

ALLOWAY TOWNSHIP SCHOOL DISTRICT

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

**Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2025**

Annual Comprehensive

Financial Report

of the

Alloway Township School District

Board of Education

Alloway, New Jersey

For the Fiscal Year Ending June 30, 2025

Prepared by

Alloway Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

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Introductory Section



Alloway Township School
Home of the Tigers

Amy Morley
Chief School Administrator

Shannon N. DuBois-Brody
Business Administrator

November 24, 2025

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Alloway Township School District for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Alloway Township School District and to the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Alloway Township Board of Education and its one school (grades pre-K to 8), constitute the District's reporting entity. We completed the 2024-2025 school year with an average daily enrollment of 290.

ECONOMIC CONDITION AND OUTLOOK

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

MAJOR INITIATIVES

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

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

- * Implementation of daily time designated during the school day for enrichment for all students at their level of preparedness. This includes Title 1 supportive services and extended learning for gifted and talented students.
- * Increased use of data to inform instruction.
- * Use of rich literature for language arts and digital resources especially in science and social studies.
- * Use of PLC's to complete data analysis, determine needed curricular revisions, and enhance professional development.

Beside the traditional courses of study, our students are offered advanced mathematics through Algebra. Elementary students have a special cycle which includes: Spanish, art, music, digital literacy, library, and physical education. Middle school students have two cycle periods for the following courses: Spanish, visual art, performing art, digital literacy, and physical education. Our Basic Skills program has been renamed SOAR and is provided during Tiger Time for K-5 and in-class for grades 6-8 using intervention resources and Title 1 teachers and paraprofessionals.

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

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

The Mission of the Alloway Township School District is:

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

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statements in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable

assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

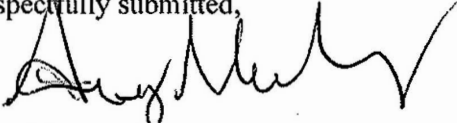
INDEPENDENT AUDIT

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,

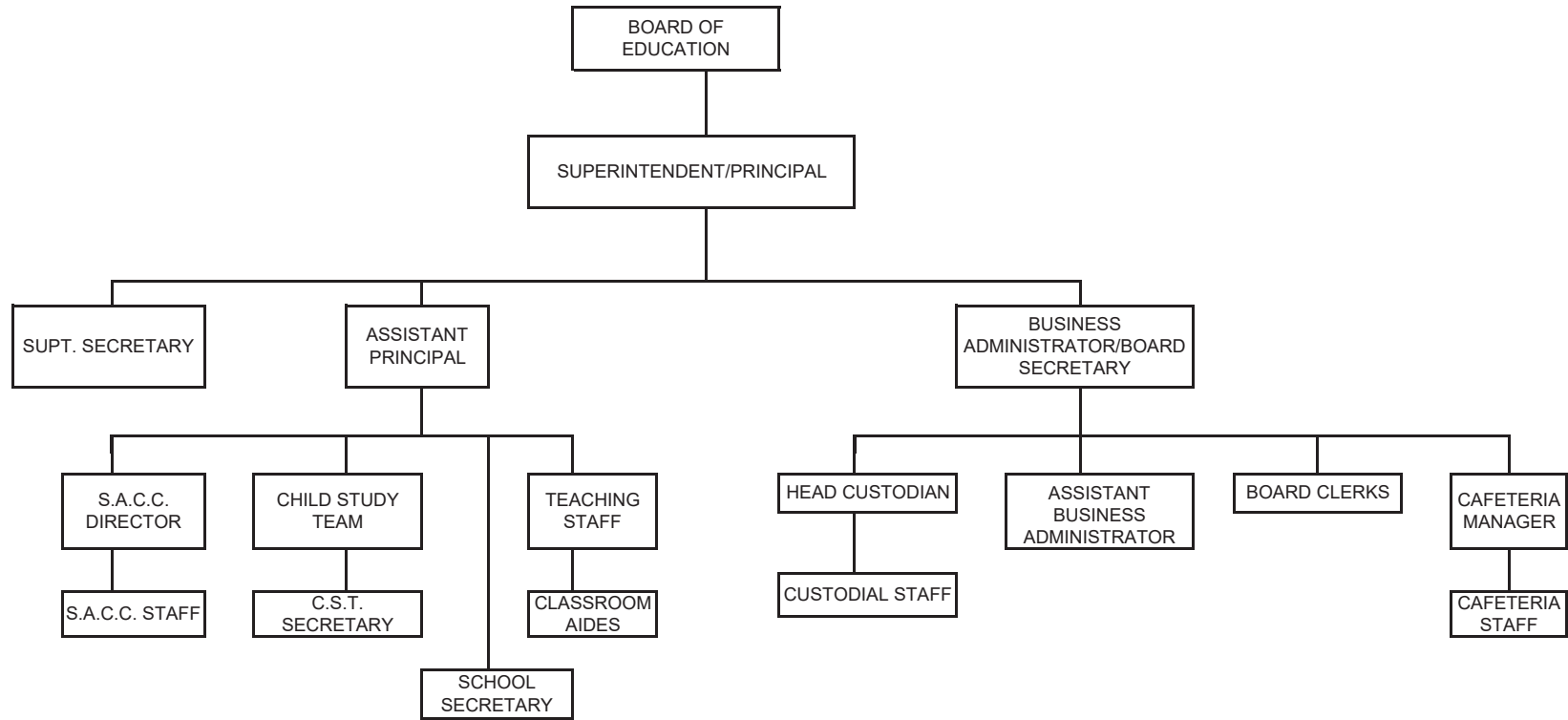
A handwritten signature in black ink, appearing to read 'Amy Morley', written over the text 'Respectfully submitted,'.

Amy Morley, Chief School Administrator

A handwritten signature in black ink, appearing to read 'Shannon N. DuBois-Brody', written below the signature of Amy Morley.

Shannon N. DuBois-Brody, School Business Administrator/Board Secretary

ALLOWAY TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



**ALLOWAY TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Morris, Jr., President	2026
Elizabeth Decktor, Vice-President	2025
Michael Dennison	2026
Sara Cobb	2026
Gail Nazarene	2027
Jessica Bergholz	2027
Jeanie Horner	2025
Krystal Mabey	2027
Kenneth McKelvey, Jr.	2025

Other Officials

Amy Morley, Chief School Administrator

Kimberly Fleetwood, School Business Administrator/Board Secretary (7/1/25 -)

**ALLOWAY TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORIES

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

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

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alloway Township School District Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alloway Township School District Board of Education, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 the Financial Statements section of our report. We are required to be independent of the Alloway Township School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alloway Township School District Board of Education's basic financial statements. The combining and individual non-

-Continued-

major fund financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated November 24, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 24, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 24, 2025

**Required Supplementary Information -
Part I**

Management's Discussion and Analysis

ALLOWAY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

The discussion and analysis of Alloway Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- ◆ In total, Net Position decreased \$601,683 which represents a 9.7% decrease from 2024.
- ◆ General revenues accounted for \$4,886,798 in revenue or 55.2% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,968,686 or 44.8% of total revenues of \$8,855,484.
- ◆ Total assets of governmental activities decreased by \$1,057,460, as cash and cash equivalents decreased by \$420,830, receivables decreased by \$657,428, and capital assets decreased by \$8,302.
- ◆ The School District had \$9,457,167 in expenses; \$3,968,686 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,886,798 were also available to provide for these programs.
- ◆ Among major funds, the General Fund had \$8,121,470 in revenues and \$8,979,057 in expenditures. The General Fund's surplus balance decreased \$857,587 over 2024, which compares favorably to the budgeted decrease of \$1,644,663.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's Net Position for 2025 compared to 2024.

	<u>2025</u>	<u>2024</u>
Assets		
Current and Other Assets	\$ 2,810,563	\$ 3,859,721
Capital Assets	<u>3,947,162</u>	<u>3,955,464</u>
Total Assets	<u>6,757,725</u>	<u>7,815,185</u>
 Deferred Outflows of Resources	 <u>101,947</u>	 <u>112,948</u>
 Liabilities		
Long-Term Liabilities	60,157	52,101
Other Liabilities	<u>1,076,088</u>	<u>1,537,787</u>
Total Liabilities	<u>1,136,245</u>	<u>1,589,888</u>
 Deferred Inflows of Resources	 <u>153,320</u>	 <u>169,112</u>
 Net Position		
Invested in Capital Assets, Net of Debt	3,947,162	3,760,464
Restricted	1,654,242	2,441,061
Unrestricted	<u>(31,297)</u>	<u>(29,735)</u>
Total Net Position	<u>\$ 5,570,107</u>	<u>\$ 6,171,790</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Total assets of governmental activities decreased by \$1,057,460, as cash and cash equivalents decreased by \$420,830, receivables decreased by \$657,428, and capital assets decreased by \$8,302.

The cash decrease was due to planned use of \$1,644,663 of fund balance surplus to balance the 2025 budget. The actual use of surplus (deficit) was \$929,469 causing the cash decrease, net of budget savings. Receivables decreased due to the final collection of the American Rescue Plan COVID grants where spending occurred in prior years, and capital assets decreased due to depreciation expense, net of capital improvements.

Table 2 shows the changes in Net Position from fiscal year 2024.

Table 2
Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 144,889	\$ 200,019
Operating Grants and Contributions	3,823,797	4,058,279
General Revenues:		
Property Taxes	4,713,403	4,572,086
Investment Earnings	34,585	1,060
Other	138,810	55,515
Total Revenues	<u>8,855,484</u>	<u>8,886,959</u>
Program Expenses		
Instruction	3,083,350	3,199,095
Support Services:		
Pupils and Instructional Staff	3,880,971	3,715,145
General Administration, School Administration, Business	608,800	571,485
Operations and Maintenance of Facilities	591,654	647,840
Pupil Transportation	742,578	887,124
Business-Type Activities	243,120	274,426
Interest, Fiscal Charges, and Unallocated Depreciation	306,694	301,736
Total Expenses	<u>9,457,167</u>	<u>9,596,851</u>
 Increase in Net Position	 <u>\$ (601,683)</u>	 <u>\$ (709,892)</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval in the form of ballot questions. Property taxes made up 68.7% percent of budgeted revenues for governmental activities for the Alloway Township School District for the fiscal year 2025.

Instruction comprises 32.6% of district expenses. Support services expenses make up 61.6% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2025</u>	<u>Net Cost of Services 2025</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>
Instruction	\$ 3,083,350	\$ 1,304,022	\$ 3,199,095	\$ 1,509,303
Support Services:				
Pupils and Instructional Staff	3,880,971	2,451,459	3,715,145	2,135,856
General Admin., School Admin., Business	608,800	435,239	571,485	372,786
Operation and Maintenance of Facilities	591,654	422,981	647,840	422,593
Pupil Transportation	742,578	530,879	887,124	578,681
Business-Type Activities	243,120	37,207	274,426	17,598
Interest and Fiscal Charges	306,694	306,694	301,736	301,736
Total Expenses	<u>\$ 9,457,167</u>	<u>\$ 5,488,481</u>	<u>\$ 9,596,851</u>	<u>\$ 5,338,553</u>

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

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

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

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

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service and for child care costs.

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

The dependence upon tax revenues is apparent. Over 51.2% of expenditures are supported with tax revenues. The community, as a whole, is the provides significant support for the Alloway Township School District.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other scources of \$9,568,782 and expenditures of \$10,432,031. The General Fund's surplus balance decreased \$857,587 over 2024, which compares favorably to the budgeted decrease of \$1,644,663.

General Fund Budgeting Highlights

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

During the course of the fiscal 2025 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$6,870,604, \$206,741 over original budgeted estimates of \$6,663,863. This difference was due primarily to non-budgeted extraordinary aid and miscellaneous revenues.

General fund revenues fell short of expenditures by \$929,469. Again this deficit compares to a budgeted deficit of \$1,644,663. The budgeted deficit was reduced due to under spending of the operating budget as shown on exhibit C-1, as well as non-budgeted revenues as noted in the preceeding paragraph.

Overall general fund balance (budget basis) was \$2,157,257, and amounts ear-marked and reserved for future purposes were \$1,800,013, creating a surplus in unreserved fund balance of \$357,244. This is the maximum unreserved amount allowed by law. Management believes the district can maintain unreserved fund balances at or near the statutory maximum level.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Capital Assets

At the end of the fiscal year 2025, the School District had \$3,946,832 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

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

	<u>2025</u>	<u>2024</u>
Land	\$ 153,751	\$ 153,751
Land Improvements	1,018	5,031
Buildings and Improvements	3,615,474	3,608,021
Machinery and Equipment	<u>176,589</u>	<u>184,618</u>
Totals	<u>\$ 3,946,832</u>	<u>\$ 3,951,421</u>

Overall capital assets decreased \$4,589 from fiscal year 2024 to fiscal year 2025, which was due to depreciation expense, net of capital improvement additions.

\$264,364 in Capital improvements were purchased during fiscal year 2025, which included HVAC improvements

Debt Administration

At June 30, 2025, the School District had \$57,742 as outstanding long term debt. Of this amount, \$00 is for bonds payable, \$00 is for lease obligations, \$00 is for unamortized bond premiums, and \$57,742 is for compensated absences.

At June 30, 2025, the School District's overall legal debt margin was \$11,287,586 and the unvoted debt margin was the same.

