		21,504	(30,982)			(27,356)			350,654
CRRSA Learning	84.425D	S425D220027	25,000	3/13/20	9/30/23	(1)		300	(2,741)			(2,442)			25,000
CRRSA Mental Health	84.425D	S425D220027	45,000	3/13/20	9/30/23				(30,141)			(30,141)			40,555
Total Education Stabilization Fund						(146,739)	-	353,123	(601,602)	1	-	(405,962)	10,669	76	1,165,383
Small Rural Education Achievement Program	84.358B	S358B220030	7,917	7/1/22	9/30/23										-
Small Rural Education Achievement Program	84.358B	S358B210030	16,663	7/1/21	9/30/22	(16,033)						(16,033)			16,033
Total REAP						(16,033)	-	-	-	-	-	(16,033)	-	-	16,033
<b>Total Special Revenue Fund</b>						<b>(310,510)</b>	<b>-</b>	<b>586,191</b>	<b>(835,893)</b>	<b>470</b>	<b>-</b>	<b>(570,487)</b>	<b>10,669</b>	<b>76</b>	<b>1,644,865</b>
<b>U.S. Department of Agriculture</b>															
<b>Passed-through State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Child Nutrition Cluster:															
National School Lunch Program (Food Distribution)	10.555	231NJ304N1199	11,914	7/1/22	6/30/23			11,914	(9,369)			\$ 2,545			9,369
National School Lunch Program	10.555	221NJ304N1099	141,799	7/1/21	6/30/22	(6,150)		6,150							141,799
National School Lunch Program	10.555	231NJ304N1199	34,624	7/1/22	6/30/23			33,314	(34,624)			(1,310)			34,624
Supply Chain Assistance Funding	10.555	231NJ344N8903	27,277	7/1/22	6/30/23			27,277	(27,277)			-	-	-	27,277
Total Child Nutrition Cluster						(6,150)	-	78,655	(71,270)	-	-	(1,310)	2,545	-	213,069
<b>Total Enterprise Fund</b>						<b>(6,150)</b>	<b>-</b>	<b>78,655</b>	<b>(71,270)</b>	<b>-</b>	<b>-</b>	<b>(1,310)</b>	<b>2,545</b>	<b>-</b>	<b>213,069</b>
<b>Total Federal Financial Awards</b>						<b>\$ (316,660)</b>	<b>-</b>	<b>\$ 664,846</b>	<b>\$ (907,163)</b>	<b>\$ 470</b>	<b>-</b>	<b>\$ (571,797)</b>	<b>\$ 13,214</b>	<b>76</b>	<b>\$ 1,857,934</b>

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2023

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE/ INTERFUND PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>State Department of Education:</b>															
<b>General Fund:</b>															
Equalization Aid	23-495-034-5123-078	7/1/22-6/30/23	\$ 2,381,703			\$ 2,381,703	\$ (2,381,703)							* \$ 208,783	\$ 2,381,703
Transportion Aid	23-495-034-5123-014	7/1/22-6/30/23	218,309			218,309	(218,309)							* 19,137	218,309
Special Education Aid	23-495-034-5123-089	7/1/22-6/30/23	370,315			370,315	(370,315)							* 32,462	370,315
Security Aid	23-495-034-5123-084	7/1/22-6/30/23	47,622			47,622	(47,622)							* 4,175	47,622
Supplemental Stabilization Aid	23-100-034-5120-494	7/1/22-6/30/23	472,625			472,625	(472,625)							* -	472,625
Extra-Ordinary Aid	23-495-034-5123-044	7/1/22-6/30/23	84,882				(84,882)		\$ (84,882)					* 84,882	84,882
Extra-Ordinary Aid	22-495-034-5123-044	7/1/21-6/30/22	364,971	\$ (364,971)		364,971	-							* 364,971	364,971
Non-Public Transportation Aid	23-100-034-5123-068	7/1/22-6/30/23	4,992				(4,992)							* 4,992	4,992
Non-Public Transportation Aid	22-100-034-5123-068	7/1/21-6/30/22	3,770	(3,770)		3,770								* 3,770	3,770
On-behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	714,186			714,186	(714,186)							* 714,186	714,186
On-behalf TPAF Pension PMR	23-495-034-5094-001	7/1/22-6/30/23	187,615			187,615	(187,615)							* 187,615	187,615
On-behalf TPAF Pension LTD Ins	23-495-034-5094-004	7/1/22-6/30/23	233			233	(233)							* 233	233
Reimb.TPAF Soc.Sec.Contrib.	23-495-034-5094-003	7/1/22-6/30/23	176,090	(7,740)		167,524	(176,090)				(16,306)			* 176,090	176,090
<b>Total General Fund</b>				<b>(376,481)</b>		<b>4,928,873</b>	<b>(4,658,572)</b>				<b>(106,180)</b>			* <b>264,557</b>	<b>5,027,313</b>
<b>Special Revenue Fund:</b>															
NJSDA-Emergent & Capital Maint. Needs	Unavailable	7/1/21-6/30/22	7,782	\$ 7,782			-				\$ 7,782			* -	-
Preschool Education Aid	23-495-034-5123-086	7/1/22-6/30/23	388,767	-		388,767	(250,000)				138,767			* 60,972	250,000
<b>Total Special Revenue Fund</b>				<b>7,782</b>		<b>388,767</b>	<b>(250,000)</b>				<b>-</b>	<b>146,549</b>		* <b>60,972</b>	<b>250,000</b>
<b>State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Nat. School Lunch Prog. (State Share)	23-100-010-3350-023	7/1/21-6/30/23	1,342			1,289	(1,342)				(53)			* 1,342	1,342
Nat. School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21-6/30/22	3,331	(142)		142								* 3,331	3,331
<b>Total Enterprise Fund</b>				<b>(142)</b>		<b>1,431</b>	<b>(1,342)</b>				<b>(53)</b>			* <b>4,673</b>	<b>4,673</b>
<b>Total State Financial Assistance</b>				<b>\$ (368,841)</b>		<b>\$ 5,319,071</b>	<b>\$ (4,909,914)</b>				<b>\$ (106,233)</b>	<b>\$ 146,549</b>		* <b>\$ 325,529</b>	<b>\$ 5,281,986</b>
<b>Less On-behalf TPAF Pension Amounts:</b>															
On-behalf TPAF Pension	23-495-034-5094-002						714,186								
On-behalf TPAF Pension PMR	23-495-034-5094-001						187,615								
On-behalf TPAF Pension LTD Ins	23-495-034-5094-004						233								
<b>Total State Expenditures Subject to Major Program Determination</b>							<b>\$ (4,007,880)</b>								

