

**Annual Comprehensive
Financial Report**

of the

Lower Alloways Creek School District

Salem, New Jersey

For the Fiscal Year Ended June 30, 2023

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Introductory Section

The Lower Alloways Creek School District

967 Main Street, Salem, NJ 08079

856.935.2707



Michael Lucchesi
Chief School Administrator

Kimberly J. Lenox
Business Administrator

March 22, 2024

Honorable President and Members
of the Board of Education
Lower Alloways Creek School District
County of Salem
Salem, New Jersey

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Lower Alloways Creek 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 Lower Alloways Creek School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 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 Lower Alloways Creek School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, remedial, as well as special education for children who require that accommodation. Our students in grades 9-12 are sent to Salem High School in a sending/receiving relationship. Students may also choose to attend academies that are housed in several Salem County high school districts, including the Salem County Vo-Tech. The School District’s enrollment, as of October 15th, for the current and past ten fiscal years are detailed below.

Fiscal Year	Student Enrollment	Percent Change
2022-2023	178	20.27%
2021-2022	148	-11.90%
2020-2021	168	2.44%
2019-2020	164	0.61%
2018-2019	163	3.16%
2017-2018	158	-2.47%
2016-2017	162	-15.18%
2015-2016	191	-4.98%
2014-2015	201	-0.50%
2013-2014	202	-6.05%
2012-2013	215	-3.59%

ECONOMIC CONDITION AND OUTLOOK

The most recent data available, the 2020 U.S. Census reveals a population decrease in the Township.

Year	Population
1970	1,400
1980	1,547
1990	1,858
2000	1,851
2010	1,770
2020	1,717

MAJOR INITIATIVES

The Lower Alloways Creek Township School district is continuing to ensure that each child will experience his/her optimal academic, social, emotional, and physical growth by sustaining a challenging and progressive learner-active technology-infused, safe, and healthy learning environment. To maintain compliance with NJAchieve, the LAC students will continue their participation in the New Jersey Learning Assessment (NJSLA). This assessment is a direct reflection of the New Jersey Student Learning Standards which guides all instruction. Consequently, students' success on the NJSLA is a reflection of a strong, rigorous, and innovative curriculum.

Using a carefully developed and implemented multi-tiered system of supports (MTSS), the LAC staff provide all students with universal interventions (Tier 1) to support their learning and development. If needed, academic support and remediation is provided on an individual and small group basis to students based on the following criteria:

- Students identified as needing basic skills through MAP testing, reading inventories, the Start Strong Assessment, and the NJSLA.
- Individual student performance on report cards, benchmark goals, reading inventories, MAP Testing, the Start Strong Assessment, the NJSLA, and progress reports.
- Students with individual education plans (IEPs), a 504 Plans, and/or who have been referred to the IR&S Team.

Using the CASEL 5, a systemic social and emotional learning (SEL) framework that provides an integrated approach for how educators, families, and communities partner to support SEL in schools. The LAC School District continues to expose students to lessons and experiences that support the development of self-awareness, self-management, social awareness, responsible decision-making, and the development of relationship skills. In addition, students are recognized for outstanding citizenship as students of the month. Students of the month and their families are invited to the local board meeting to receive a certificate that acknowledges their kindness.

The Lower Alloways Creek School District focuses on the growth and development of the whole student. Consequently, students receive instruction in ELA, Math, Science, and Social Studies (the core content areas) and special areas that consist of Art, Music, Health, Physical Education, and Library. Additionally, the LAC students are provided time at the end of the day called Flexible Instruction Time (F.I.T). This time is allocated for teachers to provide additional remediation to struggling learners and/or to challenge those that are gifted and talented. .

The Lower Alloways Creek School District has a strong Parent Teacher Organization (PTO) that covers the cost of every grade level to have one curriculum-based field trip yearly. These external excursions provide students

with the opportunity to learn in the “real world” thereby, enriching their overall ability to understand concepts.

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 canceled 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 Ford Scott & Associates, LLC., Certified Public Accountants & Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor’s report on the basic financial statements and combining statements and related major fund supporting statements and

schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the 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 business office staff.

Respectfully submitted,

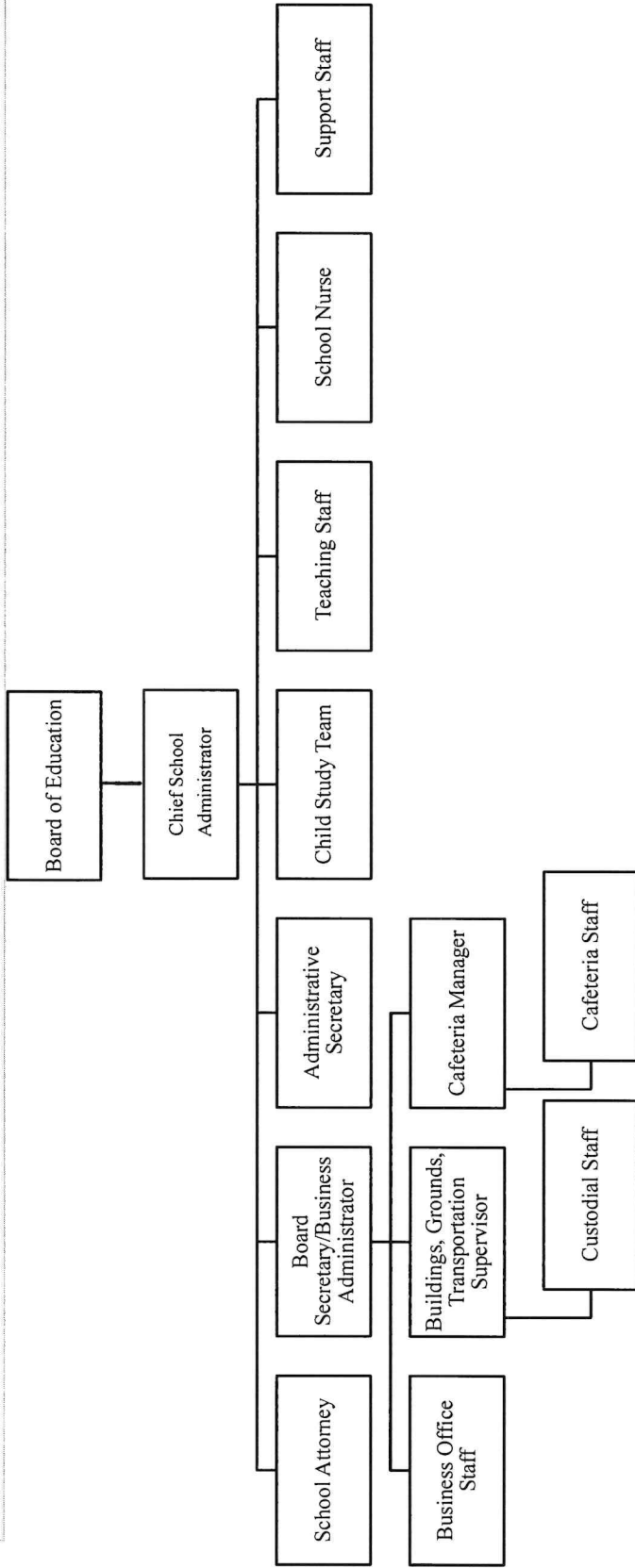


Michael Lucchesi
Chief School Administrator



Kimberly J. Lenox, CPA
Business Administrator/Board Secretary

Lower Alloways Creek Board of Education Organization Chart



**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
BOARD OF EDUCATION
SALEM, NEW JERSEY 08079**

**ROSTER OF OFFICIALS
June 30, 2023**

Members of the Board of Education		Term
Jamie Ecret	President	2026
Robert Hill	Vice President	2026
Jenni Eber	Member	2025
Gail B. Donelson	Member	2024
Crystal Jamison	Member	2024
Joyce Massey	Member	2024
Tammy Murphy	Member	2025

CHIEF SCHOOL ADMINISTRATOR

Colleen Cancila - 7/1/2022 - 7/31/2023
Henry Berman - 8/30/2023 - 11/30/2023
Michael Lucchesi - 12/31/2023 - Present

BOARD SECRETARY / SCHOOL BUSINESS ADMINISTRATOR

Melanie Allen - 7/1/2022 - 6/30/2023
Kimberly Lenox - 7/1/2023 - Present

**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
BOARD OF EDUCATION
SALEM, NEW JERSEY 08079**

**CONSULTANTS AND ADVISORS
June 30, 2023**

INDEPENDENT AUDITOR

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, New Jersey 08223

ATTORNEY

Robert A. Muccilli
Capehart, Scratchard, PA
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Mount Laurel, NJ 08054

OFFICIAL DEPOSITORY

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

Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Lower Alloways School District
County of Salem
Salem, New Jersey

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lower Alloways Creek School District, in the County of Salem, New Jersey, 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 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 Lower Alloways Creek School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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 (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Lower Alloways Creek School District 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.

Responsibility 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 misstatements, 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 Lower Alloways Creek School 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.

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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- exercise professional judgement 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 the 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 entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency

with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lower Alloways Creek School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections 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, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is 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 Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2024, on our consideration of the Lower Alloways Creek School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lower Alloways Creek School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

March 22, 2024

Required Supplementary Information – Part I

**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

The discussion and analysis of Lower Alloways Creek 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 basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position increased \$700,543.29 which represents a 17% increase from 2022.
- The State of New Jersey reimbursed the District \$126,204.47 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- General revenues accounted for \$4,683,640.02 in revenue or 78.09% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,314,272.74 or 21.91% of total revenues of \$5,997,912.76.
- Total assets of governmental activities increased by \$717,988 as Receivables increased by \$1,398,070.23.
- The School District had \$5,297,369.47 in expenses; only \$1,314,272.74 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes and state aid) of \$4,683,640.02 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$5,606,062.43 in revenues, and \$4,909,218.88 in expenditures. The General Fund's fund balance increased \$696,843.55 over 2022.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Lower Alloways Creek 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 Lower Alloways Creek School District, the General Fund is by far the most significant fund.

**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (CONTINUED)**

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, looks at all financial transactions and ask 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 businesses. This basis of accounting considers 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 position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, 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 and Latchkey Program are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

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 the reader 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.

**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund 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. Net position may serve over time as a useful indicator of a government's financial position.

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

Table 1 provides a summary of the School District's net position for 2023 and 2022.

**Table 1
Net Position**

	2023	2022
Assets		
Current and Other Assets	\$ 3,682,113.95	\$ 2,766,918.00
Capital Assets	2,041,653.39	2,209,542.00
Total Assets	5,723,767.34	4,976,460.00
Deferred Outflow of Resources		
Deferred outflows related to Pensions	41,354.00	53,000.00
Total Deferred Outflow of Resources	41,354.00	53,000.00
Liabilities		
Long-Term Liabilities	527,050.42	429,181.00
Other Liabilities	332,682.63	253,565.00
Total Liabilities	859,733.05	682,746.00
Deferred Inflows of Resources		
Deferred inflows related to Pensions	95,308.00	237,177.00
Total Deferred Inflows of Resources	95,308.00	237,177.00
Net Position		
Invested in Capital Assets, Net of Debt	2,041,653.39	2,170,818.00
Restricted	2,020,424.19	2,243,054.00
Unrestricted	748,002.71	(304,335.00)
Total Net Position	\$ 4,810,080.29	\$ 4,109,537.00

The District's combined net position was \$4,810,080.29 on June 30, 2023. This was an increase of \$700,543.29, or 17% percent from the prior year.

**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal years 2023 and 2022.

**Table 2
Changes in Net Position**

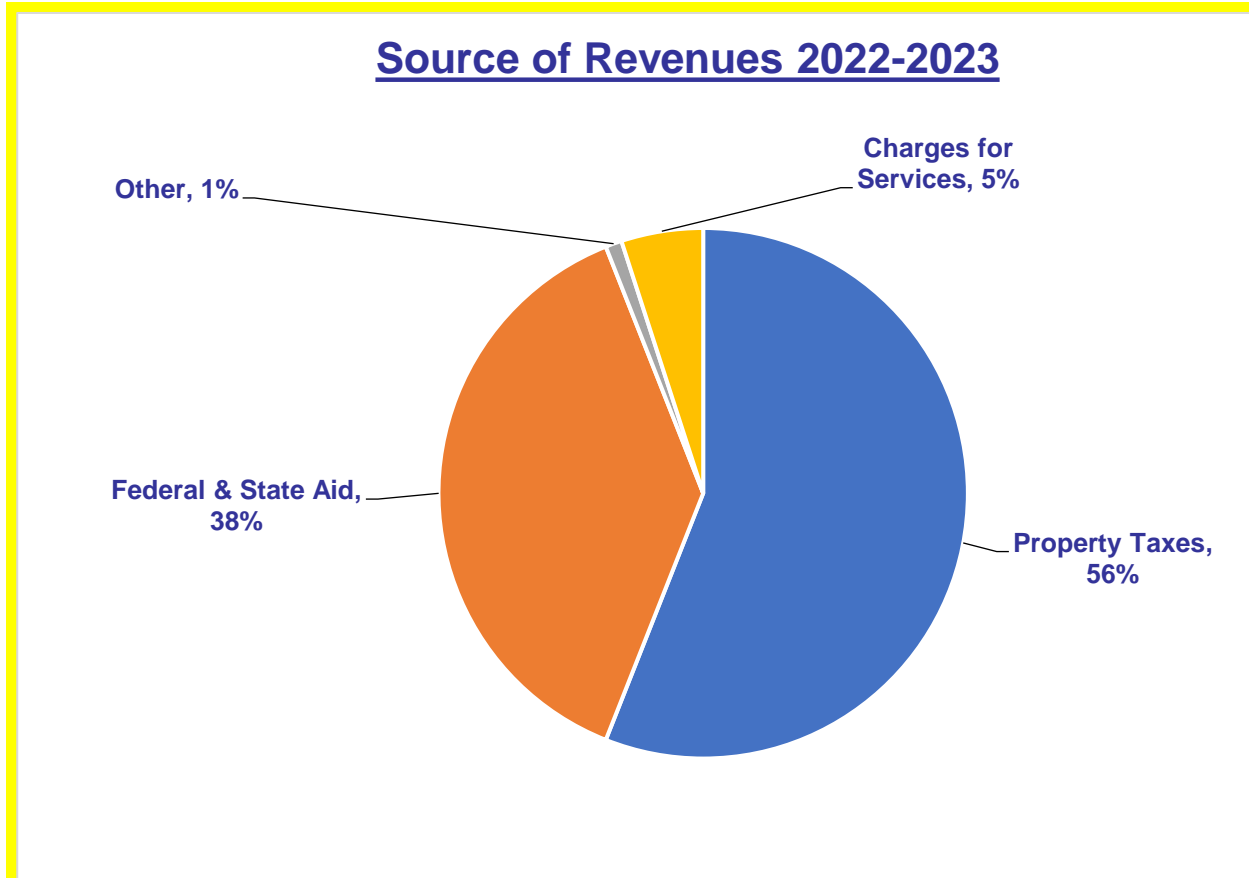
	2023	2022
Revenues		
Program Revenues:		
Charges for Services	\$ 354,558.09	\$ 19,698.00
Operating Grants and Contributions	959,714.65	1,117,269.00
General Revenues:		
Property Taxes	3,292,016.00	3,292,016.00
Grants and Entitlements	1,370,738.25	1,000,188.00
Other	20,885.77	299,657.00
Total Revenues	5,997,912.76	5,728,828.00
Program Expenses		
Instruction	2,324,073.95	1,622,104.00
Support Services:		
Tuition	691,734.50	847,087.00
Related Services - Pupils and Instructional Staff	896,062.55	355,408.00
General Administration, School Administration, Central Services and Maintenance of Facilities	228,107.19	184,250.00
Pupil Transportation	427,409.48	449,769.00
Unallocated Expenses	465,826.03	384,031.00
Interest on Debt	157,904.00	1,215,653.00
Business-Type Activities	2,060.95	1,258.00
Total Expenses	5,297,369.47	5,165,353.00
Adjustment to Fixed Assets	-	-
Transfers	-	-
Increases in Net Position	\$ 700,543.29	\$ 563,475.00

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**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (CONTINUED)**

