Alloway Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of the

Alloway Township School Board of Education
Alloway, New Jersey 08001

For the Fiscal Year Ended June 30, 2018

Prepared by:

Alloway Township School
Board of Education Administration
# OUTLINE OF CAFR

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INTRODUCTORY SECTION
January 21, 2019

Honorable President and
Members of the Board of Education
Alloway Township School District
43 Cedar Street
Alloway, New Jersey 08001

Dear Board Members:

The comprehensive annual financial report of the Alloway Township School District for the fiscal year ending June 30, 2018, 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 Board of Education. 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 the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the independent auditor’s report, MD&A, and the basic financial statements including the district-wide statements, fund statements, notes to the financial statements, required supplementary information, other than MD&A, including budgetary comparison schedules, and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Alloway Township School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of State and Local Governments," and the New Jersey OMB’s Circular Letter 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments.” Information related to this single audit, including the auditor's reports on the internal control and compliance with applicable laws and regulations and findings and recommendations, if any, are included in the single audit section of this report.
1) 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 2017-2018 school year with an average daily enrollment of 368, which is a slight decrease over the previous year.

2) ECONOMIC CONDITIONS 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.

3) 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 number of students meeting and exceeding expectations on the PARCC Assessment.

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

* Implementation of daily time designated during the school day for enrichment for all students at their level of preparedness. This includes Title 1 supportive services and extended learning for gifted and talented students.

* Increased use of data to inform instruction.

* Delivering a balanced literacy program through: guided reading, phonic spelling/word study, Daily 5, shared reading, and writing.

* Use of rich literature for language arts and digital resources especially in science in social and studies.

* Expanded visual and performing arts classes for middle school students.

* Use of PLC’s to complete data analysis, determine needed curricular revisions, and enhance professional development.

Beside the traditional courses of study, our students are offered advanced mathematics through Algebra. Elementary students have a special cycle which includes: 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 serve
3) MAJOR INITIATIVES (CONTINUED)

as a room parent, read a favorite book, or share their occupation and/or travel experiences with our students. Parent nights, special programs and involvement in the Parent-Teacher Association are some other avenues for participation.

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

The Mission of the Alloway Township School District is:

* To provide all students with an equal opportunity to achieve excellence and reach their full potential as lifelong learners.

* To enable students to meet challenges with courage, conviction, and confidence.

* To expect that all students shall master the skills stipulated in the New Jersey Student Learning Standards at all grade levels.

* To provide quality programs through the dedication of committed, skilled teachers, and administrators.

* To maintain a staff of professional educators that supports the New Jersey Student Learning Standards and the New Jersey Standards for Professional Development.

* To work collaboratively with parents to ensure a safe, orderly, caring, and supportive community for learning.

4) INTERNAL ACCOUNTING CONTROLS

Management of the 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 or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with generally 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 derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also 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 evaluation by the District management.

As a part of the 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.
5) BUDGETARY CONTROLS

In addition to internal accounting controls, the 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 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, though not applicable, would be approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of the fund balance at year-end.

6) ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds and account groups which are converted from governmental fund balances to net assets.

7) DEBT ADMINISTRATION

At June 30, 2018, the District's outstanding debt issues included $1,430,000 of general obligation bonds. In October 2014, the District issued refunding obligation bonds of 2014 in the amount of $2,075,000. The proceeds of this bond issue were placed in the District's Capital Projects Fund for use to provide capital improvements to the District's buildings and grounds. These improvements include construction of an addition to the existing school building, upgrades and renovations to existing areas, air conditioning of existing rooms, and the acquisition of school furniture and other equipment as necessary.

8) CASH MANAGEMENT

The investment policy of the District is guided in large part by the state statutes as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, comprehensive/collision, hazard and theft insurance on property and contents, school board liability, workmen's compensation, and fidelity bonds.
10) OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, and the revised Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB’s Circular 15-08. The auditor's report on the basic financial statements 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.

11) ACKNOWLEDGMENTS

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,

Kristin B. Schell
Kristin B. Schell, Superintendent

Shannon DuBois-Brody
Shannon DuBois-Brody, Business Administrator/Board Secretary
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<td>2018</td>
</tr>
<tr>
<td>Richard C. Morris Jr., Vice President</td>
<td>2020</td>
</tr>
<tr>
<td>Cathleen Caltabiano</td>
<td>2018</td>
</tr>
<tr>
<td>Michael Clarke</td>
<td>2020</td>
</tr>
<tr>
<td>Elizabeth Decktor</td>
<td>2019</td>
</tr>
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<td>Philip Donohue</td>
<td>2019</td>
</tr>
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<td>Joseph Dyer, Jr.</td>
<td>2018</td>
</tr>
<tr>
<td>Colleen Fulmer</td>
<td>2020</td>
</tr>
<tr>
<td>David Lounsbury</td>
<td>2019</td>
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**Other Officials**

- Kristin B. Schell, Superintendent
- Rebecca S. Joyce, Business Administrator/Board Secretary
ALLOWAY TOWNSHIP BOARD OF EDUCATION
Alloway, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

Petroni & Associates LLC
Certified Public Accountants
102 West High Street, Suite 100
P.O. Box 279
Glassboro, NJ 08028

ATTORNEY

Frank P. Cavallo, Jr.
Parker McCay P.A.
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, NJ 08054-1539

OFFICIAL DEPOSITORY

Fulton Bank
48 South Greenwich Street
Alloway, NJ 08001

Century Savings Bank
121 North Main Street
Elmer, NJ 08318
FINANCIAL SECTION
INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Alloway Township School District
43 Cedar Street
Alloway, New Jersey 08001

Report on the Financial Statements

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Alloway Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we express no such opinion. An audit also includes
evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education, Alloway, New Jersey, as of June 30, 2018, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alloway Township Board of Education’s basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal and state awards, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial
statements, schedule of expenditures of federal awards, as required Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2019, on our consideration of the Alloway Township Board of Education's internal control over financial reporting and our test 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 our audit performed in accordance with *Government Auditing Standards* in considering Alloway Township Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC

Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

January 21, 2019
Required Supplementary Information – Part I
This section of the Alloway Township School District’s Comprehensive Annual Financial Report presents our discussion and analysis of the District’s financial performance during the fiscal year ended June 30, 2018. Please read it in conjunction with the transmittal letter at the beginning of this report and the District’s financial statement.

Overview of the Financial Statements
This annual report consists of three parts: Management’s Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the District-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about activities the District operates like business.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year.

Figure A-1 below summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.
Figure 1: Major Features of the District-wide and Fund Financial Statements

<table>
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<th>District-wide Statements</th>
<th>Governmental Funds</th>
<th>Proprietary Funds</th>
<th>Fiduciary Funds</th>
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<tr>
<td><strong>Scope</strong></td>
<td>Entire District (except fiduciary funds)</td>
<td>The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance</td>
<td>Activities the District operates similar to private businesses: food services is included here</td>
</tr>
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<td><strong>Required Financial Statements</strong></td>
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<td>• Balance Sheet • Statement of revenues, expenditures, and changes in fund balances</td>
<td>• Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows</td>
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<td><strong>Accounting Basis and Measurement Focus</strong></td>
<td>Accrual accounting and economic resources focus</td>
<td>Modified accrual accounting and current financial focus</td>
<td>Accrual accounting and economic resources focus</td>
</tr>
<tr>
<td><strong>Type of Asset/Liability</strong></td>
<td>All assets and liabilities, both financial and capital, short-term and long-term</td>
<td>Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included</td>
<td>All assets and liabilities, both financial and capital, and short-term and long-term</td>
</tr>
<tr>
<td><strong>Type of Inflow/Outflow Information</strong></td>
<td>All revenues and expenses during the year, regardless of when cash is received or paid</td>
<td>Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable</td>
<td>All revenues and expenses during the year, regardless of when cash is received or paid</td>
</tr>
</tbody>
</table>
District-wide Financial Statements
The District-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the District’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide statements report the District’s net position and how they have changed. Net position - the difference between the District’s assets and liabilities - are one way to measure the District’s overall financial health or position.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District’s property tax base and the condition of school buildings and other facilities should be considered.

In the District-wide financial statements, the District’s activities are divided into two categories:

- **Governmental Activities** - Most of the District’s basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.
- **Business-type Activities** - The District charges fees to help it cover the costs of certain services it provides. The District’s food service program and SACC program would be included here.

Fund Financial Statements
The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, (such as repaying its long-term debts or completing approved capital projects) or to show that it is properly using certain revenues (such as federal grants).

The District has four kinds of funds:

- **Governmental Funds** - Most of the District’s basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
Fund Financial Statements (Continued)

- **Proprietary Funds** - Services for which the District charges a fee are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way as the District-wide statements. In fact, the District’s *Enterprise Funds* (one type of Proprietary Fund) are the same as its Business-type Activities, but provide more detail and additional information, such as cash flow.

- **Internal Service Funds** - (the other kind of Proprietary Fund) are optional and utilized to report activities that provide supplies and services for other District programs and activities and for other Districts. The District currently has Internal Service Funds for shared business services, child study team services and shared superintendent services.

- **Fiduciary Funds** - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the Student Activity Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.
**Figure 2: Financial Analysis of the District as a Whole**

### Alloway Township School District's Net Position

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and other assets</td>
<td>$1,502,962</td>
<td>$1,138,539</td>
<td>$2,641,501</td>
</tr>
<tr>
<td>Capital assets</td>
<td>$5,397,535</td>
<td>$5,597,925</td>
<td>$11,095,460</td>
</tr>
<tr>
<td>Total assets</td>
<td>$6,900,497</td>
<td>$6,736,464</td>
<td>$13,636,961</td>
</tr>
</tbody>
</table>

### DEFERRED OUTFLOWS OF RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss on refunding bond issue</td>
<td>$44,561</td>
<td>$44,561</td>
<td>$89,122</td>
</tr>
<tr>
<td>Deferred outflows related to pension</td>
<td>$242,794</td>
<td>$242,794</td>
<td>$485,588</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>$287,355</td>
<td>$287,355</td>
<td>$574,740</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>$28,453</td>
<td>$32,876</td>
<td>$61,329</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>$1,539,013</td>
<td>$1,666,323</td>
<td>$3,206,336</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>$1,738,103</td>
<td>$2,105,237</td>
<td>$3,843,340</td>
</tr>
<tr>
<td>Net OPEB liability</td>
<td>$17,241,676</td>
<td>$18,648,597</td>
<td>$35,880,273</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$3,305,569</td>
<td>$3,704,436</td>
<td>$6,009,995</td>
</tr>
</tbody>
</table>

### DEFERRED INFLOWS OF RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred inflows related to pension</td>
<td>$130,217</td>
<td>$130,217</td>
<td>$260,434</td>
</tr>
<tr>
<td>Deferred inflows related to OPEB</td>
<td>$2,086,110</td>
<td>$2,086,110</td>
<td>$4,172,220</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>$2,216,327</td>
<td>$2,216,327</td>
<td>$4,432,654</td>
</tr>
</tbody>
</table>

### NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$3,999,675</td>
<td>$3,899,593</td>
<td>$7,899,268</td>
</tr>
<tr>
<td>Restricted</td>
<td>$1,448,375</td>
<td>$1,082,893</td>
<td>$2,531,268</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$(21,023,770)</td>
<td>$(20,143,711)</td>
<td>$(41,167,481)</td>
</tr>
<tr>
<td>Total net position</td>
<td>$(15,575,720)</td>
<td>$(15,071,225)</td>
<td>$(30,646,945)</td>
</tr>
</tbody>
</table>

**Net Position** - The District’s combined total assets are $6,927,756 on June 30, 2018, (See Exhibit A-1). Approximately .39% of the total assets are from Business-type Activities, while the balance of the total net position is 99.61%, attributable to Governmental activities.
Fund Financial Statements (Continued)

<table>
<thead>
<tr>
<th></th>
<th>2018 Governmental Type</th>
<th>2018 Business- Governmental Type</th>
<th>2017 Governmental Type</th>
<th>2017 Business- Governmental Type</th>
<th>Total 2018</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$342,000</td>
<td>$121,928</td>
<td>$370,257</td>
<td>$144,171</td>
<td>$463,928</td>
<td>$514,428</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>275,950</td>
<td>44,152</td>
<td>269,747</td>
<td>44,488</td>
<td>320,102</td>
<td>314,235</td>
</tr>
<tr>
<td>General revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>4,136,349</td>
<td>4,057,092</td>
<td>4,136,349</td>
<td>4,057,092</td>
<td>4,136,349</td>
<td>4,057,092</td>
</tr>
<tr>
<td>Grants and entitlements</td>
<td>4,612,519</td>
<td>4,589,383</td>
<td>4,612,519</td>
<td>4,589,383</td>
<td>4,612,519</td>
<td>4,589,383</td>
</tr>
<tr>
<td>Other</td>
<td>119,823</td>
<td>46,902</td>
<td>8,750</td>
<td>119,823</td>
<td>55,652</td>
<td>55,652</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>9,486,641</td>
<td>166,080</td>
<td>9,333,381</td>
<td>197,409</td>
<td>9,652,721</td>
<td>9,530,790</td>
</tr>
<tr>
<td><strong>EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction-related</td>
<td>2,395,315</td>
<td>2,312,594</td>
<td>2,395,315</td>
<td>2,312,594</td>
<td>2,395,315</td>
<td>2,312,594</td>
</tr>
<tr>
<td>Student support services</td>
<td>3,179,336</td>
<td>3,413,852</td>
<td>3,179,336</td>
<td>3,413,852</td>
<td>3,179,336</td>
<td>3,413,852</td>
</tr>
<tr>
<td>School administration</td>
<td>82,866</td>
<td>135,563</td>
<td>82,866</td>
<td>135,563</td>
<td>82,866</td>
<td>135,563</td>
</tr>
<tr>
<td>General administration</td>
<td>282,131</td>
<td>201,192</td>
<td>282,131</td>
<td>201,192</td>
<td>282,131</td>
<td>201,192</td>
</tr>
<tr>
<td>Central services</td>
<td>364,556</td>
<td>346,851</td>
<td>364,556</td>
<td>346,851</td>
<td>364,556</td>
<td>346,851</td>
</tr>
<tr>
<td>Administrative information technology</td>
<td>420</td>
<td>578</td>
<td>420</td>
<td>578</td>
<td>420</td>
<td>578</td>
</tr>
<tr>
<td>Pupil transportation</td>
<td>411,379</td>
<td>447,606</td>
<td>411,379</td>
<td>447,606</td>
<td>411,379</td>
<td>447,606</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>2,581,530</td>
<td>1,714,725</td>
<td>2,581,530</td>
<td>1,714,725</td>
<td>2,581,530</td>
<td>1,714,725</td>
</tr>
<tr>
<td>Interest on debt</td>
<td>48,241</td>
<td>54,689</td>
<td>48,241</td>
<td>54,689</td>
<td>48,241</td>
<td>54,689</td>
</tr>
<tr>
<td>Food service</td>
<td>142,890</td>
<td>150,420</td>
<td>142,890</td>
<td>150,420</td>
<td>142,890</td>
<td>150,420</td>
</tr>
<tr>
<td>Unallocated depreciation</td>
<td>262,082</td>
<td>259,795</td>
<td>262,082</td>
<td>259,795</td>
<td>262,082</td>
<td>259,795</td>
</tr>
<tr>
<td>Other</td>
<td>35,593</td>
<td>48,698</td>
<td>44,343</td>
<td>60,707</td>
<td>84,291</td>
<td>105,050</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>9,973,636</td>
<td>911,588</td>
<td>9,282,223</td>
<td>211,127</td>
<td>10,165,224</td>
<td>9,493,350</td>
</tr>
<tr>
<td><strong>Transfers</strong></td>
<td>(17,500)</td>
<td>17,500</td>
<td>(29,000)</td>
<td>29,000</td>
<td>(512,503)</td>
<td>$37,440</td>
</tr>
<tr>
<td>Increase (decrease) in net position</td>
<td>$(504,495)</td>
<td>$(8,008)</td>
<td>$22,158</td>
<td>$15,282</td>
<td>$(512,503)</td>
<td>$37,440</td>
</tr>
</tbody>
</table>

Changes in Net Position - The District's total revenues are $9,652,721 for the fiscal period ended June 30, 2018, (See Exhibit A-2). The revenue breakout for all funds is as follows: Property taxes 42.9%, grants and entitlements 47.8%, and the remainder 9.3% from fees charged for services and miscellaneous resources.

The District’s predominant expenses are related to instruction and student support services which is approximately 54.84%. Administrative & Business departments accounts for 7.18%. Another 3.25% is related to Maintenance & Operations. Transportation expenses make up 4.05% of the District’s expenses. Employee benefits make up 25.4% of the District’s expenses and interest on debt service accounts for .47%. Depreciations accounts for 2.58% and Proprietary Funds such as food service and childcare and all other accounts for 2.58%.
Governmental Activities
Revenues for governmental activities were $9,486,641, while total expenses amounted to $9,973,636 and a transfer of $17,500 to food service (See Exhibit A-2). This resulted in a decrease in net position in Governmental Activities of $504,495 compared to $22,158 for 2017.

Overall, the District’s financial position can be credited to increased revenue and controlling expenses due to the impending state budget crisis, and the District securing grants to supplement local and state funding.

Business-type Activities
Revenues of the District’s Business-type Activities (food and nutrition services and after school child care) were comprised of charges for services, federal and state reimbursements, and investment earnings:

- Business-type Activities expenditures exceeded revenues by $8,008.
- Charges for services represent $121,928 of revenue. This represents amounts paid by patrons.
- Federal and state reimbursements include payments for free & reduced lunches and special milk and donated commodities were $44,152.

Financial Analysis of the District’s Funds
The strong financial performance of the District as a whole is primarily reflected in its Governmental Funds. As the District completed the year, its Governmental Funds reported combined fund balances of $1,439,749 (See Exhibit B-1). The District also controlled expenditures. Fund balance had an increase of $357,785 over the prior year.

General Fund Budgetary Highlights
Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Transfers of available funds into the capital account.
- Transfers between budgetary line accounts to prevent overruns.

The District’s final budget anticipated utilizing $278,094 in fund balance, prior year encumbrances rolled forward to FY 2018 of $0 decreased by a budgeted interest on capital reserve of $500 for this fiscal period. Due to the impending State budget crisis, actual expenditures in the fiscal year was minimized, there was an increase of $357,785 in fund balance (See Exhibit B-2).

Capital Assets
The Alloway Township School District’s investment in capital assets for its Governmental and Business-type Activities as of June 30, 2018, amounted to $5,421,020 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and furniture (more detailed information about capital assets can be found in Note 6 to the financial statements).
Capital Assets (Continued)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>Business-Type</th>
<th>2017</th>
<th>Business-Type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental</td>
<td>Type</td>
<td>Governmental</td>
<td>Type</td>
<td>2018</td>
</tr>
<tr>
<td>Land</td>
<td>$153,751</td>
<td>$153,751</td>
<td>$153,751</td>
<td>$153,751</td>
<td>$153,751</td>
</tr>
<tr>
<td>Site improvements</td>
<td>29,277</td>
<td>33,345</td>
<td>29,277</td>
<td>33,345</td>
<td>29,277</td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>$87,185</td>
<td>$23,485</td>
<td>$95,782</td>
<td>$26,198</td>
<td>110,670</td>
</tr>
<tr>
<td>Total</td>
<td>$5,397,535</td>
<td>$23,485</td>
<td>$5,597,925</td>
<td>$26,198</td>
<td>$5,421,020</td>
</tr>
</tbody>
</table>

Long-Term Debt
At year-end, the District had $1,645,000 in General Obligation Bonds and other long-term debt outstanding. During fiscal year 2004-2005, the District sold $3.4 million in general obligation bonds to help finance facilities construction and improvements throughout the District. These bonds were refunded on October 16, 2014.

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

- State Formula Aid for the FY 2019 had a reduction of change $82,937.
- The District’s special revenue is an unpredictable revenue source. The District avails itself of every grant opportunity to increase educational opportunities for the students.