For the Future

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

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

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

Contacting the School District's Financial Management

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

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 937,029	\$ 230,212	\$ 1,167,241
Receivables, Net	606,918	3,552	610,470
Interfund Receivable		47,908	47,908
Inventory		4,174	4,174
Restricted Assets:			
Capital Reserve Account - Cash	670,696		670,696
Maintenance Reserve Account - Cash	310,074		310,074
Capital Assets, Net (Note 5)	3,946,832	330	3,947,162
Total Assets	6,471,549	286,176	6,757,725
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows (Note 8)	101,947		101,947
Total Deferred Outflows of Resources	101,947		101,947
LIABILITIES			
Accounts Payable	55,031	101	55,132
Accrued Interest Payable			
Due to Other Governments	94,832		94,832
Payroll Deductions and Withholdings Payable	13,012		13,012
Interfund Payable	47,425	483	47,908
Net Pension Liability (Note 8)	519,977		519,977
Unearned Revenue	341,256	3,971	345,227
Noncurrent Liabilities (Note 6):			
Due Within One Year	-		-
Due Beyond One Year	57,742	2,415	60,157
Total Liabilities	1,129,275	6,970	1,136,245
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows (Note 8)	153,320		153,320
NET POSITION			
Invested in Capital Assets, Net of Related Debt	3,946,832	330	3,947,162
Restricted for:			
Other Purposes	1,654,242		1,654,242
Unrestricted	(310,173)	278,876	(31,297)
Total Net Position	\$ 5,290,901	\$ 279,206	\$ 5,570,107

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Functions/Programs						TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 2,399,606		\$ 1,584,402		\$ (815,204)	\$ (815,204)
Special Education	648,820		184,970		(463,850)	(463,850)
Other Special Instruction	24,196		6,898		(17,298)	(17,298)
Other Instruction	10,728		3,058		(7,670)	(7,670)
Support Services:						
Tuition	2,474,451		705,433		(1,769,018)	(1,769,018)
Student & Instruction Related Serv.	1,406,520		724,079		(682,441)	(682,441)
School Administrative Services	170,248		48,536		(121,712)	(121,712)
General and Business Admin. Serv.	438,552		125,025		(313,527)	(313,527)
Plant Operations and Maintenance	591,654		168,673		(422,981)	(422,981)
Pupil Transportation	742,578		211,699		(530,879)	(530,879)
Interest and charges on Long-term Debt	37,741				(37,741)	(37,741)
Unallocated Depreciation	268,953				(268,953)	(268,953)
Total Governmental Activities	9,214,047	-	3,762,773		(5,451,274)	(5,451,274)
Business-Type Activities:						
Food Service	190,830	\$ 88,978	61,024			\$ (40,828)
Child Care Program	52,290	55,911	-			3,621
Shared Services	-	-	-			-
Total Business-Type Activities	243,120	144,889	61,024	-	-	(37,207)
Total Primary Government	\$ 9,457,167	\$ 144,889	\$ 3,823,797		\$ (5,451,274)	\$ (37,207)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes,Net					\$ 4,713,403	\$ 4,713,403
Property Taxes, Levied for Debt Service						-
Investment Earnings					34,585	34,585
Miscellaneous Income					138,700	110
Transfers					-	-
Total General Revenues, Special Items, Extraordinary Items and Transfers					4,886,688	110
Change in Net Position					(564,586)	(37,097)
Net Position—Beginning					5,855,487	316,303
Net Position—Ending					\$ 5,290,901	\$ 279,206
						\$ 5,570,107

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

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 1,611,648	\$ 306,151		\$ 1,917,799
Receivables from Other Governments	125,121	77,068		202,189
Other Receivables	404,729			404,729
Interfund Receivables	405,356	58,206	\$ 405,356	868,918
TOTAL ASSETS	\$ 2,546,854	\$ 441,425	\$ 405,356	\$ 3,393,635
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payroll Deductions and Withholdings Payable	\$ 13,012			\$ 13,012
Accounts Payable	20,569	\$ 34,462		55,031
Interfund Payable	510,987		\$ 405,356	916,343
Due to Federal Government		94,832		94,832
Deferred Revenue		341,256		341,256
Total Liabilities	544,568	470,550	405,356	1,420,474
Fund Balances:				
<u>Restricted for:</u>				
Maintenance Reserve	\$ 310,074			\$ 310,074
Capital Reserve Account	670,696			670,696
Excess Surplus	340,751			340,751
Excess Surplus - Designated for Subs. Years	46,231			46,231
Student Activities		\$ 34,425		34,425
<u>Assigned to:</u>				
Year-End Encumbrances	180,196			180,196
General Fund - Designated for Subsequent Year's Expenditures	252,065			252,065
<u>Unassigned:</u>				
General Fund	202,273			202,273
Special Revenue Fund		(63,550)		(63,550)
Debt Service Fund			-	-
Total Fund Balances	2,002,286	(29,125)	-	1,973,161
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,546,854	\$ 441,425	\$ 405,356	\$ 3,393,635

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,850,419 and the accumulated depreciation is \$6,903,587.	\$ 3,946,832
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not report in the fund statements. (See Note 8)	101,947
Deferred Outflows related to Loss on Refunding of Bond Debt	-
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(153,320)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(519,977)
Accrued Interest on Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund statements (see Note 6)	
Long-term liabilities, including Bonds payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(57,742)
Net Position of governmental activities (Exhibit A-1)	\$ 5,290,901

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2025

Exhibit B-2

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local Tax Levy	\$ 4,513,285		\$ 200,118	\$ 4,713,403
Miscellaneous	149,496	\$ 23,789		173,285
Total - Local Sources	<u>4,662,781</u>	<u>23,789</u>	<u>200,118</u>	<u>4,886,688</u>
State Sources	3,458,689	641,201		4,099,890
Federal Sources	-	582,204		582,204
Total Revenues	<u>8,121,470</u>	<u>1,247,194</u>	<u>200,118</u>	<u>9,568,782</u>
EXPENDITURES				
Current:				
Regular Instruction	1,603,654	526,533		2,130,187
Special Education Instruction	571,280			571,280
Other Special Instruction	21,304			21,304
Other Instruction	9,446			9,446
Support services and undistributed costs:				
Tuition	2,178,732			2,178,732
Student and Instruction Related Services	776,470	323,099		1,099,569
School Administrative Services	149,902			149,902
Other Administrative Services	386,141			386,141
Plant Operations and Maintenance	520,946			520,946
Pupil Transportation	653,833			653,833
Unallocated Benefits	1,911,933			1,911,933
Transfer to Charter School	159,823			159,823
Debt Service:				
Principal			195,000	195,000
Interest and Other Charges			5,119	5,119
Capital Outlay	35,593	403,223		438,816
Total Expenditures	<u>8,979,057</u>	<u>1,252,855</u>	<u>200,119</u>	<u>10,432,031</u>
Excess (Deficiency) of Revenues Over Exp.	<u>(857,587)</u>	<u>(5,661)</u>	<u>(1)</u>	<u>(863,249)</u>
Net Change in Fund Balances	(857,587)	(5,661)	(1)	(863,249)
Fund Balance—July 1	2,859,873	(23,464)	1	2,836,410
Fund Balance—June 30	<u>\$ 2,002,286</u>	<u>\$ (29,125)</u>	<u>-</u>	<u>\$ 1,973,161</u>

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (863,249)

Amounts reported for governmental activities in the statement
of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However,
in the statement of activities, the cost of those assets is allocated over their
estimated useful lives as depreciation expense. This is the amount by which
capital outlays exceeded depreciation in the period.

Depreciation Expense	\$	(268,953)	
Capital Outlays		<u>264,364</u>	(4,589)

Pension contributions are reported in governmental funds as expenditures. However,
in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including
service and interest costs, administrative costs, investment returns, and experience/assumption.
This is the amount by which net pension liability and deferred inflows/outflows related to pension
changed during the period.

93,566

Repayment of bond principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of Net Position and
is not reported in the statement of activities.

195,000

Repayment of capital lease principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of Net Position and
is not reported in the statement of activities.

17,356

Governmental funds report the effect of premiums, and similar items when debt
is first issued, whereas these amounts are deferred and amortized in the
statement of activities. The net effect of these transactions is as follows:

Premium on Bond Amortization		1,691	
Loss on Bond Refunding		<u>-</u>	1,691

In the statement of activities, interest on long-term debt in the statement of
activities is accrued, regardless of when due. In the governmental funds,
interest is reported when due. This is the amount by which the prior year's
amount of interest accrual exceeds the current year's amount.

1,280

In the statement of activities, compensated absences is accrued regardless of
when paid. In the governmental funds, compensated absences are reported
when paid. This is the amount by which the current year's compensated
absence payments exceed the current year's amount earned.

(5,641)

Change in Net Position of Governmental Activities (Exhibit A-2) \$ (564,586)

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUNDS

June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Food Service	Child Care Program	Shared Services	Totals
ASSETS				
Current assets:				
Cash and Cash Equivalents	\$ 41,229	\$ 23,756	\$ 165,227	\$ 230,212
Accounts Receivable	2,392	1,160		3,552
Interfund Accounts Receivable	31,424	483	16,001	47,908
Inventories	4,174	-	-	4,174
Total Current Assets	<u>79,219</u>	<u>25,399</u>	<u>181,228</u>	<u>285,846</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	64,345			64,345
Less Accumulated Depreciation	(64,015)	-	-	(64,015)
Total Noncurrent Assets	<u>330</u>	<u>-</u>	<u>-</u>	<u>330</u>
Total Assets	<u>79,549</u>	<u>25,399</u>	<u>181,228</u>	<u>286,176</u>
LIABILITIES				
Current liabilities:				
Accounts Payable	101	-		101
Compensated Absences	2,415	-		2,415
Interfund Accounts Payable	483			483
Deferred Revenue	3,428	543	-	3,971
Total Current Liabilities	<u>6,427</u>	<u>543</u>	<u>-</u>	<u>6,970</u>
Total Liabilities	<u>6,427</u>	<u>543</u>	<u>-</u>	<u>6,970</u>
NET POSITION				
Invested in Capital Assets Net of Related Debt	330	-	-	330
Unrestricted	72,792	24,856	181,228	278,876
Total Net Position	<u>\$ 73,122</u>	<u>\$ 24,856</u>	<u>\$ 181,228</u>	<u>\$ 279,206</u>

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Business-type Activities - Enterprise Fund			
	Food Service	Child Care Program	Shared Services	Total Enterprise
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable	\$ 63,105	-	-	\$ 63,105
Daily Sales - Non-Reimbursable Programs	25,873	-	-	25,873
Program Income		\$ 55,911	-	55,911
Miscellaneous Income	110	-	-	110
Total Operating Revenues	<u>89,088</u>	<u>55,911</u>	<u>-</u>	<u>144,999</u>
Operating Expenses:				
Cost of Sales - Reimbursable Programs	67,706	-	-	67,706
Cost of Sales - Non-reimbursable Programs	5,807	-	-	5,807
Salaries	55,766	46,062	-	101,828
Employee Benefits	6,626	3,523	-	10,149
Purchased Services	44,233	600	-	44,833
Cleaning & Repair	468		-	468
General Supplies	6,113	2,105	-	8,218
Miscellaneous	398	-	-	398
Depreciation	3,713	-	-	3,713
Total Operating Expenses	<u>190,830</u>	<u>52,290</u>	<u>-</u>	<u>243,120</u>
Operating Income (Loss)	<u>(101,742)</u>	<u>3,621</u>	<u>-</u>	<u>(98,121)</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	1,915	-	-	1,915
Federal Sources:				-
National School Lunch Program	46,817	-	-	46,817
Summer EBT Administrative Cost Reimbursement	643	-	-	643
Food Distribution Program	11,649	-	-	11,649
Total Nonoperating Revenues (Expenses)	<u>61,024</u>	<u>-</u>	<u>-</u>	<u>61,024</u>
Income (Loss) Before Contributions and Transfers	(40,718)	3,621	-	(37,097)
Transfers In (Out)	-	-	-	-
Change in Net Position	(40,718)	3,621	-	(37,097)
Net Position—Beginning	113,840	21,235	\$ 181,228	316,303
Total Net Position—Ending	<u>\$ 73,122</u>	<u>\$ 24,856</u>	<u>\$ 181,228</u>	<u>\$ 279,206</u>

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Shared Services</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 89,088	\$ 55,911	-	\$ 144,999
Payments to Employees	(55,766)	(46,062)	-	(101,828)
Payments to Suppliers	(120,049)	(6,228)	-	(126,277)
Net Cash Provided by (used for) Operating Activities	<u>(86,727)</u>	<u>3,621</u>	<u>-</u>	<u>(83,106)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	1,878	-	-	1,878
Federal Sources	46,051	-	-	46,051
Operating Subsidies and Transfers from Other Funds	(11,424)	-	\$ (16,001)	(27,425)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>36,505</u>	<u>-</u>	<u>(16,001)</u>	<u>20,504</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(50,222)	3,621	(16,001)	(62,602)
Balances—Beginning of Year	<u>91,451</u>	<u>20,135</u>	<u>181,228</u>	<u>292,814</u>
Balances—End of Year	<u>\$ 41,229</u>	<u>23,756</u>	<u>165,227</u>	<u>\$ 230,212</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:				
Operating Income (Loss)	\$ (101,742)	\$ 3,621	-	\$ (98,121)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	3,713	-	-	3,713
Federal Commodities	11,649	-	-	11,649
(Increase) Decrease in Accounts Receivable	9	-	-	9
(Increase) Decrease in Inventories	(1,675)	-	-	(1,675)
Increase (Decrease) in Accounts Payable	<u>1,319</u>	<u>-</u>	<u>-</u>	<u>1,319</u>
Total Adjustments	<u>15,015</u>	<u>-</u>	<u>-</u>	<u>15,015</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (86,727)</u>	<u>\$ 3,621</u>	<u>-</u>	<u>\$ (83,106)</u>

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

Notes to Financial Statements

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions, GASB 98, Annual Comprehensive Financial Report, GASB 100, Accounting Changes and Error Corrections, and GASB 101, Compensated Absences. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2024.

A. Reporting Entity:

The Alloway Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Alloway Township School District had an approximate enrollment at June 30, 2025, of 291 students.