Governmental Activities

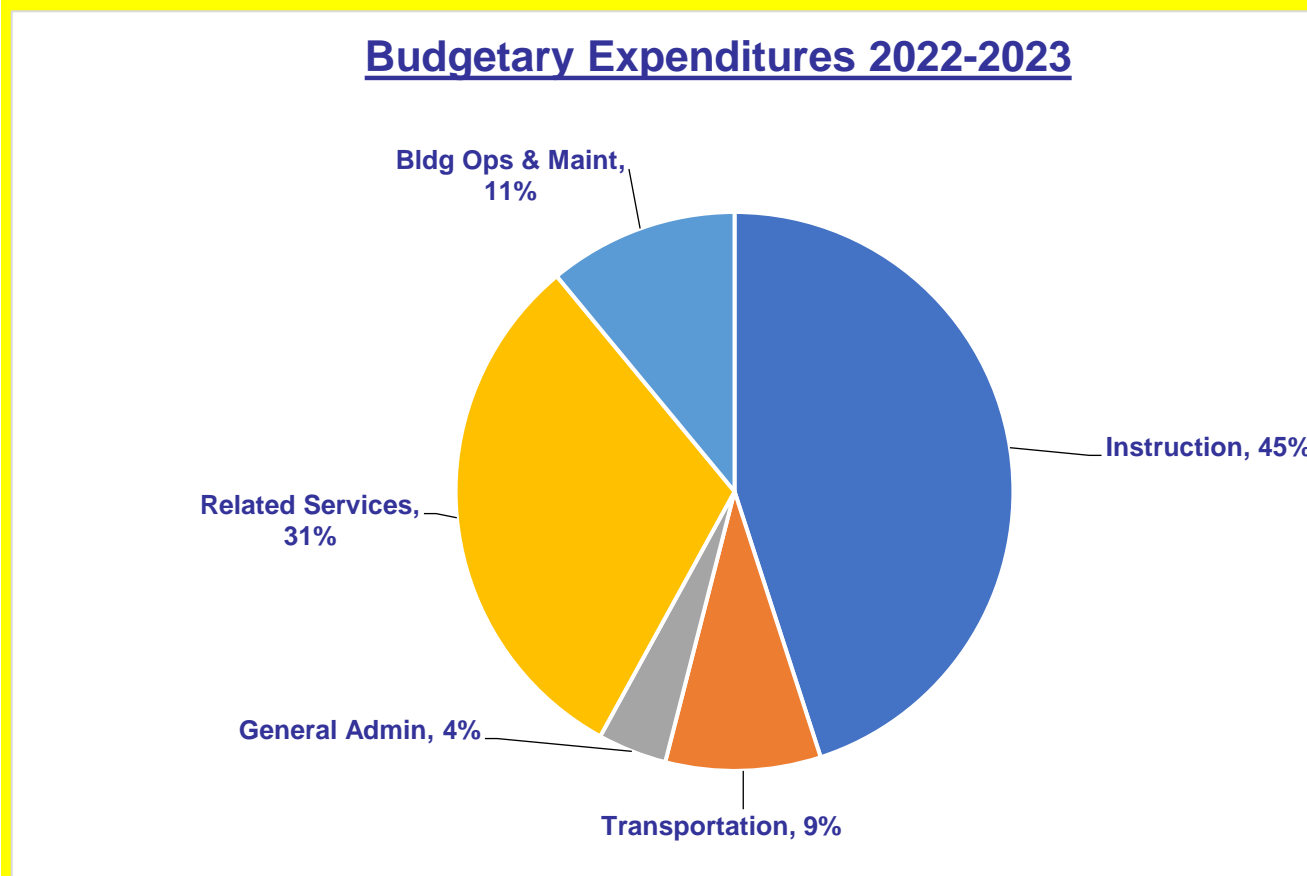
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 56 percent of revenues for governmental activities for the Lower Alloways Creek School District for the fiscal year 2023. The District's total revenues were \$5,865,640.02 for the year ended June 30, 2023. Federal, state, and local grants accounted for another 38 percent of revenue.



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**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (CONTINUED)**

The total cost of all programs and services was \$5,193,178.65, Instruction comprises 54 percent of District expenses, Student Support Services comprises 26 percent of District expenses, and Operations Maintenance comprises 10 percent of District expenses.



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**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities were comprised of charges for services and federal and state reimbursements.

- Business-type revenues exceeded expenses by \$27,826.22.
- Charges for business-type activities represent \$63,041.15 of revenue. This represents amounts paid by patrons for services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$68,975.89.

Governmental Activities

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. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 2,324,073.95	\$ 1,629,325.18	\$ 1,622,104.00	\$ 1,410,142.00
Support Services:				
Tuition	691,734.50	691,734.50	847,087.00	847,087.00
Pupils and Instructional Staff	896,062.55	404,588.62	355,408.00	240,108.00
General Administration	169,633.94	176,040.94	131,190.00	131,190.00
School Administration	58,473.25	60,682.25	53,060.00	53,060.00
Central Services	82,532.72	85,649.72	79,591.00	79,591.00
Plant and Maintenance of Faciliti	344,876.76	333,163.76	370,178.00	370,178.00
Pupil Transportation	465,826.03	469,773.03	384,031.00	384,031.00
Unallocated Expenses	157,904.00	157,904.00	1,215,653.00	562,103.00
Interest on Long Term Debt	2,060.95	2,060.95	1,258.00	1,258.00
Total Expenses	<u>\$ 5,193,178.65</u>	<u>\$ 4,010,922.95</u>	<u>\$ 5,059,560.00</u>	<u>\$ 4,078,748.00</u>

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

Tuition is predominately made up of charges for private schools for disabled students.

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

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

Operation and maintenance of facilities 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.

Interest in debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools.

**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (CONTINUED)**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$6,234,257.72 and expenditures were \$5,501,260.51. The net increase in fund balance for the year was \$732,997.21.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2022	Percent of Increase (Decrease)
Local Sources	\$ 3,488,893.38	55.96%	\$ (102,779.62)	-2.86%
State Sources	2,465,665.72	39.55%	586,875.72	31.24%
Federal Sources	279,698.62	4.49%	52,136.62	22.91%
Total	<u>\$ 6,234,257.72</u>	100.00%	<u>\$ 536,232.72</u>	9.41%

Local sources decreased by \$102,779.62 due to a decrease in both tuition revenue and miscellaneous revenue. State sources increased by \$586,875.72 due predominantly to the increase in State aid.

The following schedule represents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2023, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2022	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 1,798,126.19	32.69%	\$ 164,228.19	10.05%
Undistributed expenditures	3,672,388.76	66.76%	190,653.76	5.48%
Capital Outlay	30,745.56	0.56%	26,857.56	690.78%
Debt Service	-	0.00%	(1,258.00)	-100.00%
Total	<u>\$ 5,501,260.51</u>	100.00%	<u>\$ 380,481.51</u>	7.43%

Changes in expenditures were the results of varying factors. Instruction expenditures increased due to increases in salary and other expenses. Undistributed expenditures increased due an increase in employee benefits. Capital Outlay increased due to increase in equipment purchases.

**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (CONTINUED)**

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.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line-item accounts.

Capital Assets

At the end of the fiscal year 2023, the School District had \$27,518,519.16 invested in land, building, furniture and equipment and vehicles. Table 4 shows fiscal year 2023 balances compared to 2022.

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

	2023		2022
Land	\$ 31,918.00	\$	31,918.00
Building and Building Improvements	1,637,762.00		1,763,940.00
Machinery and Equipment	410,627.00		413,684.00
Total	\$ 2,080,307.00	\$	2,209,542.00

Overall capital assets decreased by \$129,235.00 from fiscal year 2022 to fiscal year 2023. The decrease in capital assets is due to the net of additions and increase in depreciation during the year. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2023, the School District had \$128,789.42 of outstanding debt. Of this amount, \$90,135.81 is for compensated absences, and capital leases in the amount of \$38,653.61.

**Table 5
Outstanding Debt at June 30,**

	2023		2022
Capital Leases	\$ 38,653.61	\$	38,724.00
Compensated Absences	90,135.81		87,263.00
Total	\$ 128,789.42	\$	125,987.00

At December 31, 2023, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements.

**LOWER ALLOWAYS CREEK SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (CONTINUED)**

For the Future

The Lower Alloways Creek School District anticipates that the approved 2023-2024 budget will be adequate to satisfy all 2023-2024 financial needs barring any significant unexpected situations or conditions unforeseen at this time.

Contacting the School District's 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 offices of the Business Administrator/Board Secretary at Lower Alloways Creek School District, 967 Main Street-Canton, Salem, New Jersey 08079.

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.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,062,986.66	\$ 84,471.76	\$ 2,147,458.42
Receivables, Net	1,476,189.23	19,812.69	1,496,001.92
Internal Balances	(11,500.00)	11,500.00	-
Right of Use Asset	38,653.61		38,653.61
Capital Assets, Not Being Depreciated	31,918.00		31,918.00
Capital Assets, Net of Depreciation	2,005,700.39	4,035.00	2,009,735.39
Total Assets	5,603,947.89	119,819.45	5,723,767.34
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	41,354.00		41,354.00
Total Deferred Outflow of Resources	41,354.00	-	41,354.00
LIABILITIES			
Accounts Payable	25,884.70	-	25,884.70
Accrued Interest Payable	803.95		803.95
Deferred Revenue	303,579.75	2,414.23	305,993.98
Noncurrent Liabilities			
Due Within One Year	16,171.41		16,171.41
Due Beyond One Year	112,618.01		112,618.01
Net Pension Liability	398,261.00		398,261.00
Total Liabilities	857,318.82	2,414.23	859,733.05
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	95,308.00	-	95,308.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt	2,037,618.39	4,035.00	2,041,653.39
Restricted for:			
Capital Projects	231,054.00		231,054.00
Special Revenue	17,449.66		17,449.66
Maintenance	49,531.35		49,531.35
Internal Service Fund	40,060.23		40,060.23
Other Purposes	1,682,328.95		1,682,328.95
Unrestricted (Deficit)	634,632.49	113,370.22	748,002.71
Total Net Position	\$ 4,692,675.07	\$ 117,405.22	\$ 4,810,080.29

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Function/Programs	Direct Expenses	Allocated Expenses	Charges for Services	Program Revenue		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
				Operating Grants and Contributions			Governmental Activities	Business-Type Activities	Total
Governmental Activities:									
Instruction:									
Regular	\$ 863,109.72	\$ 525,969.98	\$ -	\$ 127,781.96	\$ -	\$ (1,261,297.74)	\$ -	\$ (1,261,297.74)	
Special Education	577,674.62	352,029.57	163,737.94	402,742.35	-	(363,223.90)	-	(363,223.90)	
Other Special Instruction	3,286.95	2,003.11	-	486.52	-	(4,803.54)	-	(4,803.54)	
Support Services:									
Tuition	691,734.50	-	-	-	-	(691,734.50)	-	(691,734.50)	
Student & Instruction Related Services	603,902.23	292,160.32	127,779.00	363,694.93	-	(404,588.62)	-	(404,588.62)	
School Administrative Services	48,546.71	9,926.54	-	(2,209.00)	-	(60,682.25)	-	(60,682.25)	
General Administrative Services	140,836.62	28,797.32	-	(6,407.00)	-	(176,040.94)	-	(176,040.94)	
Central Services	68,521.77	14,010.95	-	(3,117.00)	-	(85,649.72)	-	(85,649.72)	
Plant Operation and Maintenance	315,457.77	29,418.99	-	11,713.00	-	(333,163.76)	-	(333,163.76)	
Pupil Transportation	448,087.58	17,738.45	-	(3,947.00)	-	(469,773.03)	-	(469,773.03)	
Unallocated Benefits	1,272,055.23	(1,272,055.23)	-	-	-	-	-	-	
Unallocated Depreciation	157,904.00	-	-	-	-	(157,904.00)	-	(157,904.00)	
Interest on Long-Term Debt	2,060.95	-	-	-	-	(2,060.95)	-	(2,060.95)	
Total Governmental Activities	<u>5,193,178.65</u>	<u>-</u>	<u>291,516.94</u>	<u>890,738.76</u>	<u>-</u>	<u>(4,010,922.95)</u>	<u>-</u>	<u>(4,010,922.95)</u>	
Business-Type Activities:									
Food Service	95,961.24	-	56,067.15	68,975.89	-	29,081.80	-	29,081.80	
Other	8,229.58	-	6,974.00	-	-	(1,255.58)	-	(1,255.58)	
Total Business-Type Activities	<u>104,190.82</u>	<u>-</u>	<u>63,041.15</u>	<u>68,975.89</u>	<u>-</u>	<u>27,826.22</u>	<u>-</u>	<u>27,826.22</u>	
Total Primary Government	<u>\$ 5,297,369.47</u>	<u>\$ -</u>	<u>\$ 354,558.09</u>	<u>\$ 959,714.65</u>	<u>\$ -</u>	<u>\$ (4,010,922.95)</u>	<u>\$ 27,826.22</u>	<u>\$ (3,983,096.73)</u>	
General Revenues:									
Taxes:									
Property Taxes, Levied for General Purposes, Net						\$ 3,292,016.00		\$ 3,292,016.00	
Federal and State Aid not Restricted						1,370,738.25		1,370,738.25	
Miscellaneous Income						20,885.77		20,885.77	
Total General Revenues, Special Items, Extraordinary Items and Transfers						<u>4,683,640.02</u>		<u>4,683,640.02</u>	
Change in Net Position						672,717.07	27,826.22	700,543.29	
Net Position - Beginning						4,019,958.00	89,579.00	4,109,537.00	
Net Position - Ending						<u>\$ 4,692,675.07</u>	<u>\$ 117,405.22</u>	<u>\$ 4,810,080.29</u>	

The accompanying Notes to 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.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,968,167.74	\$ 94,818.92	\$ 2,062,986.66
Due from Other Funds	28,105.77		28,105.77
Receivables - Other	309,387.11	956.00	310,343.11
Receivables from Other Governments	850,085.63	258,624.49	1,108,710.12
Total Assets	<u>3,155,746.25</u>	<u>354,399.41</u>	<u>3,510,145.66</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	3,544.70	22,340.00	25,884.70
Interfund Payable	11,500.00	11,030.00	22,530.00
Deferred Revenue		303,579.75	303,579.75
Total Liabilities	<u>15,044.70</u>	<u>336,949.75</u>	<u>351,994.45</u>
Fund Balances:			
Restricted for:			
Excess Surplus	387,489.61		387,489.61
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	958,300.00		958,300.00
Special Revenue		17,449.66	17,449.66
Committed to:			
Capital Reserve	231,054.00		231,054.00
Maintenance Reserve	49,531.35		49,531.35
Tuition Reserve	44,790.00		44,790.00
Unemployment Compensation	175,042.83		175,042.83
Assigned to:			
Designated for Subsequent Year's Expenditures	23,748.00		23,748.00
Encumbrances	92,958.51		92,958.51
Unassigned Fund Balance	1,177,787.25	0.00	1,177,787.25
Total Fund Balances	<u>3,140,701.55</u>	<u>17,449.66</u>	<u>3,158,151.21</u>
Total Liabilities and Fund Balances	<u>\$ 3,155,746.25</u>	<u>\$ 354,399.41</u>	

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

The cost of the assets is \$6,896,028.00 and the accumulated depreciation is \$4,819,756.00.