Contacting the District’s Financial Management
This financial report is designed to provide the District’s citizens, taxpayers, customers, investors, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability of the money it receives. If you have questions about this report or need additional financial information, contact Shannon DuBois-Brody, Business Administrator/Board Secretary, Alloway Township School District, P.O. Box 327, 43 Cedar Street, Alloway, NJ 08001.
BASIC FINANCIAL STATEMENTS
DISTRICT-WIDE FINANCIAL STATEMENTS
## ALLOWAY TOWNSHIP SCHOOL DISTRICT
### Statement of Net Position
#### June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Totals FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$675,228</td>
<td>$675,228</td>
<td></td>
</tr>
<tr>
<td>Receivables, net</td>
<td>313,820</td>
<td>2,311</td>
<td>316,131</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,463</td>
<td>1,463</td>
<td></td>
</tr>
<tr>
<td>Restricted assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital reserve account - cash</td>
<td>513,913</td>
<td>513,913</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Capital assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-depreciable assets</td>
<td>153,751</td>
<td>153,751</td>
<td></td>
</tr>
<tr>
<td>Assets net of depreciation</td>
<td>5,243,784</td>
<td>23,485</td>
<td>5,267,269</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>6,900,497</td>
<td>27,259</td>
<td>6,927,756</td>
</tr>
</tbody>
</table>

| **DEFERRED OUTFLOWS OF RESOURCES** | | |
| Loss on refunding bond issue | 44,561 | 44,561 |
| Deferred outflows related to pension | 242,794 | 242,794 |
| **Total deferred outflows of resources** | 287,355 | 287,355 |

| **LIABILITIES** | | |
| Cash overdraft | 1,979 | 1,979 |
| Accounts payable | 16,032 | 16,032 |
| Accrued interest | 12,421 | 12,421 |
| Noncurrent liabilities: | | |
| Due within one year | 210,000 | 210,000 |
| Due beyond one year | 1,329,013 | 4,320 | 1,333,333 |
| Net pension liability | 1,738,103 | 1,738,103 |
| Net OPEB liability | 17,241,676 | 17,241,676 |
| **Total liabilities** | 20,547,245 | 6,299 | 20,553,544 |

| **DEFERRED INFLOWS OF RESOURCES** | | |
| Deferred inflows related to pension | 130,217 | 130,217 |
| Deferred inflows related to OPEB | 2,086,110 | 2,086,110 |
| **Total deferred inflows of resources** | 2,216,327 | 2,216,327 |

| **NET POSITION** | | |
| Invested in capital assets, net of related debt | 3,999,675 | 23,485 | 4,023,160 |
| Restricted for: | | |
| Debt service | 1 | 1 |
| Capital projects | 537,670 | 537,670 |
| Other purposes | 910,704 | 910,704 |
| Unrestricted | (21,023,770) | (2,525) | (21,026,295) |
| **Total net position** | $ (15,575,720) | $ 20,960 | $(15,554,760) |

See accompanying notes to the basic financial statements.
### Net (Expense) Revenue and Program Revenues

Changes in Net Position

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Operating Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>$1,769,342</td>
<td></td>
<td>$1,769,342</td>
<td>($1,769,342)</td>
<td>($1,769,342)</td>
<td></td>
</tr>
<tr>
<td>Special education</td>
<td>532,888</td>
<td></td>
<td>192,096</td>
<td>(340,792)</td>
<td>(340,792)</td>
<td></td>
</tr>
<tr>
<td>Other special education</td>
<td>82,339</td>
<td></td>
<td></td>
<td>(82,339)</td>
<td>(82,339)</td>
<td></td>
</tr>
<tr>
<td>Other instruction</td>
<td>10,746</td>
<td></td>
<td></td>
<td>(10,746)</td>
<td>(10,746)</td>
<td></td>
</tr>
<tr>
<td>Support services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student &amp; instructional related services</td>
<td>3,179,336</td>
<td>136,000</td>
<td>50,072 (2,993,264)</td>
<td>(2,993,264)</td>
<td>(2,993,264)</td>
<td></td>
</tr>
<tr>
<td>General administration</td>
<td>282,131</td>
<td></td>
<td>136,000</td>
<td>(282,131)</td>
<td>(282,131)</td>
<td></td>
</tr>
<tr>
<td>School administrative services</td>
<td>82,866</td>
<td></td>
<td></td>
<td>(82,866)</td>
<td>(82,866)</td>
<td></td>
</tr>
<tr>
<td>Central services</td>
<td>364,556</td>
<td>206,000</td>
<td></td>
<td>(158,556)</td>
<td>(158,556)</td>
<td></td>
</tr>
<tr>
<td>Administration information tech.</td>
<td>420</td>
<td></td>
<td></td>
<td>(420)</td>
<td>(420)</td>
<td></td>
</tr>
<tr>
<td>Plant operations &amp; maintenance</td>
<td>330,187</td>
<td></td>
<td></td>
<td>(330,187)</td>
<td>(330,187)</td>
<td></td>
</tr>
<tr>
<td>Pupil transportation</td>
<td>411,379</td>
<td></td>
<td></td>
<td>(411,379)</td>
<td>(411,379)</td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>2,581,530</td>
<td>33,782</td>
<td></td>
<td>(2,547,748)</td>
<td>(2,547,748)</td>
<td></td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>48,241</td>
<td></td>
<td></td>
<td>(48,241)</td>
<td>(48,241)</td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>35,593</td>
<td></td>
<td></td>
<td>(35,593)</td>
<td>(35,593)</td>
<td></td>
</tr>
<tr>
<td>Unallocated depreciation</td>
<td>262,082</td>
<td></td>
<td></td>
<td>(262,082)</td>
<td>(262,082)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Governmental activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(9,355,686)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food service</td>
<td>142,890</td>
<td>72,535</td>
<td>44,152</td>
<td>($26,203)</td>
<td>($26,203)</td>
<td></td>
</tr>
<tr>
<td>Other activities</td>
<td>48,698</td>
<td>49,393</td>
<td>695</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(25,508)</td>
</tr>
</tbody>
</table>

**Total primary Government**

$10,165,224 $463,928 $320,102 (9,355,686) (25,508) (9,381,194)

**General revenues:**

Taxes:
- Property taxes, levied for general purpose, net $3,877,636 $3,877,636
- Taxes levied for debt service 258,713 258,713
- Federal and state aid not restricted 4,612,519 4,612,519
- Tuition charges 41,482 41,482
- Transportation charges 20,458 20,458
- Investment earnings 3,651 3,651
- Miscellaneous income 54,232 54,232
- Operating transfer (17,500) 17,500

**Total general revenues, special items, extraordinary items, and transfers**

8,851,191 17,500 8,868,691

**Change in net position**

(504,495) (8,008) (512,503)

**Net position - beginning**

3,577,372 28,968 3,606,340

**Prior period adjustment of OPEB liability**

(18,648,597) (18,648,597)

**Restated net position at the beginning of the year**

(15,071,225) 28,968 (15,042,257)

**Net position - end**

$15,575,720 $20,960 $15,554,760

See accompanying notes to the basic financial statements.
FUND FINANCIAL STATEMENTS
### Balance Sheet

**Governmental Funds**  
**June 30, 2018**

#### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Fund</th>
<th>Debt Service Fund</th>
<th>Totals FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 800,427</td>
<td>$ 16,032</td>
<td>$ 1</td>
<td>$ 816,460</td>
<td></td>
</tr>
<tr>
<td>Receivables from other Governments</td>
<td>$ 101,651</td>
<td>$ 212,169</td>
<td></td>
<td>$ 313,820</td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>$ 513,913</td>
<td>$ 513,913</td>
<td></td>
<td>$ 513,913</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 1,415,991</strong></td>
<td><strong>$ 16,032</strong></td>
<td><strong>$ 212,169</strong></td>
<td><strong>$ 1,644,193</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### LIABILITIES AND FUND BALANCES

**Liabilities:**
- Cash overdraft                         | $ 188,412    | $ 188,412           |
- Accounts payable                        | $ 16,032     | $ 16,032            |

**Total liabilities**                     | $ 16,032     | $ 188,412           | $ 204,444           |

**Fund balances:**

**Restricted for:**
- Excess surplus - current year          | $ 487,937    | $ 487,937           |
- Excess surplus - prior year - designated for subsequent year's expenditures | $ 233,315    | $ 233,315           |
- Capital reserve                        | $ 513,913    | $ 513,913           |
- Capital projects                       | $ 23,757     | $ 23,757            |
- Debt service                           | $ 1          | $ 1                 |

**Assigned to:**
- Designated by the BOE for subsequent year's expenditures | $ 106,515    | $ 106,515           |
- Designated by the BOE for subsequent year's expenditures - 7/1/2018-8/1/2018 | $ 82,937    | $ 82,937            |

**Unassigned:**
- General fund                           | (8,626)      | (8,626)             |

**Total fund balances**                   | $ 1,415,991  | $ 23,757            | $ 1                 | $ 1,439,749      |

**Total liabilities and fund balances**   | $ 1,415,991  | $ 16,032            | $ 212,169           | $ 1              |

---

See accompanying notes to the basic financial statements.
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2018

<table>
<thead>
<tr>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</td>
</tr>
<tr>
<td>Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of assets is $10,488,836 and the accumulated depreciation is $5,091,301 (See Note 6). 5,397,535</td>
</tr>
<tr>
<td>Internal Service Funds are used by management to charge the costs of certain activities, such as business services and food service to other governments. Assets and liabilities of the internal service funds of $47,320, less $139, which represents food service assets and are included in Business-type Activities, in the Statement of Net Position. 47,181</td>
</tr>
<tr>
<td>Net pension liability adjustment for GASB Statement No. 68 and 71 (1,625,526)</td>
</tr>
<tr>
<td>Net OPEB liability adjustment for GASB Statement No. 75 (679,189)</td>
</tr>
<tr>
<td>The cumulative effect of the change in accounting principles for adoption of GASB Statement No. 75 is reported as a prior period adjustment of OPEB liability (See Note 24) (18,648,597)</td>
</tr>
<tr>
<td>Deferred bond issuance costs are expenses in Governmental Funds in the year the bonds are issued, but are capitalized in the Statement of Net Position. 44,561</td>
</tr>
<tr>
<td>Interest on long-term debt is in the Statement of Activities is accrued, regardless of when due. (12,421)</td>
</tr>
<tr>
<td>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7). (1,539,013)</td>
</tr>
<tr>
<td>Net position of Governmental Activities $ (15,575,720)</td>
</tr>
</tbody>
</table>

See accompanying notes to the basic financial statements.
### ALLOWAY TOWNSHIP SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

**Governmental Funds**

**For the Year Ended June 30, 2018**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Fund</th>
<th>Debt Service Fund</th>
<th>Totals FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local sources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local tax levy</td>
<td>$3,877,636</td>
<td>$258,713</td>
<td>$4,136,349</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition charges</td>
<td>41,482</td>
<td>41,482</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation charges</td>
<td>20,458</td>
<td>20,458</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest earned on investments</td>
<td>1,864</td>
<td>1,864</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest earned on capital reserve funds</td>
<td>1,787</td>
<td>1,787</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>54,232</td>
<td>$3,072</td>
<td></td>
<td></td>
<td>57,304</td>
</tr>
<tr>
<td>Total revenues</td>
<td>3,997,459</td>
<td>3,072</td>
<td>258,713</td>
<td>4,259,244</td>
<td></td>
</tr>
<tr>
<td>State sources</td>
<td>4,612,519</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal sources</td>
<td></td>
<td></td>
<td>272,878</td>
<td></td>
<td>272,878</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>8,609,978</td>
<td>275,950</td>
<td>258,713</td>
<td>9,144,641</td>
<td></td>
</tr>
</tbody>
</table>

| Expenditures: | | | | | |
| Current: | | | | | |
| Regular instruction | 1,772,545 | | | | 1,772,545 |
| Special education instruction | 340,544 | 192,096 | | 532,640 |
| Other special instruction | 87,087 | | | | 87,087 |
| Other instruction | 10,746 | | | | 10,746 |
| Support services & undistributed costs: | | | | | |
| Student & instruction related services | 2,999,124 | 50,072 | | 3,049,196 |
| General administration | 282,131 | | | | 282,131 |
| School administrative services | 82,866 | | | | 82,866 |
| Central services | 159,714 | | | | 159,714 |
| Administration information tech. | 420 | | | | 420 |
| Plant operations and maintenance | 330,187 | | | | 330,187 |
| Pupil transportation | 411,379 | | | | 411,379 |
| Employee benefits | 1,660,665 | 33,782 | | 1,694,447 |
| Debt service: | | | | | |
| Principal | | | 215,000 | | 215,000 |
| Interest and other charges | | | 43,713 | | 43,713 |
| Capital outlay | 97,285 | | | | 97,285 |
| **Total expenditures** | 8,234,693 | 275,950 | 258,713 | 8,769,356 |

| Excess (deficiency) of revenues over expenditures | 375,285 | | | 375,285 |

| Other financing sources (uses): | | | | | |
| Operating transfers: | | | | | |
| Transfer to food service - board contribution | (17,500) | | | (17,500) |
| **Total other financing sources (uses)** | (17,500) | | | (17,500) |

| Net change in fund balances | 357,785 | | | 357,785 |

| Fund balance - July 1 | 1,058,206 | $23,757 | 1 | 1,081,964 |
| Fund balance - June 30 | $1,415,991 | $23,757 | $1 | $1,439,749 |

See accompanying notes to the basic financial statements.
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Total net change in fund balances - Governmental Funds (from B-2) $ 357,785

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.

<table>
<thead>
<tr>
<th></th>
<th>Capital outlays</th>
<th>Depreciation expense</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 61,692</td>
<td>(262,082)</td>
</tr>
</tbody>
</table>
| Repayment of debt 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. Bond principal payments 215,000

Governmental Funds report the effect of issuance costs and similar items when debt is first issued whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.

OPEB contributions are reported in the Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.

Internal Service Funds are used by management to charge the costs of certain activities, such as shared business services and child study team consortium. The operating income $8,911, is included in the Governmental Activities and Statement of Net Position (see Exhibit G-5).

In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.

Change in net position of Governmental Activities $ (504,495)

See accompanying notes to the basic financial statements.
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2018

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Governmental Activities -</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total FY 2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Service Fund</td>
<td>Internal Service Fund</td>
</tr>
<tr>
<td></td>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 3,747  $ 3,747</td>
<td>$ 47,320</td>
</tr>
<tr>
<td>Accounts receivable:</td>
<td>$ 2,171  140</td>
<td>2,311</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,463</td>
<td>1,463</td>
</tr>
<tr>
<td>Total current assets</td>
<td>3,634 3,887</td>
<td>7,521 47,320</td>
</tr>
<tr>
<td>Non-current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture, machinery &amp; equipment</td>
<td>64,345 64,345</td>
<td></td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(40,860) (40,860)</td>
<td></td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>23,485</td>
<td>23,485</td>
</tr>
<tr>
<td>Total assets</td>
<td>27,119 3,887</td>
<td>31,006 47,320</td>
</tr>
</tbody>
</table>

LIABILITIES
Intergovernmental accounts payable
Cash overdraft  5,865  5,865
Compensated absences  4,320  4,320
Total liabilities  10,185  10,185

NET POSITION
Invested in capital assets net of related debt  23,485  23,485  47,320
Unrestricted  $ (6,551)  $ 3,887  (2,664)  $ 47,320
Total net position  $ 16,934  $ 3,887  $ 20,821  $ 47,320

See accompanying notes to the basic financial statements.
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enterprise Fund</td>
</tr>
<tr>
<td></td>
<td>Food Service</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATING REVENUES:</td>
<td></td>
</tr>
<tr>
<td>Local sources:</td>
<td></td>
</tr>
<tr>
<td>Daily sales-reimbursable programs</td>
<td>$ 46,200</td>
</tr>
<tr>
<td>Daily sales non-reimbursable programs</td>
<td>26,335</td>
</tr>
<tr>
<td>Other charges and fees</td>
<td>49,393</td>
</tr>
<tr>
<td>Community service activities</td>
<td></td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>72,535</td>
</tr>
<tr>
<td>OPERATING EXPENSES:</td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>60,868</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>20,188</td>
</tr>
<tr>
<td>Purchased professional/technical services</td>
<td>5,382</td>
</tr>
<tr>
<td>Other purchased services (400-500 series)</td>
<td>550</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>172</td>
</tr>
<tr>
<td>Cost of sales - reimbursable</td>
<td>38,432</td>
</tr>
<tr>
<td>Cost of sales - non-reimbursable</td>
<td>14,962</td>
</tr>
<tr>
<td>Miscellaneous other expenses</td>
<td>173</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,713</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>142,890</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(70,355)</td>
</tr>
<tr>
<td>NON-OPERATING REVENUES:</td>
<td></td>
</tr>
<tr>
<td>State sources:</td>
<td></td>
</tr>
<tr>
<td>National school lunch program - state</td>
<td>1,274</td>
</tr>
<tr>
<td>Federal sources:</td>
<td></td>
</tr>
<tr>
<td>National school lunch program</td>
<td>32,328</td>
</tr>
<tr>
<td>Special milk program</td>
<td>136</td>
</tr>
<tr>
<td>Food distribution program</td>
<td>10,414</td>
</tr>
<tr>
<td>Total non-operating revenues (expenses)</td>
<td>44,152</td>
</tr>
<tr>
<td>Income (loss) before operating transfers</td>
<td>(26,203)</td>
</tr>
<tr>
<td>Net income (loss) before operating transfers</td>
<td>(26,203)</td>
</tr>
<tr>
<td>Other financing sources:</td>
<td></td>
</tr>
<tr>
<td>Board contribution</td>
<td>17,500</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>(8,703)</td>
</tr>
<tr>
<td>Total net position - beginning</td>
<td>25,637</td>
</tr>
<tr>
<td>Total net position - ending</td>
<td>$ 16,934</td>
</tr>
</tbody>
</table>

See accompanying notes to the basic financial statements.
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Governmental Activities - Internal Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enterprise Fund</td>
</tr>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$ 72,535</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(48,469)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(60,598)</td>
</tr>
<tr>
<td>Payments for employee benefits</td>
<td>(20,188)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>(56,720)</td>
</tr>
<tr>
<td>Cash flows from non-capital financing activities:</td>
<td></td>
</tr>
<tr>
<td>Cash received from state &amp; federal reimbursements</td>
<td>33,214</td>
</tr>
<tr>
<td>Board contribution</td>
<td>17,500</td>
</tr>
<tr>
<td>Net cash provided by non-capital financing activities</td>
<td>50,714</td>
</tr>
<tr>
<td>Net increase in cash &amp; cash equivalents</td>
<td>(6,006)</td>
</tr>
<tr>
<td>Cash and cash equivalents - July 1</td>
<td>141</td>
</tr>
<tr>
<td>Cash and cash equivalents - June 30</td>
<td>$ (5,865)</td>
</tr>
<tr>
<td>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</td>
<td></td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>$ (70,355)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,713</td>
</tr>
<tr>
<td>Food distribution program</td>
<td>10,414</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in accts. receivable</td>
<td>1,701</td>
</tr>
<tr>
<td>(Increase) decrease in inventory</td>
<td>238</td>
</tr>
<tr>
<td>Increase (decrease) in deferred revenue</td>
<td>(3,319)</td>
</tr>
<tr>
<td>Increase in compensated absences</td>
<td>270</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>$ (56,720)</td>
</tr>
</tbody>
</table>

See accompanying notes to the basic financial statements.
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

ASSETS

Current assets:
  Cash and cash equivalents $ 47,228

Total assets $ 47,228

LIABILITIES

Current liabilities:
  Due to student groups $ 23,278
  Payroll deductions and withholdings 23,950

Total current liabilities $ 47,228

See accompanying notes to the basic financial statements.
NOTES TO FINANCIAL STATEMENTS
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction
The Alloway Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education of Alloway Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB).

The more significant accounting policies established in (GAAP) and used by the District are discussed below.

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 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.

B. Government-wide Statements
The School District’s basic financial statements include both Government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds.) Both the Government-wide and fund financial statements categorize primary activities as either Governmental or Business-type. The District’s general, special revenue, capital projects, and debt service are classified as Governmental Activities. The District’s food service and childcare programs are classified as Business-type Activities.

In the Government-wide Statement of Net Position, both the Governmental and Business-type Activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)
as well as long-term debt and obligations. The District’s net position is reported in three parts:invested in capital assets, net of related debt; restricted net position; and unrestricted netposition. The District first utilizes restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net costs of each of the District’s functions and Business-type Activities (food service and childcare). The functionsare also supported by general government revenues (property taxes, tuition, certainintergovernmental revenues, etc.). The Statement of Activities reduces gross expenses(including depreciation) by related program revenue, operating, and capital grants. Programrevenues must be directly associated with the function (regular instruction, vocational programs,student and instruction related services, etc.) or Business-type Activities. Operating grantsinclude operating specific and discretionary (either operating or capital) grants while the capitalgrants column reflects capital specific grants.

The net costs (by function or Business-type Activity) are normally covered by general revenue(property taxes, tuition, interest income, etc.).

The District does not allocate indirect costs such as depreciation expense, on-behalf of Teachers’ Pensions and Annuity Fund (TPAF) Pension contributions, and TPAF Social Security Contributions.

The Government-wide focus is more on the sustainability of the District as an entity and thechange in the District’s net position resulting from the current year’s activities. TheGovernment-wide statements do not include fiduciary activity.

C. Fund Financial Statements
The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS
The focus of the Governmental Funds’ measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District.

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

As required by the New Jersey State Department of Education, the District included 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
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

General Fund (Continued) - 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 governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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 focus of the Proprietary Funds measurement is upon the determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following are descriptions of the Proprietary Funds of the District:

Enterprise Funds - The Enterprise Funds account for all revenues and expenses pertaining to the Board’s operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The District’s Enterprise Funds are comprised of the Food Service Fund and Child Care.

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

FIDUCIARY FUNDS
Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and therefore not available to support District programs. The reporting focus is on net position. Changes in net position are reported using accounting principles similar to Proprietary Funds.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

FIDUCIARY FUNDS (CONTINUED)
The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District’s Fiduciary Funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the Government-wide statements.

The Fiduciary Funds include Student Activity Fund, Payroll, and Payroll Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It also related to the timing of the measurement made regardless of the measurement focus applied.

Both Governmental and Business-type Activities in the Government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that 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. Proceeds of general obligation long-term debt, if any, is recognized when due.

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

E. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury agency obligations and
E. Cash and Cash Equivalents (Continued)

Certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

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

NJSA 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks), and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Inventories

Inventories in the General Fund consist of expendable supplies held for the District’s use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in, first-out method. Inventory in the Food Service Fund at June 30, 2018, consisted of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food - Commodities</td>
<td>$ 1,265</td>
</tr>
<tr>
<td>Food</td>
<td>$ 198</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,463</strong></td>
</tr>
</tbody>
</table>

The value of federal donated commodities are reflected in Schedule A (required by Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

G. Capital Assets

Capital assets purchased or acquired with an original cost of $2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Estimated Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site improvements</td>
<td>15-20</td>
</tr>
<tr>
<td>Building &amp; improvements</td>
<td>20-50</td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>5-20</td>
</tr>
</tbody>
</table>

GASB No. 34 requires the District to report and depreciate new infrastructure assets. Infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The District has included infrastructure assets in the current fiscal year.

H. Revenues
Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey state 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 moneys under the established payment schedule and the unpaid amount is considered to be an “accounts receivable.” Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

I. Expenditures
Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

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

In Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liability, in the fund, that will pay for the compensated absences. The remainder of the compensated absence liability is reported in the District-wide financial statements as a Governmental Activity.

In Proprietary and similar Trust Funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Receivables/Payables
Transfers between Governmental and Business-type Activities on the District-wide statements are reported in the same manner as general revenues. 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. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between governmental and business-type activities or Governmental and Agency Funds, which are presented as internal balances.

L. Accrued Salaries and Wages
None of the School District’s employees who provide services to the District over the ten month academic year have the option to have their salaries evenly disbursed during the entire twelve month year.

M. Budgets/Budgetary Control
Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP’s, there is no public vote on the budget. If the budget exceeds State mandated CAP’s, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. 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 NJAC 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Projects Fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles 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.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control (Continued)
The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grants accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

N. Encumbrances
Under encumbrance accounting purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds, other than 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.

O. Deferred Revenue
Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

P. 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.

Q. 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.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. 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.

S. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

T. Net Position
Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

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

Non-spendable - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other Governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Fund Balance Reserves (Continued)

**Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** - The unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both Restricted and Unrestricted Fund balances are available, the District considers Restricted Funds to have been spent first. When an expenditure is incurred for which Committed, Assigned, or Unassigned Fund balances are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

V. Recent Accounting Pronouncements Not Yet Effective

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, “Certain Asset Retirement Obligations.” This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, “Fiduciary Activities.” This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, “Leases.” This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District’s financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.” This statement, which is effective for fiscal periods beginning after June 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, “Accounting for Interest Costs Incurred Before the End of a Construction Period.” This statement, which is effective for fiscal periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Accounting Pronouncements Not Yet Effective (Continued)

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, “Majority Equity Interests—an Amendment of GASB Statements No. 14 and No. 61.” This statement which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District’s financial reporting.

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District’s cash and cash equivalents at June 30, 2018 and 2017, was $1,234,391 and $853,862. As of June 30, 2018 and 2017, $0 of the District’s bank balance of $1,339,594 and $924,612, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2018 and 2017, the District did not have any investments.

