

**Lower Alloways Creek Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT

SALEM, NEW JERSEY 08079

**Lower Alloways Creek School Board of Education
Salem, New Jersey 08079**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Lower Alloways Creek School Board of Education
Salem, New Jersey 08079**

For the Fiscal Year Ended June 30, 2015

Prepared by:

**Lower Alloways Creek School
Board of Education Administration**

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INTRODUCTORY SECTION

Lower Alloways Creek School Board of Education



967 Main Street – Canton
Salem, NJ 08079

Telephone: (856) 935-6984
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November 23, 2015

Honorable President and
Members of the Board of Education
Lower Alloways Creek Township School District
967 Main Street - Canton
Salem, New Jersey 08079

Dear Board Members:

The comprehensive annual financial report of the Lower Alloways Creek Township School District for the fiscal year ending June 30, 2015, 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 Lower Alloways Creek 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 U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the State Treasury New Jersey OMB Circular Letters 04-04 and/or 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 District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Board constitutes the District's reporting entity.

The District provides a full range of education services appropriate to grade levels Pre-K through 8. Other classes include regular, remedial, and special education for students who require that accommodation. Our students in grades 9-12 are sent to Salem High School in a sending/receiving relationship. Students may also choose to attend academies that are housed in several Salem County high school districts, including the Salem County Vo-Tech. There was a decrease from the previous year's District Average Daily Enrollment. The LAC District completed the 2014-2015 fiscal year with an enrollment of 173.

2) ECONOMIC CONDITIONS AND OUTLOOK

The most recent data available, the 2010 U.S. Census, reveals a population decrease in the Township.

<u>Year</u>	<u>Population</u>
1970	1,400
1980	1,547
1990	1,858
2000	1,851
2010	1,770

3) MAJOR INITIATIVES

The Lower Alloways Creek Township School District is continuing ensure that each child will experience optimal academic, social, emotional, and physical success through a challenging and progressive learner-active educational program in a technology-infused, safe, and healthy learning environment. Once again, students will be partaking in the PARCC test in grades 3-8 for ELA and mathematics, and students in grades 4 and 8 will take the NJASK for science to be compliant with the NCLB mandates.

In 2014-2015, and based on the State's minimum expectations where the state expects passing in ELA and Mathematics, the School District has met all adequate yearly progress (AYP) requirements.

While we met our AYP, we are still addressing that all students to ensure that all are learning. If needed, academic support and remediation is provided on an individual and small group basis to students based on the following criteria:

- Those individual State mandated test results (PARCC).
- Analysis of student performance in school via report cards, benchmark goals, and progress reports during the four marking periods.
- Recognized individual student needs via the individual education plan (IEP), 504 Accommodation Plans, and IR&S Team.

The District continues to expose students to a varied amount of character education themes. Students are recommended for outstanding recognition as students of the month and each month students are invited to the local board meeting to receive a certificate of recognition.

The District circulates around excellence in the academics, athletics, and arts. Students are given instruction in ELA, Math, Science, and Social Studies (the core content areas) but are also given “specials” (electives) consisting of Spanish, STEAM, Computer Studies, Music, Art, Health, and Physical Education.

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 also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic 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 and the Special Revenue 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 position.

7) DEBT ADMINISTRATION

The School District has had no outstanding debt for the last twenty one years, including 2015.

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, workman'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 OMB Circular A-133 and New Jersey OMB Circular Letters 04-04 and/or 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