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

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

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

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

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

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

PROPRIETARY FUNDS

The District reports the following proprietary funds:

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

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

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

Basis of Accounting

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11. In addition, transfers are also covered by changes in N.J.A.C.6A:23A-2.3, that can require approval through the state department. All budget amendments/transfers must be approved by School Board resolution and are subject to transfer limitations and approvals per P.L. 2004, c.73(S-1701).

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control (Continued):

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

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

D. Encumbrance Accounting:

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

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

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

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

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

Compensated Absences:

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

The liability for compensated absences was accrued and determined based on 1.) leave that has not been used, and 2.) leave that has been used but not yet paid in cash or settled through noncash means. For leave that has not been used, a liability is recognized if, 1.) the leave is attributable to services already rendered, 2.) the leave accumulates (no-use-it-or-lose-it), and, the leave is more likely to than not to be used for time off or otherwise paid in cash or settled through noncash means. For leave that has been used, a liability should be recognized when leave has been used for time off but has not been paid in cash or settled through noncash means.

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. Property taxes that were received as of June 30, 2025, but which were levied to finance subsequent fiscal years operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Fund Balance Reserves:

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2025, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Cash and Cash <u>Equivalents (A-1)</u>
Checking and Money Market Accounts	\$ 2,148,011
	<u>\$ 2,148,011</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$2,148,011 and the bank balance was \$2,493,963. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$719,714 was covered by federal depository insurances and \$1,774,249 was covered by collateral pool.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 3: RECEIVABLES

Receivables at June 30, 2025, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$ 125,121	\$ 125,207
Federal Aid	77,068	79,374
Gross Receivable	202,189	204,581
Local Tax Levy	392,790	392,790
Child Care	-	1,160
Other	11,939	11,939
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 606,918</u>	<u>\$ 610,470</u>

Note 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2025, consisted of the following:

Food & Supplies	<u>\$ 4,174</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

Note 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 153,751			\$ 153,751
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	131,103			131,103
Buildings and Building Improvements	9,586,076	\$ 264,364		9,850,440
Machinery and Equipment	715,125			715,125
Total at Historical Cost	10,586,055	264,364	-	10,850,419
Less Accumulated Depreciation for:				
Land Improvements	\$ (126,072)	(4,013)		\$ (130,085)
Building and Improvements	(5,978,055)	(256,911)		(6,234,966)
Equipment	(530,507)	(8,029)		(538,536)
Total Accumulated Depreciation	(6,634,634)	(268,953)	-	(6,903,587)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	3,951,421	(4,589)		3,946,832
Government Activity Capital Assets, Net	<u>\$ 3,951,421</u>	<u>\$ (4,589)</u>	<u>-</u>	<u>\$ 3,946,832</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 5: CAPITAL ASSETS - (Continued)

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

Depreciation expense was charged to functions as follows:

Unallocated	\$ 268,953
Total	<u>\$ 268,953</u>

Note 6: LONG-TERM OBLIGATIONS

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Balance <u>7/1/2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/2025</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 195,000		\$ (195,000)	-	
Lease Obligations Payable	17,356		(17,356)	-	
Unamortized Bond Premium	1,691		(1,691)	-	
Other Liabilities:					
Compensated Absences Payable	52,101	\$ 5,641		\$ 57,742	
Total	<u>\$ 266,148</u>	<u>\$ 5,641</u>	<u>\$ (214,047)</u>	<u>\$ 57,742</u>	<u>-</u>

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

B. Bonds Payable Debt Service Requirements:

On October 16, 2014, the School District issued \$2,075,000 of refunding school bonds at interest rates varying from 2.00% to 4.00%. The final maturity of the refunding bonds was March 1, 2025. Annual payments regarding bonds payable were funded by the property taxes. The final bond payment was made in the current year and the balance as of June 30, 2025 is zero.

C. Lease Obligation Payable:

The District entered into a short-term lease on October 1, 2020 in the amount of \$83,435 for the acquisition of technology equipment. The implied interest rate on the lease is 4.2%. The final lease payment was made in the current year and the balance as of June 30, 2025 is zero.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 7: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

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

NOTE 8: PENSION PLANS (Continued)

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

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$9,054,608 as measured on June 30, 2024 and \$8,793,428 measured on June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of (\$33,030) and revenue of (\$33,030) for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2025 is based upon changes in the collective net pension liability with a measurement period of June 30, 2023 through June 30, 2024. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2023 and June 30, 2024.

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

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

	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$2,498,730,891	\$1,176,934,477
Collective deferred inflows of resources	\$14,719,080,314	\$10,530,833,639
Collective net pension liability (Nonemployer-State of New Jersey)	\$51,032,669,551	\$49,425,106,602
State's portion of the net pension liability that was associated with the district	\$8,793,428	\$9,054,608
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.017231%	0.018320%

Actuarial assumptions - The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equi	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2024, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 58,828,334,396	\$ 49,492,072,325	\$ 41,629,174,739

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>. The plan fiduciary net position as of June 30, 2024 was \$30,316,295,787.

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

	<u>Year Ended June 30:</u>
2025	(\$3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	<u>(34,177,408)</u>
Total	<u>(\$9,436,989,313)</u>

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	\$1,395,143,002
Interest on total pension liability	5,402,862,412
Member contributions	(968,116,740)
Administrative expense	23,998,868
Expected investment return net of investment expenses	(1,880,215,821)
Pension expense related to specific liabilities of individual employers	(521,718)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	163,003,839
Changes in assumptions	(4,175,839,758)
Difference between projected and actual investment earnings on pension plan investments	<u>(140,853,575)</u>
Total pension expense	<u>(\$180,539,491)</u>

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

At June 30, 2025, the District reported a liability of \$519,977 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2022 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2024 and 2023. At June 30, 2024, the District's proportion was 0.00383% which was an decrease of 0.0004% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of (\$44,190). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 10,416	\$ 1,384
Changes of assumptions	646	5,916
Net difference between projected and actual earnings on pension plan investments	-	24,110
Changes in proportion and differences between District contributions and proportionate share of contributions	34,649	121,910
District contributions subsequent to the measurement date	56,236	-
Total	<u>\$ 101,947</u>	<u>\$ 153,320</u>

\$56,236 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability measured as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2025	(\$116,757)
2026	90,343
2027	(51,976)
2028	(29,999)
2029	<u>781</u>
Total	<u>(\$107,609)</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$1,080,204,730	\$289,074,215
Collective deferred inflows of resources	1,780,216,457	820,816,333
Collective net pension liability	\$14,484,374,047	\$13,588,045,796
District's portion of net pension liability	\$611,409	\$519,977
District's proportion %	0.00422116%	0.00382672%

Actuarial assumptions - The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equi	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2024, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 690,922	\$519,977	\$ 374,504

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	(\$98,009)
Interest on total Pension liability	(366,092)
Member contributions	80,268
Administrative expense	(2,835)
Other - Chapter 19 Adjustment	2,951
Expected investment return net of investment expenses	221,146
Pension expense related to specific liabilities of individual employers	2,822
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	(11,153)
Changes in assumptions	89,471
Difference between projected and actual investment earnings on pension plan investments	<u>37,242</u>
Total pension expense	<u>(\$44,190)</u>

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

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

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

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

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

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

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

<u>Three-Year Trend Information for PERS</u>			
Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2025	\$56,236	100 %	-0-
6/30/2024	\$57,044	100 %	-0-
6/30/2023	\$49,166	100 %	-0-

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 8: PENSION PLANS (Continued)

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2025	\$770,782	100 %	-0-
6/30/2024	\$789,942	100 %	-0-
6/30/2023	\$714,419	100 %	-0-

During the fiscal year ended June 30, 2025, the State of New Jersey did contribute \$995,868 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$183,116 during the year ended June 30, 2025, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPES plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or countycollege with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P .L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Total Nonemployer OPEB Liability

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

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

Actuarial assumptions and other imputes. The June 30, 2025 GASB 75 reporting is based on a measurement date of June 30, 2024. The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability:	\$	59,650,630,530		
		<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases		2.75% to 5.65%	2.75% to 6.55%	3.25% to 16.25%
		Based on service years		

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

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

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2023	\$52,361,668,239
<u>Changes for the year:</u>	
Service Cost	2,152,062,729
Interest on the Total OPEB Liability	1,963,557,443
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Gross Benefit Payments	(1,499,600,607)
Contributions from Members/Employers	51,347,810
Net changes	<u>7,288,962,291</u>
The State's Total OPEB Liability Balance at 6/30/2024	<u>\$59,650,630,530</u>
 The State's total OPEB liability attributable to the District:	 \$17,117,157

Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024 and other changes.

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

	June 30, 2024		
	At 1% Decrease <u>2.93%</u>	At Discount Rate <u>3.93%</u>	At 1% Increase <u>4.93%</u>
Total OPEB Liability (School Retirees)	\$69,863,663,542	\$59,650,630,530	\$51,437,232,141

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

	June 30, 2023		
	At 1% Decrease <u>2.65%</u>	At Discount Rate <u>3.65%</u>	At 1% Increase <u>4.65%</u>
Total OPEB Liability (School Retirees)	\$61,385,066,712	\$52,361,668,239	\$45,116,926,835

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

	June 30, 2024		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$49,689,409,509	\$59,650,630,530	\$72,625,778,279

	June 30, 2023		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$43,468,257,358	\$52,361,668,239	\$63,998,719,320

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

For the year ended June 30, 2024, the board of education recognized OPEB expense and related revenue of \$109,577 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$6,378,932,312	\$11,139,706,892
Changes of assumptions or other inputs	<u>10,004,978,073</u>	<u>11,662,607,882</u>
Total	<u>\$16,383,910,385</u>	<u>\$22,802,314,774</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

Year ended June 30:	
2025	(\$2,115,877,507)
2026	(\$1,774,175,666)
2027	(\$842,677,045)
2028	\$221,470,185
2029	(1,537,725,697)
Thereafter	<u>(369,418,659)</u>
	<u>(\$6,418,404,389)</u>

Note 10: DEFERRED COMPENSATION

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

Lincoln Investment Planning
MetLife

Note 11: COMPENSATED ABSENCES

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

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

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

Note 12: INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 47,425
Enterprise fund	\$ 47,908	483
	<u>\$ 47,908</u>	<u>\$ 47,908</u>

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 13: RISK MANAGEMENT

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

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

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

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

Note 14: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$2,002,286 General Fund fund balance at June 30, 2025, \$180,196 is reserved for encumbrances; \$386,982 is reserved for excess surplus in accordance with N.J.S.A.18A:7F-7 (\$46,231 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026); \$670,696 is reserved in the Capital Reserve Account; \$310,074 is reserved in the Maintenance Reserve Account; \$252,065 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2026; and \$202,273 is unreserved and undesignated.

Note 15: CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance July 1, 2024	\$ 669,518
Interest Earned	1,178
Ending balance June 30, 2025	<u>\$ 670,696</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 16: MAINTENANCE RESERVE ACCOUNT

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

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance July 1, 2024	\$ 310,074
Ending balance June 30, 2025	<u>\$ 310,074</u>

Note 17: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is \$340,751.

Note 18: DEFICIT FUND BALANCES

The District has a deficit fund balance (Exhibit B-1) of \$29,125 in the Special Revenue Fund as of June 30, 2025, as reported in the fund statements (modified accrual basis). P.L.2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

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

Note 19: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,513,285		\$ 4,513,285	\$ 4,513,285	
Miscellaneous	49,999		49,999	149,496	\$ 99,497
Total - Local Sources	<u>4,563,284</u>	<u>-</u>	<u>4,563,284</u>	<u>4,662,781</u>	<u>99,497</u>
State Sources:					
Equalization Aid	1,132,780		1,132,780	1,132,780	
Transportation Aid	218,309		218,309	218,309	
Special Education Aid	370,315		370,315	370,315	
Security Aid	47,622		47,622	47,622	
Supplemental Stabilization Aid	331,553		331,553	331,553	
Extraordinary Aid				97,904	97,904
Non-Public Transportation Aid				9,340	9,340
TPAF Pension (On-Behalf - Non-Budgeted)				770,314	770,314
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				225,086	225,086
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				468	468
TPAF Social Security (Reimbursed - Non-Budgeted)				183,116	183,116
Total State Sources	<u>2,100,579</u>		<u>2,100,579</u>	<u>3,386,807</u>	<u>1,286,228</u>
TOTAL REVENUES	<u>6,663,863</u>		<u>6,663,863</u>	<u>8,049,588</u>	<u>1,385,725</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
 Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Kindergarten - Salaries of Teachers	82,529	5,635	88,164	79,853	8,311
Grades 1-5 - Salaries of Teachers	740,184	103,387	843,571	822,563	21,008
Grades 6-8 - Salaries of Teachers	518,298	(74,766)	443,532	443,532	
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000	1,015	3,015	1,015	2,000
Purchased Professional-Educational Services	2,500	9,800	12,300	12,300	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction		4,725	4,725		4,725
Purchased Professional-Educational Services	69,483	1,003	70,486	70,486	
Purchased Professional-Tech Services	36,025	8,900	44,925	44,925	
Other Purchased Services (400-500 series)	77,049	12,598	89,647	89,647	
General Supplies	70,394	(33,703)	36,691	36,690	1
Textbooks	2,000	(2,000)			
Other Objects	2,500	783	3,283	2,643	640
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,602,962	37,377	1,640,339	1,603,654	36,685

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	425,240	65,939	491,179	481,102	10,077
Purchased Professional-Educational Services	71,202	19,303	90,505	89,065	1,440
General Supplies	2,150	(1,036)	1,114	1,113	1
Total Resource Room/Resource Center	498,592	84,206	582,798	571,280	11,518
TOTAL SPECIAL EDUCATION - INSTRUCTION	498,592	84,206	582,798	571,280	11,518
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	32,856	(10,232)	22,624	21,304	1,320
General Supplies	250		250		250
Total Basic Skills/Remedial - Instruction	33,106	(10,232)	22,874	21,304	1,570
School-Spon. Co/Extra Curricular Actvts. - Inst.:					
Salaries	10,842	(1,396)	9,446	9,446	
Total School-Spon. Cocurricular Actvts. - Inst.	10,842	(1,396)	9,446	9,446	
TOTAL INSTRUCTION	2,145,502	109,955	2,255,457	2,205,684	49,773