Interest Rate Risk - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk - NJSA 18A:20-37 limits District investments to those specified in the statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; Government money market mutual funds; the State of New Jersey Cash Management Plan; local Government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer.

NOTE 4: RECEIVABLES

Receivables at June 30, 2018, (see Exhibit B-1 and B-4) consisted of Intergovernmental receivables. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>State aid</td>
<td>$300,796</td>
<td>$82</td>
</tr>
<tr>
<td>Other</td>
<td>$13,024</td>
<td></td>
</tr>
<tr>
<td>Federal aid</td>
<td>$2,089</td>
<td>$2,171</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$313,820</strong></td>
<td><strong>$2,211</strong></td>
</tr>
</tbody>
</table>
NOTE 5: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of $5,000 on September 28, 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 NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The June 30, 2018, LRFP balance does not exceed the capital reserve balance.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance, July 1, 2017</td>
<td>$547,726</td>
</tr>
<tr>
<td>Interest earnings</td>
<td>1,787</td>
</tr>
<tr>
<td>Withdrawals - Board resolution</td>
<td>(35,600)</td>
</tr>
<tr>
<td>Ending balance, June 30, 2018</td>
<td>$513,913</td>
</tr>
</tbody>
</table>

NOTE 6: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2018.
NOTE 6: CAPITAL ASSETS (CONTINUED)

<table>
<thead>
<tr>
<th>Governmental activities:</th>
<th>Balance</th>
<th>Additions</th>
<th>Disposals/ Adjustments</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sites (land)</td>
<td>$153,751</td>
<td></td>
<td></td>
<td>$153,751</td>
</tr>
<tr>
<td>Total capital assets not being depreciated</td>
<td>$153,751</td>
<td></td>
<td></td>
<td>$153,751</td>
</tr>
<tr>
<td>Site improvements</td>
<td>131,103</td>
<td></td>
<td></td>
<td>131,103</td>
</tr>
<tr>
<td>Building &amp; building improvements</td>
<td>9,592,765</td>
<td>$ 53,844</td>
<td></td>
<td>9,646,609</td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>549,525</td>
<td>7,848</td>
<td></td>
<td>557,373</td>
</tr>
<tr>
<td>Totals at historical cost</td>
<td>10,273,393</td>
<td>61,692</td>
<td></td>
<td>10,335,085</td>
</tr>
<tr>
<td>Less: accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site improvements</td>
<td>(97,758)</td>
<td>(4,068)</td>
<td>(101,826)</td>
<td></td>
</tr>
<tr>
<td>Building &amp; building improvements</td>
<td>(4,277,718)</td>
<td>(241,569)</td>
<td>(4,519,287)</td>
<td></td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>(453,743)</td>
<td>(16,445)</td>
<td>(470,188)</td>
<td></td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>(4,829,219)</td>
<td>(262,082)</td>
<td>(5,091,301)</td>
<td></td>
</tr>
<tr>
<td>Governmental activities capital assets, net</td>
<td>$ 5,597,925</td>
<td>(200,390)</td>
<td>None</td>
<td>$ 5,397,535</td>
</tr>
<tr>
<td>Business-type activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>$ 64,345</td>
<td></td>
<td>$ 64,345</td>
<td></td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(38,147)</td>
<td>$ (2,713)</td>
<td>(40,860)</td>
<td></td>
</tr>
<tr>
<td>Business-type capital assets, net</td>
<td>$ 26,198</td>
<td>$ (2,713)</td>
<td>None</td>
<td>$ 23,485</td>
</tr>
</tbody>
</table>

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for governmental activities.

NOTE 7: GENERAL LONG-TERM DEBT

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are General Obligation Bonds.

Permanently funded debt as of June 30, 2018, consisted of the following:

$2,075,000 Refunding Bonds of 2014 dated October 16, 2014, payable in annual installments through March 1, 2025. Interest is paid semi-annually at an interest rate from 2% to 4%. The remaining balance as of June 30, 2018, was $1,430,000.
NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Long-Term Obligation Activity
Changes in long-term obligations for the fiscal year ended June 30, 2018, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance</th>
<th>Due Within</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2017</td>
<td></td>
<td></td>
<td>June 30, 2018</td>
<td>One Year</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$114,823</td>
<td>$2,245</td>
<td>$8,055</td>
<td>$109,013</td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>1,645,000</td>
<td></td>
<td>215,000</td>
<td>1,430,000</td>
<td>$210,000</td>
</tr>
<tr>
<td></td>
<td><strong>$1,759,823</strong></td>
<td>$2,245</td>
<td><strong>223,055</strong></td>
<td><strong>$1,539,013</strong></td>
<td><strong>$210,000</strong></td>
</tr>
</tbody>
</table>

**Bonds Payable**
Principal and interest due on serial bonds outstanding is as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$210,000</td>
<td>$37,263</td>
<td>$247,263</td>
</tr>
<tr>
<td>2020</td>
<td>$215,000</td>
<td>28,863</td>
<td>243,863</td>
</tr>
<tr>
<td>2021</td>
<td>$210,000</td>
<td>24,563</td>
<td>234,563</td>
</tr>
<tr>
<td>2022</td>
<td>$205,000</td>
<td>20,363</td>
<td>225,363</td>
</tr>
<tr>
<td>2023</td>
<td>$200,000</td>
<td>15,238</td>
<td>215,238</td>
</tr>
<tr>
<td>2024-2025</td>
<td>$390,000</td>
<td>15,356</td>
<td>405,356</td>
</tr>
<tr>
<td></td>
<td><strong>$1,430,000</strong></td>
<td><strong>141,645</strong></td>
<td><strong>$1,571,645</strong></td>
</tr>
</tbody>
</table>

**Bonds Authorized But Not Issued**
As of June 30, 2018, the Board has $0 of bonds authorized but not issued.

**Advanced Refunding**
On October 16, 2014, the District issued Refunding School Bonds in the amount of $2,075,000, with interest rates varying from 2% to 4% to advance refund the school bonds, term series 2005 in the amount of $1,996,000, with interest rates varying from 4% to 4.25%. After paying issuance costs, the net proceeds were used to purchase U.S. Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called. The school bonds, term series 2005 were called for redemption on March 1, 2016. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the District’s financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of $107,798.

**Other**
Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage. Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.
NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Other (Continued)
Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities, related to governmental debt, will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2018, it is not necessary for the Board to establish a liability for arbitrage rebate.

Compensated absences are recorded as long-term liabilities due in more than one year.

NOTE 8: PENSION FUNDS/LIABILITY

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (PERS), or Teachers' Pension and Annuity Fund (TPAF) a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/financial-reports.shtml.

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 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 defined benefit pension plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.
NOTE 8: PENSION FUNDS (CONTINUED)

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.34% of employees’ annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The District’s contributions to PERS for the years ending June 30, 2018, 2017, and 2016, were $69,170, $63,148, and $54,512, respectively, equal to the contributions requested for each year. The School District’s share of TPAF for normal contributions, post-retirement medical benefits and life insurance premiums for the years ending June 30, 2018, 2017, and 2016, were $633,449, $581,144, and $503,564, respectively, paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year.

Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District for the years ending June 30, 2018, 2017, and 2016; $185,035, $178,539, and $190,809, for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board’s total payroll for the years ending June 30, 2018, 2017, and 2016, was $3,451,386, $3,445,290, and $3,647,613; covered payroll was $2,599,616, $2,523,551, and $2,670,545 for TPAF and $372,414, $401,901, and $510,579 for PERS.

For the year ended June 30, 2018, the District recognized pension expense of $277,064. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes of assumptions</td>
<td>$242,794</td>
</tr>
<tr>
<td>Net difference between expected and actual experience</td>
<td>130,217</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>15,113</td>
</tr>
<tr>
<td>Changes in proportion and differences between District contributions and proportionate share of contributions</td>
<td>133,110</td>
</tr>
<tr>
<td>District contributions subsequent to the measurement date</td>
<td>69,170</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 242,794</strong></td>
</tr>
</tbody>
</table>
NOTE 8: PENSION FUNDS (CONTINUED)

Funding Policy (Continued) - $69,170 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, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$36,313</td>
</tr>
<tr>
<td>2020</td>
<td>53,939</td>
</tr>
<tr>
<td>2021</td>
<td>40,064</td>
</tr>
<tr>
<td>2022</td>
<td>(46,692)</td>
</tr>
<tr>
<td>2023</td>
<td>(40,217)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$43,407</strong></td>
</tr>
</tbody>
</table>

Additional information – Collective balances at June 30, 2017 and 2016, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2017</th>
<th>June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective deferred outflows of resources</td>
<td>$6,424,455,842</td>
<td>$8,685,338,380</td>
</tr>
<tr>
<td>Collective deferred inflows of resources</td>
<td>5,700,625,981</td>
<td>870,133,595</td>
</tr>
<tr>
<td>Collective net pension liability</td>
<td>23,278,401,588</td>
<td>29,617,131,759</td>
</tr>
</tbody>
</table>

District's proportion 0.0074665919% 0.0071081737%

Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et seq.). 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 provision are established by NJSA 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 the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District’s contributes amounts for each pay period to Prudential Financial, not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions for the years ending June 30, 2018, 2017, and 2016, were $7,692, $4,938, and $3,625, for covered employees. The District also contributed for life and disability insurance.
NOTE 9: LABOR CONTRACTS

As of June 30, 2018, the District’s teachers, school nurses, LDT-C, social workers, guidance counselors, and psychologists are organized in the Alloway Education Association collective bargaining unit which expired June 30, 2019.

NOTE 10: DEFERRED COMPENSATION

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

Voya Lincoln Investment Planning, Inc.
Equitable Life Insurance MetLife

NOTE 11: POST-EMPLOYMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers’ Pensions and Annuity Fund (TPAF) and the Public Employees’ Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or county college with 25 years of service. (GASB Cod. Sec. 2300.106(g).

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Employees Covered by Benefit Terms
At June 30, 2018, the following employees were covered by the benefit terms:

- **TPAF Participant Retirees**
  As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits and the State contributed $1.39 billion on their behalf.

- **PERS Participant Retirees**
  The State paid $238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.
NOTE 11: POST-EMPLOYMENT BENEFITS (CONTINUED)

Total 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/Board of Trustees. Note that actual numbers will be published in the NJ State’s CAFR at: https://www.nj.gov/treasury/omb/publications/archives.shtml.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017, actuarial valuation reported by the State in the State’s most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Rate or Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>2.50%</td>
</tr>
<tr>
<td>Salary increases</td>
<td>Differs by pension group (e.g. - PERS, TPAF).</td>
</tr>
<tr>
<td></td>
<td>See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4.</td>
</tr>
<tr>
<td>Discount rate</td>
<td>3.58%</td>
</tr>
</tbody>
</table>

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Mortality rates were based on the RP-2014 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

The actuarial assumptions used in the June 30, 2016, valuation were based on the result of an actuarial experience study for the period July 1, 2016 through June 30, 2017.

Changes in the Total OPEB Liability reported by the State of New Jersey:
NOTE 11: POST-EMPLOYMENT BENEFITS (CONTINUED)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 6/30/16</strong></td>
<td><strong>$ 57,831,784,184</strong></td>
</tr>
<tr>
<td><strong>Changes for the year</strong></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>2,391,878,884</td>
</tr>
<tr>
<td>Interest</td>
<td>1,699,441,736</td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td></td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td></td>
</tr>
<tr>
<td>Changes in assumptions or other inputs</td>
<td>(7,086,599,129)</td>
</tr>
<tr>
<td>Contributions - Member</td>
<td>45,748,749</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(1,242,412,566)</td>
</tr>
<tr>
<td><strong>Net changes</strong></td>
<td><strong>(4,191,942,326)</strong></td>
</tr>
<tr>
<td><strong>Balance at 6/30/17</strong></td>
<td><strong>$ 53,639,841,858</strong></td>
</tr>
</tbody>
</table>

There were no changes in benefit terms during the year.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

Sensitivity of the total OPEB liability to changes in the discount rate. The following represents 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-percent-point lower or 1-percent-point higher than the current discount rate.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Decrease</td>
<td>Discount Rate</td>
</tr>
<tr>
<td>2.58%</td>
<td>3.58%</td>
</tr>
<tr>
<td>Total OPEB Liability (School Retirees)</td>
<td></td>
</tr>
<tr>
<td>1% Decrease</td>
<td>Healthcare Cost</td>
</tr>
<tr>
<td>2.58%</td>
<td>Trend Rates</td>
</tr>
<tr>
<td>1% Increase</td>
<td></td>
</tr>
<tr>
<td>4.58%</td>
<td></td>
</tr>
<tr>
<td>Total OPEB Liability (School Retirees)</td>
<td>$ 63,674,362,200</td>
</tr>
<tr>
<td>1% Decrease</td>
<td>Healthcare Cost</td>
</tr>
<tr>
<td>2.58%</td>
<td>Trend Rates</td>
</tr>
<tr>
<td>1% Increase</td>
<td></td>
</tr>
<tr>
<td>4.58%</td>
<td></td>
</tr>
<tr>
<td>Total OPEB Liability (School Retirees)</td>
<td>$ 44,113,584,560</td>
</tr>
</tbody>
</table>
NOTE 11: POST-EMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2018, the Board of Education/Board of Trustees recognized OPEB expense of $679,189 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 GASB No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Alloway Township Board of Education’s proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in proportion</td>
<td>$ 47,006</td>
<td></td>
</tr>
<tr>
<td>Changes of assumptions or other inputs</td>
<td>2,039,104</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>None</td>
<td>$ 2,086,110</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>(244,275)</td>
</tr>
<tr>
<td>2020</td>
<td>(244,275)</td>
</tr>
<tr>
<td>2021</td>
<td>(244,275)</td>
</tr>
<tr>
<td>2022</td>
<td>(244,275)</td>
</tr>
<tr>
<td>2023</td>
<td>(244,275)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>(864,735)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$(2,086,110)</td>
</tr>
</tbody>
</table>

NOTE 12: COMPENSATED ABSENCES

The District accounts for compensated absences using the termination method (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences.” A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District’s personnel policies. The District’s policy permits employees to accumulate 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 District’s agreements with the various employee unions. The District uses the vesting method to record the liability.
NOTE 12: COMPENSATED ABSENCES (CONTINUED)

For the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components; (1) the amount due within one year and (2) the amount due in more than one year. The liability for compensated absences in the Governmental Fund at June 30, 2018, is $109,013. The liability for compensated absences in the Food Service Fund at June 30, 2018, is $4,320.

NOTE 13: EMPLOYEE BENEFITS

The District established and maintains a cafeteria plan for health benefits required by NJSA 18A:16-19.1 as amended by P.L. 2011, c.78, s.51. The District entered into a pre-tax benefits plan with AFLAC. The medical care reimbursement plan maximum amount for tenured staff as of July 1, 2011, was $1,000 and $525 for non-tenured staff.

NOTE 14: RISK MANAGEMENT

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

Property and Liability Insurance:
The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2018, the District did not incur claims in excess of their coverage.

The District is a member of 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 15: FUND BALANCE APPROPRIATED

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the
NOTE 15: FUND BALANCE APPROPRIATED (CONTINUED)

District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned, and then unassigned to be used/spent first when expenditures are made.

The District follows the State of New Jersey’s minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the General Fund budget or $250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

Non-Spendable Fund Balance - The District had no non-spendable fund balance at June 30, 2018.

Restricted Fund Balance:

Capital Reserve Account - Of the $513,913 balance in the capital reserve account at June 30, 2018, $0 has been designated for utilization in the 2018-2019 budget. These funds are restricted for future capital outlay expenditures for projects in the School District’s long range facilities plan.

Maintenance Reserve Account - The District had no maintenance reserve account at June 30, 2018. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Excess Surplus - At June 30, 2018, excess surplus created in FY 2017 of $233,315 will be utilized for expenditures in the 2018-2019 budget, while excess surplus created in FY 2018 of $487,937 is restricted and will be utilized for budget expenditures in 2019-2020.

Debt Service Fund - At June 30, 2018, there was $1 fund balance, $1 will be utilized for expenditures in the 2018-2019 budget.

Committed Fund Balance - The District had no Committed Fund balance at June 30, 2018.

Assigned Fund Balance - At June 30, 2018, the District has assigned $189,452 of General Fund balance to expenditures in the 2018-2019 budget.

Unassigned Fund Balance - At June 30, 2018, the District has ($8,626) of Unassigned Fund balance in the General Fund.

NOTE 16: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 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, 2018, is $721,252.
NOTE 17: DEFICIT FUND BALANCES

The District has a deficit fund balance of $8,626 (Exhibit B-1) in the General Fund as of June 30, 2018, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the delayed one or more June state aid payments 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 June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payments, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2, any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP statements of $8,626 is less than the last state aid payments.

NOTE 18: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District operations. State sources funded approximately 50.4% of the District’s 2017-2018 Governmental Fund revenue, while local tax levy accounted for approximately 45.2%.

NOTE 19: OPERATING LEASES

The District has commitments to lease copy machines under non-cancelable operating leases spanning 48 months. Monthly payments range from $92-$473 a month per machine. Total lease payments made during the year ended June 30, 2018, amounted to $10,682. Future minimum lease payments are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$11,461</td>
</tr>
<tr>
<td>2020</td>
<td>5,243</td>
</tr>
<tr>
<td>2021</td>
<td>4,678</td>
</tr>
<tr>
<td>2022</td>
<td>780</td>
</tr>
<tr>
<td></td>
<td>$22,162</td>
</tr>
</tbody>
</table>

NOTE 20: INTERFUND RECEIVABLES AND PAYABLES

There were no interfund balances remaining on the balance sheet at June 30, 2018.
NOTE 21: COMMITMENTS AND CONTINGENCIES

The School District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures. However, the Title I program was audited for FY 2016 and costs were disallowed requiring repayment which is required by June 30, 2019. It is the opinion of the administration and legal counsels, that there exists no litigation or contingent liability that may be pending against the Alloway Township School District that would have a material or adverse effect on the Board or the financial position of the District.

NOTE 22: 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 NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

The Township of Alloway did not have any tax abatements for the year ended December 31, 2017.

NOTE 23: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and January 21, 2019, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

NOTE 24: CHANGE IN ACCOUNTING PRINCIPLE

During the year beginning July 1, 2017, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” whose primary objective is to improve accounting and financial reporting for postemployment benefits other than pensions (OPEB).
NOTE 24: CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for OPEB.

The effect of this change was to decrease fiscal year ended June 30, 2017, net position by $18,648,597 which is the prior period adjustment of net OPEB liability. Financial statements for the fiscal year ended June 30, 2017, have not been restated and the cumulative effect of the change totaling $18,648,597 is shown as a one-time debit to net position in the fiscal year ended June 30, 2018, Statement of Activities.
BUDGETARY COMPARISON SCHEDULES
# ALLOWAY TOWNSHIP SCHOOL DISTRICT
## Budgetary Comparison Schedule
### General Fund
#### For the Fiscal Year Ended June 30, 2018

## Variance

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local tax levy</td>
<td>$3,877,636</td>
<td>$3,877,636</td>
<td>$3,877,636</td>
<td>$29,734</td>
<td>$29,734</td>
</tr>
<tr>
<td>Tuition from LEA's</td>
<td>29,734</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition from others</td>
<td>11,748</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation from LEA's</td>
<td>15,434</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation from others</td>
<td>5,024</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on investments</td>
<td>1,500</td>
<td>1,500</td>
<td>1,864</td>
<td>364</td>
<td></td>
</tr>
<tr>
<td>Interest on capital reserve funds</td>
<td>500</td>
<td>500</td>
<td>1,787</td>
<td>1,287</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>54,232</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total - local sources</strong></td>
<td>3,879,636</td>
<td>3,879,636</td>
<td>3,997,459</td>
<td>117,823</td>
<td></td>
</tr>
<tr>
<td>State sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equalization aid</td>
<td>3,016,688</td>
<td>3,016,688</td>
<td>3,016,688</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation aid</td>
<td>290,690</td>
<td>290,690</td>
<td>290,690</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special education aid</td>
<td>324,976</td>
<td>324,976</td>
<td>324,976</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under adequacy aid</td>
<td>3,706</td>
<td>3,706</td>
<td>3,706</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security aid</td>
<td>44,007</td>
<td>44,007</td>
<td>44,007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PARCC readiness aid</td>
<td>5,170</td>
<td>5,170</td>
<td>5,170</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per pupil growth aid</td>
<td>5,170</td>
<td>5,170</td>
<td>5,170</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional learning community aid</td>
<td>4,810</td>
<td>4,810</td>
<td>4,810</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraordinary aid</td>
<td>84,857</td>
<td></td>
<td>84,857</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonpublic transportation costs</td>
<td>3,770</td>
<td>3,770</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teachers' Pension &amp; Annuity Fund - (on-behalf non-budgeted)</td>
<td>384,591</td>
<td>384,591</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TPAF post-retirement medical (on-behalf non-budgeted)</td>
<td>248,399</td>
<td>248,399</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TPAF long-term disability insurance (on-behalf non-budgeted)</td>
<td>459</td>
<td>459</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursed TPAF social security contributions (non-budgeted)</td>
<td>185,035</td>
<td>185,035</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total - state sources</strong></td>
<td>3,695,217</td>
<td>3,695,217</td>
<td>4,602,328</td>
<td>907,111</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>7,574,853</td>
<td>7,574,853</td>
<td>8,599,787</td>
<td>1,024,934</td>
<td></td>
</tr>
<tr>
<td>EXPENDITURES:</td>
<td>Original Budget</td>
<td>Budget Transfers</td>
<td>Final Budget</td>
<td>Actual</td>
<td>Variance Final to Actual</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------------</td>
<td>------------------</td>
<td>--------------</td>
<td>--------</td>
<td>--------------------------</td>
</tr>
<tr>
<td><strong>Current expense:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular programs - instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of teachers:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preschool</td>
<td>75,004</td>
<td></td>
<td>73,733</td>
<td>1,271</td>
<td></td>
</tr>
<tr>
<td>Kindergarten</td>
<td>188,002</td>
<td>(20,839)</td>
<td>164,910</td>
<td>2,253</td>
<td></td>
</tr>
<tr>
<td>Grades 1-5</td>
<td>826,754</td>
<td>(4,097)</td>
<td>821,998</td>
<td>659</td>
<td></td>
</tr>
<tr>
<td>Grades 6-8</td>
<td>530,235</td>
<td>(12,758)</td>
<td>509,199</td>
<td>8,278</td>
<td></td>
</tr>
<tr>
<td>Regular programs - home instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of teachers</td>
<td>2,000</td>
<td></td>
<td>2,000</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Purchased professional - education services</td>
<td>3,900</td>
<td></td>
<td>624</td>
<td>3,276</td>
<td></td>
</tr>
<tr>
<td>Regular programs - undistributed instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other salaries for instruction</td>
<td>20,650</td>
<td></td>
<td>19,042</td>
<td>1,608</td>
<td></td>
</tr>
<tr>
<td>Purchased technical services</td>
<td>16,050</td>
<td>1,800</td>
<td>17,850</td>
<td>423</td>
<td></td>
</tr>
<tr>
<td>Other purchased services (400-500 series)</td>
<td>46,632</td>
<td>4,000</td>
<td>50,632</td>
<td>47,948</td>
<td>2,684</td>
</tr>
<tr>
<td>General supplies</td>
<td>142,321</td>
<td>4,700</td>
<td>147,021</td>
<td>113,780</td>
<td>33,241</td>
</tr>
<tr>
<td>Textbooks</td>
<td>12,500</td>
<td>(10,500)</td>
<td>2,000</td>
<td>1,809</td>
<td>191</td>
</tr>
<tr>
<td>Miscellaneous expenditures</td>
<td>3,000</td>
<td></td>
<td>2,075</td>
<td>925</td>
<td></td>
</tr>
<tr>
<td><strong>Total regular programs</strong></td>
<td>1,867,048</td>
<td>(37,694)</td>
<td>1,829,354</td>
<td>1,772,545</td>
<td>56,809</td>
</tr>
<tr>
<td>Special education - instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource room</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of teachers</td>
<td>269,208</td>
<td>(800)</td>
<td>268,408</td>
<td>267,726</td>
<td>682</td>
</tr>
<tr>
<td>Other salaries for instruction</td>
<td>68,834</td>
<td>1,900</td>
<td>70,734</td>
<td>70,646</td>
<td>88</td>
</tr>
<tr>
<td>General supplies</td>
<td>2,817</td>
<td></td>
<td>2,817</td>
<td>2,172</td>
<td>645</td>
</tr>
<tr>
<td><strong>Total resource room</strong></td>
<td>340,859</td>
<td>1,100</td>
<td>341,959</td>
<td>340,544</td>
<td>1,415</td>
</tr>
<tr>
<td><strong>Total special education</strong></td>
<td>340,859</td>
<td>1,100</td>
<td>341,959</td>
<td>340,544</td>
<td>1,415</td>
</tr>
<tr>
<td>Basic skills/remedial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of teachers</td>
<td>133,667</td>
<td>(1,100)</td>
<td>132,567</td>
<td>80,782</td>
<td>51,785</td>
</tr>
<tr>
<td>Other salaries for instruction</td>
<td>13,000</td>
<td></td>
<td>13,000</td>
<td>5,907</td>
<td>7,093</td>
</tr>
<tr>
<td>General supplies</td>
<td>1,279</td>
<td></td>
<td>1,279</td>
<td>398</td>
<td>881</td>
</tr>
<tr>
<td><strong>Total basic skills/remedial</strong></td>
<td>147,946</td>
<td>(1,100)</td>
<td>146,846</td>
<td>87,087</td>
<td>59,759</td>
</tr>
<tr>
<td>School sponsored co-curricular activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>31,000</td>
<td></td>
<td>10,746</td>
<td></td>
<td>20,254</td>
</tr>
<tr>
<td><strong>Total school sponsored co-curricular activities</strong></td>
<td>31,000</td>
<td></td>
<td>10,746</td>
<td>20,254</td>
<td></td>
</tr>
<tr>
<td><strong>Total other instructional programs</strong></td>
<td>178,946</td>
<td>(1,100)</td>
<td>177,846</td>
<td>97,833</td>
<td>80,013</td>
</tr>
<tr>
<td><strong>Total - instruction</strong></td>
<td>2,386,853</td>
<td>(37,694)</td>
<td>2,349,159</td>
<td>2,210,922</td>
<td>138,237</td>
</tr>
</tbody>
</table>
## ALLOWAY TOWNSHIP SCHOOL DISTRICT