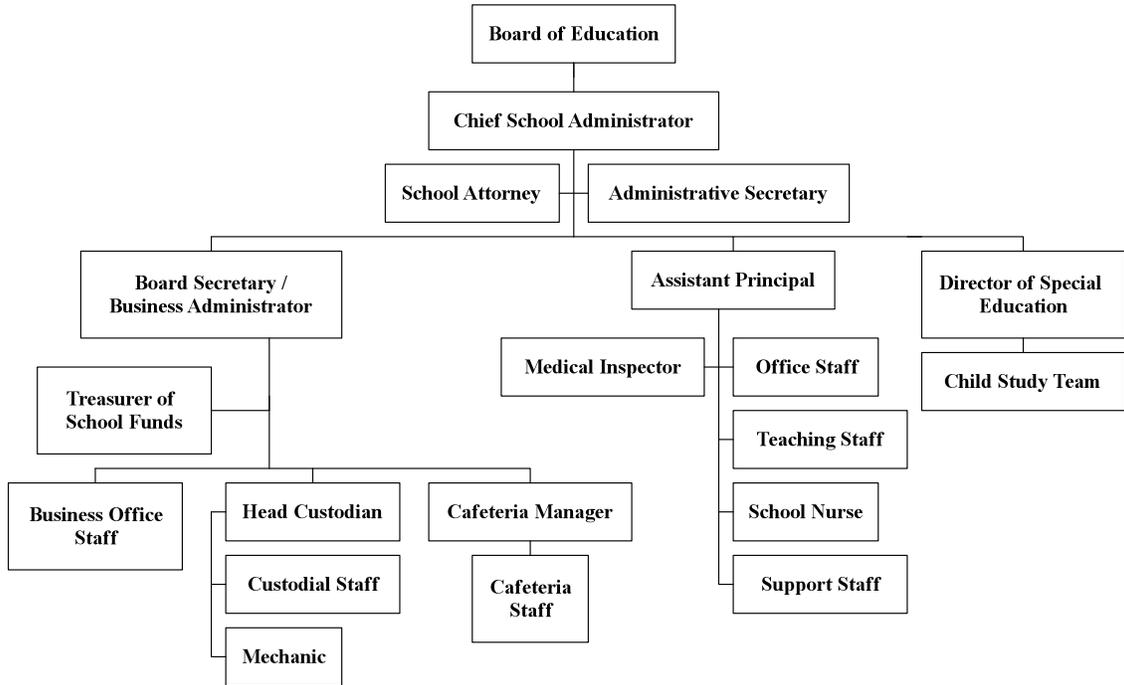
We would like to express our appreciation to the members of the Lower Alloways Creek School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our 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,

Jason Eitner
Jason Eitner, Chief School Administrator

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

**Lower Alloways Creek Township Board of Education
Organization Chart**



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

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Walter Sheets, President	2015
Laura Tice Crane, Vice President	2015
Tracy Beal	2017
Gail B. Donelson	2015
Linwood H. Donelson, III	2016
Robert Hill	2017
Joyce A. Willis	2016

OTHER OFFICIALS

Jason M. Eitner, Chief School Administrator

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

Rebecca S. Joyce, Alternate Board Secretary

Robert A. Muccilli, Solicitor

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

Robert A. Muccilli
Capehart Scatchard, PA
8000 Midlantic Drive, Suite 300S
P.O. Box 5016
Mount Laurel, NJ 08054

OFFICIAL DEPOSITORY

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

INSURANCE AGENCY

Conner Strong
P.O. Box 358
Bridgeton, NJ 08302

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Lower Alloways Creek Township School District
967 Main Street - Canton
Salem, New Jersey 08079

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 Lower Alloways Creek Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, 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, Lower Alloways Creek, New Jersey, as of June 30, 2015, 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 Lower Alloways Creek 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of state financial assistance as required by NJ OMB Circulars 04-04 and/or 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 Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial

assistance as required by NJ OMB Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial assistance as required by NJ OMB Circulars 04-04 and/or 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 November 23, 2015, on our consideration of the Lower Alloways Creek 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 Lower Alloways Creek 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

November 23, 2015

Required Supplementary Information – Part I

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited

This section of the Lower Alloways Creek 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, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements.

Overview of the Financial Statements

The Comprehensive Annual Financial 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.