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEA's Within the State - Regular	1,736,298	(50,000)	1,686,298	1,679,328	6,970
Tuition to Other LEA's Within the State - Special	79,758	37,998	117,756	117,756	
Tuition to County Voc. District - Regular	177,784		177,784	177,783	1
Tuition to CSSD & Reg. Day Schools	324,680	(187,998)	136,682	131,973	4,709
Tuition to Private Schools for the Disabled-Within State	79,089		79,089	71,892	7,197
Total Instruction	2,397,609	(200,000)	2,197,609	2,178,732	18,877
Attendance and Social Work:					
Personal Services - Salaries	6,271		6,271	6,241	30
Total Attendance and Social Work	6,271		6,271	6,241	30
Health Services:					
Salaries	78,553	956	79,509	75,047	4,462
Purchased Professional and Technical Services	3,600	1,824	5,424	5,072	352
Supplies and Materials	2,000	(424)	1,576	336	1,240
Total Health Services	84,153	2,356	86,509	80,455	6,054
Other Supp. Services Students-Related Services:					
Purchased Professional - Educational Services	61,820		61,820	53,432	8,388
Supplies and Materials	100		100		100
Total Other Supp. Services Students-Related Services	61,920		61,920	53,432	8,488
Other Supp. Services Students-Extra Services:					
Salaries	34,430	4,000	38,430	35,891	2,539
Purchased Professional - Educational Services	200,000	169,974	369,974	369,891	83
Total Other Supp. Services Students-Extra Services	234,430	173,974	408,404	405,782	2,622

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Regular:					
Salaries of Other Professional Staff	64,106	(6,468)	57,638	54,965	2,673
Supplies and Materials	625	(60)	565		565
Total Other Supp. Services Students-Regular	<u>64,731</u>	<u>(6,528)</u>	<u>58,203</u>	<u>54,965</u>	<u>3,238</u>
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	105,211	2,568	107,779	107,636	143
Salaries of Secretarial and Clerical Assistants	8,065	520	8,585	7,520	1,065
Other Purch Prof and Tech Services	12,582	(1,924)	10,658	9,233	1,425
Misc. Purch Serv (400-500 series O/than Resid Costs)	300	1,175	1,475	1,475	
Supplies and Materials	1,400	(307)	1,093	1,093	
Total Other Supp. Services Students-Special	<u>127,558</u>	<u>2,032</u>	<u>129,590</u>	<u>126,957</u>	<u>2,633</u>
Improvement of Instruction Services :					
Sal of Other Prof	14,255		14,255	14,255	
Curriculum Coordinator	25		25	25	
Total Improvement of Instruction Services	<u>14,280</u>		<u>14,280</u>	<u>14,280</u>	
Educational Media Services/School Library:					
Sal of Other Prof	32,900	968	33,868	32,016	1,852
Other Purchased Services (400-500 series)	2,200		2,200	729	1,471
Supplies and Materials	1,250		1,250	44	1,206
Total Educational Media Services/School Library	<u>36,350</u>	<u>968</u>	<u>37,318</u>	<u>32,789</u>	<u>4,529</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Instructional Staff Training Services:					
Sal of Other Prof	2,000		2,000		2,000
Purchased Professional-Educational Services	500		500		500
Other Purchased Services (400-500 series)	1,800		1,800	1,145	655
Misc Purch Svcs	500		500	424	76
Total Instructional Staff Training Services	4,800		4,800	1,569	3,231
Supp. Services - General Administration:					
Salaries of Other Professional Staff	64,375	1	64,376	64,375	1
Salaries of Secretarial and Clerical Assistants	29,265	6,500	35,765	35,765	
Legal Services	14,000	5,111	19,111	19,111	
Audit Fees	31,000	1,085	32,085	32,085	
Other Purchased Professional Services	6,150	6,768	12,918	12,917	1
Communications/Telephone	8,355	11,845	20,200	20,200	
Travel	1,200	(1,200)			
Other Purchased Services (400-500 series)	31,131	(4,476)	26,655	26,002	653
Miscellaneous Purch Services	2,341	(13)	2,328	2,328	
General Supplies	1,000	(303)	697	697	
BOE Training & Meeting Supplies	75	1,050	1,125	1,125	
Miscellaneous Expenditures	4,825	(125)	4,700	4,700	
BOE Membership Dues and Fees	4,386	(347)	4,039	4,039	
Total Supp. Services - General Administration	198,103	25,896	223,999	223,344	655
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	145,156		145,156	145,156	
Salaries of Secretarial and Clerical Assistants	6,400	(134)	6,266	1,878	4,388
Other Purchased Services (400-500 series)	100	(100)			
Supplies and Materials	500		500	478	22
Other Objects	1,500	900	2,400	2,390	10
Total Support Services - School Administration	153,656	666	154,322	149,902	4,420

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Central Services:					
Salaries Personal Services	74,338	(296)	74,042	66,673	7,369
Purchased Technical Services	88,670	12,450	101,120	92,030	9,090
Miscellaneous Purch Services	1,640	372	2,012	1,437	575
Supplies and Materials	1,000	1,721	2,721	2,507	214
Miscellaneous Expenditures	100	50	150	150	
Total Central Services	165,748	14,297	180,045	162,797	17,248
Required Maintenance for School Facilities:					
Other Salaries	64,087	(545)	63,542	63,541	1
Cleaning, Repair, and Maintenance Services	36,195	4,120	40,315	40,315	
Lead Testing of Drinking Water	1,700		1,700	1,524	176
General Supplies	9,540	1,847	11,387	10,408	979
Total Required Maintenance for School Facilities	111,522	5,422	116,944	115,788	1,156
Other Operations and Maintenance of Plant:					
Salaries of Non-Instructional Aides	4,159	136,552	140,711	125,392	15,319
Other Salaries	85,359	(83,674)	1,685		1,685
Other Purchased Professional Services	33,879	(9,086)	24,793	13,246	11,547
Cleaning, Repair and Maintenance Services	33,032	2,917	35,949	35,693	256
Other Purchased Property Services	27,500		27,500	26,023	1,477
Insurance	39,323		39,323	39,323	
Miscellaneous Purch Services	1,500	620	2,120	2,120	
General Supplies	50,000	(25,681)	24,319	17,721	6,598
Energy (Electricity)	110,000	2,000	112,000	99,632	12,368
Energy (Gasoline)	47,000	(2,000)	45,000	43,057	1,943
Total Other Operations and Maintenance of Plant	431,752	21,648	453,400	402,207	51,193

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	500		500	180	320
Supplies and Materials	500	200	700	490	210
Total Care and Upkeep of Grounds	<u>1,000</u>	<u>200</u>	<u>1,200</u>	<u>670</u>	<u>530</u>
Undist. Expend. -Security					
Cleaning, Repair, and Maintenance Services	1,696	51	1,747	1,746	1
General Supplies	1,000		1,000	535	465
Total Undist. Expend. -Security	<u>2,696</u>	<u>51</u>	<u>2,747</u>	<u>2,281</u>	<u>466</u>
Student Transportation Services					
Salaries for Pupil Trans (Between Home & Sch - Reg.)	44,502		44,502	11,279	33,223
Contract Services - Aid in Lieu of Payments-Nonpub.Sch.	23,300	1,300	24,600	22,846	1,754
Contract Services - Aid in Lieu of Payments - Choice Sch	18,640	3,385	22,025	22,025	
Contract Services - (Between Home and School) - Vendors	286,092		286,092	286,088	4
Contract Services (Other than Between Home & School)-Vendors	5,320	3,826	9,146	9,141	5
Contract Services - (Between Home and School) - Joint Agreements	20,070	14,144	34,214	34,198	16
Contract Services - (Regular Students) - ESCs & CTSAs	124,824	(59,831)	64,993	50,598	14,395
Contract Services - (Special Ed. Students) - ESCs & CTSAs	229,175		229,175	211,799	17,376
Miscellaneous Purch-Trans	2,300		2,300		2,300
Transportation Supplies	6,750	78	6,828	5,859	969
Other Objects	100		100		100
Total Student Transportation Services	<u>761,073</u>	<u>(37,098)</u>	<u>723,975</u>	<u>653,833</u>	<u>70,142</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
Social Security Contributions	52,707	66,272	118,979	49,725	69,254
Other Retirement Contributions - PERS	66,747		66,747	56,236	10,511
Unemployment Compensation	15,000	864	15,864	13,985	1,879
Workmen's Compensation	34,812	(2,748)	32,064	26,368	5,696
Health Benefits	838,758	(95,494)	743,264	553,282	189,982
Tuition Reimbursement	10,000	(9,555)	445		445
Other Employee Benefits	11,040	(1,794)	9,246	9,246	
Unused Sick Payments to Terminated/Retired Staff	8,500	15,607	24,107	24,107	
TOTAL UNALLOCATED BENEFITS	1,037,564	(26,848)	1,010,716	732,949	277,767
On-behalf TPAF pension Contrib. (non-budgeted)				770,314	(770,314)
On-behalf TPAF PRM Contrib. (non-budgeted)				225,086	(225,086)
On-behalf TPAF pension Non-contributory Ins. (non-budgeted)				468	(468)
Reimbursed TPAF Social Security Contributions (non-budgeted)				183,116	(183,116)
TOTAL ON-BEHALF CONTRIBUTIONS				1,178,984	(1,178,984)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,037,564	(26,848)	1,010,716	1,911,933	(901,217)
TOTAL UNDISTRIBUTED EXPENDITURES	5,895,216	(22,964)	5,872,252	6,577,957	(705,705)
TOTAL GENERAL CURRENT EXPENSE	8,040,718	86,991	8,127,709	8,783,641	(655,932)
CAPITAL OUTLAY					
Equipment					
Construction Services		93,205	93,205		93,205
Total Equipment		93,205	93,205		93,205

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	35,593		35,593	35,593	
Total Facilities Acquisition and Construction Services	<u>35,593</u>		<u>35,593</u>	<u>35,593</u>	
TOTAL CAPITAL OUTLAY	<u>35,593</u>	<u>93,205</u>	<u>128,798</u>	<u>35,593</u>	<u>93,205</u>
Transfer of Funds to Charter Schools	186,822		186,822	159,823	26,999
TOTAL EXPENDITURES	<u>8,263,133</u>	<u>180,196</u>	<u>8,443,329</u>	<u>8,979,057</u>	<u>(535,728)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,599,270)</u>	<u>(180,196)</u>	<u>(1,779,466)</u>	<u>(929,469)</u>	<u>849,997</u>
Other Financing Sources:					
Operating Transfer In/(Out)					
Transfer to Special Revenue Fund - Preschool	(45,393)	-	(45,393)	-	(45,393)
Total Other Financing Sources:	<u>(45,393)</u>	<u>-</u>	<u>(45,393)</u>	<u>-</u>	<u>(45,393)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,644,663)</u>	<u>(180,196)</u>	<u>(1,824,859)</u>	<u>(929,469)</u>	<u>895,390</u>
Fund Balance, July 1	3,086,726		3,086,726	3,086,726	
Fund Balance, June 30	<u>\$ 1,442,063</u>	<u>(180,196)</u>	<u>\$ 1,261,867</u>	<u>\$ 2,157,257</u>	<u>\$ 895,390</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 670,696	
Maintenance Reserve				310,074	
Excess Surplus - Designated for Subsequent Year's Expenditures				46,231	
Excess Surplus				340,751	
Assigned to:					
Year-End Encumbrances				180,196	
Designated for Subsequent Year's Expenditures				252,065	
Unassigned:					
Unrestricted Fund Balance				<u>357,244</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				\$ 2,157,257	
 Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(154,971)</u>	
Fund Balance per Governmental Funds(GAAP Basis B-2)				<u>\$ 2,002,286</u>	

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 27,859	\$ 27,859	\$ 23,789	\$ (4,070)
State Sources		820,552	820,552	550,612	(269,940)
Federal Sources	\$ 668,478	(389,660)	278,818	273,650	(5,168)
Total Revenues	668,478	458,751	1,127,229	848,051	(279,178)
EXPENDITURES:					
Instruction					
Salaries of Teachers	594,100	(312,160)	281,940	281,940	
Other Salaries for Instruction		62,422	62,422	62,422	
Other Purchased Services		15,030	15,030	15,030	
Tuition	74,378	2,649	77,027	77,027	
General Supplies		377,161	377,161	97,983	279,178
Other Objects		19,014	19,014	19,014	
Total Instruction	668,478	164,116	832,594	553,416	279,178
Support Services					
Salaries of Supervisors of Instruction		14,182	14,182	14,182	-
Salaries of Secr. And Clerical Assistants		21,697	21,697	21,697	-
Personal Services - Employee Benefits		151,831	151,831	151,831	-
Purchased Prof. -Ed. Services		22,555	22,555	22,555	-
Purchased Prof. Tech Svcs.		17,695	17,695	17,695	-
Cleaning, Repair & Maintenance Svcs.		2,936	2,936	2,936	-
Contr Serv-Trans. (Field Trips)		1,340	1,340	1,340	-
Other Purchased Services		620	620	620	-
Supplies & Materials		6,159	6,159	6,159	-
Student Activities		25,960	25,960	25,960	-
Total Support Services	-	264,975	264,975	264,975	-
Facilities Acq. & Contruction Services:					
Non-Instructional Equipment	-	31,831	31,831	31,831	-
Total Facilities Acq. & Contruction Services	-	31,831	31,831	31,831	-
Total Expenditures	668,478	460,922	1,129,400	850,222	279,178
Total Outflows	\$ 668,478	\$ 460,922	\$ 1,129,400	\$ 850,222	\$ 279,178
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		(2,171)	(2,171)	(2,171)	
Fund Balance Beginning				36,596	
Fund Balance Ending				<u>\$ 34,425</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 34,425	
Fund Balance per Governmental Funds(Budgetary Basis)				<u>\$ 34,425</u>	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(63,550)	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ (29,125)</u>	