**Budgetary Comparison Schedule**

**General Fund**

**For the Fiscal Year Ended June 30, 2018**

<table>
<thead>
<tr>
<th>Undistributed expenditures:</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruction:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition to other LEA's within state - regular</td>
<td>1,706,202</td>
<td>16,000</td>
<td>1,722,202</td>
<td>1,708,484</td>
<td>13,718</td>
</tr>
<tr>
<td>Tuition to other LEA's within state - special</td>
<td>163,640</td>
<td></td>
<td>163,640</td>
<td>161,140</td>
<td>2,500</td>
</tr>
<tr>
<td>Tuition to county vocational school - regular</td>
<td>85,796</td>
<td></td>
<td>85,796</td>
<td>74,200</td>
<td>11,596</td>
</tr>
<tr>
<td>Tuition to county special services district/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>regional day schools</td>
<td>241,099</td>
<td>35,000</td>
<td>276,099</td>
<td>275,061</td>
<td>1,038</td>
</tr>
<tr>
<td>Tuition to private schools for the handicapped -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>state</td>
<td>200,125</td>
<td>(67,000)</td>
<td>133,125</td>
<td>128,711</td>
<td>4,418</td>
</tr>
<tr>
<td><strong>Total undistributed expenditures - instruction</strong></td>
<td>2,396,862</td>
<td>(16,000)</td>
<td>2,380,862</td>
<td>2,347,596</td>
<td>33,266</td>
</tr>
<tr>
<td><strong>Attendance and social work services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>3,192</td>
<td>3,192</td>
<td>2,935</td>
<td>257</td>
<td></td>
</tr>
<tr>
<td>Purchased professional/technical services</td>
<td>1,000</td>
<td>1,000</td>
<td>300</td>
<td>700</td>
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</tr>
<tr>
<td><strong>Total attendance and social work services</strong></td>
<td>4,192</td>
<td>4,192</td>
<td>3,235</td>
<td>957</td>
<td></td>
</tr>
<tr>
<td><strong>Health services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>62,320</td>
<td>62,320</td>
<td>61,140</td>
<td>1,180</td>
<td></td>
</tr>
<tr>
<td>Purchased professional/technical services</td>
<td>5,100</td>
<td>5,100</td>
<td>2,500</td>
<td>2,600</td>
<td></td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>2,238</td>
<td>2,238</td>
<td>1,443</td>
<td>795</td>
<td></td>
</tr>
<tr>
<td><strong>Total health services</strong></td>
<td>69,658</td>
<td>69,658</td>
<td>65,083</td>
<td>4,575</td>
<td></td>
</tr>
<tr>
<td><strong>Related services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased professional - education services</td>
<td>87,800</td>
<td>87,800</td>
<td>78,877</td>
<td>8,923</td>
<td></td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total related services</strong></td>
<td>88,300</td>
<td>88,300</td>
<td>78,877</td>
<td>9,423</td>
<td></td>
</tr>
<tr>
<td><strong>Extraordinary services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other salaries for instruction</td>
<td>8,704</td>
<td>7,100</td>
<td>15,804</td>
<td>15,760</td>
<td>44</td>
</tr>
<tr>
<td>Purchased educational services</td>
<td>269,850</td>
<td>(32,100)</td>
<td>237,750</td>
<td>191,391</td>
<td>46,359</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>500</td>
<td>2,000</td>
<td>2,500</td>
<td>2,183</td>
<td>317</td>
</tr>
<tr>
<td><strong>Total extraordinary services</strong></td>
<td>279,054</td>
<td>(23,000)</td>
<td>256,054</td>
<td>209,334</td>
<td>46,720</td>
</tr>
<tr>
<td><strong>Other support services - guidance services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of other professional staff</td>
<td>63,715</td>
<td>63,715</td>
<td>63,715</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>1,024</td>
<td>1,024</td>
<td>992</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td><strong>Total other support services - guidance services</strong></td>
<td>64,739</td>
<td>64,739</td>
<td>64,707</td>
<td>32</td>
<td></td>
</tr>
</tbody>
</table>
# ALLOWWAY TOWNSHIP SCHOOL DISTRICT

## Budgetary Comparison Schedule

### General Fund

For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Other support services - child study team</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of other professional staff</td>
<td>102,713</td>
<td>102,713</td>
<td>102,328</td>
<td>385</td>
<td></td>
</tr>
<tr>
<td>Salaries of secretarial and clerical</td>
<td>5,339</td>
<td>(1,500)</td>
<td>3,839</td>
<td>816</td>
<td>3,023</td>
</tr>
<tr>
<td>Other purchased professional-tech. services</td>
<td>4,500</td>
<td>1,500</td>
<td>6,000</td>
<td>5,581</td>
<td>419</td>
</tr>
<tr>
<td>Miscellaneous purchased services</td>
<td>250</td>
<td>250</td>
<td>143</td>
<td>107</td>
<td></td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>2,489</td>
<td>2,489</td>
<td>2,291</td>
<td>198</td>
<td></td>
</tr>
<tr>
<td><strong>Total other support services - child study team</strong></td>
<td><strong>115,291</strong></td>
<td><strong>115,291</strong></td>
<td><strong>111,159</strong></td>
<td><strong>4,132</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Improvement of instructional services/other support services - instructional staff</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of supervisor instruction</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of professional staff</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total improvement of instructional services/other support services - instructional staff</strong></td>
<td><strong>37,500</strong></td>
<td><strong>37,500</strong></td>
<td><strong>35,000</strong></td>
<td><strong>2,500</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational media services/school library</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>38,534</td>
<td>39,294</td>
<td>77,828</td>
<td>77,647</td>
<td>181</td>
</tr>
<tr>
<td>Other purchased services</td>
<td>2,300</td>
<td>2,300</td>
<td>2,177</td>
<td>123</td>
<td></td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>5,643</td>
<td>(1,600)</td>
<td>4,043</td>
<td>2,965</td>
<td>1,078</td>
</tr>
<tr>
<td><strong>Total educational media services/school library</strong></td>
<td><strong>46,477</strong></td>
<td><strong>37,694</strong></td>
<td><strong>84,171</strong></td>
<td><strong>82,789</strong></td>
<td><strong>1,382</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Instructional staff training</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of other professional staff</td>
<td>500</td>
<td>500</td>
<td>32</td>
<td>468</td>
<td></td>
</tr>
<tr>
<td>Purchased professional - education services</td>
<td>1,249</td>
<td>1,249</td>
<td>718</td>
<td>531</td>
<td></td>
</tr>
<tr>
<td>Other purchased services</td>
<td>1,645</td>
<td>1,645</td>
<td>594</td>
<td>1,051</td>
<td></td>
</tr>
<tr>
<td><strong>Total instructional staff training</strong></td>
<td><strong>3,394</strong></td>
<td><strong>3,394</strong></td>
<td><strong>1,344</strong></td>
<td><strong>2,050</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Support services general administration</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>171,000</td>
<td>(5,900)</td>
<td>165,100</td>
<td>165,041</td>
<td>59</td>
</tr>
<tr>
<td>Legal services</td>
<td>15,000</td>
<td>37,700</td>
<td>52,700</td>
<td>52,503</td>
<td>197</td>
</tr>
<tr>
<td>Audit services</td>
<td>12,500</td>
<td>12,500</td>
<td>11,800</td>
<td>700</td>
<td></td>
</tr>
<tr>
<td>Other professional services</td>
<td>8,500</td>
<td>8,500</td>
<td>7,587</td>
<td>913</td>
<td></td>
</tr>
<tr>
<td>Communications/telephone</td>
<td>13,400</td>
<td>(1,600)</td>
<td>11,800</td>
<td>11,274</td>
<td>526</td>
</tr>
<tr>
<td>Other purchased services (400-500 series)</td>
<td>33,582</td>
<td>(7,825)</td>
<td>25,757</td>
<td>24,076</td>
<td>1,681</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>800</td>
<td>500</td>
<td>1,300</td>
<td>923</td>
<td>377</td>
</tr>
<tr>
<td>BOE training/meeting supplies</td>
<td>500</td>
<td>500</td>
<td>270</td>
<td>230</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous expenditures</td>
<td>1,100</td>
<td>3,100</td>
<td>4,200</td>
<td>3,966</td>
<td>234</td>
</tr>
<tr>
<td>BOE member dues</td>
<td>4,800</td>
<td>4,800</td>
<td>4,691</td>
<td>109</td>
<td></td>
</tr>
<tr>
<td><strong>Total support services general administration</strong></td>
<td><strong>261,182</strong></td>
<td><strong>25,975</strong></td>
<td><strong>287,157</strong></td>
<td><strong>282,131</strong></td>
<td><strong>5,026</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Support services school administration</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of principals/assistant principals</td>
<td>45,000</td>
<td>45,000</td>
<td>45,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of secretarial and clerical assistants</td>
<td>33,600</td>
<td>(1,950)</td>
<td>31,650</td>
<td>31,497</td>
<td>153</td>
</tr>
<tr>
<td>Other purchased services (400-500 series)</td>
<td>650</td>
<td>650</td>
<td>281</td>
<td>369</td>
<td></td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>750</td>
<td>1,750</td>
<td>2,500</td>
<td>2,494</td>
<td>6</td>
</tr>
<tr>
<td>Other objects</td>
<td>1,000</td>
<td>2,600</td>
<td>3,600</td>
<td>3,594</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total support services school administration</strong></td>
<td><strong>81,000</strong></td>
<td><strong>2,400</strong></td>
<td><strong>83,400</strong></td>
<td><strong>82,866</strong></td>
<td><strong>534</strong></td>
</tr>
</tbody>
</table>
## ALLOWAY TOWNSHIP SCHOOL DISTRICT
### General Fund
### Budgetary Comparison Schedule
### For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>138,728</td>
<td>640</td>
<td>139,368</td>
<td>139,340</td>
<td>28</td>
</tr>
<tr>
<td>Purchased technical services</td>
<td>11,575</td>
<td>4,125</td>
<td>15,700</td>
<td>15,222</td>
<td>478</td>
</tr>
<tr>
<td>Other purchased services (400-500 series)</td>
<td>2,600</td>
<td></td>
<td>2,600</td>
<td>2,183</td>
<td>417</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>1,500</td>
<td>400</td>
<td>1,900</td>
<td>1,754</td>
<td>146</td>
</tr>
<tr>
<td>Miscellaneous expenditures</td>
<td>1,300</td>
<td></td>
<td>1,300</td>
<td>1,215</td>
<td>85</td>
</tr>
<tr>
<td><strong>Total central services</strong></td>
<td>155,703</td>
<td>5,165</td>
<td>160,868</td>
<td>159,714</td>
<td>1,154</td>
</tr>
<tr>
<td><strong>Administration information technology</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>430</td>
<td></td>
<td>430</td>
<td>420</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total information technology</strong></td>
<td>430</td>
<td></td>
<td>430</td>
<td>420</td>
<td>10</td>
</tr>
<tr>
<td><strong>Required maintenance for school facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>18,500</td>
<td>60</td>
<td>18,560</td>
<td>18,270</td>
<td>290</td>
</tr>
<tr>
<td>Cleaning, repair, and maintenance services</td>
<td>35,300</td>
<td>(2,000)</td>
<td>33,300</td>
<td>17,530</td>
<td>15,770</td>
</tr>
<tr>
<td><strong>Total required maintenance for school facilities</strong></td>
<td>53,800</td>
<td>(1,940)</td>
<td>51,860</td>
<td>35,800</td>
<td>16,060</td>
</tr>
<tr>
<td><strong>Custodial services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries non-instructional aides</td>
<td>3,430</td>
<td>600</td>
<td>4,030</td>
<td>4,000</td>
<td>30</td>
</tr>
<tr>
<td>Other salaries</td>
<td>98,096</td>
<td>(900)</td>
<td>97,196</td>
<td>90,309</td>
<td>6,887</td>
</tr>
<tr>
<td>Purchased professional and technical services</td>
<td>6,120</td>
<td>1,000</td>
<td>7,120</td>
<td>6,990</td>
<td>130</td>
</tr>
<tr>
<td>Cleaning, repair and maintenance services</td>
<td>20,200</td>
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<td>20,200</td>
<td>10,951</td>
<td>9,249</td>
</tr>
<tr>
<td>Other purchased property services</td>
<td>35,000</td>
<td>(300)</td>
<td>34,700</td>
<td>31,990</td>
<td>2,710</td>
</tr>
<tr>
<td>Insurance</td>
<td>26,474</td>
<td>(1,000)</td>
<td>25,474</td>
<td>20,039</td>
<td>5,435</td>
</tr>
<tr>
<td>Miscellaneous purchased services</td>
<td>2,100</td>
<td></td>
<td>2,100</td>
<td>1,075</td>
<td>1,025</td>
</tr>
<tr>
<td>General supplies</td>
<td>22,000</td>
<td></td>
<td>22,000</td>
<td>16,875</td>
<td>5,125</td>
</tr>
<tr>
<td>Energy - electricity</td>
<td>88,000</td>
<td></td>
<td>88,000</td>
<td>73,732</td>
<td>14,268</td>
</tr>
<tr>
<td>Energy - oil</td>
<td>44,000</td>
<td></td>
<td>44,000</td>
<td>38,426</td>
<td>5,574</td>
</tr>
<tr>
<td><strong>Total other operation and maintenance of plant services</strong></td>
<td>345,420</td>
<td>(600)</td>
<td>344,820</td>
<td>294,387</td>
<td>50,433</td>
</tr>
<tr>
<td><strong>Total operation and maintenance of plant services</strong></td>
<td>399,220</td>
<td>(2,540)</td>
<td>396,680</td>
<td>330,187</td>
<td>66,493</td>
</tr>
<tr>
<td><strong>Student transportation services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries - special</td>
<td>20,000</td>
<td>2,000</td>
<td>22,000</td>
<td>21,484</td>
<td>516</td>
</tr>
<tr>
<td>Aid in lieu - non-public</td>
<td>10,608</td>
<td>2,400</td>
<td>13,008</td>
<td>12,775</td>
<td>233</td>
</tr>
<tr>
<td>Aid in lieu - choice</td>
<td>2,652</td>
<td>2,000</td>
<td>4,652</td>
<td>4,439</td>
<td>213</td>
</tr>
<tr>
<td>Contracted services (between home and school) - vendors</td>
<td>270,824</td>
<td>(6,200)</td>
<td>264,624</td>
<td>248,171</td>
<td>16,453</td>
</tr>
<tr>
<td>Contracted services (other than between home and school) - vendors</td>
<td>22,000</td>
<td>(700)</td>
<td>21,300</td>
<td>7,035</td>
<td>14,265</td>
</tr>
<tr>
<td>Contracted services (regular students) - joint agreements</td>
<td>26,588</td>
<td>(8,900)</td>
<td>17,688</td>
<td>16,166</td>
<td>1,522</td>
</tr>
<tr>
<td>Contracted services (special education students) - joint agreements</td>
<td>4,000</td>
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<td>4,000</td>
<td>3,833</td>
<td>167</td>
</tr>
<tr>
<td>Contracted services (regular students) - ESC and CTSA</td>
<td>8,800</td>
<td>10,250</td>
<td>19,050</td>
<td>19,020</td>
<td>30</td>
</tr>
<tr>
<td>Contracted services (special education students) - ESC and CTSA</td>
<td>77,400</td>
<td>(7,100)</td>
<td>70,300</td>
<td>70,283</td>
<td>17</td>
</tr>
<tr>
<td>Miscellaneous purchased services</td>
<td>2,500</td>
<td>200</td>
<td>2,700</td>
<td>2,663</td>
<td>37</td>
</tr>
<tr>
<td>Transportation supplies</td>
<td>4,500</td>
<td>1,700</td>
<td>6,200</td>
<td>5,375</td>
<td>825</td>
</tr>
<tr>
<td>Miscellaneous expenditures</td>
<td>1,300</td>
<td>350</td>
<td>1,650</td>
<td>1,350</td>
<td>315</td>
</tr>
<tr>
<td><strong>Total student transportation services</strong></td>
<td>445,872</td>
<td></td>
<td>445,872</td>
<td>411,379</td>
<td>34,493</td>
</tr>
<tr>
<td></td>
<td>Original Budget</td>
<td>Budget Transfers</td>
<td>Final Budget</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------</td>
<td>------------------</td>
<td>--------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td><strong>Unallocated benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Social security contributions  | 53,000         | (7,500)          | 45,500       | 43,128 | 2,372  
| Other retirement contributions - regular | 71,000       | 7,500            | 78,500       | 77,967 | 533    
| Unemployment compensation      | 15,000         |                  | 15,000       | 13,257 | 1,743  
| Workers' compensation          | 43,576         |                  | 43,576       | 37,641 | 5,935  
| Health benefits                | 734,582        | (4,700)          | 729,882      | 649,356 | 80,526  
| Tuition reimbursement          | 8,000          | (2,500)          | 5,500        | 5,500  |        
| Other employee benefits        | 19,969         |                  | 19,969       | 16,140 | 3,829  
| Unused sick payments           |                |                  |              |        |        
| **Total unallocated benefits** | 945,127        | (2,500)          | 942,627      | 842,181 | 100,446  
| Teachers' Pension & Annuity Fund - (on-behalf non-budgeted) |              |                  |              | 384,591 | (384,591) 
| TPAF post-retirement medical (on-behalf non-budgeted) |              |                  |              | 248,399 | (248,399) 
| TPAF long-term disability insurance (on-behalf non-budgeted) |              |                  |              | 459 | (459) 
| Reimbursed TPAF social security contributions (non-budgeted) |              |                  |              | 185,035 | (185,035) 
| **Total non-budgeted**         | 818,484        |                  |              | 818,484 | (818,484) 
| **Total undistributed expenditures** | 5,394,001    | 27,194           | 5,421,195    | 5,926,486 | (505,291) 
| **Total expenditures - current expense** | 7,780,854 | (10,500)       | 7,770,354    | 8,137,408 | (367,054) 
| **CAPITAL OUTLAY:**            |                |                  |              |        |  
| Equipment:                    |                |                  |              |        |  
| Undistributed expenditures     |                |                  |              |        |  
| Required maintenance           | 21,000         | 35,600           | 56,600       | 53,844 | 2,756  
| Non-instructional equipment    | 8,000          |                  | 8,000        | 7,848  | 152    
| **Total equipment**            | 21,000         | 43,600           | 64,600       | 61,692 | 2,908  
| Facilities acquisition and construction services |              |                  |              |        |  
| Debt service assessment of SDA funding | 35,593      |                  | 35,593       | 35,593 |        
| **Total facilities acquisition and construction services** | 35,593 |                  | 35,593       | 35,593 |        
| **Total capital outlay**       | 56,593         | 43,600           | 100,193      | 97,285 | 2,908  
| **Total expenditures**         | 7,837,447      | 33,100           | 7,870,547    | 8,234,693 | (364,146) 

*ALLOWAY TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018*
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

Other financing sources (uses):

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating transfers:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital reserve to capital outlay</td>
<td>(35,600)</td>
<td>(35,600)</td>
<td>(35,600)</td>
<td></td>
</tr>
<tr>
<td>Transfer to food service - board contribution</td>
<td>(15,000)</td>
<td>(2,500)</td>
<td>(17,500)</td>
<td>(17,500)</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>(15,000)</td>
<td>(33,100)</td>
<td>(53,100)</td>
<td>(17,500)</td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(277,594)</td>
<td>(348,794)</td>
<td>347,594</td>
<td>1,353,480</td>
<td></td>
</tr>
</tbody>
</table>

Fund balances - July 1:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,415,650</td>
<td>1,415,650</td>
<td>1,415,650</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fund balances - June 30:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,138,056</td>
<td>$ 1,066,856</td>
<td>$ 1,763,244</td>
<td></td>
<td>$ 1,353,480</td>
</tr>
</tbody>
</table>

Recapitulation:

**Restricted fund balance:**

- Capital reserve | $ 513,913
- Excess surplus - designated for subsequent year's expenditures | 233,315
- Excess surplus - current year | 487,937

**Assigned fund balance:**

- Designated for subsequent year's expenditures - July 1, 2018 - August 1, 2018 | 82,937
- Designated for subsequent year's expenditures | 106,515

**Unassigned fund balance**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>338,627</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1,763,244

Reconciliation to Governmental Fund Statements (GAAP):

- Last state aid payment not recognized on GAAP basis | (347,253)

Fund balance per Governmental Funds (GAAP)

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,415,991</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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# ALLOWAY TOWNSHIP SCHOOL DISTRICT

## Budgetary Comparison Schedule

**Special Revenue Fund**

For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal sources</td>
<td>$ 242,968</td>
<td>$ 29,910</td>
<td>$ 272,878</td>
<td>$ 272,878</td>
<td></td>
</tr>
<tr>
<td>Local sources</td>
<td>3,072</td>
<td></td>
<td>3,072</td>
<td>3,072</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$ 246,040</td>
<td>$ 29,910</td>
<td>$ 275,950</td>
<td>$ 275,950</td>
<td></td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**    |                 |                  |              |        |                          |
| Instruction:         |                 |                  |              |        |                          |
| Salaries of teachers | $ 45,782        | $ 9,310          | $ 55,092     | $ 55,092 |                          |
| Other salaries for instruction | 70,031 | (24,318) | 45,713 | 45,713 | |
| Purchased professional - technical services | 28,216 | 28,216 | 28,216 | 28,216 | |
| Supplies and materials | 33,165 | 29,910 | 63,075 | 63,075 | |
| **Total instruction** | 177,194 | 14,902 | 192,096 | 192,096 | |

| Support services:    |                 |                  |              |        |                          |
| Salaries of secretarial and clerical assistants | 20,000 | 20,000 | 20,000 | 20,000 | |
| Personal services - employee benefits | 18,774 | 15,008 | 33,782 | 33,782 | |
| Purchased professional - educational services | 10,000 | 10,000 | 10,000 | 10,000 | |
| Purchased professional - technical services | 15,200 | 15,200 | 15,200 | 15,200 | |
| Other purchased services (400-500 series) | 3,000 | 3,000 | 3,000 | 3,000 | |
| Supplies and materials | 1,872 | 1,872 | 1,872 | 1,872 | |
| **Total support services** | 68,846 | 15,008 | 83,854 | 83,854 | |
| **Total expenditures** | $ 246,040 | $ 29,910 | $ 275,950 | $ 275,950 | |
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Required Supplementary Information  
Budget-to-GAAP Reconciliation -  
Note to RSI  
For the Fiscal Year Ended June 30, 2018  

Note A: Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures.