Key financial highlights for 2014-2015 are as follows:

- General revenues accounted for \$4,539,539 in revenue or 97% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants accounted for \$142,237 or 3% percent to total revenues of \$4,681,776 (See Exhibit A-2).
- Total net position of Governmental Activities increased by \$181,021 comprised of changes in cash and cash equivalents, receivables, inventory and capital assets. The net position of the Business-type Activities increased by \$9,331 (See Exhibit A-2).
- The School District had \$4,578,060 in expenses, of which only \$219,623 of these expenses were offsets by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid, and property taxes) of \$4,764,412 were adequate to provide for these programs. These revenues and expenses include the Business-type Activities (See Exhibit A-2).
- The Governmental Funds had \$4,647,032 in revenues and \$4,367,704 in expenditures. The General Fund's balance increased \$275,328 over FY 2014 net change in fund balance (See Exhibit B-2).

District-wide Financial Statements – Reporting the School District as a Whole

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.

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited

District-wide Financial Statements – Reporting the School District as a Whole (Continued)

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 and Latchkey Programs are reported as Business-type Activities.

Reporting the School District's Most Significant Funds

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.
- **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 flows.

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Fund Financial Statements (Continued)

- **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 does have an Internal Service Fund.

- **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.

Financial Analysis of the District as a Whole

Table 1 provides a comparative summary of the School District's net position for the fiscal years ended in 2015 and 2014.

Net position: The District's combined net position is \$3,105,561 on June 30, 2015. Approximately .72% of the total net position; are from business-type activities, while the balance of the total net position of 99.28% is attributable to governmental activities.

Table 1

	FY 2015		FY 2014		Total	
	Governmental	Business-Type	Governmental	Business-Type	FY 2015	FY 2014
Assets						
Current and other assets	\$ 1,921,218	\$ 11,886	\$ 1,669,252	\$ 6,582	\$ 1,933,104	\$ 1,675,834
Capital assets	1,794,674	10,578	1,903,866	6,551	1,805,252	1,910,417
Total assets	<u>3,715,892</u>	<u>\$ 22,464</u>	<u>3,573,118</u>	<u>13,133</u>	<u>3,738,356</u>	<u>3,586,251</u>
Deferred Outflows of Resources						
Deferred outflows related to pension					<u>67,619</u>	
Liabilities						
Current liabilities			27,794			27,794
Noncurrent liabilities	67,130		78,805		78,805	78,805
Net pension liability	<u>597,666</u>				<u>597,666</u>	
Total liabilities	<u>664,796</u>		<u>106,599</u>		<u>664,796</u>	<u>106,599</u>
Deferred Inflows of Resources						
Deferred inflows related to pension					<u>35,618</u>	
Net Position						
Invested in capital assets, net of related debt	1,794,674	\$ 10,578	1,903,866	6,551	1,805,252	610,408
Restricted	1,706,965		1,412,851		1,706,965	1,410,710
Unrestricted	<u>(418,542)</u>	<u>11,886</u>	<u>149,802</u>	<u>6,582</u>	<u>(406,656)</u>	<u>102,004</u>
Total net position	<u>\$ 3,083,097</u>	<u>\$ 22,464</u>	<u>\$ 3,466,519</u>	<u>\$ 13,133</u>	<u>\$ 3,105,561</u>	<u>\$ 3,479,652</u>

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Changes in Net Position

Table 2 shows the changes in net position from FY 2015 and 2014.