2,076,272.00

Pension Liabilities Net of Deferred Outflows & Inflows

(452,215.00)

Internal Service Fund

40,060.23

Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(129,593.37)

Net Position of governmental activities

\$ 4,692,675.07

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local Sources:			
Local Tax Levy	\$ 3,292,016.00	\$ -	\$ 3,292,016.00
Tuition Charges	163,737.94		163,737.94
Miscellaneous	20,885.77	12,253.67	33,139.44
Total Local Sources	3,476,639.71	12,253.67	3,488,893.38
State Sources	2,129,422.72	336,243.00	2,465,665.72
Federal Sources	-	279,698.62	279,698.62
Total Revenues	<u>5,606,062.43</u>	<u>628,195.29</u>	<u>6,234,257.72</u>
EXPENDITURES			
Current:			
Regular Instruction	1,074,724.47		1,074,724.47
Special Education Instruction	402,089.10	317,219.62	719,308.72
Other Special Instruction	4,093.00		4,093.00
Support Services:			
Tuition	691,734.50		691,734.50
Student & Instruction Related Serv.	340,413.73	256,563.01	596,976.74
School Administrative Services	57,500.16		57,500.16
General Administrative Services	166,810.47		166,810.47
Central Services	81,159.37		81,159.37
Plant Operation and Maintenance	342,064.97		342,064.97
Pupil Transportation	464,087.32		464,087.32
Unallocated Employee Benefits	1,272,055.23		1,272,055.23
Capital Outlay	12,486.56	18,259.00	30,745.56
Total Expenditures	<u>4,909,218.88</u>	<u>592,041.63</u>	<u>5,501,260.51</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>696,843.55</u>	<u>36,153.66</u>	<u>732,997.21</u>
Net Changes in Fund Balance	696,843.55	36,153.66	732,997.21
Fund Balance - July 1	2,443,858.00	(18,704.00)	2,425,154.00
Fund Balance (Deficit) - June 30	<u>\$ 3,140,701.55</u>	<u>\$ 17,449.66</u>	<u>\$ 3,158,151.21</u>

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$	736,304.44
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	\$ (157,904.00)	
Capital Outlay, Net of Deletions	29,488.00	(128,416.00)
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS	33,279.00	
Cost of benefits earned net of employee contributions	35,156.00	68,435.00
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Capital Lease Payments		13,805.05
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long - term liabilities in the statement of Net Position.</p>		
Capital lease proceeds		(13,734.66)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		(2,872.81)
<p>In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		(803.95)
Change in Net Position of Governmental Activities	\$	672,717.07

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2023

	Business-Type Activities - Enterprise Fund			Governmental Activities
	Food Service	Latchkey	Total	Internal Service Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 72,238.34	\$ 12,233.42	\$ 84,471.76	\$ -
Accounts Receivable:				
Federal	16,586.99		16,586.99	
State	1,079.53		1,079.53	
Other	1,206.17	940.00	2,146.17	57,136.00
Interfunds	11,500.00		11,500.00	
Total Current Assets	<u>102,611.03</u>	<u>13,173.42</u>	<u>115,784.45</u>	<u>57,136.00</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	79,854.00		79,854.00	
Less: Accumulated Depreciation	<u>(75,819.00)</u>		<u>(75,819.00)</u>	
Total Noncurrent Assets	<u>4,035.00</u>	<u>-</u>	<u>4,035.00</u>	<u>-</u>
 Total Assets	 <u><u>106,646.03</u></u>	 <u><u>13,173.42</u></u>	 <u><u>119,819.45</u></u>	 <u><u>57,136.00</u></u>
LIABILITIES				
Current Liabilities:				
Interfunds Payable	-		-	17,075.77
Deferred Revenue	2,404.23	10.00	2,414.23	
 Total Current Liabilities	 <u>2,404.23</u>	 <u>10.00</u>	 <u>2,414.23</u>	 <u>17,075.77</u>
NET POSITION				
Invested in Capital Assets Net of Related Debt	4,035.00	-	4,035.00	-
Unrestricted (Deficit)	100,206.80	13,163.42	113,370.22	40,060.23
 Total Net Position	 <u><u>\$ 104,241.80</u></u>	 <u><u>\$ 13,163.42</u></u>	 <u><u>\$ 117,405.22</u></u>	 <u><u>\$ 40,060.23</u></u>

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund			Governmental Activities
	Food Service	Latchkey	Total	Internal Service Fund
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable	\$ 39,061.76	\$ -	\$ 39,061.76	\$ -
Daily Sales - Non - Reimbursable	17,005.39		17,005.39	
Delivery			-	1,479.00
Lunch			-	33,159.00
Shared Services			-	93,141.00
Tuition		6,974.00	6,974.00	
Total Operating Revenue	<u>56,067.15</u>	<u>6,974.00</u>	<u>63,041.15</u>	<u>127,779.00</u>
Operating Expenses:				
Cost of Sales - reimburseable programs	49,146.68		49,146.68	
Cost of Sales - non-reimbursable programs	5,753.58		5,753.58	
Salaries & Benefits	38,344.07	8,229.58	46,573.65	102,522.39
Vehicle Expenses	317.91		317.91	
Miscellaneous	1,580.00		1,580.00	21,949.38
Depreciation	819.00		819.00	
Total Operating Expenses	<u>95,961.24</u>	<u>8,229.58</u>	<u>104,190.82</u>	<u>124,471.77</u>
Operating Income (Loss)	(39,894.09)	(1,255.58)	(41,149.67)	3,307.23
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	1,591.48		1,591.48	
State Breakfast Program	1,127.60		1,127.60	
Federal Sources:				
National School Lunch Program	30,919.29		30,919.29	
Federal Breakfast Program	11,483.80		11,483.80	
Supply Chain Assistance	21,559.47		21,559.47	
Food Distribution Program	2,294.25		2,294.25	
Total Nonoperating Revenues (Expenses)	<u>68,975.89</u>	<u>-</u>	<u>68,975.89</u>	<u>-</u>
Income (Loss) before Contributions & Transfers	29,081.80	(1,255.58)	27,826.22	3,307.23
Changes in Net Position	<u>29,081.80</u>	<u>(1,255.58)</u>	<u>27,826.22</u>	<u>3,307.23</u>
Total Net Position - Beginning	75,160.00	14,419.00	89,579.00	36,753.00
Total Net Position - Ending	<u>\$ 104,241.80</u>	<u>\$ 13,163.42</u>	<u>\$ 117,405.22</u>	<u>\$ 40,060.23</u>

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund			Governmental Activities
	Food Service	Latchkey	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 56,492.21	\$ 6,314.00	\$ 62,806.21	\$ 70,643.00
Payments for Operations	(94,208.24)	(8,229.58)	(102,437.82)	(124,471.77)
Net Cash Provided by (Used for) Operating Activities	<u>(37,716.03)</u>	<u>(1,915.58)</u>	<u>(39,631.61)</u>	<u>(53,828.77)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	1,735.55		1,735.55	
Federal Sources	55,900.82		55,900.82	
Operating Subsidies and Transfers to Other Funds			-	17,075.77
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>57,636.37</u>	<u>-</u>	<u>57,636.37</u>	<u>17,075.77</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
None				
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOW FROM INVESTING ACTIVITIES				
None			-	
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	19,920.34	(1,915.58)	18,004.76	(36,753.00)
Balance - Beginning of Year	52,318.00	14,149.00	66,467.00	36,753.00
Balance - End of Year	<u>72,238.34</u>	<u>12,233.42</u>	<u>84,471.76</u>	<u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	(39,894.09)	(1,255.58)	(41,149.67)	3,307.23
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Net Amortization	819.00	-	819.00	-
(Increase) Decrease in Inventories	934.00		934.00	
(Increase) Decrease in Accounts Receivable	(1,088.17)	(640.00)	(1,728.17)	(57,136.00)
Increase (Decrease) in Deferred Revenue	1,513.23	(20.00)	1,493.23	
Total Adjustments	<u>2,178.06</u>	<u>(660.00)</u>	<u>1,518.06</u>	<u>(57,136.00)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (37,716.03)</u>	<u>\$ (1,915.58)</u>	<u>\$ (39,631.61)</u>	<u>\$ (53,828.77)</u>

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

Notes to the Financial Statements

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades K-6. The District operates three elementary schools and one intermediate school located in Manahawkin. Lower Alloways Creek Township is a member of the Southern Regional School District for Grades 7-12. Southern Regional School District is a separate legal entity from the Lower Alloways Creek Township School District. The Lower Alloways Creek Township School District had an enrollment at June 30, 2023 of 178 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;

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net position and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-Wide Financial Statements: The statement of net position and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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) charges and fees 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 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, proprietary, and fiduciary* - are presented. The New Jersey Department of Education ("Department") 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 Department 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 non-instructional equipment, which are classified in the capital outlay sub-fund.

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 if 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 sources that are legally restricted to expenditures for specified purposes. The District's Student Activities Funds are also accounted for in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations, and the Latchkey Program which accounts for the revenues and expenses pertaining to providing day care services.

Measurement Focus and Basis of Accounting

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

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

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

imposed by the provider have been met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased Net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as Unearned Revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989, in accounting and reporting for its proprietary operations.

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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. 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(g). All budget amendments/transfers must be approved by School Board resolution. 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.

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

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

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Instruction :	
Kindergarten - Salaries of Teachers	\$ 80,382.60
Grades 1-5 Salaries of Teachers	(29,073.90)
Grades 6-8 Salaries of Teachers	32,993.76
Regular Programs	
Other Salaries for Instruction	26,529.79
Purchased Technical Services	(26,629.52)
Resource Room - Salaries of Teachers	(23,500.00)
Resource Room - Other Salaries for Instruction	54,241.29
Basic Skills - Salaries of Teachers	(22,298.76)
 Undistributed Expenditures:	
Tuition to Other LEA's within State-Regular	(98,000.00)
Other Supp Serv - Purchased Professional Educ. Svcs.	26,624.28
Guidance - Salaries of Other Professional Staff	23,785.00
Student Trans. Services - (Reg Students) - ESC's and CTSA's	(28,360.56)
Student Trans. Services - (Spec Ed) - ESC's and CTSA's	67,406.53

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

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 Unearned 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, Cash Equivalents, and Investments

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

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

Investments

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

Inter-fund 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 expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as unearned revenue until consumed.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

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 assets are recorded as capital assets at their estimated fair market value at the date of donation. 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 capitalization threshold used by school districts in the State of New Jersey is \$2,000.00.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for 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.

For the district-wide Statements, the current portion is the amount estimated to be used in the following year. 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. Grants and entitlements received in the Special Revenue Fund before they have been earned are 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.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

- Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.
- Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.
- Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed.
- Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
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Revenues – Exchange and Nonexchange Transactions

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

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

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

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, worker's 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 direct 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 control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with the sending districts with a negotiated amount up to the final cost as determined by State of New Jersey.

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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Tuition Payable

Tuition charges for the fiscal years 2022/23 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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.

F. Recent Accounting Pronouncements Not Yet Effective

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)". This statement, which is effective for fiscal years beginning after June 15, 2023, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, may have an effect on the District's financial reporting.

NOTE 2 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

- a. Deposits are uncollateralized.
- b. Deposits are collateralized with securities held by the pledging financial institution.
- c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2023, the carrying amount of the District's deposits (cash and cash equivalents) was \$2,147,458.42 and the bank balance was \$2,439,283.05.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
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As of June 30, 2023, the District's bank balance was exposed to custodial credit risk as follows:

	Cash and Cash Equivalents
Insured	\$ 250,000.00
Uninsured and collateral held by pledging bank's trust department not in the District's name	2,189,283.05
Uninsured	-
	\$ 2,439,283.05

Bank balances of cash amounted to \$2,439,283.05, as of June 30, 2023, of which \$250,000.00 was FDIC insured. (Fulton Bank) Bank balances in excess of the insured amounts that are collateralized in accordance with the Governmental Deposit Protection Act (GUDPA) adopted by the State of New Jersey were \$2,189,283.05 as of June 30, 2023, no amounts were uninsured and uncollateralized.

Investments

The District did not have any investments at June 30, 2023.

NOTE 4 – RECEIVABLES

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

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	\$ 1,108,710.12	\$ 1,126,376.64
Tuition and Transportation		-
Other	367,479.11	369,625.28
Gross Receivables	1,476,189.23	1,496,001.92
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 1,476,189.23	\$ 1,496,001.92

NOTE 5 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund. There are also instances where a negative cash balance between funds can result in an interfund with the General Fund.

The following interfund balances remained on the fund financial statements at June 30, 2023:

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Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 28,105.77	\$ 11,500.00
Special Revenue Fund	-	11,030.00
Food Service Fund	11,500.00	
Internal Service Fund	-	17,075.77
Total	<u>\$ 39,605.77</u>	<u>\$ 39,605.77</u>

NOTE 6 – INVENTORY

There was no inventory in the Food Service Enterprise Fund at June 30, 2023.

Food & Supplies	\$ -
USDA	<u>\$ -</u>

NOTE 7 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 31,918.00	\$ -	\$ -	\$ 31,918.00
Construction in Progress			-	-
Total capital assets not being depreciated	<u>31,918.00</u>	<u>-</u>	<u>-</u>	<u>31,918.00</u>
Capital assets being depreciated:				
Land Improvements	94,935.00			94,935.00
Buildings and building improvements	4,955,836.00	-	-	4,955,836.00
Equipment	1,783,851.00	29,488.00	-	1,813,339.00
Total capital assets being depreciated at historical cost	<u>6,834,622.00</u>	<u>29,488.00</u>	<u>-</u>	<u>6,864,110.00</u>
Less accumulated depreciation for:				
Land Improvements	(88,812.00)	(5,004.00)		(93,816.00)
Buildings and improvements	(3,198,019.00)	(121,174.00)		(3,319,193.00)
Equipment	(1,375,021.00)	(31,726.00)		(1,406,747.00)
Subtotal accumulated depreciation	<u>(4,661,852.00)</u>	<u>(157,904.00)</u>	<u>-</u>	<u>(4,819,756.00)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>2,172,770.00</u>	<u>(128,416.00)</u>	<u>-</u>	<u>2,044,354.00</u>
Governmental activity capital assets, net	<u>2,204,688.00</u>	<u>(128,416.00)</u>	<u>-</u>	<u>2,076,272.00</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	79,854.00			79,854.00
Less accumulated depreciation	(75,000.00)	(819.00)		(75,819.00)
Enterprise Fund capital assets, net	<u>4,854.00</u>	<u>(819.00)</u>	<u>-</u>	<u>4,035.00</u>
Entity Wide Total	<u>\$ 2,209,542.00</u>	<u>\$ (129,235.00)</u>	<u>\$ -</u>	<u>\$ 2,080,307.00</u>

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	57,067.38
Special Instruction		38,194.96
Other Special Instruction		217.34
Student & Instruction Related Services		31,699.19
Gen Administration Services		8,857.56
School Administration Services		3,053.23
Plant Operation & Maintenance		9,048.77
Pupil Transportation		5,456.04
Central Services		4,309.53
	\$	157,904.00

NOTE 8 – LONG-TERM OBLIGATIONS

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

	Balance July 1, 2022	Issues or Additions	Payments or Expenditures	Adjustments	Balance June 30, 2023
Compensated Absences	\$ 87,263.00	\$ 2,872.81	\$ -	\$ -	\$ 90,135.81
Loans Payable	38,724.00	13,734.66	13,805.05	-	38,653.61
Net Pension Liability	303,194.00	95,067.00	-	-	398,261.00
	\$ 429,181.00	\$ 111,674.47	\$ 13,805.05	\$ -	\$ 527,050.42

Compensated absences and capital leases will be liquidated in the General Fund. Bonds Payable will be liquidated in the Debt Service Fund.

Bonds Payable

Bonds are authorized, in accordance with State law, by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Description of Bonds Payable

At June 30, 2023, there were no bonds payable.

Capital Leases

The District is leasing under capital leases, technology equipment totaling \$66,528.05, and a copier totaling \$13,734.66. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2023:

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(CONTINUED)**

Fiscal Year Ending June 30,	Payments
2024	\$ 17,219.22
2025	17,219.22
2026	3,110.28
2027	3,110.28
Total minimum lease payments	40,659.00
Less amount representing interest	(2,005.41)
Present value of lease payments	\$ <u>38,653.59</u>

NOTE 9 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program 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 the 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 Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of 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, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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.

Defined Contribution Retirement Program (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

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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. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District had employees enrolled in the Defined Contribution Retirement Program (DCRP) during fiscal year ended June 30, 2023.

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 provide 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.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% 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 27.67% and the PERS rate is 15.31% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2023, 2022 and 2021 are listed below, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2023, 2022 and 2021 are also listed below, equal to the required contributions for each year.

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2023	\$ 43,031.00	100%	\$ -
6/30/2022	38,818.00	100%	-
6/30/2021	38,386.00	100%	-

During the fiscal years ended June 30, 2023, 2022, and 2021, the State of New Jersey contributed \$632,480, \$703,549, and \$507,451, respectively, to the TPAF for post-retirement Medical benefits and NCGI Premium on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$126,204, \$112,611, and \$108,489.00, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

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Three Year Trend Information for TPAF (Paid on behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2023	\$ 500,698.00	100%	\$ -
6/30/2022	570,104.00	100%	-
6/30/2021	386,199.00	100%	-

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 Teacher's Pension and Annuity Fund (TPAF) 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 and TPAF 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 ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems 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. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS 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).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last

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year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 10: PENSION LIABILITIES – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. The following information describes the District's proportionate share of the statewide pension system's liabilities and expenses.

The following represents the District's pension liabilities as June 30, 2022:

Public Employees' Retirement System

The District has a liability of \$398,261 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 used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion is 0.00263899550%, which is an increase of 3.11% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the District recognized negative pension expense of \$35,155. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 2,874	\$ (2,535)
Changes of assumptions	1,234	(59,635)
Net difference between projected and actual earnings on pension plan investments	16,484	-
Changes in proportion	20,762	(33,138)
Total	\$ 41,354	\$ (95,308)

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

Year ended June 30,		
2024	\$	(49,317)
2025		(18,163)
2026		(1,276)
2027		14,918
2028		(116)
Total	\$	<u><u>(53,954)</u></u>

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 assumptions, applied to all periods in the measurement:

Inflation rate		
Price		2.75%
Wage		3.25%
Salary increases:		2.75% – 6.55% (based on years of service)
Investment rate of return:		7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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 disable 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 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.

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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	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 yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	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 will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 in determining the total pension liability.

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 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 477,597	\$ 398,261	\$ 330,818

Pension plan fiduciary net position.