### General Fund N-1  
<table>
<thead>
<tr>
<th>N-1</th>
<th>Special Revenue Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>[C-1] $ 8,599,787</td>
<td>[C-2] $ 275,950</td>
</tr>
</tbody>
</table>

### Sources/inflows of resources:  
- Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.  
  - [C-1] $ 8,599,787  
  - [C-2] $ 275,950  
- State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.  
  - 357,444  
- State aid payment recognized for budgetary purposes, not recognized for GAAP statements.  
  - (347,253)

Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.  
- [B-2] $ 8,609,978  
- [B-2] $ 275,950

### Uses/outflows of resources:  
- Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.  
  - [C-1] $ 8,234,693  
  - [C-2] $ 275,950  

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.  
- [B-2] $ 8,234,693  
- [B-2] $ 275,950
REQUIRED SUPPLEMENTARY INFORMATION - PART III
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)
## ALLOWAY TOWNSHIP SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability - PERS

### Last Five Fiscal Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>District's proportion of the net pension liability (asset)</td>
<td>0.0074665919%</td>
<td>0.0071081737%</td>
<td>0.0063405820%</td>
<td>0.0063188878%</td>
<td>0.0070555330%</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset)</td>
<td>$1,738,103</td>
<td>$2,105,237</td>
<td>$1,423,334</td>
<td>$1,183,069</td>
<td>$1,348,453</td>
</tr>
<tr>
<td>District's covered-employee payroll</td>
<td>$437,183</td>
<td>$569,505</td>
<td>$532,548</td>
<td>$491,532</td>
<td>$475,029</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</td>
<td>397.57%</td>
<td>369.66%</td>
<td>267.27%</td>
<td>240.69%</td>
<td>283.87%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>48.10%</td>
<td>40.13%</td>
<td>47.92%</td>
<td>52.08%</td>
<td>48.72%</td>
</tr>
<tr>
<td>Measurement date</td>
<td>06/30/17</td>
<td>06/30/16</td>
<td>06/30/15</td>
<td>06/30/14</td>
<td>06/30/13</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Contractually required contribution $</td>
<td>69,170 $</td>
<td>63,148 $</td>
<td>54,512 $</td>
<td>52,092 $</td>
<td>53,162 $</td>
</tr>
<tr>
<td>Contributions in relation to the contractually required contribution</td>
<td>(69,170)</td>
<td>(63,148)</td>
<td>(54,512)</td>
<td>(52,092)</td>
<td>(53,162)</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>District's covered-employee payroll $</td>
<td>437,183 $</td>
<td>569,505 $</td>
<td>532,548 $</td>
<td>491,532 $</td>
<td>475,029 $</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>15.82%</td>
<td>11.09%</td>
<td>10.24%</td>
<td>10.60%</td>
<td>11.19%</td>
</tr>
<tr>
<td>Measurement date</td>
<td>6/30/17</td>
<td>6/30/16</td>
<td>06/30/15</td>
<td>06/30/14</td>
<td>06/30/13</td>
</tr>
<tr>
<td>------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>District's proportion of the net pension liability (asset)</td>
<td>0.0281693501%</td>
<td>0.0287097668%</td>
<td>0.0301862655%</td>
<td>0.0298195343%</td>
<td>0.0297634005%</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset)</td>
<td>$ 18,992,792</td>
<td>$ 22,584,934</td>
<td>$ 19,079,009</td>
<td>$ 15,937,571</td>
<td>$ 15,042,189</td>
</tr>
<tr>
<td>District's covered-employee payroll</td>
<td>2,668,119</td>
<td>2,837,994</td>
<td>3,026,482</td>
<td>3,099,500</td>
<td>3,053,742</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</td>
<td>711.84%</td>
<td>795.81%</td>
<td>630.40%</td>
<td>514.20%</td>
<td>492.58%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability.</td>
<td>25.41%</td>
<td>22.33%</td>
<td>28.71%</td>
<td>33.64%</td>
<td>33.76%</td>
</tr>
<tr>
<td>Measurement date</td>
<td>6/30/17</td>
<td>6/30/16</td>
<td>06/30/15</td>
<td>06/30/14</td>
<td>06/30/13</td>
</tr>
</tbody>
</table>

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the District.

The Teachers’ Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation – 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District’s proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also, on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.
SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Schedule of Changes in the Total OPEB Liability and Related Ratios  

Last Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB Liability</td>
<td></td>
</tr>
<tr>
<td>Service cost $</td>
<td>664,364</td>
</tr>
<tr>
<td>Interest</td>
<td>544,977</td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td></td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td></td>
</tr>
<tr>
<td>Changes of assumptions or other inputs (2,231,613)</td>
<td></td>
</tr>
<tr>
<td>Member contributions</td>
<td>14,705</td>
</tr>
<tr>
<td>Benefit payments (399,354)</td>
<td></td>
</tr>
<tr>
<td>Net change in total OPEB liability (1,406,921)</td>
<td></td>
</tr>
<tr>
<td>Total OPEB liability - beginning</td>
<td>18,648,597</td>
</tr>
<tr>
<td>Total OPEB liability - ending $</td>
<td>17,241,676</td>
</tr>
<tr>
<td>Covered employee payroll $</td>
<td>3,105,302</td>
</tr>
<tr>
<td>Total OPEB liability as a percentage of covered employee payroll</td>
<td>555.23%</td>
</tr>
</tbody>
</table>

Notes to Schedule:

Changes of benefit terms:
There were no changes in benefit terms during the year.

Changes of assumptions:
Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

2,018 3.58%
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
NOTES RELATED TO PENSIONS

NOTE 1: CONTRIBUTIONS

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District’s contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2017, measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate 2.25%
- Salary increases:
  - Through 2026 1.65 – 4.15% based on age
  - Thereafter 2.65 – 5.15% based on age
- Investment rate of return 7.00%

Pre-Retirement mortality rates were based on the RP-2000 Employee Pre-Retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: http://www.state.nj.us/treasury/pensions/gasb-notices.shtml.
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTES RELATED TO OTHER POST-EMPLOYMENT BENEFITS

NOTE 3: CONTRIBUTIONS

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with NJSA 52:14-17.32f. According to NJSA 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in or retires on a disability pension from one or more of the following plans: the Teacher’s Pension and Annuity Fund (TPAF) or the Public Employees’ Retirement System (PERS). 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.

NOTE 4: ACTUARIAL ASSUMPTIONS

The total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016, was determined by an actuarial valuation as of June 30, 2016. 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:

- **Inflation rate**: 2.50%
- **Salary increases (TPAF):**
  - Through 2026: 1.55 – 4.55% based on years of service
  - Thereafter: 2.00 – 5.45% based on years of service
- **Salary increases (PERS):**
  - Through 2026: 2.15 – 4.15% based on age
  - Thereafter: 3.15 – 5.15% based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 - June 30, 2014, for TPAF and PERS, respectively.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: [http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml](http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml).
OTHER SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND
### ALLOWAY TOWNSHIP SCHOOL DISTRICT
**Special Revenue Fund**

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

For the Fiscal Year Ended June 30, 2018

#### REVENUES:

<table>
<thead>
<tr>
<th></th>
<th>Total Brought Forward Ex. E-1a</th>
<th>IDEA Basic Part B</th>
<th>IDEA Preschool</th>
<th>Totals FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal sources</td>
<td>$173,403</td>
<td>$95,852</td>
<td>$3,623</td>
<td>$272,878</td>
<td>$267,192</td>
</tr>
<tr>
<td>Local sources</td>
<td>3,072</td>
<td></td>
<td></td>
<td>3,072</td>
<td>2,555</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>176,475</strong></td>
<td><strong>98,522</strong></td>
<td><strong>3,623</strong></td>
<td><strong>275,950</strong></td>
<td><strong>269,747</strong></td>
</tr>
</tbody>
</table>

#### EXPENDITURES:

**Instruction:**

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Ex. E-1a</th>
<th>Part B</th>
<th>Preschool</th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of teachers</td>
<td>55,092</td>
<td></td>
<td></td>
<td>55,092</td>
<td>75,796</td>
</tr>
<tr>
<td>Other salaries for instruction</td>
<td>8,807</td>
<td>33,540</td>
<td>3,366</td>
<td>45,713</td>
<td>101,201</td>
</tr>
<tr>
<td>Purchased professional technical services</td>
<td>28,216</td>
<td></td>
<td></td>
<td>28,216</td>
<td>15,641</td>
</tr>
<tr>
<td>General supplies</td>
<td>63,075</td>
<td></td>
<td></td>
<td>63,075</td>
<td>1,935</td>
</tr>
<tr>
<td><strong>Total instruction</strong></td>
<td><strong>126,974</strong></td>
<td><strong>61,756</strong></td>
<td><strong>3,366</strong></td>
<td><strong>192,096</strong></td>
<td><strong>194,573</strong></td>
</tr>
</tbody>
</table>

**Support services:**

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries of secretarial and clerical assistants</td>
<td>20,000</td>
<td>18,800</td>
</tr>
<tr>
<td>Personal services - employee benefits</td>
<td>29,429</td>
<td>28,231</td>
</tr>
<tr>
<td>Purchased professional - educational services</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Purchased professional - technical services</td>
<td>15,200</td>
<td>3,500</td>
</tr>
<tr>
<td>Other purchased services (400-500 series)</td>
<td>3,000</td>
<td>11,120</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>1,872</td>
<td>1,555</td>
</tr>
<tr>
<td><strong>Total support services</strong></td>
<td><strong>49,501</strong></td>
<td><strong>34,096</strong></td>
</tr>
</tbody>
</table>

**Total expenditures**

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>$176,475</td>
<td>$275,950</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$269,747</td>
<td>$269,747</td>
</tr>
</tbody>
</table>
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>Title IV</th>
<th>Title I Part A</th>
<th>Title II, Part A</th>
<th>Rural Education Business Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal sources</td>
<td>$ 10,000</td>
<td>$ 113,718</td>
<td>$ 19,775</td>
<td>$ 29,910</td>
</tr>
<tr>
<td>Local sources</td>
<td></td>
<td></td>
<td></td>
<td>$ 3,072</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 10,000</td>
<td>$ 113,718</td>
<td>$ 19,775</td>
<td>$ 29,910</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES:</th>
<th>Title IV</th>
<th>Title I Part A</th>
<th>Title II, Part A</th>
<th>Rural Education Business Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries of teachers</td>
<td>52,514</td>
<td>2,578</td>
<td></td>
<td>55,092</td>
</tr>
<tr>
<td>Other salaries for instruction</td>
<td>8,807</td>
<td></td>
<td></td>
<td>8,807</td>
</tr>
<tr>
<td>General supplies</td>
<td>10,000</td>
<td>23,165</td>
<td>29,910</td>
<td>63,075</td>
</tr>
<tr>
<td>Total instruction</td>
<td>$ 10,000</td>
<td>$ 84,486</td>
<td>$ 2,578</td>
<td>$ 29,910</td>
</tr>
</tbody>
</table>

| Support services:|          |                |                  |                                |
| Personal services - employee benefits | 29,232  | 197            |                  | 29,429                         |
| Purchased professional - technical services | 14,000  | 1,200          |                  | 15,200                         |
| Other purchased services (400-500 series) | 3,000   |                |                  | 3,000                          |
| Supplies and materials |        | 1,872         | 1,872            |                                |
| Total support services | 29,232  | 17,197         |                  | 3,072                          |
| Total expenditures | $ 10,000 | $ 113,718     | $ 19,775         | $ 29,910                       | $ 3,072                        | $ 176,475
CAPITAL PROJECTS FUND
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
June 30, 2018

<table>
<thead>
<tr>
<th>Project Title/Issue</th>
<th>Original Date</th>
<th>Revised Appropriation</th>
<th>Revised Expenditures to Date</th>
<th>Unexpended Appropriation June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roof replacement</td>
<td>01/06/14</td>
<td>$405,409</td>
<td>$403,205</td>
<td>$2,204</td>
</tr>
<tr>
<td>Security vestibule</td>
<td>06/21/14</td>
<td>$65,525</td>
<td>$43,972</td>
<td>$21,553</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$470,934</td>
<td>$447,177</td>
<td>$23,757</td>
</tr>
</tbody>
</table>
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance - beginning</td>
<td>$23,757</td>
</tr>
<tr>
<td>Fund balance - ending</td>
<td>$23,757</td>
</tr>
</tbody>
</table>
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
Roof Replacement  
from Inception and for the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Prior Periods</th>
<th>Current Year</th>
<th>Totals</th>
<th>Revised Authorized Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues and other financing sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from Capital reserve</td>
<td>$222,613</td>
<td>$222,613</td>
<td>$222,613</td>
</tr>
<tr>
<td>State Sources: SDA Grant</td>
<td>182,796</td>
<td>182,796</td>
<td>182,796</td>
</tr>
<tr>
<td></td>
<td>405,409</td>
<td>405,409</td>
<td>405,409</td>
</tr>
</tbody>
</table>

| Expenditures and other financing uses | | | |
| Purchased professional and technical services | 24,351 | 24,351 | 28,575 |
| Construction services | 378,854 | 378,854 | 376,834 |
| | 403,205 | 403,205 | 405,409 |

| Excess (deficiency) or revenues over (under) expenditures | 2,204 | 2,204 |

Additional project information:
- Project number: 0060-020-14G2NF
- Grant date: 01/06/14
- Bond authorization date: 08/19/14
- Bonds authorized: None
- Bonds issued: None
- Original authorized cost: $405,409
- Revised target completion date: 6/30/2015
- Revised target completion date: 7/31/2015
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
Security Vestibule  
from Inception and for the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Revenues and other financing sources</th>
<th>Prior Periods</th>
<th>Current Year</th>
<th>Totals</th>
<th>Revised Authorized Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from Capital reserve</td>
<td>$ 36,152</td>
<td>$ 36,152</td>
<td>$ 36,152</td>
<td></td>
</tr>
<tr>
<td>State Sources: SDA Grant</td>
<td>29,373</td>
<td>29,373</td>
<td>29,373</td>
<td></td>
</tr>
<tr>
<td></td>
<td>65,525</td>
<td>65,525</td>
<td>65,525</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures and other financing uses</th>
<th>Prior Periods</th>
<th>Current Year</th>
<th>Totals</th>
<th>Revised Authorized Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased professional and technical services</td>
<td>10,298</td>
<td>10,298</td>
<td>10,298</td>
<td></td>
</tr>
<tr>
<td>Construction services</td>
<td>33,674</td>
<td>33,674</td>
<td>56,215</td>
<td></td>
</tr>
<tr>
<td></td>
<td>43,972</td>
<td>43,972</td>
<td>66,513</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excess (deficiency) or revenues over (under) expenditures</th>
<th>Prior Periods</th>
<th>Current Year</th>
<th>Totals</th>
<th>Revised Authorized Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21,553</td>
<td>21,553</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional project information:
- Project number: 0060-020-141002-G04
- Grant date: 06/21/14
- Bond authorization date: n/a
- Bonds authorized: n/a
- Bonds issued: n/a
- Original authorized cost: $ 65,525
- Additional authorized cost: None
- Revised authorized cost: 65,525
- Percentage increase over original authorized cost: 0%
- Percentage completion: 0%
- Original target completion date: 8/31/2015
- Revised target completion date: 8/31/2015
PROPRIETARY FUNDS
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Business-type Activities</th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Food</td>
<td>Service</td>
<td>Other</td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 3,747</td>
<td>$ 3,747</td>
<td>$ 4,811</td>
</tr>
<tr>
<td>Accounts receivable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>$ 82</td>
<td>82</td>
<td>56</td>
</tr>
<tr>
<td>Federal</td>
<td>2,089</td>
<td>2,089</td>
<td>1,591</td>
</tr>
<tr>
<td>Other</td>
<td>140</td>
<td>140</td>
<td>1,841</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,463</td>
<td>1,463</td>
<td>1,701</td>
</tr>
<tr>
<td>Total current assets</td>
<td>3,634</td>
<td>3,887</td>
<td>7,521</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture, machinery &amp; equipment</td>
<td>64,345</td>
<td>64,345</td>
<td>64,345</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(40,860)</td>
<td>(40,860)</td>
<td>(38,147)</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>23,485</td>
<td>23,485</td>
<td>26,198</td>
</tr>
<tr>
<td>Total assets</td>
<td>27,119</td>
<td>$ 3,887</td>
<td>31,006</td>
</tr>
</tbody>
</table>

| LIABILITIES |         |         |         |
| Cash overdraft | 5,865 | 5,865 | 3,319 |
| Unearned income |         |         |         |
| Compensated absences | 4,320 | 4,320 | 4,050 |
| Total liabilities | 10,185 | 10,185 | 4,050 |

| NET POSITION |         |         |         |
| Invested in capital assets net of related debt | 23,485 | 23,485 | 26,198 |
| Unrestricted | (6,551) | $ 3,887 | (2,664) | 2,631 |
| Total net position | $ 16,934 | $ 3,887 | $ 20,821 | $ 28,829 |
## Operating Revenues:

### Local Sources:
- Daily sales - reimbursable programs: $46,200 (FY 2018), $46,200 (FY 2017), $48,197
- Daily sales non-reimbursable programs: $26,335 (FY 2018), $26,335 (FY 2017), $28,522
- Community service activities: $49,393 (FY 2018), $49,393 (FY 2017), $59,752

### Total Operating Revenue:
- Food Service Fund: $72,535 (FY 2018), $49,393 (FY 2017), $121,928 (FY 2018)
- Other Funds: $49,393 (FY 2018), $49,393 (FY 2017), $136,471

## Operating Expenses:

### Business-type Activities:
- Salaries: $60,868 (FY 2018), $40,664 (FY 2017), $101,532 (FY 2018)
- Employee benefits: $20,188 (FY 2018), $4,136 (FY 2017), $24,324 (FY 2018)
- Purchased professional - technical services: $5,382 (FY 2018), $5,382 (FY 2017), $2,509
- Other purchased services: $550 (FY 2018), $550 (FY 2017), $800
- Supplies and materials: $172 (FY 2018), $2,343 (FY 2017), $2,515 (FY 2018)
- Cost of sales - reimbursable: $38,432 (FY 2018), $38,432 (FY 2017), $43,442
- Cost of sales - non-reimbursable: $14,962 (FY 2018), $14,962 (FY 2017), $16,603
- Miscellaneous other expenses: $173 (FY 2018), $1,005 (FY 2017), $1,178 (FY 2018)
- Depreciation: $2,713 (FY 2018), $2,713 (FY 2017), $2,300

### Total Operating Expenses:
- Food Service Fund: $142,890 (FY 2018), $48,698 (FY 2017), $191,588 (FY 2018)
- Other Funds: $48,698 (FY 2018), $48,698 (FY 2017), $203,501

## Operating Income (Loss):
- Food Service Fund: $(70,355) (FY 2018), $695 (FY 2017), $(69,660) (FY 2018)
- Other Funds: $695 (FY 2018), $695 (FY 2017), $2,090

## Non-Operating Revenues:

### State Sources:
- National school lunch program - state: $1,274 (FY 2018), $1,274 (FY 2017), $1,162

### Federal Sources:
- National school lunch program: $32,328 (FY 2018), $32,328 (FY 2017), $31,183
- Special milk program: $136 (FY 2018), $136 (FY 2017), $147
- Food distribution program: $10,414 (FY 2018), $10,414 (FY 2017), $11,996