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

For the Fiscal Year Ended June 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 8,049,588	\$ 848,051
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	464,710
Current Year Encumbrances	N/A	(62,077)
Adjustment for: Prior Year Final State Aid Payment not included in Budgetary State Source Revenues and is considered a revenue for GAAP reporting purposes	226,853	60,060
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>\$ (154,971)</u>	<u>\$ (63,550)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 8,121,470</u>	<u>\$ 1,247,194</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 8,979,057	\$ 850,222
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		-
Prior Year Encumbrances	N/A	464,710
Current Year Encumbrances	<u>N/A</u>	<u>(62,077)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 8,979,057</u>	<u>\$ 1,252,855</u>

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

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 9,054,608	\$ 8,793,428	\$ 11,030,520	\$ 11,474,711	\$ 16,155,851	\$ 14,957,788	\$ 16,220,573	\$ 18,992,792	\$ 22,584,934	\$ 19,079,009
Total	\$ 9,054,608	\$ 8,793,428	\$ 11,030,520	\$ 11,474,711	\$ 16,155,851	\$ 14,957,788	\$ 16,220,573	\$ 18,992,792	\$ 22,584,934	\$ 19,079,009
District's covered employee payroll	\$ 2,519,292	\$ 2,532,791	\$ 2,362,839	\$ 2,013,678	\$ 2,124,021	\$ 2,517,667	\$ 2,735,077	\$ 2,668,119	\$ 2,837,994	\$ 3,026,482
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

Exhibit L-1

Public Employees' Retirement System (PERS)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	0.00384%	0.00422%	0.00388%	0.00456%	0.00496%	0.00526%	0.00526%	0.00747%	0.00711%	0.00634%
District's proportionate share of the net pension liability (asset)	\$ 519,977	\$ 611,409	\$ 585,286	\$ 539,857	\$ 809,295	\$ 947,322	\$ 1,035,747	\$ 1,738,103	\$ 2,105,237	\$ 1,423,334
District's covered employee payroll	\$ 377,406	\$ 389,929	\$ 375,533	\$ 288,199	\$ 290,066	\$ 353,099	\$ 409,937	\$ 437,183	\$ 569,505	\$ 532,548
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	137.78%	156.80%	155.85%	187.32%	279.00%	268.29%	252.66%	397.57%	369.66%	267.27%
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 2,519,292	\$ 2,532,791	\$ 2,362,839	\$ 2,013,678	\$ 2,124,021	\$ 2,517,667	\$ 2,735,077	\$ 2,668,119	\$ 2,837,994	\$ 3,026,482
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 56,236	\$ 57,044	\$ 49,166	\$ 53,369	\$ 54,290	\$ 51,140	\$ 52,324	\$ 69,170	\$ 63,148	\$ 54,512
Contributions in relation to the contractually required contribution	(56,236)	(57,044)	(49,166)	(53,369)	(54,290)	(51,140)	(52,324)	(69,170)	(63,148)	(54,512)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 377,406	\$ 389,929	\$ 375,533	\$ 288,199	\$ 290,066	\$ 353,099	\$ 409,937	\$ 437,183	\$ 569,505	\$ 532,548
Contributions as a percentage of covered-employee payroll	14.90%	14.63%	13.09%	18.52%	15.82%	14.56%	16.06%	15.28%	13.21%	12.42%

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

Exhibit M-1

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

<u>The State of New Jersey's Total OPEB Liability</u>	<u>2025</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Service Cost	\$ 2,152,062,729	\$ 2,136,235,476	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319	
Interest	1,963,557,443	1,844,113,951	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792	
Change in Benefit Terms	-	-	-	-63870842						
Differences Between Expected and Actual Experience	158,934,425	(980,424,863)	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-5002065740			
Benefit Payments	(1,499,600,607)	-	(13,586,368,097)	59,202,305	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)	
Contributions from Members	51,347,810	(1,390,258,754)	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747	
Changes of Assumptions or other inputs	4,462,660,491	105,539,463	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521	
Net change in total OPEB liability	7,288,962,291	1,715,205,273	(9,361,188,004)	(7,802,311,438)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360	
Total OPEB Liability - Beginning	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824	
Total OPEB Liability - Ending	\$ 59,650,630,530	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,651,170	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	
The State of New Jersey's total OPEB liability **	\$ 59,650,630,530	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,651,170	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	
The State of New Jersey's OPEB liability attributable to the District **	\$ 17,117,157	\$ 15,412,706	\$ 11,474,711	\$ 11,030,520	\$ 18,075,822	\$ 21,992,950	\$ 13,740,345	\$ 15,596,900	\$ 17,241,676	
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	
District's covered employee payroll	\$ 2,896,698	\$ 2,922,720	\$ 2,738,372	\$ 2,301,877	\$ 2,414,087	\$ 2,870,766	\$ 3,145,014	\$ 3,105,302	\$ 3,407,499	
Total District's OPEB liability 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%	
District's contribution	None	None	None	None	None	None	None	None	None	
State's covered employee payroll ***	\$ 15,845,935,573	\$ 15,314,749,297	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208	
Total State's OPEB liability as a percentage of its covered-employee payroll	376.44%	341.90%	415.98%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%	

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

*** Covered payroll for the Measurement Period ending June 30, 2023 and June 30, 2024 is based on the payroll on the June 30, 2022 and June 30, 2023 census data, respectively

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and Other Post Employment Benefits (OPEB) Schedules

For the Fiscal Year Ended June 30, 2025

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

OPEB Schedules

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

Public Employees' Retirement System (PERS)

Pension Schedules

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

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

OPEB Schedules

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

OTHER SUPPLEMENTARY INFORMATION
--

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

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

For the Fiscal Year Ended June 30, 2025

	TITLE I	TITLE II Part A	IDEA BASIC	IDEA Preschool	REAP	ARP ESSER III	ARP Beyond Sch. Day	ARP Mental	Preschool Education State Aid	Student Activity Local	Totals
REVENUES											
Local Sources										\$ 23,789	\$ 23,789
State Sources									\$ 550,612		550,612
Federal Sources	\$ 77,656	\$ 10,364	\$ 92,027	\$ 7,555	\$ 52,191	\$ 24,688	\$ 8,874	\$ 295			273,650
TOTAL REVENUES	77,656	10,364	92,027	7,555	52,191	24,688	8,874	295	550,612	23,789	848,051
EXPENDITURES:											
Instruction:											
Salaries of Teachers	46,876	6,792					7,045		221,227		281,940
Other Salaries for Instruction									62,422		62,422
Other Purchased Services						1,339			13,691		15,030
Tuition			77,027						-		77,027
General Supplies	3,384				52,191		744		41,664		97,983
Other Objects									19,014		19,014
Total Instruction	50,260	6,792	77,027		52,191	1,339	7,789		358,018		553,416
Support Services:											
Salaries of Supervisors of Instruction						14,182					14,182
Salaries of Secr. And Clerical Assistants									21,697		21,697
Personal Services - Employee Benefits	24,652	3,572				6,908	1,085		115,614		151,831
Purchased Prof. -Ed. Services			15,000	7,555							22,555
Purchased Prof. Tech Svcs.								295	17,400		17,695
Cleaning, Repair & Maintenance Svcs.						1,639			1,297		2,936
Contr Serv-Trans. (Field Trips)									1,340		1,340
Other Purchased Services						620					620
Supplies & Materials	2,744								3,415		6,159
Student Activities										25,960	25,960
Total Support Services	27,396	3,572	15,000	7,555		23,349	1,085	295	160,763	25,960	264,975
Facilities Acq. & Contruction Services:											
Non-Instructional Equipment									31,831		31,831
Total Facilities Acq. & Contruction Services	-	-	-	-	-	-	-	-	31,831	-	31,831
TOTAL EXPENDITURES	77,656	10,364	92,027	7,555	52,191	24,688	8,874	295	550,612	25,960	850,222
Total Outflows	\$ 77,656	\$ 10,364	\$ 92,027	\$ 7,555	\$ 52,191	\$ 24,688	\$ 8,874	\$ 295	\$ 550,612	\$ 25,960	\$ 850,222
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	(2,171)	(2,171)
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	36,596	36,596
Fund Balance Ending	-	-	-	-	-	-	-	-	-	\$ 34,425	\$ 34,425

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 280,908	\$ (1,900)	\$ 279,008	\$ 221,227	\$ 57,781
Other Salaries for Instruction	60,698	1,724	62,422	62,422	-
Purchased Educational Services	2,500	(129)	2,371	-	2,371
Other Purchased Services	7,375	6,316	13,691	13,691	-
General Supplies	41,800	439	42,239	41,664	575
Other Objects	25,464	(6,450)	19,014	19,014	-
Total instruction	418,745	-	418,745	358,018	60,727
Support services:					
Salaries of Program Directors	24,616	(24,616)	-	-	-
Salaries of Other Professional Staff	8,229	(8,229)	-	-	-
Salaries of Secr. And Clerical Assistants	21,386	32,845	54,231	21,697	32,534
Other Salaries	19,241	-	19,241	-	19,241
Personal Services - Employee Benefits	115,615	-	115,615	115,614	1
Purchased Prof. Tech Svcs.	65,950	-	65,950	17,400	48,550
Cleaning, Repair & Maintenance Svcs.	9,000	-	9,000	1,297	7,703
Contr Serv-Trans. (Field Trips)	3,500	-	3,500	1,340	2,160
Travel	1,200	-	1,200	-	1,200
Supplies & Materials	9,000	-	9,000	3,415	5,585
Total support services	277,737	-	277,737	160,763	116,974
Facilities Acq. & Construction:					
Instructional Equipment	42,000	-	42,000	-	42,000
Non-Instructional Equipment	81,180	-	81,180	31,831	49,349
Total Facilities Acq. & Construction	123,180	-	123,180	31,831	91,349
Total Expenditures	\$ 819,662	-	\$ 819,662	\$ 550,612	\$ 269,050

CALCULATION OF BUDGET & CARRYOVER

Total 2024-2025 PreK Aid Allocation	\$ 635,502
Add: Actual ECPA Carryover June 30, 2024	177,268
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2024-2025 Budget	812,770
Less: 2024-2025 Budgeted PreK & ECPA (Including prior year budgeted carryover)	(819,662)
Available & Unbudgeted Funds as of June 30, 2025	(6,892)
Add: June 30, 2025 Unexpended PreK Aid	269,050
2024-2025 Actual Carryover - PreK Aid	262,158
2024-2025 PreK Carryover Budgeted in 2025-2026	177,268

CAPITAL PROJECTS FUND DETAIL STATEMENTS
--

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

N/A

PROPRIETARY FUND DETAIL STATEMENTS
--

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

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

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

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

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

FIDUCIARY FUND DETAIL STATEMENTS

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

N/A

LONG-TERM DEBT SCHEDULES

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

SCHEDULE OF SERIAL BONDS
AS OF ENDED JUNE 30, 2025

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2024</u>	<u>DECREASED</u>	<u>BALANCE JUNE 30, 2025</u>
			<u>DATE</u>	<u>AMOUNT</u>				
School Refunding Bonds	10/16/14	\$2,075,000	3/1/25	\$ 195,000	3.000%	\$ 195,000	\$ 195,000	-
						<u>\$ 195,000</u>	<u>\$ 195,000</u>	<u>-</u>

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>ISSUE</u>	<u>DATE</u>	<u>INTEREST RATE</u>	<u>AMOUNT OF ISSUE</u>	<u>BALANCE July 1, 2024</u>	<u>RETIRED</u>	<u>BALANCE June 30, 2025</u>
Technology Lease	10/1/2020	8.621%	\$ 83,435	\$ 17,356	\$ 17,356	-
Total				17,356	\$ 17,356	-

ALLOWAY TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive/ (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 200,118		\$ 200,118	\$ 200,118	
	200,118	-	200,118	200,118	
TOTAL REVENUES	200,118	-	200,118	200,118	
EXPENDITURES:					
Regular Debt Service:					
Interest	5,119	-	5,119	5,119	-
Redemption of Principal	195,000	-	195,000	195,000	-
Total Regular Debt Service	200,119	-	200,119	200,119	-
TOTAL EXPENDITURES	200,119	-	200,119	200,119	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(1)	-	(1)	(1)	-
Fund Balance, July 1	1	-	1	1	
Fund Balance, June 30	-	-	-	-	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance					

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	89-94
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	95-98
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and	99-102
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	103-104
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	105-109

Sources:

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

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	\$ 4,013,234	\$ 3,989,593	\$ 3,999,675	\$ 3,993,452	\$ 3,944,196	\$ 3,951,152	\$ 3,915,525	\$ 3,794,547	\$ 3,756,421	\$ 3,946,832
Restricted	972,754	1,082,893	1,448,375	1,509,702	1,706,683	1,596,496	2,241,911	3,157,096	2,441,061	1,654,242
Unrestricted	(1,430,774)	(1,495,114)	(1,695,984)	(1,638,821)	(1,316,159)	(634,854)	(268,030)	(403,862)	(341,995)	(310,173)
Total governmental activities Net Position	<u>\$ 3,555,214</u>	<u>\$ 3,577,372</u>	<u>\$ 3,752,066</u>	<u>\$ 3,864,333</u>	<u>\$ 4,334,720</u>	<u>\$ 4,912,794</u>	<u># \$ 5,889,406</u>	<u>\$ 6,547,781</u>	<u>\$ 5,855,487</u>	<u>\$ 5,290,901</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 19,748	\$ 26,198	\$ 23,485	\$ 20,770	\$ 18,245	\$ 15,182	\$ 11,469	\$ 7,756	\$ 4,043	\$ 330
Unrestricted	(6,062)	2,770	(4,525)	4,692	11,705	16,006	92,195	326,145	312,260	278,876
Total business-type activities Net Position	<u>\$ 13,686</u>	<u>\$ 28,968</u>	<u>\$ 18,960</u>	<u>\$ 25,462</u>	<u>\$ 29,950</u>	<u>\$ 31,188</u>	<u>\$ 103,664</u>	<u>\$ 333,901</u>	<u>\$ 316,303</u>	<u>\$ 279,206</u>
District-wide										
Invested in capital assets, net of related debt	\$ 4,032,982	\$ 4,015,791	\$ 4,023,160	\$ 4,014,222	\$ 3,962,441	\$ 3,966,334	\$ 3,926,994	\$ 3,802,303	\$ 3,760,464	\$ 3,947,162
Restricted	972,754	1,082,893	1,448,375	1,509,702	1,706,683	1,596,496	2,241,911	3,157,096	2,441,061	1,654,242
Unrestricted	(1,436,836)	(1,492,344)	(1,700,509)	(1,634,129)	(1,304,454)	(618,848)	(175,835)	(77,717)	(29,735)	(31,297)
Total district Net Position	<u>\$ 3,568,900</u>	<u>\$ 3,606,340</u>	<u>\$ 3,771,026</u>	<u>\$ 3,889,795</u>	<u>\$ 4,364,670</u>	<u>\$ 4,943,982</u>	<u># \$ 5,993,070</u>	<u>\$ 6,881,682</u>	<u>\$ 6,171,790</u>	<u>\$ 5,570,107</u>

Source: ACFR Schedule A-1

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

Exhibit J-2

	2016	2017	2018	2019	Fiscal Year Ending June 30, 2020	2021	2022	2023	2024	2025
Expenses:										
Governmental activities										
Instruction:										
Regular	\$ 1,724,878	\$ 1,725,547	\$ 1,769,342	\$ 1,764,446	\$ 1,615,268	\$ 1,751,774	\$ 1,836,776	\$ 2,728,460	\$ 2,579,893	\$ 2,399,606
Special Education	551,878	494,389	532,888	524,234	560,628	350,689	471,477	447,567	580,021	648,820
Other Special Instruction	128,394	62,833	82,339	76,124	57,887	88,846	6,827	28,060	28,082	24,196
Other Instruction	29,269	29,825	10,746	10,112	7,202	6,617	10,385	12,228	11,099	10,728
Support Services & Undistributed Costs:										
Student & Instructions related Services	3,167,978	3,413,852	3,179,336	3,457,933	3,427,117	3,724,661	4,009,502	2,490,794	2,553,151	2,474,451
General Administration	281,273	201,192	282,131	340,985	267,015	228,808	195,100	1,021,871	1,161,994	1,406,520
School Administrative Services	143,006	135,563	82,866	76,812	69,713	76,982	111,687	166,846	170,148	170,248
Central Services	323,862	346,851	364,556	375,656	357,035	155,089	161,304	402,103	401,337	438,552
Administrative Informaion Technology	2,575	578	420	-	-	-	-	-	-	-
Plant Operations & Maintenance	402,302	350,435	330,187	375,662	351,502	346,497	407,531	454,758	647,840	591,654
Pupil Transportation	546,707	447,606	411,379	452,875	427,880	394,648	569,204	714,913	887,124	742,578
Unallocated Benefits	1,513,749	1,714,725	2,581,530	2,414,390	1,802,431	2,694,079	1,529,087	-	-	-
Interest on long-term debt	59,708	54,689	48,241	41,140	34,108	294,928	289,314	47,913	46,001	37,741
Capital Outlay	47,530	44,343	35,593	35,593	35,593	68,769	39,867	-	-	-
Transfer to Charter Schools	-	-	-	-	100,399	-	-	-	-	-
Unallocated Depreciation	247,034	259,795	262,082	261,202	259,011	258,175	254,605	254,605	255,735	268,953
Total governmental activities Net Position	<u>\$ 9,170,143</u>	<u>\$ 9,282,223</u>	<u>\$ 9,973,636</u>	<u>\$ 10,207,164</u>	<u>\$ 9,372,789</u>	<u>\$ 10,440,562</u>	<u>\$ 9,892,666</u>	<u>\$ 8,770,118</u>	<u>\$ 9,322,425</u>	<u>\$ 9,214,047</u>
Business-type activities										
Food Service	\$ 148,862	\$ 148,862	\$ 150,420	\$ 142,890	\$ 120,699	\$ 111,151	\$ 126,532	\$ 124,120	\$ 137,706	\$ 190,830
Childcare	78,280	78,280	60,707	48,698	34,622	36,784	40,217	47,478	46,737	52,290
Shared Services								235,530	89,983	-
Total Business-Type Activities Expense	<u>\$ 227,142</u>	<u>\$ 227,142</u>	<u>\$ 211,127</u>	<u>\$ 191,588</u>	<u>\$ 155,321</u>	<u>\$ 147,935</u>	<u>\$ 166,749</u>	<u>\$ 407,128</u>	<u>\$ 274,426</u>	<u>\$ 243,120</u>
Total District Expenses	<u>\$ 9,397,285</u>	<u>\$ 9,509,365</u>	<u>\$ 10,184,763</u>	<u>\$ 10,398,752</u>	<u>\$ 9,528,110</u>	<u>\$ 10,588,497</u>	<u>\$ 10,059,415</u>	<u>\$ 9,177,246</u>	<u>\$ 9,596,851</u>	<u>\$ 9,457,167</u>
Program Revenues										
Governmental Activities:										
Charges for Services:	\$ 435,085	\$ 370,257	\$ 342,000	\$ 352,728	\$ 302,500	\$ 298,900	\$ 264,500	\$ -	\$ -	\$ -
Operating Grants & Contributions	249,856	269,747	275,950	260,129	274,142	2,469,675	1,912,197	5,130,887	4,001,470	3,762,773
Total Governmental Activities Program Revenues	<u>684,941</u>	<u>640,004</u>	<u>617,950</u>	<u>612,857</u>	<u>576,642</u>	<u>2,768,575</u>	<u>2,176,697</u>	<u>5,130,887</u>	<u>4,001,470</u>	<u>3,762,773</u>
Business-type activities:										
Food service	83,990	84,419	72,535	71,606	47,708	1,921	18,568	73,585	72,965	88,978
Childcare	77,309	59,752	49,393	4,414	30,337	24,401	40,794	56,474	55,008	55,911
Shared Services								264,660	72,046	-
Operating Grants & Contributions	44,490	44,488	44,152	39,076	44,378	123,151	179,863	72,611	56,809	61,024
Total business-type activities revenue	<u>205,789</u>	<u>188,659</u>	<u>166,080</u>	<u>115,096</u>	<u>122,423</u>	<u>149,473</u>	<u>239,225</u>	<u>467,330</u>	<u>256,828</u>	<u>205,913</u>
Total district revenue	<u>\$ 890,730</u>	<u>\$ 828,663</u>	<u>\$ 784,030</u>	<u>\$ 767,680</u>	<u>\$ 699,065</u>	<u>\$ 2,918,048</u>	<u>\$ 2,415,922</u>	<u>\$ 5,598,217</u>	<u>\$ 4,258,298</u>	<u>\$ 3,968,686</u>
Net (Expense)/Revenue										
Governmental activities	\$ (8,485,202)	\$ (8,642,219)	\$ (9,355,686)	\$ (9,594,307)	\$ (8,796,147)	\$ (7,671,987)	\$ (7,715,969)	\$ (3,639,231)	\$ (5,320,955)	\$ (5,451,274)
Business-type activities	(21,353)	(22,468)	(25,508)	(498)	(25,512)	1,377	72,476	60,202	(17,598)	(37,207)
Total district-wide net expense	<u>\$ (8,506,555)</u>	<u>\$ (8,664,687)</u>	<u>\$ (9,381,194)</u>	<u>\$ (9,594,805)</u>	<u>\$ (8,821,659)</u>	<u>\$ (7,670,610)</u>	<u>\$ (7,643,493)</u>	<u>\$ (3,579,029)</u>	<u>\$ (5,338,553)</u>	<u>\$ (5,488,481)</u>

(Continued)

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Property Taxes, Levied for General Purposes, Net	\$ 3,595,502	\$ 3,698,284	\$ 3,877,636	\$ 3,955,188	\$ 4,034,292	\$ 4,114,978	\$ 4,197,278	\$ 4,281,224	\$ 4,366,848	\$ 4,713,403
Taxes Levied for Debt Service	275,240	248,467	258,713	247,262	243,863	234,562	225,363	215,237	205,238	-
Federal & State Aid Not Restricted	4,491,334	4,483,990	4,612,519	5,437,770	5,014,575	3,823,306	4,216,959	-	-	-
Tuition	-	12,393	41,482	14,666	10,346	4,080	24,848	-	-	-
Transportation Fees	-	1,722	20,458	27,065	25,534	-	-	-	-	-
Investment Earnings	22,315	6,229	3,651	8,577	8,157	1,831	235	2,318	1,060	34,585
Miscellaneous Income	51,283	5,071	54,232	21,046	(16,712)	4,397	27,898	32,347	55,515	138,700
Loss on disposal of assets	-	(788)	-	-	-	-	-	-	-	-
Transfer to Business-type activities	(22,500)	(10,040)	(17,500)	(5,000)	(30,000)	-	-	-	-	-
Total governmental activities expenses	8,413,174	8,445,328	8,851,191	9,706,574	9,290,055	8,183,154	8,692,581	4,531,126	4,628,661	4,886,688
Business-type activities:										
Miscellaneous Income	-	9,380	-	-	-	-	-	-	-	110
Transfers	22,500	10,040	17,500	5,000	30,000	-	-	-	-	-
Total business-type activities	22,500	19,420	17,500	5,000	30,000	-	-	-	-	110
Total district-wide	8,435,674	8,464,748	8,868,691	9,711,574	9,320,055	8,183,154	8,692,581	4,531,126	4,628,661	4,886,798
Change in Net Position										
Governmental activities	\$ (72,028)	\$ (196,891)	\$ (504,495)	\$ 112,267	\$ 493,908	\$ 511,167	\$ 976,612	\$ 891,895	\$ (692,294)	\$ (564,586)
Business-type activities	1,147	(3,048)	(8,008)	4,502	4,488	1,377	72,476	60,202	(17,598)	(37,097)
Total district	\$ (70,881)	\$ (199,939)	\$ (512,503)	\$ 116,769	\$ 498,396	\$ 512,544	\$ 1,049,088	\$ 952,097	\$ (709,892)	\$ (601,683)

Source: ACFR Schedule A-2

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

Exhibit J-3

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Fiscal Year Ending June 30,</u>		<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
					<u>2020</u>	<u>2021</u>				
General Fund										
Reserved	\$ 721,591	\$ 951,733	\$ 1,235,165	\$ 1,397,247	\$ 1,597,721	\$ 1,573,269	\$ 2,217,102	\$ 2,701,152	\$ 1,841,966	\$ 1,367,752
Assigned	217,731	107,402	189,452	88,697	108,961	270,644	376,860	472,322	742,695	432,261
Unreserved	(28,010)	(929)	(8,626)	9,231	140,162	382,811	369,863	547,942	275,212	202,273
Total general fund	<u>\$ 911,312</u>	<u>\$ 1,058,206</u>	<u>\$ 1,415,991</u>	<u>\$ 1,495,175</u>	<u>\$ 1,846,844</u>	<u>\$ 2,226,724</u>	<u>\$ 2,963,825</u>	<u>\$ 3,721,416</u>	<u>\$ 2,859,873</u>	<u>\$ 2,002,286</u>
All Other Governmental Funds										
Reserved										
Special Revenue Fund	-	-	-	-	-	\$ 23,226	\$ 24,808	\$ 27,998	\$ 36,596	\$ 34,425
Unreserved, reported in:										
Special Revenue Fund								(60,972)	(60,060)	(63,550)
Capital projects fund	\$ 23,757	\$ 23,757	\$ 23,757	\$ 23,757						
Debt service fund	9,675	1	1	1	\$ 1	1	1	1	1	-
Total all other governmental funds	<u>\$ 33,432</u>	<u>\$ 23,758</u>	<u>\$ 23,758</u>	<u>\$ 23,758</u>	<u>\$ 1</u>	<u>\$ 23,227</u>	<u>\$ 24,809</u>	<u>\$ (32,973)</u>	<u>\$ (23,463)</u>	<u>\$ (29,125)</u>