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

NOTE 11 – PENSION LIABILITIES - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2022, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

The employer contributions for local participating employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 18:66-33. Therefore, local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute

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directly to the plan, there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		7,045,754.00
Total	\$	7,045,754.00

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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$189,621 and revenue of \$189,621 for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2022 actuarial valuation 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 assumptions, applied to all period included in the measurement:

Inflation Rate		
Price		2.75%
Wage		3.25%
Salary increases		2.75% - 5.65% (based on years of service)
Investment rate of return		7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Medan Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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(CONTINUED)**

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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	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 Yield	2.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	8.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk Mitigation Strategies	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 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 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 calculated using the discount rate of 7.0% 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 (6.0%) or 1-percentage point higher (8.0%) than the current rate:

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(CONTINUED)**

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net position liability associated with the District	\$ 8,261,296.29	\$ 7,045,754.00	\$ 6,021,812.36

Pension plan fiduciary net position.

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

Additional Information

Collective balances of the local group at June 30, 2022 are as follows:

Deferred outflows of resources	\$	5,004,259,312
Deferred inflows of resources		19,682,774,794
Net pension liability		51,676,587,303

Collective pension expense for the plan for the measurement period ended June 30, 2022 is \$1,390,761,344.

NOTE 12 – OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

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 reported 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 contributions. 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

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
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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 GASBE 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>.

Total OPEB Liability

The State, a non-employer 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/board of trustees. Note that actual numbers will be published in June 30, 2023 III-3.8 the NJ State ACFR on the Office of Management and Budget’s Financial Publications webpage: [NJ OMB - Financial Publications](#)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2022, actuarial valuation reported by the State in the State’s most recently issued ACFR was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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 and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases

TPAF/ABP	PERS	PFRS
2.75% to 4.25% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years

Mortality Rates

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-2020 “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.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS, and PFRS experience studies for the period July 1, 2018 to June 30, 2021.

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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% 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 4.5% 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 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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.

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

Balance at 6/30/22 (Based on 6/30/2021 measurement date)	\$ 60,007,650,970.00
Changes for the year:	
Service cost	2,770,618,025.00
Interest	1,342,187,139.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	1,399,200,736.00
Changes in assumptions or other inputs	(13,586,368,097.00)
Contributions: Member	42,650,252.00
Benefit payments	<u>(1,329,476,059.00)</u>
Net changes	<u>(9,361,188,004.00)</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u>\$ 50,646,462,966.00</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability as of June 20, 2022, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 59,529,589,697.00	\$ 50,646,462,966.00	\$ 43,527,080,995.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability as of June 30, 2022 calculated using the healthcare trend rate as disclosed above as well as what the 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:

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NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 41,862,397,291.00	\$ 50,646,462,966.00	\$ 62,184,866,635.00

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 of \$1,200,100.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, 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 employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,042,402,619.00	\$ (15,462,950,679.00)
Changes in assumptions	8,765,620,577.00	(17,237,289,230.00)
	\$ 17,808,023,196.00	\$ (32,700,239,909.00)

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

Year Ended June 30,	
2023	\$ (2,517,151,602.00)
2024	(2,517,151,602.00)
2025	(2,517,151,602.00)
2026	(2,175,449,761.00)
2027	(1,243,951,140.00)
Thereafter	(3,921,361,006.00)
	\$ (14,892,216,713.00)

(Contributions made after June 30 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

NOTE 13 – 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.

District employees are granted varying amounts of vacation, personal, and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years as long as it does not violate Title 18A. Upon retirement, employees shall be paid by the District for unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds' total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the Food Service Enterprise Fund.

NOTE 14 – DEFERRED COMPENSATION

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

Lincoln Investment Planning
MetLife
Voya

NOTE 15 – CAPITAL RESERVE ACCOUNT

The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There is a total balance of \$231,054.00 on June 30, 2023.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve account at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

The table below summarizes the activity in the Capital Reserve Account for the 2022/2023 Year.

Beginning balance, July 1, 2022	\$ 230,538.00
Deposits:	
Interest	\$ 516.00
Board Approved Resolutions	_____
Withdrawals:	
Utilized in 2022-2023 Budget	_____
Ending balance, June 30, 2023	<u>\$ 231,054.00</u>

NOTE 16 – MAINTENANCE RESERVE ACCOUNT

New Jersey Statute 18A7G-9 permits districts to accumulate funds for the required maintenance of a facility in accordance with the Educational Facilities Construction and Financing Act (EFCFA). The balance may be increased through an appropriation in the annual general fund budget certified for taxes or a resolution of the Board at the June meeting. This reserve may be used at any time during the year, by resolution, to transfer to the required maintenance budget lines for the use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted for use on required maintenance appropriations and may not be transferred to any other line-item account.

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	\$ 49,530.00
Deposits:	
Interest	\$ 1.35
Board Approved Resolution	_____
Withdrawals:	
Utilized in 2022-2023 Budget	_____
Ending balance, June 30, 2023	<u>\$ 49,531.35</u>

NOTE 17 – RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions,

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

Fiscal Year	Interest on Investments	Employee Contributions	Board Contribution	Amount Reimbursed	Ending Balance
2022-2023	\$ 799.71	\$ 3,415.80	\$	\$ (10,683.68)	\$ 175,042.83
2021-2022		4,260.00		(105.00)	181,511.00
2020-2021		3,822.00		(2,474.00)	177,356.00

NOTE 18 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 19 – ECONOMIC DEPENDENCY

The District receives support from the federal government and from the state governments through local school districts. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 20 – LITIGATION

From time to time, the District is involved in pending litigation or threatened litigation, claims, or assessments relating to its operations as a school district. In the best judgment of the District's management, none of these items are known to have a material effect on the accompanying financial statements.

NOTE 21 - FUND BALANCE APPROPRIATED

General Fund – Of the \$3,176,262.30 General Fund Fund balance at June 30, 2023, \$92,958.51 is reserved for encumbrances, \$1,345,789.61 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7, \$958,300.00 of the total reserve for excess surplus has been appropriated and also included as anticipated revenue for the year ending June 30, 2023; \$231,054.00 has been reserved in the Capital Reserve Account, \$49,531.35 has been reserved for in the Maintenance Reserve Account, \$44,790.00 has been reserved in the Tuition Reserve Account, \$175,042.83 is reserved for Unemployment Compensation, \$23,748.00 is assigned and designated for subsequent year's expenditures, and a surplus of \$1,213,348.00 is classified as Unassigned.

NOTE 22 - CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation. 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 \$1,345,789.61, of which \$958,300.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 23 – RIGHT TO USE ASSETS

The district has recorded right to use assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place to lease into service. The District has determined the other charges and amortization to be immaterial to the government-wide financial statements and has elected to record the Right to Use Assets at their remaining liability payments.

	Beginning Balance	Increases	Decreases	Ending Balance
Technology Equipment	\$ 38,724.00	\$	\$ 11,325.19	\$ 27,398.81
Copier	-	13,734.66	2,479.86	11,254.80
Right to use assets, net	<u>\$ 38,724.00</u>	<u>\$ 13,734.66</u>	<u>\$ 13,805.05</u>	<u>\$ 38,653.61</u>

NOTE 24 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023, through March 22, 2024, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the District that would require disclosure.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,292,016.00	\$ -	\$ 3,292,016.00	\$ 3,292,016.00	\$ -
Tuition from Individuals	9,000.00		9,000.00	50,782.94	41,782.94
Tuition from other LEA's	45,967.00		45,967.00	112,955.00	66,988.00
Interest Earned on Capital Reserve	50.00		50.00	516.00	466.00
Interest Earned on Maintenance Reserve	200.00		200.00	1.35	(198.65)
Miscellaneous	2,500.00	1,134.57	3,634.57	20,368.42	16,733.85
Total Local Sources	3,349,733.00	1,134.57	3,350,867.57	3,476,639.71	125,772.14
State Sources:					
Categorical Special Education Aid	140,233.00		140,233.00	140,233.00	-
Equalization Aid	83,164.00		83,164.00	83,164.00	-
Extraordinary Aid			-	43,127.00	43,127.00
Categorical Security Aid	23,353.00		23,353.00	23,353.00	-
Categorical Transportation Aid	135,665.00		135,665.00	135,665.00	-
Supplemental Stabilization Aid			-	125,967.00	125,967.00
Maintenance of Equity Aid			-	792,382.00	792,382.00
Non Public Transportation Aid			-	1,872.00	1,872.00
TPAF (On-Behalf - Non-Budgeted) :					
Post Retirement Medical Contributions			-	131,532.00	131,532.00
Pension Costs			-	500,698.00	500,698.00
Long Term Disability			-	250.00	250.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	126,204.47	126,204.47
Total State Sources	382,415.00	-	382,415.00	2,104,447.47	1,722,032.47
Total Revenues	3,732,148.00	1,134.57	3,733,282.57	5,581,087.18	1,847,804.61

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Pre School - Salaries of Teachers	9,778.00	(64.00)	9,714.00	7,822.08	1,891.92
Kindergarten- Salaries of Teachers	80,308.00	80,382.60	160,690.60	154,102.60	6,588.00
Grades 1 - 5 Salaries of Teachers	527,458.00	(29,073.90)	498,384.10	485,364.97	13,019.13
Grades 6 - 8 Salaries of Teachers	235,510.00	32,993.76	268,503.76	258,588.00	9,915.76
Regular Programs - Home Instruction					
Salaries of Teachers	1,000.00	104.00	1,104.00	1,104.00	-
Purchased Professional Educational Services	1,000.00	1,570.00	2,570.00	2,570.00	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	-	26,529.79	26,529.79	26,529.79	-
Purchased Professional Educational Services	1,000.00	(1,000.00)	-	-	-
Purchased Technical Services	50,900.00	(26,629.52)	24,270.48	20,077.00	4,193.48
Other Purchased Services (400-500 series)	68,630.00	(10,000.00)	58,630.00	50,560.31	8,069.69
General Supplies	93,680.00	(9,622.49)	84,057.51	62,726.48	21,331.03
Textbooks	2,000.00	-	2,000.00	1,772.51	227.49
Other Objects	6,500.00	(2,993.27)	3,506.73	3,506.73	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,077,764.00	62,196.97	1,139,960.97	1,074,724.47	65,236.50
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities	6,288.00	(6,000.00)	288.00	288.00	288.00
Other Salaries for Instruction					
Total Learning and/or Language Disabilities	6,288.00	(6,000.00)	288.00	-	288.00

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center					
Salaries of Teachers	282,555.00	(23,500.00)	259,055.00	257,758.45	1,296.55
Other Salaries for Instruction	-	54,241.29	54,241.29	54,202.36	38.93
Other Purchased Services (400-500 series)	2,000.00	(1,500.00)	500.00	149.00	351.00
General Supplies	3,467.00	(600.00)	2,867.00	2,036.01	830.99
Total Resource Room/Resource Center	288,022.00	28,641.29	316,663.29	314,145.82	2,517.47
Preschool Disabilities - Full-Time					
Salaries of Teachers	61,424.00	412.00	61,836.00	60,812.00	1,024.00
Other Salaries for Instruction	31,242.00	(70.00)	31,172.00	21,895.24	9,276.76
General Supplies	1,500.00	3,736.04	5,236.04	5,236.04	-
Total Preschool Disabilities - Full - Time	94,166.00	4,078.04	98,244.04	87,943.28	10,300.76
TOTAL SPECIAL EDUCATION - INSTRUCTION	388,476.00	26,719.33	415,195.33	402,089.10	13,106.23
Basic Skills/Remedial - Instruction					
Salaries of Teachers	60,938.00	(22,298.76)	38,639.24	3,029.00	35,610.24
General Supplies	1,000.00	-	1,000.00	364.00	636.00
Total Basic Skills/Remedial - Instruction	61,938.00	(22,298.76)	39,639.24	3,393.00	36,246.24
School-Sponsored Co/Extra-Curr. Activities - Instruction Salaries	4,000.00		4,000.00	700.00	3,300.00
Total School-Spon. Cocurricular Activities - Inst.	4,000.00	-	4,000.00	700.00	3,300.00
TOTAL INSTRUCTION	1,532,178.00	66,617.54	1,598,795.54	1,480,906.57	117,888.97

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to other LEA's within State - Regular	405,000.00	(98,000.00)	307,000.00	245,600.00	61,400.00
Tuition to Other LEAs Within the State Special	51,200.00	(13,100.00)	38,100.00	30,480.00	7,620.00
Tuition to County Voc. School District Regular	161,559.00		161,559.00	161,558.50	0.50
Tuition to County Spec. Services & Reg Day	237,452.00	(4,680.17)	232,771.83	177,825.30	54,946.53
Tuition to Private Schools for the Disabled - Within State	72,608.00	3,662.70	76,270.70	76,270.70	-
Total Undistributed Expenditures - Instruction	<u>927,819.00</u>	<u>(112,117.47)</u>	<u>815,701.53</u>	<u>691,734.50</u>	<u>123,967.03</u>
Undistributed Expend. - Attend. & Social Worker					
Salaries	22,073.00	(3,585.09)	18,487.91	18,487.91	-
Other Purchased Services (400-500 series)	5,800.00	-	5,800.00	5,800.00	-
Total Undist. Expend. - Attend. & Social Worker	<u>27,873.00</u>	<u>(3,585.09)</u>	<u>24,287.91</u>	<u>24,287.91</u>	<u>-</u>
Undistributed Expend. - Health Services					
Salaries	48,310.00	2,782.00	51,092.00	51,020.00	72.00
Purchased Professional and Technical Services	4,500.00	(1,922.50)	2,577.50	2,577.50	-
Other Purchased Services (400-500 series)	200.00	(200.00)	-	-	-
Supplies & Materials	1,300.00	(556.04)	743.96	734.34	9.62
Other Objects	100.00	(100.00)	-	-	-
Total Undistributed Expend. - Health Services	<u>54,410.00</u>	<u>3.46</u>	<u>54,413.46</u>	<u>54,331.84</u>	<u>81.62</u>
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	31,698.00	5,574.00	37,272.00	37,272.00	-
Purchased Professional Educational Services	27,399.00	22,179.00	49,578.00	47,141.00	2,437.00
Supplies & Materials	3,000.00	(2,837.00)	163.00	163.00	-
Total Undist. Expend. - Other Support Services	<u>62,097.00</u>	<u>24,916.00</u>	<u>87,013.00</u>	<u>84,576.00</u>	<u>2,437.00</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	15,540.00	10,282.53	25,822.53	25,441.65	380.88
Purchased Professional Educational Services Supplies & Materials	71,570.00 50.00	26,624.28 (50.00)	98,194.28 -	89,417.28 -	8,777.00 -
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>87,160.00</u>	<u>36,856.81</u>	<u>124,016.81</u>	<u>114,858.93</u>	<u>9,157.88</u>
Undist. Expend. Guidance					
Salaries of Other Professional Staff Supplies & Materials	5,000.00	23,785.00 (4,366.94)	23,785.00 633.06	23,785.00 346.40	- 286.66
Total Undist. Expend. - Other Support Services Students - Guidance	<u>5,000.00</u>	<u>19,418.06</u>	<u>24,418.06</u>	<u>24,131.40</u>	<u>286.66</u>
Undist. Expend. - Other Support Serv. Child Study Teams					
Salaries of Secretarial and Clerical Assistants Purchased Professional Educational Services Other Purchased Professional and Technical Services Supplies & Materials	6,000.00 1,000.00	3,250.00 5,600.00 1,821.20 (490.31)	3,250.00 5,600.00 7,821.20 509.69	3,000.00 2,800.00 7,821.20 205.58	250.00 2,800.00 - 304.11
Total Undist. Expend. - Other Support Services Students - Special - Child Study Teams	<u>7,000.00</u>	<u>10,180.89</u>	<u>17,180.89</u>	<u>13,826.78</u>	<u>3,354.11</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries Purchased Professional and Technical Services Supplies & Materials	20,777.00 1,000.00 9,653.00	(3,679.28) (1,000.00) (8,672.90)	17,097.72 - 980.10	17,097.72 - 980.10	- - -
Media Services - School Library	<u>31,430.00</u>	<u>(13,352.18)</u>	<u>18,077.82</u>	<u>18,077.82</u>	<u>-</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Staff Training	250.00	-	250.00	-	250.00
Salaries of Other Professional Staff	1,250.00	(1,250.00)	-	-	-
Purchased Professional Educational Services	500.00		500.00		500.00
Other Purchase Professional and Tech Services	3,100.00	3,373.05	6,473.05	6,323.05	150.00
Other Purchased Services (400-500 series)	100.00	(100.00)	-		-
Supplies and Materials					
Total Undist. Expend. - Staff Training	5,200.00	2,023.05	7,223.05	6,323.05	900.00
Undist. Expend. - Supp. Serv. - General Admin.	69,059.00	8,651.96	77,710.96	77,550.08	160.88
Salaries	4,400.00	17,509.00	21,909.00	21,909.00	-
Legal Services	25,000.00	500.00	25,500.00	25,500.00	-
Audit Fees	4,500.00	-	4,500.00	4,500.00	-
Other Purchased Professional Services	400.00	(400.00)	-		-
Purchased Technical Services	2,000.00	(315.11)	1,684.89	1,684.89	-
Rentals	8,985.00	(286.64)	8,698.36	7,998.95	699.41
Communications/Telephone	650.00	(359.68)	290.32	290.32	-
Travel	100.00	(25.74)	74.26	74.26	-
BOE Other Purchased Professional Services	6,921.00	13,625.48	20,546.48	20,481.03	65.45
Misc Purchased Services (400-500 series)	700.00	48.01	748.01	748.01	-
General Supplies	100.00		100.00		100.00
BOE In- House Training/ Meeting Supplies	5,200.00	(2,547.17)	2,652.83	2,563.38	89.45
Miscellaneous Expenditures	3,500.00	10.55	3,510.55	3,510.55	-
BOE Memberships and Dues					
Total Undistributed Expenditures - Support					
Services - General Administration	131,515.00	36,410.66	167,925.66	166,810.47	1,115.19