	FY 2015		FY 2014		Total	
	Governmental	Business- Type	Governmental	Business- Type	FY 2015	FY 2014
	REVENUES:					
Program revenues:						
Charges for services	\$ 38,400	\$ 45,305	\$ 24,099	\$ 46,538	\$ 83,705	\$ 70,637
Operating grants and contributions	103,837	32,081	95,246	29,693	135,918	124,939
General revenues:						
Property taxes	3,292,016		3,292,016		3,292,016	3,292,016
Grants and entitlements	1,230,631		1,213,118		1,230,631	1,213,118
Other	16,892	5,250	43,564	2,600	22,142	46,164
Total revenues	4,681,776	82,636	4,668,043	78,831	4,764,412	4,746,874
EXPENSES:						
Instruction - related	1,644,461		1,562,828		1,644,461	1,562,828
Instruction - tuition	593,506		578,708		593,506	578,708
Student & instructional related services	307,449		315,367		307,449	315,367
School administration	57,820		58,715		57,820	58,715
General administration	133,373		136,260		133,373	136,260
Central services	110,245		101,450		110,245	101,450
Plant operations & maintenance	332,329		317,915		332,329	317,915
Pupil transportation	372,798		351,905		372,798	351,905
Employee benefits	800,641		759,237		800,641	759,237
Food service/childcare		77,305		99,504	77,305	99,504
Unallocated depreciation	141,625		132,947		141,625	132,947
Other	6,508		1,258		6,508	1,258
Total expenses	4,500,755	77,305	4,316,590	99,504	4,578,060	4,416,094
Transfers	(4,000)	4,000	(18,000)	18,000		
Increase (decrease) in net position	\$ 177,021	\$ 9,331	\$ 333,453	\$ (2,673)	\$ 186,352	\$ 330,780

Governmental Activities

The District's total revenues are \$4,681,776 for the fiscal period ended June 30, 2015. The revenue breakout for all funds is as follows: Property taxes 70%, state formula aid 26%, state and federal aid for specific programs fees charged for services and miscellaneous resources was 4%.

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations only when the budget exceeds the State mandated CAP.

The total cost of services, as show above, was \$4,500,755. The net costs of all Governmental programs and services, was \$4,358,518. Instruction and instructional related services comprises 55.6%, of the total District expenses.

Lower Alloways Creek Township School District
Management's Discussion & Analysis
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Governmental Activities (Continued)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services		Net Cost of Services	
	FY 2015		FY 2014	
Instruction	\$ 1,644,461	\$ 1,550,054	\$ 1,562,828	\$ 1,484,294
Support services:				
Tuition	593,506	593,506	578,708	578,708
Pupil and instructional staff	307,449	266,197	315,367	275,838
School administration	57,820	57,820	58,715	58,715
General administration	133,373	133,373	136,260	136,260
Central services	110,245	110,245	101,450	101,450
Operation and maintenance	332,329	332,329	317,915	317,915
Pupil transportation	372,798	372,798	351,905	351,905
Employee benefits	800,641	794,063	759,237	757,955
Capital outlay	6,508	6,508	1,258	1,258
Unallocated depreciation	141,625	141,625	132,947	132,947
	<u>\$ 4,500,755</u>	<u>\$ 4,358,518</u>	<u>\$ 4,316,590</u>	<u>\$ 4,197,245</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teachers and students, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching the students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) related to planning, research, development, and evaluation of support services, as well as the reporting of this information internally and to the public.

Extracurricular activities include instructional expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

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

Other includes Enterprise Fund expenditures and unallocated depreciation.

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Business-Type Activities

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

- Business-type activities expenditures exceeded revenues by \$9,331.
- Charges for services represent \$45,305 of revenue. This represents amounts paid by patrons.
- Federal and state reimbursements include payments for free & reduced lunches and donated commodities were \$32,081.

The School District's Funds

Information about the School District's Major Funds starts on (Exhibit B-1). These funds are accounted for using the modified accrual basis of accounting. All Governmental Funds implemented (i.e., General Fund, Special Revenue Fund and Capital Projects Fund, presented in the fund-based statements) had total revenues of \$4,647,032 and expenditures of \$4,367,704 (Exhibit B-2). The net change in fund balance for the year was \$275,328. This demonstrates that the District was able to meet current operating costs with no urgent need for additional funds. The District was not required to maintain a Debt Service Fund in the 2014-2015 fiscal year.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the Governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Local sources	\$ 3,316,382	71.37%	\$ (22,723)	-0.68%
State sources	1,230,631	26.48%	17,513	1.44%
Federal sources	100,019	2.15%	4,773	5.01%
	<u>\$ 4,647,032</u>	<u>100.00%</u>	<u>\$ (437)</u>	<u>-0.01%</u>