Source: ACFR Schedule B-1

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

Exhibit J-4

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues										
Tax levy	\$ 3,946,751	\$ 4,057,092	\$ 4,136,349	\$ 4,202,550	\$ 4,278,155	\$ 4,349,540	\$ 4,422,641	\$ 4,496,461	\$ 4,572,086	\$ 4,713,403
Tuition charges	12,393	35,229	41,482	14,666	10,346	4,080	24,848			
Transportation Fees	1,722	3,208	20,482	27,065	25,534	-	-			
Interest Charges	6,229	3,205	3,651	8,577	8,157	1,831	235			
Miscellaneous	7,546	7,815	57,304	24,585	18,360	21,135	46,611	34,665	56,575	173,285
State sources	4,483,990	4,589,383	4,612,519	4,736,353	4,758,530	4,911,265	5,472,831	4,891,126	4,426,422	4,099,890
Federal sources	247,381	267,192	272,878	256,590	269,437	320,363	750,054	788,094	415,632	582,204
Total revenue	8,706,012	8,963,124	9,144,665	9,270,286	9,368,519	9,608,214	10,717,220	10,210,346	9,470,715	9,568,782
Expenditures										
Current Expense										
Instuction	2,429,220	2,322,194	2,403,018	2,374,586	2,242,942	2,229,507	2,325,465	2,739,604	2,729,763	2,732,217
Undistributed Expenses	5,958,431	6,139,523	6,010,340	6,479,804	6,333,922	6,433,169	7,064,702	6,519,483	7,309,510	7,060,879
Capital outlay	457,694	70,025	97,285	84,450	35,593	106,563	38,100	36,213	78,237	438,816
Debt service:										
Principal	215,000	215,000	215,000	210,000	215,000	210,000	205,000	200,000	195,000	195,000
Interest and other charges	54,463	50,162	43,713	37,262	28,863	60,155	55,956	15,237	10,238	5,119
Total expenditures	9,114,808	8,796,904	8,769,356	9,186,102	8,856,320	9,039,394	9,689,223	9,510,537	10,322,748	10,432,031
Excess (Deficiency) of revenues over (under) expenditures	(408,796)	166,220	375,309	84,184	512,199	568,820	1,027,997	699,809	(852,033)	(863,249)
Other Financing Sources/(Uses)										
Refunding Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	(100,399)	(294,928)	(289,314)	-	-	-
Capital Leases (Nonbudget)	-	-	-	-	-	84,435	-	-	-	-
Prior year receivable canceled	-	-	-	-	(30,367)	-	-	-	-	-
Transfer from Internal Service Funds	73,334	-	-	-	-	-	-	-	-	-
Transfer to Enterprise Funds	(12,000)	(29,000)	(17,500)	(5,000)	(30,000)	-	-	-	-	-
Total Other Financing Sources/(Uses)	61,334	(29,000)	(17,500)	(5,000)	(160,766)	(210,493)	(289,314)	-	-	-
Net change in fund balances	\$ (347,462)	\$ 137,220	\$ 357,785	\$ 79,184	\$ 351,433	\$ 357,327	\$ 738,683	\$ 699,809	\$ (852,033)	\$ (863,249)
Debt service as a percentage of noncapital expenditures	2.80%	2.80%	3.10%	3.10%	3.20%	3.10%	3.70%	2.27%	2.00%	2.00%

Source: ACFR Schedule B-2

ALLOWAY TOWNSHIP SCHOOL DISTRICT

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Miscellaneous</u>	<u>Donations</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Other</u> <u>Local</u>	<u>Total</u>
2016	\$ 2,501	\$ 2,570	-	\$ 2,475	\$ 7,546
2017	2,248	-	\$ 3,012	-	5,260
2018	9,357	-	44,875	-	54,232
2019	132	-	20,914	-	21,046
2020	1,942	-	11,713	-	13,655
2021	810	-	3,587	-	4,397
2022	654	-	27,244	-	27,898
2023	6,101	-	4,321	-	10,422
2024	17,424	-	7,845	-	25,269
2025	147,261	-	2,235	-	149,496

SOURCE: District Records

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

Exhibit J-6

Fiscal Year Ended June 30,	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2016	\$9,975,700	\$206,966,300	\$45,870,600	\$6,047,000	\$11,919,200	-	-	280,778,800	\$414,575	281,193,375	\$1.410	\$289,929,202
2017	8,489,100	207,582,200	45,833,000	6,009,900	11,604,300	-	-	279,518,500	406,893	279,925,393	1.452	296,158,778
2018	7,829,300	208,100,500	45,516,800	6,000,300	11,604,300	-	-	279,051,200	399,169	279,450,369	1.478	285,661,657
2019	7,661,700	209,389,800	45,151,700	5,925,200	11,708,000	-	-	279,836,400	385,714	280,222,114	1.500	292,718,815
2020	7,326,300	209,233,900	45,527,100	6,000,600	11,708,000	-	-	279,795,900	377,670	280,173,570	1.518	292,341,815
2021	6,971,000	210,189,600	46,526,000	6,028,300	11,653,700	-	-	281,368,600	397,375	281,765,975	1.537	292,464,089
2022	6,507,000	211,902,300	46,686,400	6,031,000	11,620,000	-	-	282,746,700	400,543	283,147,243	1.575	295,976,171
2023	6,223,400	214,036,100	47,105,800	6,012,000	11,437,600	-	-	284,814,900	640,220	285,455,120	1.575	306,503,322
2024	6,718,800	216,052,700	46,836,300	5,906,500	11,522,600	-	-	287,036,900	609,335	287,646,235	1.589	335,581,855
2025	6,848,600	215,752,400	47,506,000	5,935,500	11,522,600	-	-	287,565,100	513,988	288,079,088	1.636	391,618,056

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

ALLOWAY TOWNSHIP SCHOOL DISTRICT**Exhibit J-7****Direct and Overlapping Property Tax Rates - Township of Alloway****Last Ten Fiscal Years***(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	School District Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Local School	Total Direct	Alloway Township	Municipal Open Space	Salem County	
2016	\$1.410	\$1.410	\$0.225	\$0.005	\$0.985	\$2.625
2017	1.452	1.452	0.244	0.005	1.059	2.760
2018	1.478	1.478	0.250	0.005	1.109	2.842
2019	1.500	1.500	0.250	0.005	1.109	2.864
2020	1.518	1.518	0.258	0.005	1.237	3.018
2021	1.537	1.537	0.268	0.005	1.251	3.061
2022	1.575	1.575	0.286	0.005	1.271	3.137
2023	1.575	1.575	0.284	0.005	1.320	3.184
2024	1.589	1.589	0.289	0.005	1.406	3.289
2025	1.636	1.636	0.289	0.005	1.557	3.487

Source: District Records and Municipal Tax Collector

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

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

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

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

Exhibit J-8

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
T/P Campground Inc.	\$ 3,000,000	1	1.04%	INFORMATION NOT AVAILABLE		
Angelo Massari, Inc.	2,521,500	2	0.88%			
Taxpayer #1	1,187,600	3	0.41%			
Taxpayer #2	1,039,600	4	0.36%			
Taxpayer #3	874,100	5	0.30%			
Taxpayer #4	835,200	6	0.29%			
Fulton Bank	703,000	7	0.24%			
Taxpayer #5	693,200	8	0.24%			
NL Properties LLC	599,000	9	0.21%			
Taxpayer #6	578,800	10	0.20%			
Total	<u>\$ 12,032,000</u>		<u>4.18%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2016	\$ 3,946,751	\$ 3,946,751	100.00%
2017	4,057,092	4,057,092	100.00%
2018	4,136,349	4,136,349	100.00%
2019	4,202,550	4,202,550	100.00%
2020	4,278,155	4,278,155	100.00%
2021	4,349,540	4,349,540	100.00%
2022	4,422,641	4,422,641	100.00%
2023	4,496,461	4,496,461	100.00%
2024	4,572,086	4,191,077	91.67%
2025	4,713,403	4,320,613	91.67%

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

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

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

Exhibit J-10

	Governmental Activities				
Fiscal Year Ended June 30,	General Obligation Bonds	Loans Payable	Total District	Per Capita ^a	
2016	\$ 1,860,000	-	\$ 1,860,000	\$555	
2017	1,645,000	-	1,645,000	490	
2018	1,430,000	-	1,430,000	425	
2019	1,220,000	-	1,220,000	363	
2020	1,005,000	-	1,005,000	299	
2021	795,000	\$ 65,310	860,310	262	
2022	590,000	49,883	639,883	194	
2023	390,000	33,973	423,973	128	
2024	195,000	17,356	212,356	64	
2025	-	-	-	0	

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

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	\$ 1,860,000	-0-	\$ 1,860,000	0.60%	\$555
2017	1,645,000	-0-	1,645,000	0.59%	490
2018	1,430,000	-0-	1,430,000	0.51%	425
2019	1,220,000	-0-	1,220,000	0.51%	363
2020	1,005,000	-0-	1,005,000	0.45%	299
2021	795,000	-0-	795,000	0.28%	242
2022	590,000	-0-	590,000	0.21%	178
2023	390,000	-0-	390,000	0.14%	118
2024	195,000	-0-	195,000	0.07%	59
2025	-	-0-	-	0.00%	0

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

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

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

R Revised

* Current data unavailable

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2025

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Alloway	\$ 614,162	100%	\$ 614,162
Other debt			
Salem County	67,615,528	5.90%	<u>3,986,145</u>
Subtotal, overlapping debt			4,600,307
Alloway Township School District Debt			-
Total direct and overlapping debt			<u><u>\$ 4,600,307</u></u>

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

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2025

									Equalized valuation basis	
									2022	\$ 332,051,553
									2023	389,970,295
									2024	406,736,760
									[A]	<u>\$ 1,128,758,608</u>
								Average equalized valuation of taxable property	[A/3]	\$ 376,252,869
								Debt limit (3.0 % of average equalization value) a	[B]	11,287,586
								Net bonded school debt	[C]	-
								Legal debt margin	[B-C]	<u>\$ 11,287,586</u>
									Fiscal Year	
									<u>2016</u>	<u>2017</u>
									<u>2018</u>	<u>2019</u>
									<u>2020</u>	<u>2021</u>
									<u>2022</u>	<u>2023</u>
									<u>2024</u>	<u>2025</u>
Debt limit	\$8,731,754	\$8,710,100	\$8,660,606	\$8,708,816	\$8,735,684	\$8,736,407	\$8,853,400	\$9,242,382	\$10,249,127	11,287,586
Total net debt applicable to limit	1,860,000	1,645,000	1,430,000	1,220,000	1,005,000	795,000	590,000	390,000	195,000	-
Legal debt margin	<u>\$6,871,754</u>	<u>\$7,065,100</u>	<u>\$7,230,606</u>	<u>\$7,488,816</u>	<u>\$7,730,684</u>	<u>\$7,941,407</u>	<u>\$8,263,400</u>	<u>\$8,852,382</u>	<u>\$10,054,127</u>	<u>\$11,287,586</u>
Total net debt applicable to the limit as a percentage of debt limit	21.30%	18.89%	16.51%	14.01%	11.50%	9.10%	6.66%	4.22%	1.90%	0.00%

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

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

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

Exhibit J-14

Salem County				
Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2016	3,381	\$ 150,711,456	\$44,576 R	5.1%
2017	3,350	\$ 151,172,100	\$45,126 R	5.0%
2018	3,360	\$ 154,301,280	\$45,923 R	4.4%
2019	3,362	\$ 159,644,570	\$47,485 R	4.1%
2020	3,359	\$ 169,955,323	\$50,597 R	7.8%
2021	3,363	\$ 183,545,814	\$54,578 R	5.7%
2022	3,286	\$ 189,099,442	\$57,547 R	4.2%
2023	3,306	\$ 179,350,500	\$54,250 R	4.5%
2024	3,319	\$ 180,055,750	\$54,250 *	4.8%
2025	3,327	\$ 180,489,750	\$54,250 *	*

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income provided by US Dept Commerce

^c Per Capita provided by NJ Dept of Labor

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

R Revised

P Projected

* Current data unavailable

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

Exhibit J-15

	2025			2016		
Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
	INFORMATION NOT AVAILABLE			INFORMATION NOT AVAILABLE		
	-			-		

Source: Salem County Office of Economic Development
and Employer Directly

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

Exhibit J-16

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	30.0	24.8	24.8	24.8	23.4	23.3	21.4	25.6	25.6	19.6
Special education	12.0	13.4	14.2	12.6	11.3	9.7	11.7	9.5	9.5	15.6
Support Services:										
Student & instruction related services	4.0	4.3	4.3	4.3	3.6	2.5	3.0	3.6	3.0	4.0
General administrative services	1.5	1.5	1.5	1.2	1.2	2.0	2.5	2.5	2.5	2.0
School administrative services	2.0	2.0	2.0	2.0	2.0	1.4	1.8	1.8	1.8	1.0
Business administrative services	2.0	2.5	2.5	2.0	2.2	2.2	2.4	2.2	2.2	1.6
Plant operations and maintenance	3.9	3.5	3.5	3.5	3.0	4.8	5.0	4.0	4.0	4.0
Food Service	3.5	3.4	3.3	2.8	2.8	2.8	2.9	2.5	2.5	2.5
Childcare	2.0	2.0	2.0	2.0	2.0	1.5	2.5	2.3	2.5	2.5
Total	60.9	57.4	58.1	55.2	51.5	50.2	53.2	54.0	53.6	52.8

Source: District Personnel Records

ALLOWAY TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	<u>Pupil/Teacher Ratio</u>		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary				
2016	384	\$ 8,387,651	\$ 21,843	-0.34%	36.0	1:11	383.0	359.0	1.62%	93.73%
2017	375	8,461,717	22,565	3.30%	33.0	1:12	374.6	354.6	-2.19%	94.66%
2018	361	8,413,358	23,306	3.28%	30.0	1:12	368.1	348.7	-1.74%	94.73%
2019	360	8,854,390	24,596	5.53%	30.0	1:12	356.9	338.2	-3.04%	94.76%
2020	324	8,576,864	26,472	7.63%	29.0	1:16	326.3	315.8	-8.57%	96.78%
2021	298	8,662,676	29,069	9.81%	29.0	1:16	298.6	232.1	-8.49%	77.73%
2022	297	9,390,167	31,617	8.76%	27.0	1:11	297.0	281.3	-0.54%	94.71%
2023	274	9,259,087	33,792	6.88%	29.0	1:10	299.2	279.3	0.74%	93.35%
2024	297	10,039,273	33,802	0.03%	29.0	1:10	295.9	276.7	-1.10%	93.51%
2025	291	9,793,096	33,653	-0.44%	31.6	1:9.2	290.3	273.1	-1.89%	94.08%

Sources: District records and ASSA Schedules

Note: Enrollment based on annual October district count.