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	54,650.00	2,850.16	57,500.16	57,500.16	-
Total Undistributed Expenditures - Support Services - School Administration	<u>54,650.00</u>	<u>2,850.16</u>	<u>57,500.16</u>	<u>57,500.16</u>	<u>-</u>
Undist. Expend. - Central Services					
Salaries	69,360.00		69,360.00	68,680.00	680.00
Purchased Technical Services	9,690.00		9,690.00	9,460.20	229.80
Other Purchased Services (400-500 series)	1,231.00	829.83	2,060.83	1,606.50	454.33
Supplies and Materials	1,200.00	305.72	1,505.72	1,412.67	93.05
Total Undistributed Expenditures - Support Services - Central Services	<u>81,481.00</u>	<u>1,135.55</u>	<u>82,616.55</u>	<u>81,159.37</u>	<u>1,457.18</u>
Undist. Expend. - Required Maint. School Fac.					
Salaries	38,643.00	(526.00)	38,117.00	37,922.16	194.84
Cleaning, Repair, & Maint Services	45,789.00	(14,833.00)	30,956.00	15,413.51	15,542.49
Lead Testing of Drinking Water	1,250.00		1,250.00		1,250.00
General Supplies	4,777.00	(814.16)	3,962.84	2,793.85	1,168.99
Other Objects	200.00	139.63	339.63	339.63	-
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>90,659.00</u>	<u>(16,033.53)</u>	<u>74,625.47</u>	<u>56,469.15</u>	<u>18,156.32</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Custodial Services					
Salaries	77,715.00	(19,582.31)	58,132.69	58,132.69	-
Salaries - Non-Instructional Aides	11,200.00		11,200.00	5,676.66	5,523.34
Purchased Professional and Technical Services	47,810.00	(908.90)	46,901.10	41,584.00	5,317.10
Cleaning, Repair, & Maint Services	8,030.00	(3.43)	8,026.57	5,703.50	2,323.07
Insurance	49,931.00	(1,801.00)	48,130.00	48,130.00	-
Miscellaneous Purchased Services	607.00		607.00	500.00	107.00
General Supplies	13,983.00		13,983.00	2,370.53	11,612.47
Energy (Electricity)	79,000.00	(9,000.00)	70,000.00	65,697.91	4,302.09
Energy (Oil)	70,000.00	(18,111.58)	51,888.42	49,273.37	2,615.05
Energy Gasoline	500.00		500.00	500.00	-
Other Objects	1,600.00		1,600.00	363.50	1,236.50
Total Undistributed Expenditures -					
Custodial Services	<u>360,376.00</u>	<u>(49,407.22)</u>	<u>310,968.78</u>	<u>277,432.16</u>	<u>33,536.62</u>
Undist. Expend. - Security					
Purchased Professional and Technical Services	10,000.00		10,000.00	7,702.68	2,297.32
General Supplies	1,000.00	-	1,000.00	460.98	539.02
Total Undistributed Expenditures -					
Security	<u>11,000.00</u>	<u>-</u>	<u>11,000.00</u>	<u>8,163.66</u>	<u>2,836.34</u>
Total Undistributed Expenditures					
Operations and Maintenance of Plant	<u>462,035.00</u>	<u>(65,440.75)</u>	<u>396,594.25</u>	<u>342,064.97</u>	<u>54,529.28</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.	80,468.00	7,003.40	87,471.40	87,292.93	178.47
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	28,950.00	(6,368.65)	22,581.35	15,458.24	7,123.11
Sal Pup Trans (Bet. Home & School) - Special Education Field Trips	42,385.00	36.92	42,421.92	38,705.91	3,716.01
Other Purchased Prof. and Technical Serv.	38,980.00	(349.32)	38,630.68	36,500.00	2,130.68
Cleaning Repair & Maintenance Services	2,200.00	3,427.81	5,627.81	5,627.81	-
Rental Payments	220.00	-	220.00	58.20	161.80
Contract Services - Aid in Lieu - Non-Public School	6,000.00	153.25	6,153.25	6,153.25	-
Contract Services (Aid-In-Lieu) Choice Students	2,000.00	61.00	2,061.00	1,862.60	198.40
Contr Serv (Regular Students)-ESCs and CTSA	85,672.00	(28,360.56)	57,311.44	51,889.11	5,422.33
Contr Serv (Special Ed Students)- ESCs and CTSA	98,744.00	67,406.53	166,150.53	153,629.53	12,521.00
Misc. Purchased Service - Transportation	7,000.00	-	7,000.00	7,000.00	-
Transportation Supplies/Repairs	79,041.00	(10,035.74)	69,005.26	58,684.94	10,320.32
Other Objects	3,026.00	(1,500.00)	1,526.00	1,224.80	301.20
Total Undistributed Expenditures - Student Transportation Services	474,686.00	31,474.64	506,160.64	464,087.32	42,073.32
Unallocated Benefits					
Social Security Contribution	40,000.00	350.03	40,350.03	40,350.03	-
Other Retirement Contributions - PERS	42,405.00	625.89	43,030.89	43,030.89	-
Unemployment Compensation	3,000.00	(2,765.18)	234.82	-	234.82
Worker's Compensation	32,399.00	1,108.53	33,507.53	33,507.53	-
Health Benefits	414,138.00	(3,149.01)	410,988.99	376,726.97	34,262.02
Tuition Reimbursement	12,399.00	(7,119.00)	5,280.00	5,280.00	-
Other Employee Benefits	13,750.00	(2,765.43)	10,984.57	2,525.34	8,459.23
Unused Sick Time to terminated /Retired Staff	14,000.00	-	14,000.00	11,950.00	2,050.00
Total Unallocated Benefits	572,091.00	(13,714.17)	558,376.83	513,370.76	45,006.07

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf Contributions					
On-Behalf TPAF Contribution (non-bud)			-	131,532.00	(131,532.00)
Post Retirement Medical Contributions			-	500,698.00	(500,698.00)
Pension Costs			-	250.00	(250.00)
Long Term Disability			-	126,204.47	(126,204.47)
Reimbursed TPAF Social Security Cont. (non-bud)			-	758,684.47	(758,684.47)
Total On-Behalf Contributions	-	-	-	1,272,055.23	(713,678.40)
Total Personal Services - Employee Benefits	572,091.00	(13,714.17)	558,376.83	1,272,055.23	(713,678.40)
TOTAL UNDISTRIBUTED EXPENDITURES	2,984,447.00	(42,940.38)	2,941,506.62	3,415,825.75	(474,319.13)
TOTAL GENERAL CURRENT EXPENSE	4,516,625.00	23,677.16	4,540,302.16	4,896,732.32	(356,430.16)
CAPITAL OUTLAY					
Equipment	25,000.00	11,095.56	36,095.56	11,228.56	24,867.00
Facility Maintenance Equipment					
Total Equipment	25,000.00	11,095.56	36,095.56	11,228.56	24,867.00
Facilities Acquisition and Construction Services					
SDA Debt Service Assessment	1,258.00		1,258.00	1,258.00	-
Total Facilities Acquisition and Construction Services	1,258.00	-	1,258.00	1,258.00	-
TOTAL CAPITAL OUTLAY	26,258.00	11,095.56	37,353.56	12,486.56	24,867.00
Transfer of Funds to Charter Schools	17,350.00	(17,350.00)	-		-
TOTAL EXPENDITURES	4,560,233.00	17,422.72	4,577,655.72	4,909,218.88	(331,563.16)

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(828,085.00)	(16,288.15)	(844,373.15)	671,868.30	1,516,241.45
Other Financing Sources:					
Operating Transfers Out:					
Transfer to Sp. Revenue Fund -Regular	(27,018.00)	16,863.15	(10,154.85)		10,154.85
Total Other Financing Sources:	(27,018.00)	16,863.15	(10,154.85)	-	10,154.85
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(855,103.00)	575.00	(854,528.00)	671,868.30	1,526,396.30
Fund Balance July 1	2,504,394.00	-	2,504,394.00	2,504,394.00	-
Fund Balance June 30	<u>\$ 1,649,291.00</u>	<u>\$ 575.00</u>	<u>\$ 1,649,866.00</u>	<u>\$ 3,176,262.30</u>	<u>\$ 1,526,396.30</u>

Recapitulation:

Restricted Fund Balance:	\$ 387,489.61
Reserve for Excess Surplus - Current Year	
Excess Surplus - Designated for Subsequent Year's Expenditures	958,300.00
Capital Reserve	231,054.00
Maintenance Reserve	49,531.35
Tuition Reserve	44,790.00
Unemployment Compensation	175,042.83
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	23,748.00
Reserve for Encumbrances	92,958.51
Unassigned Fund Balance	<u>1,213,348.00</u>
	<u>3,176,262.30</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not recognized on GAAP basis	35,560.75
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 3,140,701.55</u></u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 378,252.00	\$	\$ 378,252.00	\$ 303,106.00	\$ (75,146.00)
Federal Sources	557,161.00	164,364.28	721,525.28	279,698.62	(441,826.66)
Local Sources	42,018.00		42,018.00	12,253.67	(29,764.33)
Total Revenues	977,431.00	164,364.28	1,141,795.28	595,058.29	(546,736.99)
EXPENDITURES:					
Instruction:					
Teachers Salaries	134,951.72	154,681.50	289,633.22	179,030.00	110,603.22
Other Salaries for Instruction	29,451.00	434.75	29,885.75	29,772.00	113.75
Purchased Professional - Educational Services	1,200.00		1,200.00	-	1,200.00
Other Purchased Services (400-500 series)	52,652.00	(488.00)	52,164.00	47,652.00	4,512.00
Supplies	122,035.00	9,180.87	131,215.87	59,777.62	71,438.25
Other Objects	3,476.00	488.00	3,964.00	988.00	2,976.00
Total Instruction	343,765.72	164,297.12	508,062.84	317,219.62	190,843.22
Support Services:					
Other Support Services - Employee Benefits	120,509.00	369.00	120,878.00	26,363.00	94,515.00
Purchased Professional - Technical Services	23,900.00	21,000.00	44,900.00	39,800.00	5,100.00
Purchased Professional - Educational Services	37,913.00		37,913.00	30,913.00	7,000.00
Other Salaries	137,907.00	12,617.00	150,524.00	87,196.69	63,327.31
Salaries of Secretarial and Clerical Assistants	7,946.00		7,946.00	7,946.00	-
Other Purchased Services (400-500 series)	122,816.41	(10,965.10)	111,851.31	57,160.32	54,690.99
Supplies & Materials	64,572.16	(6,157.16)	58,415.00	7,184.00	51,231.00
Total Support Services	515,563.57	16,863.74	532,427.31	256,563.01	275,864.30

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Buildings	\$ 40,000.00	-	\$ 40,000.00	-	\$ 40,000.00
Instructional Equipment	36,000.00	(20,000.00)	16,000.00	-	16,000.00
Non - Instructional Equipment	42,101.71	3,203.42	45,305.13	18,259.00	27,046.13
Total Facilities Acquisitions and Const. Services:	<u>118,101.71</u>	<u>(16,796.58)</u>	<u>101,305.13</u>	<u>18,259.00</u>	<u>83,046.13</u>
Total Outflows	<u>\$ 977,431.00</u>	<u>\$ 164,364.28</u>	<u>\$ 1,141,795.28</u>	<u>\$ 592,041.63</u>	<u>\$ 549,753.65</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,016.66</u>	<u>\$ 3,016.66</u>

Notes to the Required Supplementary Information

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 5,581,087.18	[C-2] \$ 595,058.29
Difference - budget to GAAP:		
Unexpended Preschool Education Funds		20,022.25
The Final State Aid payment for the Year Ended June 30, 2022 that was delayed until July 2022 was recorded as budgetary revenue for the Year Ended June 30, 2022 but is not recognized under GAAP until the Year Ended June 30, 2023.	60,536.00	33,137.00
The Final State Aid payment for the Year Ended June 30, 2023 that was delayed until July 2023 was recorded as budgetary revenue for the Year Ended June 30, 2023 but is not recognized under GAAP until the Year Ended June 30, 2024.	(35,560.75)	(20,022.25)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>5,606,062.43</u>	[B-2] <u>628,195.29</u>
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 4,909,218.88	[C-2] 592,041.63
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 4,909,218.88</u>	[B-2] <u>\$ 592,041.63</u>

Required Supplementary Information – Part III

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00264%	0.00256%	0.00279%	0.00271%	0.00269%	0.00279%	0.00287%	0.00287%	0.00319%	0.00305%
District's proportionate of the net pension liability (asset)	\$ 398,261.00	\$ 303,194.00	\$ 454,615.00	\$ 488,369.00	\$ 527,801.00	\$ 650,338.00	\$ 823,252.00	\$ 644,667.00	\$ 597,666.00	\$ 583,445.00
District's covered payroll	\$ 237,303.00	\$ 217,134.00	\$ 192,821.00	\$ 212,351.00	\$ 207,087.00	\$ 202,668.00	\$ 201,632.00	\$ 201,865.00	\$ 212,498.00	\$ 228,970.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	167.83%	139.63%	235.77%	229.98%	254.87%	320.89%	408.29%	319.36%	281.26%	254.81%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 33,279.00	\$ 29,973.00	\$ 30,497.00	\$ 26,364.00	\$ 26,709.00	\$ 25,881.00	\$ 24,694.00	\$ 24,690.00	\$ 26,316.00	\$ 23,002.00
Contributions in relation to the contractually required contribution	(33,279.00)	(29,973.00)	(30,497.00)	(26,364.00)	(26,709.00)	(25,881.00)	(24,694.00)	(24,690.00)	(26,316.00)	(23,002.00)
Contribution deficiency (excess)	\$ -	\$ 59,946	\$ 60,994	\$ 52,728	\$ 53,418	\$ 51,762	\$ 49,388	\$ 49,380	\$ 52,632	\$ 46,004
District's covered-employee payroll	\$ 237,303.00	\$ 217,134.00	\$ 192,821.00	\$ 212,351.00	\$ 207,087.00	\$ 5,469,043.00	\$ 201,632.00	\$ 201,865.00	\$ 212,498.00	\$ 228,970.00
Contributions as a percentage of covered-employee payroll	14.02%	13.80%	15.82%	12.42%	12.90%	0.47%	12.25%	12.23%	12.38%	10.06%

Source: GASB 68 report on Public Employees' Retirement System; District records

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	7,045,754.00	6,267,874.00	8,628,741.00	8,777,733.00	9,161,549.00	9,594,815.00	11,708,518.00	8,878,395.00	7,820,066.00	7,991,828.00
Total	\$ 7,045,754.00	\$ 6,267,874.00	\$ 8,628,741.00	\$ 8,777,733.00	\$ 9,161,549.00	\$ 9,594,815.00	#####	\$ 8,878,395.00	\$ 7,820,066.00	\$ 7,991,828.00
District's covered payroll	\$ 1,656,025.00	\$ 1,485,979.00	\$ 1,417,143.00	\$ 1,467,749.00	\$ 1,467,412.00	\$ 1,524,887.00	\$ 1,439,159.00	\$ 1,463,829.00	\$ 1,476,750.00	\$ 1,477,064.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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%