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

## NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE

JUNE 30, 2023

**NOTE 1. GENERAL**

The accompanying schedule of expenditures of federal awards and state financial assistance includes federal and state award activity of the Alloway Township School District Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal 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. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and *NJ OMB 15-08*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment 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 \$43,526 for the general fund and (\$110,771) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

## NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE

JUNE 30, 2023

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 4,702,098	\$ 4,702,098
Special Revenue Fund	\$ 788,094	189,028	977,122
Food Service Fund	<u>71,269</u>	<u>1,342</u>	<u>72,611</u>
Total Financial Assistance	<u>\$ 859,363</u>	<u>\$ 4,892,468</u>	<u>\$ 5,751,831</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. OTHER**

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 district for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_ Yes  x  No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ 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) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes  x  None

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 ?  x  Yes \_\_\_ No

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>Education Stabilization Fund:</u>		
<u>84.425D</u>	<u>S425D220027</u>	<u>Coronavirus Response and Relief - CRRSA</u>
<u>84.425U</u>	<u>S425U220027</u>	<u>American Rescue Plan - ESSER</u>

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

Auditee qualified as low-risk auditee? \_\_\_ Yes  x  No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**State Financial Assistance Section**

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

Auditee qualified as low-risk auditee? x Yes    No

Internal Control over major programs:

1) Material weakness(es) identified?    Yes x No

2) Were significant deficiencies identified that were not considered to be material weaknesses?    Yes x None

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable?    Yes x No

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

23-495-034-5122-078

Equalization Aid (State Aid Cluster)

23-495-034-5122-089

Special Education Aid (State Aid Cluster)

23-495-034-5122-084

Security Aid (State Aid Cluster)

23-100-034-5120-494

Supplemental Stabilization Aid

23-495-034-5123-086

Preschool Education Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Section II-Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

**Financial Statement**      N/A

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

**State Awards**              N/A

**Federal Awards**

**Finding 2023-001**

**Criteria or Specific Requirement:**

United States Department of Agriculture (USDA) requires that net cash resources for the Child Nutrition Program not exceed three months average expenditures in the food service fund.

**Condition:**

Net cash resources exceeded three months average expenditures.

**Questioned Costs:**

N/A

**Context:**

Net cash resources of \$113,506 exceeded three months average expenditures of \$36,122 by \$77,384.

**Effect:**

Excess profits retained in the food service fund.

**Cause:**

Low levels of capital investment over the past four years, increased subsidy rates at the "free" rate of reimbursement for all meals for all children under the age of 18 during COVID-19, additional COVID-19 assistance funds, and supply chain restraints for capital investment.

**Recommendation:**

The District should reduce net cash resources by purchasing needed equipment, improve food quality, or take other actions to eliminate the excess cash resources in the food service fund.

**Views of management and planned corrective actions:**

The District plans to reduce net cash resources by investing in capital equipment where necessary and allocating direct cost overhead expenditures.



SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**STATUS OF PRIOR YEAR FINDINGS**

N/A

In accordance with *government auditing standards*, our procedures included a review of all prior year recommendations. All prior year findings were corrected.