The following schedules present a summary of General Fund, Special Revenue Fund, and Capital Projects Fund expenditures for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	(Decrease) from 2014	Increase (Decrease)
Current expense:				
Instruction	\$ 1,624,858	37.20%	\$ 86,727	5.64%
Undistributed	2,701,249	61.85%	48,968	1.85%
Capital outlay	41,597	0.95%	(928,125)	-95.71%
	<u>\$ 4,367,704</u>	<u>100.00%</u>	<u>\$ (792,430)</u>	<u>-15.36%</u>

The decrease in capital outlay is attributed to roof, door and vestibule projects in FY 2014.

Lower Alloways Creek Township School District
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General Fund Budgetary Highlights

The School District's Budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the year, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

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

While the District's final budget for the General Fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show a change of \$276,001 as shown on Exhibit C-1. There was a transfer to Food Service Fund of \$4,000.

The District's final FY 2015 budget anticipated \$471,002 in fund balance; \$6,021 of prior year encumbrances, offset by budgeted increase in capital reserve of \$20,000 and \$500 interest budgeted for capital reserve for this fiscal period.

Capital Assets

The Lower Alloways Creek Township School District investment in capital assets for its Governmental and Business-type Activities as of June 30, 2015, amounts to \$1,805,252 (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 5 to the financial statements).

Capital Assets (Net of Depreciation)

	FY 2015		FY 2014		Total	
	Governmental	Business- Type	Governmental	Business- Type	FY 2015	FY 2014
Site improvements	\$ 6,408		\$ 7,133		\$ 6,408	\$ 7,133
Buildings	1,291,624		1,355,219		1,291,624	1,355,219
Machinery & equipment	496,642	\$ 10,578	541,514	\$ 6,551	507,220	548,065
Total	\$ 1,794,674	\$ 10,578	\$ 1,903,866	\$ 6,551	\$ 1,805,252	\$ 1,910,417

Overall capital assets decreased by \$105,165 from fiscal year 2014 which is mainly attributed to depreciation. Depreciation expenses were \$141,625 for the fiscal year 2015 for Governmental Funds and \$1,223 for food service.

Long-Term Debt

Lower Alloways Creek Township School District has \$67,130 in compensated absences which is the only long-term debt as of June 30, 2015.

Lower Alloways Creek Township School District
Management's Discussion & Analysis
Fiscal Year Ended June 30, 2015
Unaudited

Factors Bearing on the District's Future

While Lower Alloways Creek Township is primarily a residential community, the funding of school operations is provided by industrial property owners.

The District anticipates an enrollment of 207 students for the 2015-2016 fiscal year.

In conclusion, the Lower Alloways Creek Township School District has committed itself to fiscal responsibility for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are function. The School District plans to continue its sound fiscal management to meet the requirements of the future, which entail matching revenues to meet expense requirements.

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 N. Dubois-Brody, Business Administrator, Lower Alloways Creek Township School District, 967 Main Street-Canton, Salem, NJ 08079.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business- type Activities	FY 2015
ASSETS			
Cash and cash equivalents	\$ 1,204,150	\$ 8,424	\$ 1,212,574
Receivables, net	72,386	1,692	74,078
Inventory		1,770	1,770
Restricted assets:			
Restricted cash and cash equivalents	298,965		298,965
Capital reserve account - cash	345,717		345,717
Capital assets:			
Assets net of depreciation	1,794,674	10,578	1,805,252
Total Assets	3,715,892	22,464	3,738,356
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	67,619		67,619
LIABILITIES			
Noncurrent liabilities:			
Due beyond one year	67,130		67,130
Net pension liability	597,666		597,666
Total liabilities	664,796		664,796
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	35,618		35,618
NET POSITION			
Invested in capital assets, net of related debt	1,794,674	\$ 10,578	1,805,252
Restricted for:			
Capital projects	352,725		352,725
Other purposes	1,354,240		1,354,240
Unrestricted	(418,542)	11,886	(406,656)
Total net position	\$ 3,083,097	\$ 22,464	\$ 3,105,561