Source: GASB 68 report on Public Employees' Retirement System; District records

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Six Fiscal Years

	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) liability (asset) associated with the District	<u>11,701,697.00</u>	<u>13,737,498.00</u>	<u>15,981,211.00</u>	<u>9,981,676.00</u>	<u>11,603,756.00</u>	<u>13,090,301.00</u>
Total	<u>\$ 11,701,697.00</u>	<u>\$ 13,737,498.00</u>	<u>\$ 15,981,211.00</u>	<u>\$ 9,981,676.00</u>	<u>\$ 11,603,756.00</u>	<u>\$ 13,090,301.00</u>
District's covered payroll	\$ 1,893,328.00	\$ 1,703,113.00	\$ 1,609,964.00	\$ 1,680,100.00	\$ 1,674,499.00	\$ 1,727,555.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:						
Service Cost	385,969.00	452,342.00	239,452.00	230,823.00	277,748.00	335,636.00
Interest Cost	310,108.00	356,365.00	353,059.00	452,300.00	473,261.00	410,657.00
Differences between Expected & Actual	704,524.00	(2,794,368.00)	2,757,593.00	(2,156,706.00)	(606,409.00)	-
Changes in Assumptopns	(3,139,085.00)	13,553.00	2,919,218.00	148,828.00	(1,331,589.00)	(1,582,335.00)
Member Contributions	9,854.00	9,111.00	8,433.00	9,083.00	10,724.00	11,165.00
Benefit Payments	(307,171.00)	(280,716.00)	(278,220.00)	(306,408.00)	(310,280.00)	(303,199.00)
Change in Total Opeb Liability	<u>(2,035,801.00)</u>	<u>(2,243,713.00)</u>	<u>5,999,535.00</u>	<u>(1,622,080.00)</u>	<u>(1,486,545.00)</u>	<u>(1,128,076.00)</u>
State's proportionate share of the net OPEB liability (asset) associated with the District -						
Beginning Balance	<u>13,737,498.00</u>	<u>15,981,211.00</u>	<u>9,981,676.00</u>	<u>11,603,756.00</u>	<u>13,090,301.00</u>	<u>14,218,377.00</u>
Ending Balance	<u>\$ 11,701,697.00</u>	<u>\$ 13,737,498.00</u>	<u>\$ 15,981,211.00</u>	<u>\$ 9,981,676.00</u>	<u>\$ 11,603,756.00</u>	<u>\$ 13,090,301.00</u>
State's proportionate share of the net OPEB liability associated with the District as a percentage of its covered-employee payroll	618.05%	806.61%	992.64%	594.11%	692.97%	757.74%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

Other Supplementary Information

Special Revenue Fund Detail Statements

Special revenue funds are 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.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	Title I	IDEA	IDEA Preschool	CRRSA ESSER II	Title II	ARP ESSER
REVENUES:						
State Sources	\$ 44,880.00	\$ 47,652.00	\$ 913.00	\$ 6,062.13	\$ 7,698.00	\$ 93,983.49
Federal Sources						
Local Sources						
Total Revenues	<u>44,880.00</u>	<u>47,652.00</u>	<u>913.00</u>	<u>6,062.13</u>	<u>7,698.00</u>	<u>93,983.49</u>
EXPENDITURES:						
Instruction:						
Teachers Salaries	29,723.00				1,600.00	
Other Salaries for Instruction						
Other Purchased Services (400-500 series)		47,652.00		6,062.13		8,480.49
Supplies						
Other Objects						
Total Instruction	<u>29,723.00</u>	<u>47,652.00</u>	<u>-</u>	<u>6,062.13</u>	<u>1,600.00</u>	<u>8,480.49</u>
Support Services:						
Salaries of Secretarial and Clerical Assistants						
Salaries of Other Professional Staff						33,309.69
Other Support Services - Employee Benefits	15,157.00					3,349.00
Purchased Professional - Technical Services			913.00			
Purchased Professional - Educational Services						
Transportation						12,521.00
Other Purchased Services (400-500 series)					6,098.00	18,064.31
Supplies & Materials						
Total Support Services	<u>15,157.00</u>	<u>-</u>	<u>913.00</u>	<u>-</u>	<u>6,098.00</u>	<u>67,244.00</u>
Facilities Acquisitions and Construction Services:						
Non - Instructional Equipment						18,259.00
Total Facilities Acquisitions and Const. Services:						<u>18,259.00</u>
Total Outflows	<u>44,880.00</u>	<u>47,652.00</u>	<u>913.00</u>	<u>6,062.13</u>	<u>7,698.00</u>	<u>93,983.49</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	Title IV	CRRSA Mental Health	ARP Learning Acceleration	Preschool Education Aid	ARP Mental Health	CRRSA Learning Acceleration
REVENUES:						
State Sources	11,632.00	16,084.00	\$ 35,000.00	\$ 300,017.00	5,481.00	10,313.00
Federal Sources						
Local Sources						
Total Revenues	11,632.00	16,084.00	35,000.00	300,017.00	5,481.00	10,313.00
EXPENDITURES:						
Instruction:						
Teachers Salaries				138,627.00		9,080.00
Other Salaries for Instruction				29,772.00		
Other Purchased Services (400-500 series)				43,274.00		
Supplies	872.00			988.00		
Other Objects						
Total Instruction	872.00	-	-	212,661.00	-	9,080.00
Support Services:						
Salaries of Secretarial and Clerical Assistants				7,946.00		
Salaries of Other Professional Staff		9,990.00		43,897.00		
Other Support Services - Employee Benefits		2,601.00	35,000.00	4,023.00	2,800.00	1,233.00
Purchased Professional - Technical Services						
Purchased Professional - Educational Services				30,000.00		
Transportation						
Other Purchased Services (400-500 series)	9,887.00			1,490.00	2,681.00	
Supplies & Materials	873.00					
Total Support Services	10,760.00	16,084.00	35,000.00	87,356.00	5,481.00	1,233.00
Facilities Acquisitions and Construction Services:						
Non - Instructional Equipment						
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	-
Total Outflows	11,632.00	16,084.00	35,000.00	300,017.00	5,481.00	10,313.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	Climate Awareness Grant	Safety Grant	Scholarships	Student Activities	Totals
REVENUES:					
State Sources	\$ 3,089.00				\$ 303,106.00
Federal Sources		2,000.00	\$ 3.28	\$ 10,250.39	279,698.62
Local Sources		2,000.00	3.28	10,250.39	12,253.67
Total Revenues	<u>3,089.00</u>	<u>2,000.00</u>	<u>3.28</u>	<u>10,250.39</u>	<u>595,058.29</u>
EXPENDITURES:					
Instruction:					
Teachers Salaries					179,030.00
Other Salaries for Instruction					29,772.00
Other Purchased Services (400-500 series)					47,652.00
Supplies	1,089.00				59,777.62
Other Objects					988.00
Total Instruction	<u>1,089.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,219.62</u>
Support Services:					
Salaries of Secretarial and Clerical Assistants					7,946.00
Salaries of Other Professional Staff					87,196.69
Other Support Services - Employee Benefits					26,363.00
Purchased Professional - Technical Services	2,000.00				39,800.00
Purchased Professional - Educational Services					30,913.00
Transportation			225.90	7,011.11	12,521.00
Other Purchased Services (400-500 series)		2,000.00			44,639.32
Supplies & Materials					7,184.00
Total Support Services	<u>2,000.00</u>	<u>2,000.00</u>	<u>225.90</u>	<u>7,011.11</u>	<u>256,563.01</u>
Facilities Acquisitions and Construction Services:					
Non - Instructional Equipment					18,259.00
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,259.00</u>
Total Outflows	<u>3,089.00</u>	<u>2,000.00</u>	<u>225.90</u>	<u>7,011.11</u>	<u>592,041.63</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (222.62)</u>	<u>\$ 3,239.28</u>	<u>\$ 3,016.66</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2023

<u>District-Wide Total</u>	<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 141,207.00	\$ 138,627.00	\$ 2,580.00
Other Salaries for Instruction	29,886.00	29,772.00	114.00
Other Purchased Services (400-500 Series)	4,512.00		4,512.00
General Supplies	43,540.00	43,274.00	266.00
Other Objects	988.00	988.00	-
Total Instruction	<u>220,133.00</u>	<u>212,661.00</u>	<u>7,472.00</u>
Support Services:			
Salaries of Other Professional Staff	43,897.00	43,897.00	-
Salaries of Secr. & Clerical Assistants	7,946.00	7,946.00	-
Other Salaries	1,500.00		1,500.00
Personal Services - Employee Benefits	51,481.00	4,023.00	47,458.00
Purchased Professional - Educational Services	35,000.00	30,000.00	5,000.00
Cleaning, Repairs & Maintenance	12,000.00		12,000.00
Travel	200.00		200.00
Supplies and Materials	6,067.00	1,490.00	4,577.00
Total Support Services	<u>158,091.00</u>	<u>87,356.00</u>	<u>70,735.00</u>
Facilities Acquisition and Construction Services			
Noninstructional Equipment	27,046.00		27,046.00
Total Facilities Acquisition and Construction Ser.	<u>27,046.00</u>	<u>-</u>	<u>27,046.00</u>
Total Expenditures	<u>\$ 405,270.00</u>	<u>\$ 300,017.00</u>	<u>\$ 105,253.00</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2022-23 Preschool Education Aid Allocation	\$ 378,252.00
Add: Actual Carryover June 30, 2022	235,796.00
Total Preschool Education Aid Funds Available	<u>614,048.00</u>
Less: 2022/2023 Budgeted Preschool Education Aid - Prior Year Budget Carryover	<u>(405,270.00)</u>
Available & Unbudgeted Preschool Education Aid Funds, June 30, 2023	<u>208,778.00</u>
Add: June 30, 2022 Unexpended Preschool Education Aid	105,253.00
2022-2023 Carryover - Preschool Education Aid	<u>\$ 314,031.00</u>
2022-23 Preschool Education Carryover Budgeted for Preschool Programs 2023-2024	<u>\$ 28,000.00</u>

Long-term Debt Schedules

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding and the outstanding principal balance on capital leases.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of Obligations Under Leases
As of June 30, 2023

Description	Amount of Original Issue	Balance June 30, 2022	Issued Current Year	Retired Current Year	Balance June 30, 2023
Copier	\$ 13,734.66	\$	\$ 13,734.66	\$ 2,479.86	\$ 11,254.80
Technology Equipment	66,528.05	38,724.00		11,325.19	27,398.81
	\$	\$	\$	\$	\$
		<u>38,724.00</u>	<u>13,734.66</u>	<u>13,805.05</u>	<u>38,653.61</u>

Statistical Section

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,903,866.00	\$ 1,704,674.00	\$ 1,872,333.00	\$ 1,698,792.00	\$ 2,569,760.00	\$ 2,403,842.00	\$ 2,244,315.00	\$ 2,312,775.00	\$ 2,165,964.00	\$ 2,037,618.39
Restricted	1,412,851.00	1,706,965.00	1,849,793.00	1,745,986.00	1,004,517.00	1,191,717.00	1,274,966.00	1,646,356.00	2,243,054.00	2,020,424.19
Unrestricted	149,802.00	(418,542.00)	(449,727.00)	(509,666.00)	(541,501.00)	(510,104.00)	(512,401.00)	(452,286.00)	(989,060.00)	634,632.49
Total governmental activities net assets	\$ 3,466,519.00	\$ 3,083,097.00	\$ 3,372,399.00	\$ 2,935,112.00	\$ 3,032,776.00	\$ 3,085,455.00	\$ 3,006,870.00	\$ 3,506,845.00	\$ 4,019,958.00	\$ 4,692,675.07
Business-type activities										
Invested in capital assets, net of related debt	\$ 6,551.00	\$ 10,578.00	\$ 9,708.00	\$ 10,138.00	\$ 9,319.00	\$ 8,498.00	\$ 7,680.00	\$ 6,465.00	\$ 4,854.00	\$ 4,035.00
Restricted	6,582.00	11,896.00	10,004.00	8,743.00	11,828.00	15,983.00	20,576.00	32,752.00	84,725.00	113,370.22
Unrestricted	(13,133.00)	(22,464.00)	(19,712.00)	(18,681.00)	(21,147.00)	(24,481.00)	(28,256.00)	(39,217.00)	(89,579.00)	(117,405.22)
Total business-type activities net assets	\$ 3,479,652.00	\$ 3,105,561.00	\$ 3,392,111.00	\$ 2,953,933.00	\$ 3,053,923.00	\$ 3,109,936.00	\$ 3,035,126.00	\$ 3,546,062.00	\$ 4,109,537.00	\$ 4,810,080.29
District-wide										
Invested in capital assets, net of related debt	\$ 1,910,417.00	\$ 1,805,252.00	\$ 1,882,041.00	\$ 1,708,930.00	\$ 2,579,079.00	\$ 2,412,340.00	\$ 2,251,995.00	\$ 2,319,240.00	\$ 2,170,818.00	\$ 2,041,653.39
Restricted	1,412,851.00	1,706,965.00	1,849,793.00	1,745,986.00	1,004,517.00	1,191,717.00	1,274,966.00	1,646,356.00	2,243,054.00	2,020,424.19
Unrestricted	156,384.00	(406,656.00)	(433,723.00)	(500,923.00)	(529,673.00)	(494,121.00)	(491,825.00)	(419,534.00)	(304,335.00)	748,002.71
Total district net assets	\$ 3,479,652.00	\$ 3,105,561.00	\$ 3,392,111.00	\$ 2,953,933.00	\$ 3,053,923.00	\$ 3,109,936.00	\$ 3,035,126.00	\$ 3,546,062.00	\$ 4,109,537.00	\$ 4,810,080.29

Source: Schedule A-1

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
Instruction:										
Regular	\$ 1,382,904.00	\$ 1,396,118.00	\$ 1,466,324.00	\$ 1,418,544.00	\$ 1,264,634.00	\$ 1,250,860.00	\$ 1,176,469.00	\$ 1,147,269.00	\$ 968,701.00	\$ 1,389,079.70
Special education	157,600.00	166,215.00	175,065.00	219,793.00	257,170.00	288,181.00	301,924.00	399,868.00	594,694.00	929,704.19
Other instruction	422.00	495.00	3,072.00	1,311.00	2,084.00	980.00	1,050.00	764.00	58,709.00	5,290.06
Support Services:										
Tuition	730,956.00	894,075.00	900,955.00	925,638.00	1,387,441.00	1,077,397.00	1,310,659.00	1,361,279.00	1,202,495.00	691,734.50
Student & instruction related services	127,322.00	136,260.00	133,373.00	115,076.00	130,048.00	142,052.00	124,602.00	115,465.00	131,190.00	896,062.55
General administrative services	59,422.00	56,715.00	57,620.00	48,341.00	59,650.00	61,222.00	62,365.00	51,000.00	53,060.00	56,473.25
School administrative services	94,376.00	101,450.00	110,245.00	95,158.00	97,323.00	97,991.00	88,674.00	97,273.00	79,591.00	169,633.94
Central services	416,061.00	317,915.00	332,329.00	308,008.00	355,162.00	297,525.00	322,177.00	312,254.00	370,178.00	82,532.72
Plant operations and maintenance	299,835.00	351,905.00	372,798.00	369,315.00	402,276.00	341,405.00	317,599.00	271,975.00	384,031.00	344,876.76
Pupil transportation	823,840.00	759,237.00	800,641.00	881,792.00	956,966.00	985,397.00	1,328,885.00	969,127.00	1,057,048.00	465,826.03
Employee benefits	122,517.00	132,947.00	141,625.00	147,183.00	155,968.00	177,515.00	185,954.00	163,668.00	158,605.00	157,904.00
Unallocated depreciation	61,391.00	1,258.00	6,508.00	10,760.00	99,287.00	11,419.00	1,258.00	1,258.00	1,258.00	2,060.95
Interest on long-term debt	4,276,566.00	4,316,580.00	4,500,755.00	4,540,919.00	5,168,009.00	4,731,944.00	5,221,819.00	4,891,220.00	5,059,560.00	5,193,178.65
Total governmental activities expenses										
Business-type activities:										
Food service	91,778.00	96,311.00	74,584.00	75,172.00	73,099.00	69,715.00	82,304.00	85,867.00	97,721.00	95,961.24
Lunchkey	5,374.00	3,193.00	2,721.00	3,648.00	4,357.00	4,699.00	6,325.00	6,475.00	8,072.00	8,229.58
Total business-type activities expenses	97,152.00	99,504.00	77,305.00	79,021.00	77,456.00	74,414.00	88,629.00	92,342.00	105,793.00	104,190.82
Total district expenses	\$ 4,373,738.00	\$ 4,416,094.00	\$ 4,578,060.00	\$ 4,619,940.00	\$ 5,245,465.00	\$ 4,806,358.00	\$ 5,310,448.00	\$ 4,983,552.00	\$ 5,168,353.00	\$ 5,297,369.47