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

Exhibit J-18

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>District Buildings</u>										
<u>Elementary Schools:</u>										
Alloway Elementary:										
Square Feet	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760	55,760
Capacity (Students)	629	629	629	629	629	629	629	629	629	629
Enrollment	384	375	361	360	324	298	297	274	297	291

Number of Schools at June 30, 2025
 Elementary School = 1

Source: District records, ASSA

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

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

ALLOWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2025

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Alloway School		\$ 72,823	\$ 70,781	\$ 48,461	\$ 35,800	\$ 59,211	\$ 43,119	\$ 10,799	\$ 89,670	\$ 183,616	\$ 115,788	\$ 730,068
Total School Facilities		72,823	70,781	48,461	35,800	59,211	43,119	10,799	89,670	183,616	115,788	730,068
Grand Total		\$ 72,823	\$ 70,781	\$ 48,461	\$ 35,800	\$ 59,211	\$ 43,119	\$ 10,799	\$ 89,670	\$ 183,616	\$ 115,788	\$ 730,068

ALLOWAY TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2025

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
PROPERTY SECTION -		
Property-Blanket Building and Contents	\$ 16,376,476	\$ 5,000
Data processing equipment	400,000	1,000
Equipment breakdown	100,000,000	5,000
Property Valuation:		
CRIME -		
Employee Blanket bond/per employee	100,000	1,000
Employee Blanket bond/money & securities in/out	25,000	500
Employee Blanket bond/money orders & counterfeit paper	25,000	500
Employee Blanket bond/forgery & alteration per occurrence	100,000	1,000
Employee Blanket bond/computer fraud per occurrence	100,000	500
GENERAL LIABILITY SECTION -		
Body injury & property damage	6,000,000	None
Body injury products and completed operations	6,000,000	None
Sexual abuse	6,000,000	None
Personal and advertising injury	6,000,000	None
Employee Benefits Liability	6,000,000	1,000
Premises medical payments	5,000	None
Terrorism	1,000,000	None
COMMERCIAL AUTOMOBILE LIABILITY SECTION -		
Body injury & property damage	6,000,000	None
ERRORS & OMISSIONS LIABILITY POLICY		
Coverage A	6,000,000	5,000
Coverage B	100,000	5,000
WORKERS' COMPENSATION - NJ School Board Association Insurance Group -		
Bodily injury - by accident	3,000,000	None
Bodily injury - by disease	3,000,000	None
Bodily injury - by employee	3,000,000	None
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE BONDS -		
Ohio Casualty Insurance Compnay		
Employee bond-Business Administrator/Board Secretary	200,000	None
Employee bond-Treasurer	200,000	None

SOURCE: District Records

Single Audit Section

ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA



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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alloway Township School District Board of Education in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Alloway Township School District Board of Education's basic financial statements, and have issued our report thereon dated November 24, 2025.

Report on Internal Control Over Financial Reporting

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

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

-Continued-

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

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of the Alloway Township School District, in a separate letter dated November 24, 2025 entitled "Auditor's Management Report on Administrative Findings".

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 24, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 24, 2025



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Alloway Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2025. The Alloway Township School District Board of Education'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 Alloway Township School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

-Continued-

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, **Government Auditing Standards**, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, **Government Auditing Standards**, and New Jersey OMB Circular 15-08, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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 New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 24, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 24, 2025

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2025

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Program or Award Amount	Grant Period		Balance At June 30, 2024	Carryover/ Walkover Amount	Cash Received	Budgetary Expend.	Adj.	Repayment of Prior Years' Balances	Balance at June 30, 2025			Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
IDEA Part B, Basic Regular	84.027	H027A240100	\$ 92,027	7/1/24	6/30/25			\$ 85,308	\$ (92,027)			\$ (6,719)			\$ 92,027
IDEA Part B, Basic Regular	84.027	H027A230100	87,706	7/1/23	6/30/24	\$ (87,706)		87,706	-			-			87,706
IDEA Part B, Preschool	84.173	H173A240114	3,777	7/1/24	6/30/25			3,777	(3,777)			-			3,777
IDEA Part B, Preschool	84.173	H173A230114	3,778	7/1/23	6/30/24			3,778	(3,778)			-			3,778
Special Education Cluster						(87,706)	-	180,569	(99,582)	-	-	(6,719)	-	-	187,288
Title I	84.010	S010A240030	107,316	7/1/24	6/30/25			31,911	(77,656)	\$ 1		(45,744)			77,656
Title I	84.010	S010A230030	96,862	7/1/23	6/30/24	(92,375)		92,375	-			-			96,862
Title I Cluster						(92,375)	-	124,286	(77,656)	1	-	(45,744)	-	-	174,518
Title II Part A	84.367	S367A240027	13,453	7/1/24	6/30/25			3,736	(10,364)	1		(6,627)			10,364
Title II Part A	84.367	S367A230027	11,101	7/1/23	6/30/24	(11,888)		10,536	-			(1,352)			11,101
Title IV	84.424A	S424A240027	10,000	7/1/24	6/30/25			-	-			-			-
Title IV	84.424A	S424A230027	10,000	7/1/23	6/30/24			-	-			-			-
Total Other ESEA						(11,888)	-	14,272	(10,364)	1	-	(7,979)	-	-	21,465
American Rescue Plan-ESSER III	84.425U	S425U240027	788,072	3/13/20	9/30/24	(468,859)		552,206	(24,688)			-		\$ 58,659	704,726
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U240027	50,000	3/13/20	9/30/24	(4,384)		17,094	-			-		12,710	37,290
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U240027	40,000	3/13/20	9/30/24	(17,080)		17,080	-			-		-	40,000
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U240027	40,000	3/13/20	9/30/24	(1,964)		29,404	(8,874)			-		18,566	12,560
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U240027	45,000	3/13/20	9/30/24	(18,652)		23,770	(295)			-		4,823	39,882
American Rescue Plan-ACSERS	84.425U	S425U240027	108,202	3/13/20	9/30/24	(51,539)		56,708				-	\$ 5,169		-
CARES Emergency Relief Grant	84.425D	S425D230027	90,377	3/13/20	9/30/22	76						-		76	90,301
CRRSA Learning	84.425D	S425D230027	25,000	3/13/20	9/30/23	(240)						(240)			25,240
Total Education Stabilization Fund						(562,642)	-	696,262	(33,857)	-	-	(240)	5,169	94,834	949,999
Small Rural Education Achievement Program	84.358B	S358B240030	19,002	7/1/24	9/30/25			18,649	(19,002)			(353)			19,002
Small Rural Education Achievement Program	84.358B	S358B230030	25,272	7/1/23	9/30/24			25,272	(25,272)			-			25,272
Small Rural Education Achievement Program	84.358B	S358B220030	7,917	7/1/22	9/30/23			7,917	(7,917)			-			7,917
Small Rural Education Achievement Program	84.358B	S358B210030	16,663	7/1/21	9/30/22	(16,033)						(16,033)			16,033
Total REAP						(16,033)	-	51,838	(52,191)	-	-	(16,386)	-	-	68,224
Total Special Revenue Fund						(770,644)	-	1,067,227	(273,650)	2	-	(77,068)	5,169	94,834	1,401,494
U.S. Department of Agriculture															
Passed-through State Department of Agriculture:															
Enterprise Fund:															
Child Nutrition Cluster:															
National School Lunch Program (Food Distribution)	10.555	241NJ304N1199		7/1/23	6/30/24	2,210			(2,210)						2,210
National School Lunch Program (Food Distribution)	10.555	251NJ304N1199	12,867	7/1/24	6/30/25			12,867	(9,439)				3,428		9,439
National School Lunch Program	10.555	241NJ304N1199		7/1/23	6/30/24	(897)		897							-
National School Lunch Program	10.555	251NJ304N1199	46,817	7/1/24	6/30/25			44,511	(46,817)			(2,306)			46,817
Total Child Nutrition Cluster						1,313	-	58,275	(58,466)	-	-	(2,306)	3,428	-	58,466
Summer EBT Administrative Cost	10.646	251NJ304N1803	643	7/1/24	6/30/25			643	(643)						643
Total Enterprise Fund						1,313	-	58,918	(59,109)	-	-	(2,306)	3,428	-	59,109
Total Federal Financial Awards						\$ (769,331)	-	\$ 1,126,145	\$ (332,759)	\$ 2	-	\$ (79,374)	\$ 8,597	\$ 94,834	\$ 1,460,603

ALLOWAY TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2025

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2024	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2025			MEMO	
										(ACCTS. RECEIV.)	DEFER. REVENUE/ INTERFUND PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.
State Department of Education:														
General Fund:														
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	\$ 1,132,780			\$ 1,132,780	\$ (1,132,780)						* \$ 99,235	\$ 1,132,780
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	218,309			218,309	(218,309)						* 19,124	218,309
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	370,315			370,315	(370,315)						* 32,440	370,315
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	47,622			47,622	(47,622)						* 4,172	47,622
Supplemental Stabilization Aid	25-100-034-5120-494	7/1/24-6/30/25	331,553			331,553	(331,553)						* -	331,553
Extra-Ordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	97,904				(97,904)			\$ (97,904)			* 97,904	
Extra-Ordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	68,383	\$ (68,383)		68,383	-						* 68,383	
Non-Public Transportation Aid	25-100-034-5120-068	7/1/24-6/30/25	9,340				(9,340)			(9,340)			* 9,340	
Non-Public Transportation Aid	24-100-034-5120-068	7/1/23-6/30/24	9,555	(9,555)		9,555							* 9,555	
On-behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	770,314			770,314	(770,314)						* 770,314	
On-behalf TPAF Pension PMR	25-495-034-5094-001	7/1/24-6/30/25	225,086			225,086	(225,086)						* 225,086	
On-behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	468			468	(468)						* 468	
Reimb.TPAF Soc.Sec.Contrib.	25-495-034-5094-003	7/1/24-6/30/25	183,116	(18,021)		183,260	(183,116)			(17,877)			* 183,116	
Total General Fund				(95,959)		3,357,645	(3,386,807)			(125,121)			* 154,971	3,464,745
Special Revenue Fund:														
NJSDA-Emergent & Capital Maint. Needs	22-100-034-5120-519	7/1/21-6/30/22	7,782	7,782			-				\$ 7,782		* -	
Preschool Education Aid	25-495-034-5120-086	7/1/24-6/30/25	635,502	177,268		635,502	(550,612)				262,158		* 63,550	550,612
Total Special Revenue Fund				185,050	-	635,502	(550,612)	-	-	-	269,940	-	* 63,550	550,612
State Department of Agriculture:														
Enterprise Fund:														
Nat. School Lunch Prog. (State Share)	25-100-010-3350-023	7/1/24-6/30/25	1,915			1,829	(1,915)			(86)			* 1,915	
Nat. School Lunch Prog. (State Share)	24-100-010-3350-023	7/1/23-6/30/24		(49)		49							* -	
Total Enterprise Fund				(49)		1,878	(1,915)			(86)			* 1,915	
Total State Financial Assistance				\$ 89,042	-	\$ 3,995,025	\$ (3,939,334)	-	-	\$ (125,207)	\$ 269,940	-	* \$ 218,521	\$ 4,017,272
<u>Less On-behalf TPAF Pension Amounts:</u>														
On-behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	770,314				770,314							
On-behalf TPAF Pension PMR	25-495-034-5094-001	7/1/24-6/30/25	225,086				225,086							
On-behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	468				468							
Total State Expenditures Subject to Major Program Determination							\$ (2,943,466)							

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE

JUNE 30, 2025

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$71,882 for the general fund and \$399,143 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE

JUNE 30, 2025

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 3,458,689	\$ 3,458,689
Special Revenue Fund	\$ 582,204	641,201	1,223,405
Food Service Fund	<u>59,109</u>	<u>1,915</u>	<u>61,024</u>
Total Financial Assistance	<u>\$ 641,313</u>	<u>\$ 4,101,805</u>	<u>\$ 4,743,118</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2025. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2025.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? ___ Yes x No

Federal Awards

Not Applicable

Internal control over major programs:

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

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

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of ? ___ Yes ___ No

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and
Type B programs:

N/A

Auditee qualified as low-risk auditee? ___ Yes ___ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

State Financial Assistance Section

Dollar threshold used to distinguish between Type A and
Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

x Yes ___ No

Internal Control over major programs:

1) Material weakness(es) identified?

___ Yes x No

2) Were significant deficiencies identified
that were not considered to be material
weaknesses?

___ Yes x None

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

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
NJ OMB Circular letter 15-08 as applicable?

x Yes ___ No

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

25-495-034-5120-078

Equalization Aid (State Aid Cluster)

25-495-034-5120-089

Special Education Aid (State Aid Cluster)

25-495-034-5120-084

Security Aid (State Aid Cluster)

25-100-034-5120-494

Supplemental Stabilization Aid

25-495-034-5120-086

Preschool Education Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II-Financial Statement Findings

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

Financial Statement N/A

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

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

Federal Awards N/A

State Awards

Finding 2025-001

Information on the State Program:

State Aid Cluster 25-495-034-5120-078, et.al.

Criteria or Specific Requirement:

Line-item transfers to an advertised appropriation account identified as general administration, school administration, central services and administrative information technology or other support services that, on a cumulative basis, exceed 10 percent of the amount included in the original budget, require county superintendent approval. N.J.A.C. 6A:23A-13.3(g)

Condition:

The district transferred \$25,896 to the General Administration budgetary line items, which was 13.1% of the amount included in the original budget.

Questioned Costs:

N/A

Context:

The expenditures comprise less than 1 percent of total district expenditures.

Effect:

The statutory transfer limit was exceeded without obtaining department of education approval.

Cause:

Lack of controls to actively manage expenditures compared to the original budget.

Recommendation:

Executive County Superintendent approval should be requested for any transfer to an advertised administrative account [general administration (230), school administration (240), central services (251), or administrative information technology (252)] that is cumulatively more than 10 percent of that amount. The district should maintain documentation that substantiates the request was received by the Executive County Superintendent when written approval is not received.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

STATUS OF PRIOR YEAR FINDINGS

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. There were no prior year findings.