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 1,466,324	\$ 33,460		\$ (1,432,864)		\$ (1,432,864)
Special education	175,065		\$ 60,947	(114,118)		(114,118)
Other instruction	3,072			(3,072)		(3,072)
Support services:						
Tuition	593,506			(593,506)		(593,506)
Student & instructional related services	307,449		41,252	(266,197)		(266,197)
General administration	133,373			(133,373)		(133,373)
School administrative services	57,820			(57,820)		(57,820)
Central services	110,245			(110,245)		(110,245)
Plant operations & maintenance	332,329			(332,329)		(332,329)
Pupil transportation	372,798			(372,798)		(372,798)
Employee benefits	800,641	4,940	1,638	(794,063)		(794,063)
Capital outlay	6,508			(6,508)		(6,508)
Unallocated depreciation	141,625			(141,625)		(141,625)
Total governmental activities	<u>4,500,755</u>	<u>38,400</u>	<u>103,837</u>	<u>(4,358,518)</u>		<u>(4,358,518)</u>
Business-type activities:						
Food service	74,584	42,206	32,081		\$ (297)	(297)
Latchkey program	2,721	3,099			378	378
Total business-type activities	<u>77,305</u>	<u>45,305</u>	<u>32,081</u>		<u>81</u>	<u>81</u>
Total primary government	<u>\$ 4,578,060</u>	<u>\$ 83,705</u>	<u>\$ 135,918</u>	<u>\$ (4,358,518)</u>	<u>\$ 81</u>	<u>\$ (4,358,437)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purpose				\$ 3,292,016		\$ 3,292,016
Federal and state aid not restricted				1,230,631		1,230,631
Investment earnings				19,338		19,338
Miscellaneous income				1,210		1,210
Loss on disposal of assets				(3,656)		(3,656)
Capital asset contribution					\$ 5,250	5,250
Transfers				(4,000)	4,000	
Total general revenues, special items, extraordinary items, and transfers				<u>4,535,539</u>	<u>9,250</u>	<u>4,544,789</u>
Change in net position				<u>177,021</u>	<u>9,331</u>	<u>186,352</u>
Net position - beginning				<u>3,466,519</u>	<u>13,133</u>	<u>3,479,652</u>
Prior period adjustment of pension liability				<u>(560,443)</u>		<u>(560,443)</u>
Restated net position at the beginning of the period				<u>2,906,076</u>	<u>13,133</u>	<u>2,919,209</u>
Net position - end				<u>\$ 3,083,097</u>	<u>\$ 22,464</u>	<u>\$ 3,105,561</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Major Funds			FY 2015
	General Fund	Special Revenue Fund	Capital Projects Fund	
ASSETS				
Cash and cash equivalents	\$ 1,212,247		\$ 7,008	\$ 1,219,255
Receivables from other governments	48,596	\$ 23,790		72,386
Restricted cash and cash equivalents	644,682			644,682
Total assets	<u>\$ 1,905,525</u>	<u>\$ 23,790</u>	<u>\$ 7,008</u>	<u>1,936,323</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash overdraft		\$ 23,790		23,790
Total liabilities		<u>\$ 23,790</u>		<u>23,790</u>
Fund balances:				
Restricted for:				
Excess surplus - current year	462,894			462,894
Excess surplus - prior year - designated for subsequent year's expenditures	523,595			523,595
Emergency reserve	30,000			30,000
Maintenance reserve	229,965			229,965
Tuition reserve	39,000			39,000
Capital reserve	345,717			345,717
Capital projects fund			\$ 7,008	7,008
Assigned to:				
Other purposes	6,578			6,578
Designated by the BOE for subsequent year's expenditures	62,208			62,208
Unassigned:				
General fund	205,568			205,568
Total fund balances	<u>1,905,525</u>		<u>7,008</u>	<u>1,912,533</u>
Total liabilities and fund balances	<u>\$ 1,905,525</u>		<u>\$ 7,008</u>	