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Governmental activities:										
Charges for services	\$ 20,980.00	\$ 24,099.00	\$ 38,400.00	\$ 27,800.00	\$ 101,604.00	\$ 143,451.00	\$ 138,609.00	\$ 124,822.00	\$ 980,912.00	\$ 291,516.94
Operating grants and contributions	96,444.00	95,246.00	103,837.00	217,681.00	101,604.00	143,451.00	138,609.00	124,822.00	980,912.00	890,738.76
Total governmental activities program revenues	117,424.00	119,345.00	142,237.00	245,481.00	203,208.00	286,902.00	277,218.00	249,644.00	1,961,824.00	1,182,255.70
Business-type activities:										
Charges for services:										
Food service	49,573.00	42,263.00	42,206.00	37,599.00	33,479.00	40,237.00	43,961.00	44,467.00	8,308.00	56,067.15
Latchkey	5,806.00	4,275.00	3,099.00	5,115.00	6,013.00	5,614.00	9,318.00	5,507.00	11,390.00	6,974.00
Operating grants and contributions	22,253.00	23,693.00	32,081.00	28,554.00	27,316.00	27,823.00	34,684.00	39,133.00	136,457.00	66,975.89
Total business-type activities program revenue	77,632.00	76,231.00	77,386.00	71,268.00	66,808.00	73,680.00	87,963.00	89,107.00	156,155.00	132,017.04
Total district program revenue	195,056.00	195,576.00	219,623.00	316,750.00	269,412.00	217,131.00	226,572.00	213,929.00	1,137,067.00	1,314,272.74
Net (Expense)/Revenue										
Governmental activities	(4,159,162.00)	(4,197,245.00)	(4,358,518.00)	(4,295,438.00)	(5,066,405.00)	(4,588,493.00)	(5,083,210.00)	(4,766,398.00)	(4,078,648.00)	(4,010,922.95)
Business-type activities	(19,520.00)	(23,273.00)	81.00	(7,752.00)	(10,648.00)	(734.00)	(666.00)	(3,225.00)	50,362.00	27,826.22
Total district-wide net expense	\$ (4,178,682.00)	\$ (4,220,518.00)	\$ (4,358,437.00)	\$ (4,303,190.00)	\$ (5,077,053.00)	\$ (4,589,227.00)	\$ (5,083,876.00)	\$ (4,769,623.00)	\$ (4,028,286.00)	\$ (3,983,096.73)

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,292,016.00	\$ 3,292,016.00	\$ 3,292,016.00	\$ 3,292,016.00	\$ 3,292,016.00	\$ 3,292,016.00	\$ 3,292,016.00	\$ 3,292,016.00	\$ 3,292,016.00	\$ 3,292,016.00
Taxes levied for debt service	1,213,118.00	1,230,631.00	1,273,425.00	1,345,135.00	1,353,245.00	1,753,760.00	1,299,117.00	677,519.00	1,000,188.00	1,370,738.25
Unrestricted grants and contributions	3,483.00	20,548.00	9,000.00	21,000.00	15,000.00	41,650.00	84,238.00	132,650.00	221,670.00	-
Tuition revenue	43,606.00	(4,000.00)	23,602.00	15,394.00	28,896.00	52,463.00	19,442.00	39,700.00	77,987.00	20,885.77
Miscellaneous income	(18,000.00)	(4,000.00)	(5,000.00)	(6,000.00)	(3,000.00)	(4,000.00)	(7,000.00)	-	-	-
Transfers	(3,525.00)	(3,656.00)	(8,303.00)	(38,450.00)	(3,000.00)	(4,000.00)	(7,000.00)	-	-	-
Adjustment to Fixed Assets										
Total governmental activities	4,530,688.00	4,535,539.00	4,584,740.00	4,629,095.00	4,686,157.00	5,135,889.00	4,687,813.00	4,262,055.00	4,591,861.00	4,683,640.02
Business-type activities:										
Investment in capital assets	2,600.00	5,250.00	-	3,817.00	-	-	-	-	-	-
Transfers	18,000.00	4,000.00	5,000.00	6,000.00	3,000.00	4,000.00	7,000.00	-	-	-
Total business-type activities	20,600.00	9,250.00	5,000.00	9,817.00	3,000.00	4,000.00	7,000.00	-	-	-
Total district-wide	4,551,288.00	4,544,789.00	4,589,740.00	4,638,912.00	4,689,157.00	5,139,889.00	4,694,813.00	4,262,055.00	4,591,861.00	4,683,640.02
Changes in Net Assets										
Governmental activities	371,536.00	338,294.00	226,222.00	333,657.00	(380,248.00)	547,396.00	(395,397.00)	(504,343.00)	513,213.00	672,717.07
Business-type activities	1,080.00	(14,023.00)	5,081.00	2,065.00	(7,648.00)	3,266.00	6,334.00	(3,225.00)	50,362.00	27,826.22
Total district	372,616.00	324,271.00	231,303.00	335,722.00	(387,896.00)	550,662.00	(389,063.00)	(507,568.00)	563,575.00	700,543.29

Source: Schedule A-2

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 1,356,523.00	\$ 1,631,171.00	\$ 1,885,507.00	\$ 1,629,034.00	\$ 670,362.00	\$ 1,145,597.00	\$ 1,241,057.00	\$ 1,632,467.00	\$ 2,228,621.00	\$ 1,846,207.79
Assigned	49,320.00	68,786.00	57,278.00	30,297.00	281.00	22,474.00	33,899.00	4,967.00	2,025.00	116,706.51
Unreserved	224,354.00	205,568.00	182,495.00	173,287.00	190,711.00	211,680.00	182,185.00	196,585.00	213,212.00	1,177,787.25
Total general fund	\$ 1,630,197.00	\$ 1,905,525.00	\$ 2,125,280.00	\$ 1,832,618.00	\$ 861,354.00	\$ 1,379,751.00	\$ 1,457,141.00	\$ 1,834,019.00	\$ 2,443,858.00	\$ 3,140,701.55
All Other Governmental Funds										
Reserved										\$ 17,449.66
Unreserved, reported in:										
Special revenue fund	7,008.00	7,008.00	7,008.00	86,655.00	33,874.00	23,646.00	-	13,889.00	(18,704.00)	
Capital projects fund	7,008.00	7,008.00	7,008.00	86,655.00	33,874.00	23,646.00	-	13,889.00	(18,704.00)	
Total all other governmental funds	\$ 7,008.00	\$ 7,008.00	\$ 7,008.00	\$ 86,655.00	\$ 33,874.00	\$ 23,646.00	\$ -	\$ 13,889.00	\$ (18,704.00)	\$ 17,449.66

Source: Schedule B-1

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

Exhibit J-4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 3,292,016.00	3,292,016.00	3,292,016.00	3,292,016.00	3,292,016.00	3,292,016.00	3,292,016.00	3,292,016.00	3,292,016.00	\$ 3,292,016.00
Tuition	3,483.00		9,000.00	21,000.00	15,000.00	41,650.00	84,238.00	132,650.00	221,670.00	163,737.94
Miscellaneous	43,606.00	24,366.00	25,753.00	17,621.00	31,269.00	48,037.00	21,442.00	42,203.00	77,987.00	33,139.44
Slate sources	1,213,118.00	1,230,631.00	1,365,835.00	1,345,135.00	1,353,245.00	1,401,250.00	1,283,577.00	1,293,459.00	1,878,790.00	2,465,665.72
Federal sources	95,246.00	100,019.00	123,120.00	99,400.00	141,078.00	136,035.00	122,822.00	180,619.00	227,562.00	279,698.62
Total revenue	4,647,469.00	4,647,032.00	4,815,724.00	4,775,172.00	4,832,608.00	4,918,988.00	4,804,095.00	4,940,947.00	5,698,025.00	6,234,257.72
Expenditures										
Instruction:										
Regular instruction	1,371,383.00	1,446,096.00	1,398,986.00	1,266,391.00	1,252,315.00	1,175,919.00	1,142,094.00	1,133,042.00	980,495.00	1,074,724.47
Special education instruction	165,653.00	175,690.00	220,280.00	222,162.00	248,763.00	259,771.00	351,189.00	427,628.00	594,694.00	719,308.72
Other special education instruction	1,095.00	3,072.00	1,311.00	36,080.00	40,848.00	42,903.00	48,317.00	48,012.00	58,709.00	4,093.00
Support Services:										
Tuition										
Student & instruction related services	894,075.00	900,955.00	925,638.00	1,387,441.00	1,079,770.00	1,310,659.00	1,359,892.00	1,245,125.00	1,205,155.00	691,734.50
General administrative services	136,260.00	133,373.00	115,076.00	130,048.00	142,052.00	124,802.00	115,485.00	113,043.00	128,530.00	586,976.74
School administrative services	58,715.00	57,820.00	48,341.00	59,650.00	61,222.00	62,368.00	51,000.00	52,020.00	53,060.00	166,610.47
Business / Central services	101,450.00	110,245.00	95,158.00	97,323.00	97,991.00	88,674.00	97,273.00	79,423.00	79,591.00	81,159.37
Plant operations and maintenance	355,293.00	332,329.00	308,008.00	355,162.00	297,525.00	332,204.00	312,254.00	386,854.00	365,065.00	342,064.97
Pupil transportation	347,725.00	376,048.00	368,515.00	402,056.00	338,755.00	320,774.00	271,700.00	239,179.00	384,031.00	464,087.32
Unallocated employee benefits	758,763.00	790,479.00	865,751.00	905,710.00	936,883.00	992,196.00	988,748.00	1,000,571.00	1,266,303.00	1,272,055.23
Special Schools										
Capital outlay	969,722.00	41,597.00	243,905.00	120,164.00	1,057,529.00	11,267.00	5,399.00	80,294.00	3,888.00	30,745.56
Debt service:										
Principal										
Interest and other charges										
Total Expenditures	5,160,134.00	4,367,704.00	4,590,969.00	4,982,187.00	5,553,653.00	4,721,537.00	4,743,351.00	4,806,449.00	5,120,779.00	5,501,260.51
Excess (Deficiency) of revenues over (under) expenditures	(512,665.00)	279,328.00	224,755.00	(207,015.00)	(721,045.00)	197,451.00	60,744.00	134,498.00	577,246.00	732,997.21
Other Financing Sources (Uses)										
Transfers Out	(18,000.00)	(4,000.00)	(5,000.00)	(6,000.00)	(6,000.00)		(7,000.00)			
Transfers In	-	-	-	-	-	3,718.00		5,144.00		
Prior Year Revenue Cancelled	-	-	-	-	-	7,000.00				
Capital Leases / Bond Proceeds	-	-	-	-	-			64,627.00		
Total other financing sources (uses)	(18,000.00)	(4,000.00)	(5,000.00)	(6,000.00)	(6,000.00)	10,718.00	(7,000.00)	69,771.00		
Net change in fund balances	(530,665.00)	275,328.00	219,755.00	(213,015.00)	(727,045.00)	208,169.00	53,744.00	204,269.00	577,246.00	732,997.21
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.02%	0.00%

Source: Schedule B-2

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

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Prior Year Refunds	Rentals	Miscellaneous	Totals
2014	\$	\$	15,280.00		4,215.00	\$ 19,495.00
2015					1,210.00	1,210.00
2016			8,157.00		3,356.00	11,513.00
2017			3,747.00		125.00	3,872.00
2018			1,718.00	17,000.00	266.00	18,984.00
2019			15,468.00	17,000.00	101.00	32,569.00
2020			113.00		536.00	649.00
2021					13,620.00	13,620.00
2022					29,663.00	29,663.00
2023		163,737.94			20,885.77	184,623.71

Source: District Records

Exhibit J-6

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	O Farm	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2014	\$ 3,226,000	70,567,100	18,679,100	3,757,200	1,633,600	113,498,600		211,361,600		409,427	211,771,027	-	264,640,143
2015	3,023,500	70,949,400	19,112,000	3,749,800	1,633,600	113,498,600		211,366,900		247,473	212,214,373	-	301,869,489
2016	3,014,700	70,823,500	19,449,800	3,773,600	1,633,600	113,498,600		212,193,600		249,916	212,443,716	-	303,262,027
2017	2,976,300	71,209,500	19,574,300	3,732,600	1,633,600	113,498,600		212,624,900		258,243	212,883,143	-	293,931,047
2018	2,896,900	70,386,600	20,568,300	3,828,000	1,633,600	113,498,600		212,812,000		259,555	213,071,555	-	297,149,087
2019	2,906,900	70,694,800	20,674,000	3,826,000	1,633,600	113,498,600		213,233,600		453,058	213,686,658	-	277,201,503
2020	2,973,000	71,257,000	20,874,100	3,805,200	1,485,000	113,498,600		213,892,900		703,862	214,596,762	-	266,094,743
2021	2,829,500	71,365,600	21,342,700	3,792,400	1,485,000	113,498,600		214,313,900		687,741	214,313,800	-	283,444,267
2022	2,829,500	71,810,300	21,949,800	3,792,400	1,463,900	125,088,600		226,944,500		656,508	227,632,241	-	300,544,882
2023			Information unavailable					227,084,000			227,740,508	-	320,087,714

r = reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	Municipal Local Purpose	
2014			-	1.348	0.028	-	1.376
2015			-	1.412	0.029	-	1.441
2016			-	1.520	0.029	-	1.549
2017			-	1.576	0.028	-	1.604
2018	r		-	1.623	0.028	-	1.651
2019			-	1.540	0.027	-	1.567
2020			-	1.485	0.025	-	1.510
2021			-	1.594	0.027	-	1.621
2022			-	1.596	0.026	-	1.622
2023			-	1.672	0.028	-	1.700

r = reassessment

Source: District Records and Municipal Tax Collector

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Principal Property Tax Payers,
 Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
PSE&G Properties	113,498,600.00	1	49.84%			0.00%
Verizon-New Jersey	679,069.00	2	0.30%			
Wavemaker 4 LLC	644,900.00	3	0.28%			
Taxpayer #1	398,800.00	4	0.18%			
Taxpayer #2	362,500.00	5	0.16%			
Taxpayer #3	317,800.00	6	0.14%			
Taxpayer #4	292,200.00	7	0.13%			
Taxpayer #5	288,900.00	8	0.13%			
Taxpayer #6	285,000.00	9	0.13%			
Buckshorn Sportsman Club	282,300.00	10	0.12%			
Totals	\$ 117,050,069.00		51.40%	\$ -		0.00%
	District Assessed Value		\$ 227,740,508.00			\$ 211,771,027.00

Information unavailable

Source: District ACFR & Municipal Tax Assessor

**LOWER ALLOWAYS CREEK 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		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 3,292,016.00	\$ 3,292,016.00	100%	-
2015	3,292,016.00	3,292,016.00	100%	-
2016	3,292,016.00	3,292,016.00	100%	-
2017	3,292,016.00	3,292,016.00	100%	-
2018	3,292,016.00	3,292,016.00	100%	-
2019	3,292,016.00	3,292,016.00	100%	-
2020	3,292,016.00	3,292,016.00	100%	-
2021	3,292,016.00	3,292,016.00	100%	-
2022	3,292,016.00	3,292,016.00	100%	-
2023	3,292,016.00	3,292,016.00	100%	-

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

LOWER ALLOWAYS CREEK 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	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Capital Leases	Bond / Grant Anticipation Notes (BANs)			
2014				-		41,062
2015				-		41,592
2016				-		42,412
2017				-		44,576
2018				-		45,126
2019				-		45,923
2020				-		47,485
2021		50,518.00		50,518.00	100.16%	50,597
2022		38,724.00		38,724.00	140.94%	54,578
2023		38,653.61		38,653.61	148.88%	57,547

Source: Schedules I-1, I-2

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

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions				
2014	\$	-	\$	-	0.00%	41,062
2015		-	-	-	0.00%	41,592
2016		-	-	-	0.00%	42,412
2017		-	-	-	0.00%	44,576
2018		-	-	-	0.00%	45,126
2019		-	-	-	0.00%	45,923
2020		-	-	-	0.00%	47,485
2021		-	-	-	0.00%	50,597
2022		-	-	-	0.00%	57,344
2023		-	-	-	0.00%	57,547

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2022**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Local Municipality	-	100.00%	\$ -
Other Debt			
Salem County	77,900,051.53	5.55%	4,320,693.63
Subtotal, Overlapping Debt			4,320,693.63
Lower Alloways Creek Township School District Direct Debt	-	100.00%	-
Total Direct and Overlapping Debt			\$ 4,320,693.63

Sources: Annual Debt Statement

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

Exhibit J-13

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 8,347,514.00	\$ 8,653,225.00	\$ 9,043,440.00	\$ 8,970,953.00	\$ 8,885,970.00	\$ 8,623,074.00	\$ 8,336,532.00	\$ 8,198,471.00	\$ 8,203,536.00	\$ 7,084,032.43
Total net debt applicable to limit										
Legal debt margin	\$ 8,347,514.00	\$ 8,653,225.00	\$ 9,043,440.00	\$ 8,970,953.00	\$ 8,885,970.00	\$ 8,623,074.00	\$ 8,336,532.00	\$ 8,198,471.00	\$ 8,203,536.00	\$ 7,084,032.43
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	2022	2021	2020
Equalized valuation basis	\$ 300,544,882.00	283,444,267.00	266,094,743.00
Average equalized valuation of taxable property	\$ 283,361,297.33		
Debt limit (2.5% of average) Net bonded school debt	7,084,032.43		
Legal debt margin	\$ 7,084,032.43		