### Capital asset contribution: $8,750

### Total Non-operating Revenues (Expenses):
- Food Service Fund: $44,152 (FY 2018), $44,152 (FY 2017), $53,238
- Other Funds: $44,152 (FY 2018), $44,152 (FY 2017), $53,238

## Income (Loss) before Operating Transfers:
- Food Service Fund: $(26,203) (FY 2018), $695 (FY 2017), $(25,508) (FY 2018)
- Other Funds: $695 (FY 2018), $695 (FY 2017), $15,208

## Board Contribution:
- Food Service Fund: $17,500 (FY 2018), $17,500 (FY 2017), $29,000

## Net Income (Loss):
- Food Service Fund: $(8,703) (FY 2018), $695 (FY 2017), $(8,008) (FY 2018)
- Other Funds: $695 (FY 2018), $695 (FY 2017), $15,208

## Total Net Position:
- Food Service Fund: $25,637 (FY 2018), $3,192 (FY 2017), $28,829
- Other Funds: $3,192 (FY 2018), $3,192 (FY 2017), $13,621

### Total Net Position:
- Food Service Fund: $16,934 (FY 2018), $3,887 (FY 2017), $20,821
- Other Funds: $3,887 (FY 2018), $3,887 (FY 2017), $28,829
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Major Funds</th>
<th>Business-type Activities</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Food Service Fund</td>
<td>Other Funds</td>
</tr>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$72,535</td>
<td>$47,775</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>$(48,469)</td>
<td>$(3,898)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>$(60,598)</td>
<td>$(40,664)</td>
</tr>
<tr>
<td>Payments for employee benefits</td>
<td>$(20,188)</td>
<td>$(4,136)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$(56,720)</td>
<td>$(923)</td>
</tr>
<tr>
<td>Cash flows from non-capital financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from state &amp; federal reimbursements</td>
<td>33,214</td>
<td>33,214</td>
</tr>
<tr>
<td>Board contribution</td>
<td>17,500</td>
<td>17,500</td>
</tr>
<tr>
<td>Net cash provided by non-capital financing activities</td>
<td>50,714</td>
<td>50,714</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>$(6,006)</td>
<td>$(923)</td>
</tr>
<tr>
<td>Cash and cash equivalents - July 1</td>
<td>141</td>
<td>4,670</td>
</tr>
<tr>
<td>Cash and cash equivalents - June 30</td>
<td>$(5,865)</td>
<td>$3,747</td>
</tr>
</tbody>
</table>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

- Operating income (loss) | $(70,355) | $696 | $(69,660) | $(67,030) |
- Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:
  - Depreciation | 2,713 | 2,713 | 2,300 |
  - Food distribution program | 10,414 | 10,414 | 11,996 |
- Change in assets and liabilities:
  - (Increase) decrease in accts. receivable | 1,701 | 1,701 | (1,508) |
  - (Increase) decrease in inventory | 238 | 238 | (334) |
  - Increase (decrease) in deferred revenue | (3,319) | (3,319) | (232) |
  - Increase (decrease) in compensated absences | 270 | 270 | 195 |
- Net cash provided (used) by operating activities | $(56,720) | $(923) | $(57,643) | $(54,613) |
## ALLOWAY TOWNSHIP SCHOOL DISTRICT

### Internal Service Fund

#### Combining Schedule of Net Position

For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>FY 2018</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 139</td>
<td>$ 15,718</td>
</tr>
<tr>
<td>Intergovernmental accounts receivable</td>
<td>$ 3,960</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 139</td>
<td>$ 15,718</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND NET POSITION** |         |         |
| Net position              |         |         |
| Unrestricted              | $ 139   | $ 15,718| $ 15,548  | $ 15,915  | $ 47,320  | $ 38,409 |
| Total liabilities and net position | $ 139   | $ 15,718| $ 15,548  | $ 15,915  | $ 47,320  | $ 38,409 |
## ALLOWAY TOWNSHIP SCHOOL DISTRICT
### Internal Service Fund
### Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
### For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Food Services</th>
<th>Business Services</th>
<th>Tuition/Transportation Services</th>
<th>Child Study Team Consortium</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other charges and fees</td>
<td>$ 206,000</td>
<td>$ 136,000</td>
<td>$ 342,000</td>
<td>$ 377,957</td>
<td></td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>$ 206,000</td>
<td>$ 136,000</td>
<td>$ 342,000</td>
<td>$ 377,957</td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>157,990</td>
<td>101,637</td>
<td>259,627</td>
<td>255,334</td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>44,537</td>
<td>27,945</td>
<td>72,482</td>
<td>86,425</td>
<td></td>
</tr>
<tr>
<td>Other purchased services (400-500 series)</td>
<td>790</td>
<td>190</td>
<td>980</td>
<td>1,300</td>
<td></td>
</tr>
<tr>
<td>Contracted services (special education students) - ESC and CTSA</td>
<td>6,172</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$ 203,317</td>
<td>$ 129,772</td>
<td>333,089</td>
<td>349,231</td>
<td></td>
</tr>
<tr>
<td><strong>Net changes in net position</strong></td>
<td>2,683</td>
<td>6,228</td>
<td>8,911</td>
<td>28,726</td>
<td></td>
</tr>
<tr>
<td><strong>Total net position - July 1</strong></td>
<td>$ 139</td>
<td>$ 13,035</td>
<td>$ 15,548</td>
<td>9,687</td>
<td>38,409</td>
</tr>
<tr>
<td><strong>Total net position - June 30</strong></td>
<td>$ 139</td>
<td>$ 15,718</td>
<td>$ 15,548</td>
<td>$ 15,915</td>
<td>$ 47,320</td>
</tr>
</tbody>
</table>
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Food Services</th>
<th>Tuition/ Child Services</th>
<th>Total FY 2018</th>
<th>Total FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from customers</td>
<td>206,000</td>
<td>3,960</td>
<td>345,960</td>
<td>373,997</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(790)</td>
<td>(190)</td>
<td>(7,472)</td>
<td></td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(157,990)</td>
<td>(101,637)</td>
<td>(259,627)</td>
<td>(255,334)</td>
</tr>
<tr>
<td>Payments for employee benefits</td>
<td>(44,537)</td>
<td>(27,945)</td>
<td>(72,482)</td>
<td>(86,425)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>2,683</td>
<td>3,960</td>
<td>6,228</td>
<td>12,871</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>2,683</td>
<td>3,960</td>
<td>6,228</td>
<td>12,871</td>
</tr>
<tr>
<td>Cash and cash equivalents - July 1</td>
<td>139</td>
<td>13,035</td>
<td>11,588</td>
<td>9,687</td>
</tr>
<tr>
<td>Cash and cash equivalents - June 30</td>
<td>139</td>
<td>15,718</td>
<td>15,548</td>
<td>15,915</td>
</tr>
</tbody>
</table>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss) | $ 2,683 | $ 6,228 | $ 8,911 | $ 28,726 |

Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:

Change in assets & liabilities:

Increase (decrease) in accounts receivable | $ 3,960 | $ 3,960 | 3,960 | (3,960) |

| Total | $ 2,683 | $ 3,960 | $ 6,228 | $ 12,871 | $ 24,766 |
FIDUCIARY FUNDS
# ALLOWAY TOWNSHIP SCHOOL DISTRICT

## Combining Statement of Fiduciary Net Position

For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Agency Funds</th>
<th>FY 2018</th>
<th>Total FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 47,228</td>
<td>$ 47,228</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 47,228</td>
<td>$ 47,228</td>
</tr>
</tbody>
</table>

| **LIABILITIES** |         |               |
| Due to student groups | $ 23,278 | $ 23,278 | $ 21,945 |
| Payroll deductions and withholdings | $ 23,950 | $ 23,950 | $ 19,072 |
| Total liabilities | $ 47,228 | $ 47,228 | $ 41,017 |

---

# ALLOWAY TOWNSHIP SCHOOL DISTRICT

## Student Activity Agency Fund

Schedule of Receipts and Disbursements

For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>Balance July 1, 2017</th>
<th>Cash Receipts</th>
<th>Cash Disbursements</th>
<th>Balance June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alloway School</td>
<td>$ 21,945</td>
<td>$ 27,379</td>
<td>$ 26,046</td>
<td>$ 23,278</td>
</tr>
</tbody>
</table>
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2017</td>
<td>19,072</td>
<td>3,839,384</td>
<td>3,834,506</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$19,072</td>
<td>$3,839,384</td>
<td>$3,834,506</td>
</tr>
<tr>
<td>Total assets</td>
<td>19,072</td>
<td>3,839,384</td>
<td>3,834,506</td>
</tr>
</tbody>
</table>

**ASSETS**

**LIABILITIES**

Employees' net pay | $2,063,855 | $2,063,855 |
Payroll deductions and withholdings | $19,072 | 1,775,467 | 1,770,589 | $23,950 |
Interfund payable | 62 | 62 |
Total liabilities | $19,072 | $3,839,384 | $3,834,506 | $23,950 |
## ALLOWAY TOWNSHIP SCHOOL DISTRICT
### Schedule of Serial Bonds
#### June 30, 2018

<table>
<thead>
<tr>
<th>Refunding Bonds of 2014</th>
<th>Issue Date</th>
<th>Amount of Issue</th>
<th>Annual Maturities</th>
<th>Interest Rate</th>
<th>Balance</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10/16/14</td>
<td>$2,075,000</td>
<td>03/01/19</td>
<td>210,000</td>
<td>4.000%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>03/01/20</td>
<td>215,000</td>
<td>2.000%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>03/01/21</td>
<td>210,000</td>
<td>2.000%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>03/01/22</td>
<td>205,000</td>
<td>2.500%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>03/01/23</td>
<td>200,000</td>
<td>2.500%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>03/01/24</td>
<td>195,000</td>
<td>2.625%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>03/01/25</td>
<td>195,000</td>
<td>2.625%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,645,000</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$215,000</td>
<td>$1,430,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Rate</th>
<th>July 1, 2017</th>
<th>Issued</th>
<th>Retired</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/01/19</td>
<td>210,000</td>
<td>4.000%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/20</td>
<td>215,000</td>
<td>2.000%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/21</td>
<td>210,000</td>
<td>2.000%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/22</td>
<td>205,000</td>
<td>2.500%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/23</td>
<td>200,000</td>
<td>2.500%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/24</td>
<td>195,000</td>
<td>2.625%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/25</td>
<td>195,000</td>
<td>2.625%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$1,430,000
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Debt Service Fund Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Revenue/Expenditure Type</th>
<th>Original Budget</th>
<th>Budget Transfers</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Final to Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local sources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local tax levy</td>
<td>$ 258,713</td>
<td>$ 258,713</td>
<td>$ 258,713</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>258,713</td>
<td>258,713</td>
<td>258,713</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>43,713</td>
<td>43,713</td>
<td>43,713</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redemption of principal</td>
<td>215,000</td>
<td>215,000</td>
<td>215,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total regular debt service</strong></td>
<td>258,713</td>
<td>258,713</td>
<td>258,713</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>258,713</td>
<td>258,713</td>
<td>258,713</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenues and other financing sources over (under) expenditures

| Fund balance - July 1                    | 1               |                  | 1           | 1      |                 |
| Fund balance - June 30                   | $ 1             | $ 1              | $ 1         |        |                 |
STATISTICAL SECTION
(Unaudited)
<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Trends</td>
<td>109-115</td>
</tr>
<tr>
<td>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</td>
<td></td>
</tr>
<tr>
<td>Revenue Capacity</td>
<td>116-119</td>
</tr>
<tr>
<td>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</td>
<td></td>
</tr>
<tr>
<td>Debt Capacity</td>
<td>120-123</td>
</tr>
<tr>
<td>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</td>
<td></td>
</tr>
<tr>
<td>Demographic and Economic Information</td>
<td>124-125</td>
</tr>
<tr>
<td>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</td>
<td></td>
</tr>
<tr>
<td>Operating Information</td>
<td>126-130</td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Net Position By Component
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2018
Unaudited

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$3,864,183</td>
<td>$3,832,720</td>
<td>$3,774,163</td>
<td>$3,725,471</td>
<td>$3,656,357</td>
<td>$3,655,252</td>
<td>$3,641,137</td>
<td>$4,013,234</td>
<td>$3,989,593</td>
<td>$3,999,675</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,187,631</td>
<td>1,002,695</td>
<td>1,127,071</td>
<td>1,149,692</td>
<td>938,254</td>
<td>1,384,505</td>
<td>1,436,371</td>
<td>972,754</td>
<td>1,082,893</td>
<td>1,448,375</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(181,742)</td>
<td>(188,600)</td>
<td>(122,723)</td>
<td>(105,632)</td>
<td>(156,338)</td>
<td>(182,804)</td>
<td>(1,482,420)</td>
<td>(1,430,774)</td>
<td>(20,143,711)</td>
<td>(21,023,770)</td>
</tr>
<tr>
<td>Total governmental activities net position</td>
<td>$4,870,072</td>
<td>$4,646,815</td>
<td>$4,778,511</td>
<td>$4,437,273</td>
<td>$4,856,953</td>
<td>$3,595,088</td>
<td>$3,555,214</td>
<td>(15,071,225)</td>
<td>(15,575,720)</td>
<td></td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$7,223</td>
<td>$5,698</td>
<td>$4,884</td>
<td>$4,710</td>
<td>$4,537</td>
<td>$4,363</td>
<td>$11,879</td>
<td>$19,748</td>
<td>$26,198</td>
<td>$23,485</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>20,774</td>
<td>29,732</td>
<td>18,616</td>
<td>16,648</td>
<td>11,390</td>
<td>13,005</td>
<td>3,740</td>
<td>(6,062)</td>
<td>2,770</td>
<td>(2,525)</td>
</tr>
<tr>
<td>Total business-type activities net position</td>
<td>$27,997</td>
<td>$35,430</td>
<td>$23,500</td>
<td>$21,358</td>
<td>$15,927</td>
<td>$17,368</td>
<td>$15,619</td>
<td>$13,686</td>
<td>$28,968</td>
<td>$20,960</td>
</tr>
<tr>
<td><strong>District-wide:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>1,187,631</td>
<td>1,002,695</td>
<td>1,127,071</td>
<td>1,149,692</td>
<td>938,254</td>
<td>1,384,505</td>
<td>1,436,371</td>
<td>972,754</td>
<td>1,082,893</td>
<td>1,448,375</td>
</tr>
</tbody>
</table>
### EXHIBIT J-2

**ALLOWAY TOWNSHIP SCHOOL DISTRICT**  
**Changes In Net Position**  
**Last Ten Fiscal Years**  
**For the Fiscal Year Ended June 30, 2018**  
**Unaudited**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Governmental activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Instruction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>$1,795,248</td>
<td>$1,898,691</td>
<td>$1,883,236</td>
<td>$1,842,196</td>
<td>$1,998,727</td>
<td>$1,770,651</td>
<td>$1,724,878</td>
<td>$1,725,547</td>
<td>$1,769,342</td>
<td>$1,799,324</td>
</tr>
<tr>
<td>Special education</td>
<td>497,980</td>
<td>505,573</td>
<td>505,399</td>
<td>469,372</td>
<td>504,953</td>
<td>515,937</td>
<td>464,598</td>
<td>551,878</td>
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<td>Other special education</td>
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<td>98,670</td>
<td>86,247</td>
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<td>169,305</td>
<td>158,520</td>
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<td><strong>Support services</strong></td>
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<td>Student &amp; instruction and related services</td>
<td>2,813,083</td>
<td>2,846,545</td>
<td>2,537,300</td>
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<td>270,797</td>
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<td>124,732</td>
<td>143,006</td>
<td>135,563</td>
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<td>347,006</td>
<td>349,543</td>
<td>371,392</td>
<td>368,003</td>
<td>365,370</td>
<td>391,976</td>
<td>323,862</td>
<td>346,851</td>
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<td>Administrative information technology</td>
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<td>242</td>
<td>588</td>
<td>2,378</td>
<td>1,697</td>
<td>2,575</td>
<td>578</td>
<td>420</td>
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<td>Plant operations and maintenance</td>
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<td>400,333</td>
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<td>404,053</td>
<td>399,613</td>
<td>457,900</td>
<td>419,411</td>
<td>402,302</td>
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<td>350,322</td>
<td>344,806</td>
<td>336,347</td>
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<td>410,698</td>
<td>497,998</td>
<td>546,707</td>
<td>447,606</td>
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<td>1,600,754</td>
<td>1,326,186</td>
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<td>1,513,749</td>
<td>1,714,725</td>
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<td>121,640</td>
<td>115,640</td>
<td>109,640</td>
<td>103,640</td>
<td>97,640</td>
<td>92,128</td>
<td>59,708</td>
<td>54,689</td>
<td>48,241</td>
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<td>16,819</td>
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<td>12,593</td>
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<td>47,530</td>
<td>44,343</td>
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<td>232,016</td>
<td>232,902</td>
<td>236,764</td>
<td>234,426</td>
<td>234,875</td>
<td>247,034</td>
<td>259,795</td>
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<td><strong>Total Governmental activities expenses</strong></td>
<td>$8,347,153</td>
<td>$8,451,156</td>
<td>$8,213,429</td>
<td>$8,607,199</td>
<td>$9,004,128</td>
<td>$8,462,906</td>
<td>$9,046,239</td>
<td>$9,170,143</td>
<td>$9,282,223</td>
<td>$9,973,636</td>
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<td><strong>Business-type activities:</strong></td>
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<tr>
<td>Food service</td>
<td>210,494</td>
<td>163,777</td>
<td>157,558</td>
<td>143,559</td>
<td>148,094</td>
<td>152,100</td>
<td>146,010</td>
<td>148,862</td>
<td>150,420</td>
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<td>Child care</td>
<td>86,966</td>
<td>76,174</td>
<td>80,461</td>
<td>78,370</td>
<td>77,362</td>
<td>81,306</td>
<td>92,080</td>
<td>78,280</td>
<td>60,707</td>
<td>48,698</td>
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<td><strong>Total business-type activities expense</strong></td>
<td>$297,460</td>
<td>$239,951</td>
<td>$238,019</td>
<td>$221,929</td>
<td>$225,456</td>
<td>$233,405</td>
<td>$238,090</td>
<td>$227,142</td>
<td>$211,127</td>
<td>$191,588</td>
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<td><strong>Total District expenses</strong></td>
<td>$8,644,613</td>
<td>$8,691,107</td>
<td>$8,451,448</td>
<td>$8,829,128</td>
<td>$9,229,584</td>
<td>$8,696,312</td>
<td>$9,284,329</td>
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<td>$9,493,350</td>
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### ALLOWAY TOWNSHIP SCHOOL DISTRICT

#### Changes In Net Position

**Last Ten Fiscal Years**

**For the Fiscal Year Ended June 30, 2018**

**Unaudited**

#### PROGRAM REVENUES:

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<td>Instruction (tuition)</td>
<td>$62,287</td>
<td>$76,200</td>
<td>$81,500</td>
<td>$129,476</td>
<td>$121,000</td>
<td>$123,500</td>
<td>$126,000</td>
<td>$126,000</td>
<td>$129,000</td>
<td>$136,000</td>
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<td>General administration</td>
<td>76,587</td>
<td>77,956</td>
<td>78,966</td>
<td>81,243</td>
<td>81,165</td>
<td>79,685</td>
<td>78,625</td>
<td>80,023</td>
<td>28,537</td>
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<td>Business administration &amp; central services</td>
<td>182,436</td>
<td>194,354</td>
<td>203,362</td>
<td>210,000</td>
<td>224,300</td>
<td>217,316</td>
<td>229,000</td>
<td>172,000</td>
<td>191,000</td>
<td>206,000</td>
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<td>Plant operations &amp; maintenance</td>
<td>38,600</td>
<td>53,039</td>
<td>57,062</td>
<td>53,039</td>
<td>57,062</td>
<td>57,062</td>
<td>57,062</td>
<td>21,720</td>
<td>21,720</td>
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<tr>
<td>Pupil transportation</td>
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</tr>
<tr>
<td>Operating grants and contributions</td>
<td>223,363</td>
<td>260,757</td>
<td>301,125</td>
<td>219,628</td>
<td>217,698</td>
<td>192,382</td>
<td>179,826</td>
<td>249,856</td>
<td>269,747</td>
<td>275,950</td>
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<tr>
<td><strong>Total governmental activities program revenues</strong></td>
<td>$583,273</td>
<td>$609,267</td>
<td>$664,953</td>
<td>$640,347</td>
<td>$644,163</td>
<td>$612,883</td>
<td>$666,490</td>
<td>$684,941</td>
<td>$640,004</td>
<td>$617,950</td>
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<td><strong>Business-type activities:</strong></td>
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<tr>
<td>Charges for services:</td>
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</tr>
<tr>
<td>Food service</td>
<td>166,346</td>
<td>117,739</td>
<td>111,148</td>
<td>103,879</td>
<td>95,786</td>
<td>92,532</td>
<td>81,429</td>
<td>83,990</td>
<td>84,419</td>
<td>72,535</td>
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<td>Child care</td>
<td>81,195</td>
<td>81,171</td>
<td>77,871</td>
<td>80,491</td>
<td>71,264</td>
<td>85,298</td>
<td>84,938</td>
<td>77,309</td>
<td>59,752</td>
<td>49,393</td>
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<tr>
<td>Operating grants and contributions</td>
<td>41,569</td>
<td>38,474</td>
<td>37,070</td>
<td>35,417</td>
<td>40,838</td>
<td>46,217</td>
<td>47,474</td>
<td>44,490</td>
<td>44,488</td>
<td>44,152</td>
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<tr>
<td><strong>Total business-type activities program revenues</strong></td>
<td>289,110</td>
<td>237,394</td>
<td>226,069</td>
<td>219,787</td>
<td>207,898</td>
<td>224,047</td>
<td>213,841</td>
<td>205,769</td>
<td>186,659</td>
<td>166,080</td>
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<tr>
<td><strong>Total District program revenues</strong></td>
<td>$872,383</td>
<td>$846,651</td>
<td>$891,042</td>
<td>$860,134</td>
<td>$852,051</td>
<td>$836,930</td>
<td>$880,331</td>
<td>$890,730</td>
<td>$828,663</td>
<td>$784,030</td>
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#### Net (expense) revenue

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</thead>
<tbody>
<tr>
<td><strong>Governmental activities:</strong></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>(7,763,880)</td>
<td>(7,841,889)</td>
<td>(7,548,476)</td>
<td>(7,966,852)</td>
<td>(8,359,965)</td>
<td>(7,850,023)</td>
<td>(8,379,749)</td>
<td>(8,485,202)</td>
<td>(8,642,219)</td>
<td>(9,355,688)</td>
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<tr>
<td><strong>Total District-wide net expense</strong></td>
<td>$ (7,772,230)</td>
<td>$ (7,844,456)</td>
<td>$ (7,560,406)</td>
<td>$ (7,968,994)</td>
<td>$ (8,377,533)</td>
<td>$ (7,859,382)</td>
<td>$ (8,403,998)</td>
<td>$ (8,506,555)</td>
<td>$ (8,664,687)</td>
<td>$ (9,381,194)</td>
</tr>
</tbody>
</table>
### General revenues and other changes in net position

#### Governmental activities:

- **Property taxes levied for government purposes (net)**
  - 2009: $3,299,020
  - 2010: $3,325,440
  - 2011: $3,325,480
  - 2012: $3,325,480
  - 2013: $3,325,480
  - 2014: $3,325,085
  - 2015: $3,595,502
  - 2016: $3,698,284
  - 2017: $3,877,636

- **Taxes levied for debt service**
  - 2009: $256,640
  - 2010: $251,640
  - 2011: $271,640
  - 2012: $265,640
  - 2013: $259,640
  - 2014: $253,640
  - 2015: $282,640
  - 2016: $275,240
  - 2017: $248,467

- **Unrestricted grants and contributions**
  - 2009: $3,719,437
  - 2010: $4,045,455
  - 2011: $3,377,230
  - 2012: $3,982,331
  - 2013: $4,310,771
  - 2014: $4,365,143
  - 2015: $4,456,919
  - 2016: $4,491,334
  - 2017: $4,483,990
  - 2018: $4,612,519

- **Federal aid restricted**
  - 2009: 617,008

- **Tuition charges**
  - 2009: 29,339
  - 2010: 24,413

- **Transportation fees**
  - 2009: 10,310

- **Investment earnings**
  - 2009: 47,753
  - 2010: 21,951

- **Gain (loss) on disposal of assets**
  - 2009: (1,140)
  - 2010: (5,946)

- **Transfers**
  - 2009: (12,000)
  - 2010: 8,941

- **Miscellaneous income**
  - 2009: 4,916

#### Business-type activities:

- **Transfers**
  - 2009: 12,000

- **Gain (loss) on disposal of assets**
  - 2009: (1,220)

- **Miscellaneous income**
  - 2009: 2,741

#### Total District-wide:

- 2009: $7,330,507
- 2010: $7,652,017
- 2011: $7,628,632
- 2012: $7,680,172
- 2013: $7,957,872
- 2014: $8,027,707
- 2015: $8,269,703
- 2016: $8,413,174
- 2017: $8,445,328
- 2018: $8,851,191
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

<table>
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<tbody>
<tr>
<td>General fund:</td>
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<td>Restricted</td>
<td>$1,033,776</td>
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<td>$725,273</td>
<td>$783,296</td>
<td>$690,750</td>
<td>$721,591</td>
<td>$951,733</td>
<td>$1,235,165</td>
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<td>195,800</td>
<td>296,985</td>
<td>217,731</td>
<td>107,402</td>
<td>189,452</td>
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<td>Unassigned</td>
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<td>(26,190)</td>
<td>(35,752)</td>
<td>(87,844)</td>
<td>(144,165)</td>
<td>(28,010)</td>
<td>(929)</td>
<td>(8,626)</td>
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<td>Reserved</td>
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<td>Total general fund</td>
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<td>$1,085,354</td>
<td>$1,123,502</td>
<td>$902,502</td>
<td>$891,252</td>
<td>$843,570</td>
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All other governmental funds:

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<td>Capital projects fund</td>
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<tr>
<td>Debt service fund</td>
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<tr>
<td>Total all other governmental funds</td>
<td>$64,845</td>
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<td>$19,739</td>
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Unaudited
### ALLOWAY TOWNSHIP SCHOOL DISTRICT

#### Changes in Fund Balances - Governmental Funds

**Last Ten Fiscal Years**

**Unaudited**

#### REVENUES:

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<td>24,413</td>
<td>26,709</td>
<td>26,882</td>
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<td>22,315</td>
<td>3,205</td>
<td>7,546</td>
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<td>Transport</td>
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<td>3,208</td>
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<td>Interest</td>
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<td>24,696</td>
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<td>21,590</td>
<td>22,315</td>
<td>6,229</td>
<td>3,205</td>
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<td>Miscellaneous</td>
<td>9,060</td>
<td>28,312</td>
<td>48,452</td>
<td>16,269</td>
<td>16,299</td>
<td>215</td>
<td>7,546</td>
<td>8,153</td>
<td>8,612</td>
<td></td>
</tr>
<tr>
<td>State sources</td>
<td>4,053,095</td>
<td>3,380,675</td>
<td>3,984,775</td>
<td>4,182,543</td>
<td>4,365,143</td>
<td>4,456,919</td>
<td>4,491,334</td>
<td>4,483,990</td>
<td>4,589,383</td>
<td>4,612,519</td>
</tr>
<tr>
<td>Federal sources</td>
<td>214,194</td>
<td>870,321</td>
<td>292,605</td>
<td>343,586</td>
<td>213,576</td>
<td>192,382</td>
<td>247,381</td>
<td>267,192</td>
<td>272,878</td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>7,875,380</td>
<td>7,889,389</td>
<td>7,981,297</td>
<td>8,178,640</td>
<td>8,257,542</td>
<td>8,478,831</td>
<td>8,615,500</td>
<td>8,706,012</td>
<td>8,963,124</td>
<td>9,144,641</td>
</tr>
</tbody>
</table>

#### EXPENDITURES:

**Instruction:**

- Regular: 1,795,306, 1,899,191, 1,871,789, 1,842,686, 1,978,639, 1,822,096, 1,781,326, 1,719,679, 1,737,060, 1,772,545
- Special: 498,080, 505,933, 505,419, 469,652, 504,481, 515,239, 467,230, 551,541, 494,321, 532,640
- Other: 97,300, 105,590, 85,507, 103,799, 162,795, 168,810, 158,273, 128,101, 87,087
- School sponsored/other instructional: 25,375, 28,881, 30,701, 29,050, 31,489, 31,165
- Undistributed:
  - Student & instruction related services: 2,764,228, 2,781,570, 2,463,489, 2,640,558, 2,522,911, 2,958,403, 3,047,189, 3,287,423, 3,049,196
  - General administration: 170,663, 167,452, 165,785, 186,763, 189,632, 169,053, 197,087, 184,250, 192,655, 282,131
  - School administration: 135,779, 141,901, 146,887, 146,637, 138,547, 132,617, 135,032, 141,006, 135,563, 82,866
  - Administration information technology: 1,680, 2,215, 599, 242, 588, 2,378, 1,697, 2,575, 578, 420
  - Student transportation: 350,322, 344,806, 336,347, 381,786, 421,885, 410,698, 446,350, 489,645, 411,379
  - Unallocated benefits: 1,225,247, 1,239,243, 1,289,557, 1,395,945, 1,600,754, 1,326,186, 1,471,737, 1,531,090, 1,562,956, 1,694,447

**Debt service expenditures**

- Principal: 125,000, 150,000, 150,000, 150,000, 150,000, 150,000, 215,000, 215,000, 215,000, 215,000
- Total expenditures: 7,905,323, 8,084,831, 7,790,658, 8,140,492, 8,522,578, 8,073,872, 8,607,130, 9,114,808, 8,796,904, 8,769,356

**Excess (deficiency of revenues over (under) expenditures**

- (29,943), (105,442), 190,639, 38,148, (265,036), 404,959, 8,370, (408,796), 166,220, 375,285
- Other financing sources (uses)
  - Refund of bond issuance costs: 9,675
  - Transfers from internal service fund: 60,817, 56,536, 73,334
  - Transfers out - food service fund: (10,000), (12,500), (10,800), (22,500), (12,000), (29,000), (17,500)
  - Total other financing sources (uses): 60,817, 10,000, 44,036, (10,800), (12,825), 61,334, (29,000), (17,500)
- Net change in fund balance: $30,874, $205,442, $190,639, $38,148, $221,000, $394,159, $4,455, $347,462, $137,220, $357,785
- Debt service as a percentage of noncapital expenditures: 3.19%, 3.38%, 3.43%, 3.21%, 2.99%, 3.53%, 2.99%, 3.11%, 3.04%, 2.98%
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
General Fund Other Local Revenue by Source  
Last Ten Fiscal Years  
Unaudited  

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>DuPont Grant</th>
<th>Donations</th>
<th>Miscellaneous</th>
<th>Refunds</th>
<th>Annual Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1,529</td>
<td>$5,237</td>
<td>$2,294</td>
<td>$9,060</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$534</td>
<td>$7,779</td>
<td></td>
<td>$16,000</td>
<td>24,313</td>
</tr>
<tr>
<td>2011</td>
<td>$5,429</td>
<td>$20,947</td>
<td></td>
<td>$16,000</td>
<td>42,376</td>
</tr>
<tr>
<td>2012</td>
<td>$6,132</td>
<td>$5,867</td>
<td></td>
<td></td>
<td>11,999</td>
</tr>
<tr>
<td>2013</td>
<td>$260</td>
<td>$3,159</td>
<td></td>
<td></td>
<td>3,419</td>
</tr>
<tr>
<td>2014</td>
<td>$215</td>
<td></td>
<td></td>
<td></td>
<td>215</td>
</tr>
<tr>
<td>2015</td>
<td>$1,747</td>
<td>$49,536</td>
<td></td>
<td></td>
<td>51,283</td>
</tr>
<tr>
<td>2016</td>
<td>$2,570</td>
<td>$2,501</td>
<td>$2,475</td>
<td></td>
<td>7,546</td>
</tr>
<tr>
<td>2017</td>
<td>$2,248</td>
<td>$3,012</td>
<td></td>
<td></td>
<td>5,260</td>
</tr>
<tr>
<td>2018</td>
<td>$9,357</td>
<td>$44,875</td>
<td></td>
<td>$2,475</td>
<td>$32,000</td>
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</table>

Source: District records
<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Vacant Assessed Value</th>
<th>Residential</th>
<th>Farm Reg.</th>
<th>Q Farm</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Apartment</th>
<th>Total Assessed Value</th>
<th>Public Valuation</th>
<th>Taxable Value</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>8,050,700</td>
<td>142,951,300</td>
<td>33,825,300</td>
<td>4,815,800</td>
<td>8,107,900</td>
<td>0</td>
<td>0</td>
<td>197,751,000</td>
<td>538,700</td>
<td>198,289,700</td>
<td>1.803</td>
</tr>
<tr>
<td>2010</td>
<td>7,355,300</td>
<td>148,666,100</td>
<td>33,703,600</td>
<td>5,855,800</td>
<td>5,878,700</td>
<td>0</td>
<td>0</td>
<td>201,459,500</td>
<td>614,413</td>
<td>202,021,608</td>
<td>1.781</td>
</tr>
<tr>
<td>2011</td>
<td>12,314,300</td>
<td>209,234,800</td>
<td>44,590,500</td>
<td>5,992,900</td>
<td>15,191,000</td>
<td>0</td>
<td>0</td>
<td>287,991,900</td>
<td>841,247</td>
<td>288,833,147</td>
<td>1.243</td>
</tr>
<tr>
<td>2012</td>
<td>12,231,900</td>
<td>208,335,300</td>
<td>44,590,500</td>
<td>5,992,900</td>
<td>15,191,000</td>
<td>0</td>
<td>0</td>
<td>286,341,600</td>
<td>614,413</td>
<td>286,956,013</td>
<td>1.250</td>
</tr>
<tr>
<td>2013</td>
<td>10,955,100</td>
<td>207,289,200</td>
<td>44,768,800</td>
<td>5,826,100</td>
<td>15,384,500</td>
<td>0</td>
<td>0</td>
<td>284,223,700</td>
<td>627,629</td>
<td>284,851,329</td>
<td>1.280</td>
</tr>
<tr>
<td>2014</td>
<td>10,219,000</td>
<td>207,215,300</td>
<td>45,486,900</td>
<td>5,872,700</td>
<td>16,141,000</td>
<td>0</td>
<td>0</td>
<td>284,935,700</td>
<td>569,261</td>
<td>285,504,961</td>
<td>1.334</td>
</tr>
<tr>
<td>2015</td>
<td>9,975,700</td>
<td>206,866,300</td>
<td>45,870,600</td>
<td>6,047,000</td>
<td>11,919,200</td>
<td>0</td>
<td>0</td>
<td>280,778,800</td>
<td>414,575</td>
<td>281,193,375</td>
<td>1.377</td>
</tr>
<tr>
<td>2016</td>
<td>8,489,100</td>
<td>207,562,200</td>
<td>45,833,000</td>
<td>6,009,900</td>
<td>11,604,300</td>
<td>0</td>
<td>0</td>
<td>279,518,500</td>
<td>406,893</td>
<td>279,925,393</td>
<td>1.410</td>
</tr>
<tr>
<td>2017</td>
<td>7,829,300</td>
<td>208,100,500</td>
<td>45,516,800</td>
<td>6,000,300</td>
<td>11,404,300</td>
<td>0</td>
<td>0</td>
<td>279,051,200</td>
<td>399,169</td>
<td>279,450,369</td>
<td>1.452</td>
</tr>
<tr>
<td>2018</td>
<td>7,661,700</td>
<td>209,389,800</td>
<td>45,151,700</td>
<td>5,925,200</td>
<td>11,708,000</td>
<td>0</td>
<td>0</td>
<td>279,836,400</td>
<td>385,714</td>
<td>280,222,114</td>
<td>1.478</td>
</tr>
</tbody>
</table>

Source: Tax Assessor

n/a = Not available at time of completion of CAFR
### ALLOWAY TOWNSHIP SCHOOL DISTRICT

**Direct and Overlapping Property Tax Rates**

*Per $100 of Assessed Valuation*

**Last Ten Fiscal Years**

*Unaudited*

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>General Obligation Basic Rate</th>
<th>Debt Service</th>
<th>Total Direct School Tax Rate</th>
<th>Overlapping Rates Township of Alloway</th>
<th>Overlapping Rates Township Open Space</th>
<th>Overlapping Rates Salem County</th>
<th>Total Direct &amp; Overlapping Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1.676</td>
<td>0.127</td>
<td>1.803</td>
<td>0.192</td>
<td>0.020</td>
<td>1.322</td>
<td>3.337</td>
</tr>
<tr>
<td>2010</td>
<td>1.647</td>
<td>0.134</td>
<td>1.781</td>
<td>0.214</td>
<td>0.019</td>
<td>1.339</td>
<td>3.353</td>
</tr>
<tr>
<td>2011</td>
<td>1.151</td>
<td>0.092</td>
<td>1.243</td>
<td>0.180</td>
<td>0.019</td>
<td>1.060</td>
<td>2.502</td>
</tr>
<tr>
<td>2012</td>
<td>1.159</td>
<td>0.091</td>
<td>1.250</td>
<td>0.190</td>
<td>0.002</td>
<td>0.961</td>
<td>2.403</td>
</tr>
<tr>
<td>2013</td>
<td>1.191</td>
<td>0.089</td>
<td>1.280</td>
<td>0.181</td>
<td>0.010</td>
<td>0.959</td>
<td>2.430</td>
</tr>
<tr>
<td>2014</td>
<td>1.235</td>
<td>0.099</td>
<td>1.334</td>
<td>0.186</td>
<td>0.005</td>
<td>0.954</td>
<td>2.479</td>
</tr>
<tr>
<td>2015</td>
<td>1.279</td>
<td>0.098</td>
<td>1.377</td>
<td>0.225</td>
<td>0.005</td>
<td>0.985</td>
<td>2.592</td>
</tr>
<tr>
<td>2016</td>
<td>1.321</td>
<td>0.089</td>
<td>1.410</td>
<td>0.244</td>
<td>0.005</td>
<td>1.059</td>
<td>2.718</td>
</tr>
<tr>
<td>2017</td>
<td>1.361</td>
<td>0.091</td>
<td>1.452</td>
<td>0.250</td>
<td>0.005</td>
<td>1.109</td>
<td>2.816</td>
</tr>
<tr>
<td>2018</td>
<td>1.386</td>
<td>0.092</td>
<td>1.478</td>
<td>0.250</td>
<td>0.005</td>
<td>1.109</td>
<td>2.842</td>
</tr>
</tbody>
</table>

Source: Municipal Tax Collector
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current and Nine Years Ago
Unaudited

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>2018 Assessed Value</th>
<th>2018 % of Total District Net Valuation</th>
<th>2009 Assessed Value</th>
<th>2009 % of Total District Net Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>T/P Campground Inc.</td>
<td>3,000,000</td>
<td>1.07%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Angelo Massari, Inc.</td>
<td>2,521,500</td>
<td>0.90%</td>
<td>1,589,300</td>
<td>0.80%</td>
</tr>
<tr>
<td>Taxpayer #1</td>
<td>835,200</td>
<td>0.30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tall Pines Campground Inc.</td>
<td></td>
<td></td>
<td>788,600</td>
<td>0.40%</td>
</tr>
<tr>
<td>Taxpayer #2</td>
<td>787,300</td>
<td>0.28%</td>
<td>748,600</td>
<td>0.38%</td>
</tr>
<tr>
<td>Taxpayer #3</td>
<td>723,900</td>
<td>0.26%</td>
<td>672,200</td>
<td>0.34%</td>
</tr>
<tr>
<td>Fulton Bank (The Bank)</td>
<td>528,900</td>
<td>0.19%</td>
<td>528,900</td>
<td>0.27%</td>
</tr>
<tr>
<td>Taxpayer #4</td>
<td>645,000</td>
<td>0.23%</td>
<td>626,600</td>
<td>0.32%</td>
</tr>
<tr>
<td>Heritage-Cobb Mill Estates LP</td>
<td></td>
<td></td>
<td>1,222,200</td>
<td>0.62%</td>
</tr>
<tr>
<td>Taxpayer #5</td>
<td>580,400</td>
<td>0.21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxpayer #6</td>
<td>578,800</td>
<td>0.21%</td>
<td>560,400</td>
<td>0.28%</td>
</tr>
<tr>
<td>Taxpayer #7</td>
<td>559,100</td>
<td>0.20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Verizon Communications</td>
<td></td>
<td></td>
<td>562,108</td>
<td>0.28%</td>
</tr>
<tr>
<td>Taxpayer #8</td>
<td></td>
<td></td>
<td>528,800</td>
<td>0.27%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,760,100</strong></td>
<td><strong>2.77%</strong></td>
<td><strong>7,827,708</strong></td>
<td><strong>3.95%</strong></td>
</tr>
</tbody>
</table>

Source: Municipal Tax Assessor
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Taxes Levied for the Fiscal Year</th>
<th>Collected Within the Fiscal Year</th>
<th>Collections in Subsequent Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$3,577,080</td>
<td>$3,577,080</td>
<td>100.00%</td>
</tr>
<tr>
<td>2010</td>
<td>3,597,120</td>
<td>3,597,120</td>
<td>100.00%</td>
</tr>
<tr>
<td>2011</td>
<td>3,591,120</td>
<td>3,591,120</td>
<td>100.00%</td>
</tr>
<tr>
<td>2012</td>
<td>3,585,120</td>
<td>3,585,120</td>
<td>100.00%</td>
</tr>
<tr>
<td>2013</td>
<td>3,644,400</td>
<td>3,644,400</td>
<td>100.00%</td>
</tr>
<tr>
<td>2014</td>
<td>3,807,725</td>
<td>3,807,725</td>
<td>100.00%</td>
</tr>
<tr>
<td>2015</td>
<td>3,870,742</td>
<td>3,870,742</td>
<td>100.00%</td>
</tr>
<tr>
<td>2016</td>
<td>3,946,751</td>
<td>3,946,751</td>
<td>100.00%</td>
</tr>
<tr>
<td>2017</td>
<td>4,057,092</td>
<td>4,057,092</td>
<td>100.00%</td>
</tr>
<tr>
<td>2018</td>
<td>4,136,349</td>
<td>4,136,349</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

### ALLOWAY TOWNSHIP SCHOOL DISTRICT

#### Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Unaudited

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Percentage of Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Obligation Bonds</td>
<td>Certificate of Capital Participation</td>
<td>Bond Anticipation Leases Notes</td>
</tr>
<tr>
<td>2009</td>
<td>$2,966,000</td>
<td>$2,966,000</td>
<td>2.47%</td>
</tr>
<tr>
<td>2010</td>
<td>2,816,000</td>
<td>2,816,000</td>
<td>2.31%</td>
</tr>
<tr>
<td>2011</td>
<td>2,666,000</td>
<td>2,666,000</td>
<td>1.92%</td>
</tr>
<tr>
<td>2012</td>
<td>2,516,000</td>
<td>2,516,000</td>
<td>1.76%</td>
</tr>
<tr>
<td>2013</td>
<td>2,366,000</td>
<td>2,366,000</td>
<td>1.67%</td>
</tr>
<tr>
<td>2014</td>
<td>2,181,000</td>
<td>2,181,000</td>
<td>1.54%</td>
</tr>
<tr>
<td>2015</td>
<td>2,075,000</td>
<td>2,075,000</td>
<td>1.44%</td>
</tr>
<tr>
<td>2016</td>
<td>1,860,000</td>
<td>1,860,000</td>
<td>1.25%</td>
</tr>
<tr>
<td>2017</td>
<td>1,645,000</td>
<td>1,645,000</td>
<td>1.10%</td>
</tr>
<tr>
<td>2018</td>
<td>1,430,000</td>
<td>1,430,000</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Note: Not available at the time of CAFR completion.
### ALLOWAY TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>General Bonded Debt Outstanding</th>
<th>Percentage of Actual Taxable Value of Property</th>
<th>Per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Obligation</td>
<td>Deductions</td>
<td>Net General Bonded Debt Outstanding</td>
</tr>
<tr>
<td>2009</td>
<td>$ 2,966,000</td>
<td></td>
<td>$ 2,966,000</td>
</tr>
<tr>
<td>2010</td>
<td>2,816,000</td>
<td></td>
<td>2,816,000</td>
</tr>
<tr>
<td>2011</td>
<td>2,666,000</td>
<td></td>
<td>2,666,000</td>
</tr>
<tr>
<td>2012</td>
<td>2,516,000</td>
<td></td>
<td>2,516,000</td>
</tr>
<tr>
<td>2013</td>
<td>2,366,000</td>
<td></td>
<td>2,366,000</td>
</tr>
<tr>
<td>2014</td>
<td>2,181,000</td>
<td></td>
<td>2,181,000</td>
</tr>
<tr>
<td>2015</td>
<td>2,075,000</td>
<td></td>
<td>2,075,000</td>
</tr>
<tr>
<td>2016</td>
<td>1,860,000</td>
<td></td>
<td>1,860,000</td>
</tr>
<tr>
<td>2017</td>
<td>1,645,000</td>
<td></td>
<td>1,645,000</td>
</tr>
<tr>
<td>2018</td>
<td>1,430,000</td>
<td></td>
<td>1,430,000</td>
</tr>
</tbody>
</table>
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2017
Unaudited