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Exhibit J-14

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>		<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	1,743	71,571.07	\$	41,062	7.80%
2015	1,730	71,954.16		41,592	6.20%
2016	1,715	72,736.58		42,412	7.20%
2017	1,704	75,957.50		44,576	6.80%
2018	1,694	76,443.44		45,126	4.90%
2019	1,682	77,242.49		45,923	4.40%
2020	1,672	79,394.92		47,485	4.40%
2021	1,456	73,669.23		50,597	8.40%
2022	1,515	82,685.67		54,578	7.50%
2023	1,548	89,082.76		57,547	4.80%

Source : New Jersey Department of Labor

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

Exhibit J-15

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Totals	-		Not Available	-		Not Available

DATA NOT AVAILABLE

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

Exhibit J-16

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
Instruction:										
Regular instruction	21.2	22.2	21.2	20.0	19.0	19.0	20.4	19.4	12.0	Information
Special education instruction	3.4	3.4	4.1	4.6	4.6	4.6	5.9	6.7	10.1	not
Support Services:										provided
Student & instruction related services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.7	by district
General administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	
School administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5	
Business administrative services	-	-	-	-	-	-	-	-	-	
Plant operations and maintenance / Security	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0	
Pupil transportation	3.6	4.1	4.0	4.0	4.0	2.7	2.8	2.9	1.5	
Custodial services		2.5	2.5	2.5	2.3	2.3	2.3	2.4	1.5	
Food Service	0.3	1.6	1.5	1.5	1.5	1.5	1.7	1.7	0.3	
Child Care	0.4	0.3	0.3	0.4	0.4	0.4	0.3	0.4	2.5	
Total	32	37	37	37	35	34	37	37	33	-

Source: District Personnel Records

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Operating Statistics,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2014	202	4,190,412.00	20,745	-6.49%	22	1:9	Not Applicable	Not Applicable	193.9	186.1	-3.17%	95.98%
2015	201	4,326,107.00	21,523	3.75%	22	1:9	Not Applicable	Not Applicable	177.4	167.8	-8.51%	94.59%
2016	191	4,347,064.00	22,759	5.75%	22	1:8	Not Applicable	Not Applicable	161.9	154.9	-8.74%	95.68%
2017	162	4,862,023.00	30,012	31.87%	23	1:7	Not Applicable	Not Applicable	161.2	153.9	-0.43%	95.47%
2018	158	4,496,124.00	28,456	-5.18%	21	1:8	Not Applicable	Not Applicable	165.7	154.2	2.79%	93.06%
2019	163	4,710,270.00	20,220	-28.94%	21	1:8	Not Applicable	Not Applicable	161.0	154.2	-2.84%	95.78%
2020	164	4,737,952.00	28,890	42.88%	23	1:7	Not Applicable	Not Applicable	165.0	159.7	2.48%	96.79%
2021	168	4,536,920.00	27,005	-6.52%	21	1:7	Not Applicable	Not Applicable	167.2	162.3	1.33%	97.07%
2022	148	4,788,371.00	32,354	19.80%	22	1:7	Not Applicable	Not Applicable	154.8	146.1	-7.42%	94.38%
2023*	178	4,204,997.82	23,624	-26.98%	22	1:8	Not Applicable	Not Applicable	177.7	163.8	14.81%	92.17%

Source: District records

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

Exhibit J-18

	2014	2015	2016	2017	2018	2019	2020	2020	2022	2023
<u>District Buildings</u>										
<u>Elementary</u>										
Lower Alloways Creek Elementary School										
Square Feet	54,110	54,110	54,110	54,110	54,110	54,110	54,110	54,110	54,110	54,110
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	194	173	162	162	161	162	163	158	178	not provided

Source: District Records, ASSA

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance for School Facilities,
 Last Ten Fiscal Years
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Lower Alloways Creek Elementary	N/A	\$ 73,806.00	\$ 84,498.00	\$ 75,698.00	\$ 101,625.00	\$ 40,450.00	\$ 79,014.00	\$ 56,086.00	\$ 141,355.00	\$ 65,499.00	\$ 56,469.00
Total School Facilities		<u>\$ 73,806.00</u>	<u>\$ 84,498.00</u>	<u>\$ 75,698.00</u>	<u>\$ 101,625.00</u>	<u>\$ 40,450.00</u>	<u>\$ 79,014.00</u>	<u>\$ 56,086.00</u>	<u>\$ 141,355.00</u>	<u>\$ 65,499.00</u>	<u>\$ 56,469.00</u>

Source: District Records

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year ended June 30, 2023
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
School			
School Alliance Insurance Fund Educational Risk & Insurance Consortium -			
	Blanket Buildings & Contents	\$ 12,957,571.00	\$ 2,500.00
	School Board Legal Liability	5,000,000.00	
	Automobile Liability	5,000,000.00	None
	Workers Compensation		
	Bodily injury - by accident	3,000,000.00	None
	Bodily injury - by disease	3,000,000.00	None
	Bodily injury - by employee	3,000,000.00	None
	Pollution Liability	25,000,000.00	50,000.00
	General Liability		
	Student Accident		
	Basic	1,000,000.00	None
	Catastrophic	5,000,000.00	25,000.00
	Public Employee's Faithful Performance Bond		
	Employee Bond	185,000.00	None

Single Audit Section



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K-1

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and
Members of the Board of Education
Lower Alloways Creek School District
County of Salem
Salem, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lower Alloways Creek School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Lower Alloways Creek School District's basic financial statements, and have issued our report thereon dated March 22, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies 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.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

March 22, 2024



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-2

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

Honorable President and
Members of the Board of Education
Lower Alloways Creek School District
County of Salem
Salem, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Lower Alloways Creek School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Lower Alloways Creek School District's major federal and state programs for the year ended June 30, 2023. The Lower Alloways Creek School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Lower Alloways Creek School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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) and NJ OMB 15-08. Our responsibilities under those standards and 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 Lower Alloways Creek School District 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 opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Lower Alloways Creek School District's compliance with the 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 its 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 Lower Alloways Creek School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 Lower Alloways Creek School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and NJ OMB 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 Lower Alloways Creek School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lower Alloways Creek School District's internal control over compliance relevant to the audit to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of Lower Alloways Creeks School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the NJ OMB 15-08.

Report on Internal Control Over Compliance

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

in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

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Certified Public Accountant
Licensed Public School Accountant
No. 2080

March 22, 2024

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures		(Accounts Receivable) at June 30, 2023	Deferred Revenue	Due to Grantor at June 30, 2023
					Account Receivable	Due to Grantor		Pass Through	Source			
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I	84.010A	S010A220030	7/1/2022	44,882.00	\$	\$	14,324.00	(44,880.00)	\$	(44,880.00)	\$	\$
Title I	84.010A	S010A210030	7/1/2021	37,764.00						(643.00)		
Title IV	84.424A	S424A200031	7/1/2022	10,000.00		1,632.00		(11,632.00)		(10,000.00)		
Title IV	84.424A	S424A210031	7/1/2021	10,000.00		(1,632.00)				(1,632.00)		
I.D.E.A. Part B, Basic Regular	84.027A	H027A20100	7/1/2022	47,652.00			10,913.00	(47,652.00)		(36,739.00)		
I.D.E.A. Part B, Preschool	84.173A	H173A20114	7/1/2022	913.00				(913.00)		(913.00)		
I.D.E.A. Part B, Preschool	84.173A	H173A210114	7/1/2021	677.00		(677.00)						
ARP - I.D.E.A. Part B, Basic Regular	84.027X	H027A210100	7/1/2021	7,954.00		(7,954.00)						
Title IIA	84.367A	S367A200029	7/1/2022	7,100.00			14.00	(7,698.00)		(7,698.00)		
Title IIA	84.367A	S367A210029	7/1/2021	5,488.00		(4,015.00)						
ARP - ESSER	84.425U	S425U200027	3/13/2020	327,840.00			15,080.00	(35,000.00)		(19,920.00)		
ARP - Learning Acceleration	84.425U	S425U200027	3/13/2020	50,000.00			43,535.00	(93,983.49)		(50,448.49)		
ARP - Mental Health	84.425U	S425U200027	3/13/2020	45,000.00			2,479.00	(5,481.00)		(3,002.00)		
CRSSA - ESSER II	84.425D	S425D210027	3/13/2020	148,873.00		(46,696.87)		(6,062.13)		(52,759.00)		
CRSSA - Learning Acceleration	84.425D	S425D210027	3/13/2020	25,000.00				(10,313.00)		(10,313.00)		
CRSSA - Mental Health	84.425D	S425D210027	3/13/2020	44,941.00				(16,084.00)		(16,084.00)		
Total Special Revenue Fund						(74,309.87)	88,991.00	(279,698.62)		(255,017.49)		-
U.S. Department of Education												
Passed-through State Department of Education:												
Enterprise Fund:												
National School Lunch Program	10.555	231NJ304N1099	7/1/2022	30,919.29			18,810.15	(30,919.29)		(12,109.14)		
National School Lunch Program	10.555	221NJ304N1099	7/1/2021	84,063.00		(4,170.00)						
National School Breakfast Program	10.553	231NJ304N1099	7/1/2022	11,483.80			7,005.95	(11,483.80)		(4,477.85)		
National School Breakfast Program	10.553	221NJ304N1099	7/1/2021	30,537.00		(2,061.00)	2,061.00					
Food Distribution Program	10.555	231NJ304N1099	7/1/2022	2,294.25			2,294.25	(2,294.25)				
Supply Chain Assistance	10.555	221NJ304N1099	7/1/2022	21,559.47			21,559.47	(21,559.47)				
Total Enterprise Fund						(6,231.00)	55,900.82	(66,256.81)		(16,586.99)		-
Total Federal Financial Awards						(80,540.87)	154,891.82	(345,955.43)		(271,604.48)		-

The accompanying Notes to the Schedules of State Awards and Financial Assistance are an integral part of this statement.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Schedule for Financial Assistance
 For the Fiscal Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022		Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Repayment of Prior Years' Balances	(Accounts Receivable)	Balance at June 30, 2023 Deferred Revenue	Due to Grantor	MEMO	
			From	To	(Accounts Receivable)	Revenue									Budgetary Receivable	Cumulative Total Expenditures
State Department of Education																
General Fund																
Equalization Ac	23-495-034-5123-078	\$ 83,164.00	7/1/2022	6/30/2023	\$ -	\$ -		\$ 74,847.60	\$ (83,164.00)				\$ -	\$ -	\$ (8,316.40)	\$ 83,164.00
Categorical Special Education A/	23-495-034-5123-086	140,233.00	7/1/2022	6/30/2023				128,890.45	(140,233.00)						(11,342.55)	140,233.00
Categorical Special Education A/	23-495-034-5120-084	23,353.00	7/1/2022	6/30/2023				21,017.70	(23,353.00)						(2,335.30)	23,353.00
Maintenance of Equity Ac	23-495-034-5120-128	792,382.00	7/1/2022	6/30/2023				792,382.00	(792,382.00)						-	792,382.00
Supplemental Stabilization A/	23-495-034-5120-076	125,967.00	7/1/2022	6/30/2023				125,967.00	(125,967.00)						-	125,967.00
Subtotal State Aid - Public								1,143,104.75	(1,165,096.00)						(21,991.25)	1,165,096.00
Transportation Ac																
Non Public Transportation A/	23-495-034-5120-014	135,665.00	7/1/2022	6/30/2023				122,088.50	(135,665.00)						(13,576.50)	135,665.00
Non Public Transportation A/	23-495-034-506-9001	1,450.00	7/1/2021	6/30/2023				1,450.00	(1,450.00)						-	1,450.00
Non Public Transportation A/	23-495-034-506-9001	1,872.00	7/1/2022	6/30/2023						(1,872.00)					(1,872.00)	1,872.00
Extraordinary Ac	23-495-034-5020-044	22,298.00	7/1/2021	6/30/2022				22,298.00	(22,298.00)						-	22,298.00
Extraordinary Ac	23-495-034-5025-044	43,127.00	7/1/2022	6/30/2023						(43,127.00)					(43,127.00)	43,127.00
On-Behalf Teachers' Pension	23-495-034-5094-002	500,698.00	7/1/2022	6/30/2023				500,698.00	(500,698.00)						-	500,698.00
On-Behalf Teachers' Pension and Annuity Fun	23-495-034-5094-001	131,532.00	7/1/2022	6/30/2023				131,532.00	(131,532.00)						-	131,532.00
On-Behalf Teachers' Pension & Annuity Fun	23-495-034-5094-001	250.00	7/1/2022	6/30/2023				250.00	(250.00)						-	250.00
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	112,611.00	7/1/2021	6/30/2022				6,011.00	(112,611.00)						(106,600.00)	112,611.00
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	126,204.47	7/1/2022	6/30/2023				113,499.84	(126,204.47)						(12,704.63)	126,204.47
Total General Fund								2,040,942.05	(2,104,447.47)						(63,505.42)	2,240,898.47
Special Revenue Fund																
Climate Awareness Grant	N/A	6,660.00	7/1/2022	6/30/2023				3,053.00	(3,053.00)						(36.00)	3,089.00
Preschool Educational A/	22-495-034-5120-086	331,375.00	7/1/2021	6/30/2022				(235,796.00)								331,375.00
Preschool Educational A/	23-495-034-5125-086	376,252.00	7/1/2022	6/30/2023				389,229.75	(390,017.00)						(787.25)	376,252.00
Total Special Revenue Fund								367,282.75	(393,066.00)						(25,783.25)	371,499.50
State Department of Agriculture																
Enterprise Fund:																
National School Lunch Program (State Share)	22-100-010-3350-023	1,974.00	7/1/2021	6/30/2022				96.00								1,974.00
National School Lunch Program (State Share)	23-100-010-3350-023	1,467.80	7/1/2022	6/30/2023				1,467.80	(1,467.80)							1,467.80
National School Breakfast Program (State Share)	23-100-010-3350-022	1,127.80	7/1/2022	6/30/2023				373.78	(1,127.80)						(754.02)	1,127.80
Total Enterprise Fund								2,403,960.35	(2,410,272.55)						(6,312.20)	2,397,648.15
Total State Financial Assistance								2,403,960.35	(2,410,272.55)						(6,312.20)	2,391,335.90
Less On-Behalf TPAF Pension System Contributors																
- Pension Contributor																
- Post Retirement Medical																
- Non-contributory Insurance																
Total for State Financial Assistance-Major Program Determinatic																
\$ (1,777,792.55)																

The accompanying Notes to the Schedules of State Awards and Financial Assistance are an integral part of this statement

LOWER ALLOWAYS CREEK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2023

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NOTE 1 - GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Board of Education, Lower Alloways Creek School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements. The information included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance 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 percent de minimis indirect cost rate as allowed under Uniform Guidance.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$24,975.25, for the general fund and \$33,137.00 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP 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 follows:

	Federal	State	Local	TPAF Pension	Total
General Fund	\$ -	\$ 2,129,422.72	\$	\$ (632,480.00)	\$ 1,496,942.72
Special Revenue Fund	279,698.62	336,243.00	12,253.67		628,195.29
Food Service Fund	66,256.81	2,719.08			68,975.89
	\$ 345,955.43	\$ 2,468,384.80	\$ 12,253.67	(632,480.00)	\$ 2,194,113.90

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements but are not considered in the major program determination.

LOWER ALLOWAYS CREEK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2023
(CONTINUED)

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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 U.S.D.A. Commodities 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 the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

NOTE 6 - ADJUSTMENTS

The District has instances where a grant period overlaps fiscal years, and the grant has not closed out at the end of the current fiscal year.

LOWER ALLOWAYS CREEK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2023

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I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unmodified Opinion issued on the Basic Financial Statements

Internal control over financial reporting:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Noncompliance material to the Basic Financial Statements noted? None noted

Federal Awards – NOT APPLICABLE

State Awards

Dollar threshold used to distinguish between type A and Type B Programs: \$750,000.00

Auditee qualified as low-risk auditee? Yes

Type of auditor's report issued on compliance for major programs: An Unmodified Opinion was issued on compliance for major programs

Internal Control over major programs:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
<u>State Aid Public Cluster of Programs</u>	
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-078	Supplemental Stabilization Aid
23-495-034-5120-128	Maintenance of Equity Aid

LOWER ALLOWAYS CREEK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2023

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I. SUMMARY OF AUDITORS RESULTS - Continued

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

NOT APPLICABLE

State:

Our audit disclosed no material findings or questioned costs.

LOWER ALLOWAYS CREEK SCHOOL DISTRICT
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDING JUNE 30, 2023

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STATUS OF PRIOR YEAR FINDINGS

None