<table>
<thead>
<tr>
<th>Governmental Unit</th>
<th>Debt Outstanding</th>
<th>Estimated Percentage Applicable</th>
<th>Estimated Share of Overlapping Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt repaid with property taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Township of Alloway</td>
<td>$ 4,050,828</td>
<td>100%</td>
<td>$ 4,050,828</td>
</tr>
<tr>
<td>Salem County General Obligation Debt (5.62%)</td>
<td>43,364,364</td>
<td>5.93%</td>
<td>2,572,226</td>
</tr>
<tr>
<td>Subtotal, overlapping debt</td>
<td></td>
<td></td>
<td>6,623,054</td>
</tr>
<tr>
<td>Township of Alloway School District</td>
<td></td>
<td></td>
<td>1,430,000</td>
</tr>
<tr>
<td>Total direct and overlapping debt</td>
<td></td>
<td></td>
<td>$ 8,053,054</td>
</tr>
</tbody>
</table>

Sources: Assessed value data used to estimate applicable percentages provided by the Salem County Board of Taxation. Debt outstanding provided by each government unit.
### ALLOWAY TOWNSHIP SCHOOL DISTRICT
#### Legal Debt Margin Information
##### Last Ten Fiscal Years
##### Unaudited

<table>
<thead>
<tr>
<th>Year</th>
<th>Equalized Valuation Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$290,980,971</td>
</tr>
<tr>
<td>2016</td>
<td>290,466,535</td>
</tr>
<tr>
<td>2015</td>
<td>284,613,074</td>
</tr>
<tr>
<td></td>
<td>$866,060,580</td>
</tr>
</tbody>
</table>

- Average equalized valuation of taxable property: $288,686,860
- Debt limit (3% of average equalized value): 8,660,606
- Total net debt applicable to limit: 1,430,000
- Legal debt margin: $7,230,606

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt limit</th>
<th>Total net debt applicable to limit</th>
<th>Legal debt margin</th>
<th>Total net debt applicable to the limit as a percentage of debt limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$8,391,972</td>
<td>2,966,000</td>
<td>$5,425,972</td>
<td>35.34%</td>
</tr>
<tr>
<td>2010</td>
<td>$9,162,104</td>
<td>2,816,000</td>
<td>$6,346,104</td>
<td>30.74%</td>
</tr>
<tr>
<td>2011</td>
<td>$9,448,068</td>
<td>2,666,000</td>
<td>$6,782,068</td>
<td>28.22%</td>
</tr>
<tr>
<td>2012</td>
<td>$9,382,275</td>
<td>2,516,000</td>
<td>$6,866,275</td>
<td>26.82%</td>
</tr>
<tr>
<td>2013</td>
<td>$8,769,910</td>
<td>2,366,000</td>
<td>$6,423,910</td>
<td>26.92%</td>
</tr>
<tr>
<td>2014</td>
<td>$8,631,153</td>
<td>2,181,000</td>
<td>$6,450,153</td>
<td>25.27%</td>
</tr>
<tr>
<td>2015</td>
<td>$8,682,550</td>
<td>2,075,000</td>
<td>$6,607,550</td>
<td>23.90%</td>
</tr>
<tr>
<td>2016</td>
<td>$8,731,754</td>
<td>1,860,000</td>
<td>$6,871,754</td>
<td>21.30%</td>
</tr>
<tr>
<td>2017</td>
<td>$8,710,100</td>
<td>1,645,000</td>
<td>$7,065,100</td>
<td>18.89%</td>
</tr>
<tr>
<td>2018</td>
<td>$8,660,606</td>
<td>1,430,000</td>
<td>$7,230,606</td>
<td>16.51%</td>
</tr>
<tr>
<td>Fiscal Year Ended June 30</td>
<td>Population</td>
<td>Personal Income</td>
<td>Per Capita Income</td>
<td>Unemployment Rate</td>
</tr>
<tr>
<td>---------------------------</td>
<td>------------</td>
<td>-----------------</td>
<td>-------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>2009</td>
<td>3,067</td>
<td>$120,066,916</td>
<td>$39,148</td>
<td>11.60%</td>
</tr>
<tr>
<td>2010</td>
<td>3,089</td>
<td>121,845,605</td>
<td>39,445</td>
<td>12.30%</td>
</tr>
<tr>
<td>2011</td>
<td>3,464</td>
<td>138,889,080</td>
<td>40,095</td>
<td>11.60%</td>
</tr>
<tr>
<td>2012</td>
<td>3,444</td>
<td>142,846,788</td>
<td>41,477</td>
<td>11.90%</td>
</tr>
<tr>
<td>2013</td>
<td>3,443</td>
<td>141,827,499</td>
<td>41,193</td>
<td>5.90%</td>
</tr>
<tr>
<td>2014</td>
<td>3,410</td>
<td>141,767,340</td>
<td>41,574</td>
<td>8.20%</td>
</tr>
<tr>
<td>2015</td>
<td>3,386</td>
<td>143,654,436</td>
<td>42,426</td>
<td>7.10%</td>
</tr>
<tr>
<td>2016</td>
<td>3,355</td>
<td>148,522,495</td>
<td>44,269</td>
<td>5.10%</td>
</tr>
<tr>
<td>2017</td>
<td>3,320</td>
<td>150,020,840</td>
<td>45,187</td>
<td>5.00%</td>
</tr>
<tr>
<td>2018</td>
<td>3,327</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: State of New Jersey, Department of Labor and Workforce Development.

n/a = Not available at time of completion of CAFR.
# ALLOWAY TOWNSHIP SCHOOL DISTRICT
## Principal Employers
### Current and Nine Years Ago
#### Unaudited

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employees</th>
<th>2018 Percentage of Total Municipal Employment</th>
<th>2009 Percentage of Total Municipal Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranch Hope</td>
<td>145</td>
<td>9.35%</td>
<td>145</td>
</tr>
<tr>
<td>Alloway Township Board of Education</td>
<td>70</td>
<td>4.52%</td>
<td>75</td>
</tr>
<tr>
<td>B.R. Williams</td>
<td>215</td>
<td>13.87%</td>
<td>50</td>
</tr>
<tr>
<td>Alloway Township</td>
<td>28</td>
<td>1.81%</td>
<td>30</td>
</tr>
<tr>
<td>Edgar Joyce Nursery</td>
<td>19</td>
<td>1.23%</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>477</strong></td>
<td><strong>30.77%</strong></td>
<td><strong>320</strong></td>
</tr>
</tbody>
</table>

Source: Alloway School District

n/a - Not available
### ALLOWAY TOWNSHIP SCHOOL DISTRICT

Full-time Equivalent District Employees by Function/Program

Last Ten Fiscal Years

Unaudited

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>36.0</td>
<td>36.0</td>
<td>35.0</td>
<td>34.0</td>
<td>32.0</td>
<td>32.0</td>
<td>30.0</td>
<td>30.0</td>
<td>24.8</td>
<td>24.8</td>
</tr>
<tr>
<td>Special education</td>
<td>8.5</td>
<td>9.0</td>
<td>8.0</td>
<td>7.4</td>
<td>13.0</td>
<td>11.0</td>
<td>12.0</td>
<td>12.0</td>
<td>13.4</td>
<td>14.2</td>
</tr>
<tr>
<td>Support services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student &amp; instruction related services</td>
<td>5.7</td>
<td>6.5</td>
<td>5.5</td>
<td>3.8</td>
<td>2.5</td>
<td>2.5</td>
<td>4.0</td>
<td>4.0</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>General administration</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>School administration</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Business administrative services</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>1.5</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Plants operations and maintenance</td>
<td>5.6</td>
<td>5.6</td>
<td>5.5</td>
<td>5.2</td>
<td>5.0</td>
<td>4.1</td>
<td>4.1</td>
<td>3.9</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Food service</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
<td>3.4</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>Child care</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>69.8</td>
<td>71.1</td>
<td>68.0</td>
<td>64.4</td>
<td>65.5</td>
<td>62.1</td>
<td>62.6</td>
<td>60.9</td>
<td>57.4</td>
<td>58.1</td>
</tr>
</tbody>
</table>

Source: District personnel records and budget book.
ALLOWAY TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Enrollment</th>
<th>Operating Expenditures</th>
<th>Cost per Pupil</th>
<th>Percentage Change</th>
<th>Average Daily Teaching Staff</th>
<th>Average Daily Elementary</th>
<th>Average Daily Enrollment (ADE)</th>
<th>Average Daily Attendance (ADA)</th>
<th>% Change Average Daily Enrollment</th>
<th>% Change Average Daily Attendance</th>
<th>Student Attendance Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>666</td>
<td>$7,634,325</td>
<td>$11,463</td>
<td>0.70%</td>
<td>35.0</td>
<td>1:13</td>
<td>460.70</td>
<td>441.90</td>
<td>-3.92%</td>
<td>95.92%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>646</td>
<td>$7,764,435</td>
<td>12,019</td>
<td>4.85%</td>
<td>36.0</td>
<td>1:13</td>
<td>462.30</td>
<td>442.40</td>
<td>0.35%</td>
<td>95.70%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>618</td>
<td>$7,473,939</td>
<td>12,094</td>
<td>0.62%</td>
<td>35.0</td>
<td>1:12</td>
<td>431.00</td>
<td>412.90</td>
<td>-6.77%</td>
<td>95.80%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>603</td>
<td>$7,828,683</td>
<td>12,983</td>
<td>7.35%</td>
<td>34.0</td>
<td>1:12</td>
<td>419.00</td>
<td>401.50</td>
<td>-2.78%</td>
<td>95.82%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>586</td>
<td>$8,229,205</td>
<td>14,043</td>
<td>8.17%</td>
<td>36.0</td>
<td>1:11</td>
<td>401.90</td>
<td>384.80</td>
<td>-4.08%</td>
<td>95.75%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>532</td>
<td>$7,723,372</td>
<td>14,518</td>
<td>3.38%</td>
<td>34.0</td>
<td>1:11</td>
<td>388.90</td>
<td>372.50</td>
<td>-3.23%</td>
<td>95.78%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>504</td>
<td>$8,240,799</td>
<td>16,351</td>
<td>12.63%</td>
<td>35.5</td>
<td>1:11</td>
<td>376.92</td>
<td>358.14</td>
<td>-3.08%</td>
<td>95.02%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>501</td>
<td>$8,387,651</td>
<td>16,742</td>
<td>2.39%</td>
<td>33.0</td>
<td>1:12</td>
<td>383.00</td>
<td>358.98</td>
<td>1.61%</td>
<td>93.73%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>494</td>
<td>$8,461,717</td>
<td>17,129</td>
<td>2.31%</td>
<td>30.0</td>
<td>1:12</td>
<td>374.60</td>
<td>354.60</td>
<td>-2.19%</td>
<td>94.66%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>495</td>
<td>$8,413,358</td>
<td>16,997</td>
<td>-0.77%</td>
<td>30.0</td>
<td>1:12</td>
<td>368.06</td>
<td>348.70</td>
<td>-1.75%</td>
<td>94.74%</td>
<td></td>
</tr>
</tbody>
</table>

Source: District records, ASSA, and schedules J-4, J-12, J-14.
- Enrollment includes Woodstown High School enrollment.

Note: Enrollment based on annual October district count.
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
School Building Information  
Last Ten Fiscal Years  
Unaudited  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alloway Elementary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Square feet</td>
<td>55,760</td>
<td>55,760</td>
<td>55,760</td>
<td>55,760</td>
<td>55,760</td>
<td>55,760</td>
<td>55,760</td>
<td>55,760</td>
<td>55,760</td>
<td>55,760</td>
</tr>
<tr>
<td>Capacity (students)</td>
<td>629</td>
<td>629</td>
<td>629</td>
<td>629</td>
<td>629</td>
<td>629</td>
<td>629</td>
<td>629</td>
<td>629</td>
<td>629</td>
</tr>
<tr>
<td>Enrollment</td>
<td>466</td>
<td>461</td>
<td>430</td>
<td>419</td>
<td>401</td>
<td>384</td>
<td>376</td>
<td>384</td>
<td>375</td>
<td>361</td>
</tr>
</tbody>
</table>

Number of schools at June 30, 2018  
Elementary = 1

Source: District office
### ALLOWAY TOWNSHIP SCHOOL DISTRICT
#### General Fund

Schedule of Required Maintenance Expenditures by School Facility
For the Fiscal Year Ended June 30, 2018
Unaudited

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Alloway School</td>
<td>55,760</td>
<td>$80,219</td>
<td>$49,900</td>
<td>$51,747</td>
<td>$57,585</td>
<td>$54,877</td>
<td>$87,505</td>
<td>$72,823</td>
<td>$70,781</td>
<td>$48,461</td>
<td>$35,800</td>
<td>$609,698</td>
</tr>
</tbody>
</table>

* School facilities as defined under EFCA. (NJAC 6A:26-1.2 and NJAC 6:24-1.3)
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2018  
Unaudited

<table>
<thead>
<tr>
<th>Coverage Description</th>
<th>Coverage</th>
<th>Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>School package policy - NJ School Board Association Insurance Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property - blanket buildings &amp; contents</td>
<td>$ 15,382,878</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>Electronic data processing</td>
<td>150,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Crime</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee blanket bond/per employee</td>
<td>100,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Employee blanket bond/money &amp; securities in/out</td>
<td>25,000</td>
<td>500</td>
</tr>
<tr>
<td>Employee blanket bond/money orders &amp; counterfeit paper</td>
<td>25,000</td>
<td>500</td>
</tr>
<tr>
<td>Employee blanket bond/forgery &amp; alteration per occurrence</td>
<td>100,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Employee blanket bond/computer fraud per occurrence</td>
<td>100,000</td>
<td>500</td>
</tr>
<tr>
<td>General liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bodily injury &amp; property damage</td>
<td>6,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Bodily injury products and completed operations</td>
<td>6,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Sexual abuse</td>
<td>6,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Personal and advertising injury</td>
<td>6,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Employee benefits liability</td>
<td>6,000,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Premises medical payments</td>
<td>10,000</td>
<td>None</td>
</tr>
<tr>
<td>Terrorism</td>
<td>1,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Commercial automobile liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bodily injury &amp; property damage</td>
<td>6,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Errors &amp; omissions liability policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage A</td>
<td>6,000,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Coverage B</td>
<td>100,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Workmen’s compensation - NJ School Board Association Insurance Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bodily injury - by accident</td>
<td>2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Bodily injury - by disease</td>
<td>2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Bodily injury - by employee</td>
<td>2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Public employees’ faithful performance bonds -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ohio Casualty Insurance Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee bond - Rebecca S. Joyce, Business Administrator/Board Secretary</td>
<td>200,000</td>
<td>None</td>
</tr>
</tbody>
</table>

Source: District records
SINGLE AUDIT SECTION
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

The Honorable President and
Members of the Board of Education
Alloway Township School District
43 Cedar Street
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, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Alloway Township School District’s basic financial statements, and have issued our report thereon dated January 21, 2019.

Internal Control Over Financial Reporting

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Alloway Township School 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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

PETRONI & ASSOCIATES LLC

Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

January 21, 2019
REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE), AND NEW JERSEY OMB’S CIRCULAR 15-08

Independent Auditor’s Report

The Honorable President and Members
of the Board of Education
Alloway Township School District
43 Cedar Street
Alloway, New Jersey 08001

Report on Compliance for Each Major State Program

We have audited the Alloway Township School District’s compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Alloway Township School District’s major state programs for the year ended June 30, 2018. The Alloway Township School District’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Alloway Township School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), New Jersey State Aid/Grant Compliance Supplement, Audits of States, Local Governments, and Non-Profit Organizations and 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. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Alloway Township School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Alloway Township School District’s compliance.

Opinion on Each Major State Program

In our opinion, the Alloway Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Alloway Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Alloway Township School District’s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB’s Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Alloway Township School District’s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB’s Circular 15-08. Accordingly, this report is not suitable for any other purpose.
We have audited the financial statements Alloway Township School District as of and for the year ended June 30, 2018, and have issued our report thereon dated January 21, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and New Jersey OMB’s Circular 15-08 and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC

Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

January 21, 2019
## Alloway Township School District
### Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

#### U.S. Department of Education
**Passed-through State Department of Education:**

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through/Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Federal FAIN Number</th>
<th>State/Project or Award</th>
<th>Grant Period</th>
<th>Carryover/ (Walkover)</th>
<th>Balance at June 30, 2017</th>
<th>Repayment of Prior Balances Receivable</th>
<th>Expenditure Adjustments</th>
<th>Balance at June 30, 2018</th>
<th>Memo</th>
<th>Cumulative Total</th>
<th>Revenue</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title I - Part A</strong></td>
<td>84.010A</td>
<td>S010A170030</td>
<td>ESEA006018</td>
<td>07/1/17-06/30/18</td>
<td>$113,718</td>
<td>$113,718</td>
<td>(113,718)</td>
<td></td>
<td></td>
<td></td>
<td>113,718</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Title II-A - Teacher &amp; Principal Training</strong></td>
<td>84.367</td>
<td>S367A170029</td>
<td>ESEA006018</td>
<td>07/1/17-06/30/18</td>
<td>19,775</td>
<td>(19,775)</td>
<td>19,775</td>
<td></td>
<td></td>
<td></td>
<td>19,775</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Title IV - Student Support and Academic Enrichment</strong></td>
<td>84.424</td>
<td>S424A170031</td>
<td>ESEA006018</td>
<td>07/1/17-06/30/18</td>
<td>10,000</td>
<td>(10,000)</td>
<td>10,000</td>
<td></td>
<td></td>
<td></td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rural Education Achievement Program</strong></td>
<td>84.358</td>
<td>S358B170030</td>
<td>S358A172551</td>
<td>07/17-09/30/18</td>
<td>29,910</td>
<td>29,910</td>
<td>29,910</td>
<td></td>
<td></td>
<td></td>
<td>29,910</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Special Education Cluster</strong></td>
<td>84.027A</td>
<td>H027A170100</td>
<td>IDEA006018</td>
<td>07/1/17-06/30/18</td>
<td>95,852</td>
<td>95,852</td>
<td>95,852</td>
<td></td>
<td></td>
<td></td>
<td>95,852</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IDEA Part B, Preschool</strong></td>
<td>84.173</td>
<td>H173A170114</td>
<td>IDEA006018</td>
<td>07/1/17-06/30/18</td>
<td>3,623</td>
<td>(3,623)</td>
<td>3,623</td>
<td></td>
<td></td>
<td></td>
<td>3,623</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Special Education Cluster</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>99,475</td>
<td>(99,475)</td>
<td>99,475</td>
<td></td>
<td></td>
<td></td>
<td>99,475</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Special Revenue Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>272,878</td>
<td>(272,878)</td>
<td>272,878</td>
<td></td>
<td></td>
<td></td>
<td>272,878</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Federal Financial Awards**

| Total Enterprise Fund/Child Nutrition Cluster    | 336                 | 42,380              | (43,540)              | (2,089)          | 1,265                  | 84,656                                 |                          |                          |      | 84,656       |         |             |
| Total Federal Financial Awards**                 | 336                 | 315,258             | (316,419)             | (2,089)          | 1,265                  | 357,534                                |                          |                          |      | 357,534      |         |             |

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this schedule.
ALLOWAY TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2018

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this schedule.
NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Alloway Township School District. 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 awards and state financial assistance passed through other government agencies, is included on the Schedules 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 2 CFR 200-Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards, New Jersey OMB’s Circular 15-08, Audits of States, Local Governments, and Non-Profit Organizations and the New Jersey State Aid/Grant Compliance Supplement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 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 one or more June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes one or more June state aid payments in the current budget year, consistent with NJSA 18A:22-4-.2.
NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $10,191 for the General Fund and $0 for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) 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 (See Exhibit B-2 and B-5):

<table>
<thead>
<tr>
<th>Fund</th>
<th>Federal</th>
<th>State</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td></td>
<td>$4,612,519</td>
<td>$4,612,519</td>
</tr>
<tr>
<td>Special revenue fund</td>
<td>$272,878</td>
<td></td>
<td>272,878</td>
</tr>
<tr>
<td>Food service fund</td>
<td>42,878</td>
<td>1,274</td>
<td>44,152</td>
</tr>
<tr>
<td>Total financial assistance</td>
<td>$315,756</td>
<td>$4,613,793</td>
<td>$4,929,549</td>
</tr>
</tbody>
</table>

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: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2018, Alloway Township School District has food commodities totaling $1,265 in inventory.

NOTE 6: OTHER

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, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2018.

NOTE 7: INDIRECT COST RATE

The Alloway Township School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.
NOTE 8: ADJUSTMENTS TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

The adjustment for Lead testing for school’s aid in the amount of $1,132 is to realize the amount expended in the prior fiscal year.

NOTE 9: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial Assistance reported in the District’s financial statements and the amounts subject to State single audit and major program determination.
ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section I – Summary of Auditor’s Results

Financial Statements:
Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
1. Material weakness(es) identified? ______ Yes ______ No

2. Significant deficiencies identified that are not considered to be material weaknesses? ______ Yes ______ No

Noncompliance material to basic financial statements noted? ______ Yes ______ No

Federal Awards N/A

State Awards
Dollar threshold used to distinguish between type A and type B programs: $750,000

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

Internal control over major programs:
1. Material weakness(es) identified? ______ Yes ______ No

2. Significant deficiencies identified that are not considered to be material weaknesses? ______ Yes ______ No

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

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

Identification of major programs:

<table>
<thead>
<tr>
<th>GMIS Numbers</th>
<th>Name of State Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>495-034-5120-078</td>
<td>State Aid Public:</td>
</tr>
<tr>
<td>495-034-5120-089</td>
<td>Equalization Aid</td>
</tr>
<tr>
<td>495-034-5120-084</td>
<td>Special Education Categorical Aid</td>
</tr>
<tr>
<td>495-034-5120-085</td>
<td>Security Aid</td>
</tr>
<tr>
<td>495-034-5120-096</td>
<td>Adjustment Aid</td>
</tr>
<tr>
<td>495-034-5120-098</td>
<td>Under Adequacy Aid</td>
</tr>
</tbody>
</table>
ALLOWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section I – Summary of Auditor’s Results (Continued)

<table>
<thead>
<tr>
<th>GMIS Numbers</th>
<th>Name of State Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>495-034-5120-097</td>
<td>Per Pupil Growth Aid</td>
</tr>
<tr>
<td>495-034-5120-098</td>
<td>PARCC Readiness Aid</td>
</tr>
<tr>
<td>495-034-5120-101</td>
<td>Professional Learning Community Aid</td>
</tr>
</tbody>
</table>

Section II – Financial Statement Findings

None

Section III – State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

N/A

STATE AWARDS

None
Status of Prior Year Findings:

Corrective action has been taken.

Finding: 2017-001:

Condition: The testing of expenditures (sample size 40) disclosed (100%) were paid without certification of acknowledgement of receipt.

Current status: N/A