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	<u>FY 2015</u>
Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$5,322,010 and the accumulated depreciation is \$3,527,336 (see Note 7).	1,794,674
Internal Service Funds are used by management to charge the cost of certain activities, such as shared teacher to other districts. Assets and liabilities of the internal service fund of \$8,685 are included in the governmental activities in the statement of new position.	8,685
The cumulative effect of the change in accounting principles for adoption of GABS Statement No. 68 and Statement No. 71 are reported as a prior period adjustment of pension liability (See Note 2).	(560,443)
Net pension liability adjustment.	(5,222)
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 8).	(67,130)
Net position of governmental activities	<u>\$ 3,083,097</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Major Funds			FY 2015
	General Fund	Special Revenue Fund	Capital Projects Fund	
REVENUES:				
Local tax levy	\$ 3,292,016			\$ 3,292,016
Interest earned on investments	18,881			18,881
Interest earned on capital reserve funds	457			457
Miscellaneous	1,210	\$ 3,818		5,028
	<u>3,312,564</u>	<u>3,818</u>		<u>3,316,382</u>
State sources	1,230,631			1,230,631
Federal sources		100,019		100,019
Total revenues	<u>4,543,195</u>	<u>103,837</u>		<u>4,647,032</u>
EXPENDITURES:				
Current:				
Regular instruction	1,446,096			1,446,096
Special education instruction	114,743	60,947		175,690
Other instruction	3,072			3,072
Support services & undistributed costs:				
Tuition	593,506			593,506
Student & instruction related services	266,197	41,252		307,449
General administration	133,373			133,373
School administrative services	57,820			57,820
Central services	110,245			110,245
Plant operations and maintenance	332,329			332,329
Pupil transportation	376,048			376,048
Employee benefits	788,841	1,638		790,479
Capital outlay	41,597			41,597
Total expenditures	<u>4,263,867</u>	<u>103,837</u>		<u>4,367,704</u>
Excess (deficiency) of revenues over expenditures	<u>279,328</u>			<u>279,328</u>
Other financing sources (uses)				
Transfers out - Food Service Fund	(4,000)			(4,000)
Total other financing sources (uses)	<u>(4,000)</u>			<u>(4,000)</u>
Net change in fund balances	<u>275,328</u>			<u>275,328</u>
Fund balance - July 1	1,630,197		\$ 7,008	1,637,205
Fund balance - June 30	<u>\$ 1,905,525</u>		<u>\$ 7,008</u>	<u>\$ 1,912,533</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK 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, 2015

Total net change in fund balances - Governmental Funds (from B-2)		\$ 275,328
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.		
Capital outlays	\$ 36,089	
Depreciation	<u>(141,625)</u>	(105,536)
In the statement of activities, only the gain/loss on disposal of capital assets is reported, whereas in the Governmental Funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.		
		(3,656)
Pension contributions are reported in governmental funds as expenditures. However in the statement of activities, the contributions are adjusted for actuarial valuation adjustments.		
		(5,222)
Internal service funds are used by management to charge the costs of certain activities, such as a shared Spanish teacher. The operating income of \$4,432 is included in the governmental activities and the statement of net position.		
		4,432
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.		
		<u>11,675</u>
Change in net position of governmental activities		<u><u>\$ 177,021</u></u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Major Funds		Governmental Activities - Internal Service Fund
	Food Service	Latchkey Program	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,029	\$ 2,395	\$ 8,685
Accounts receivable	1,692		
Inventories	1,770		
Total current assets	<u>9,491</u>	<u>2,395</u>	<u>8,685</u>
Noncurrent assets:			
Furniture, machinery & equipment	76,037		
Less: accumulated depreciation	<u>(65,459)</u>		
Total noncurrent assets	<u>10,578</u>		
Total assets	<u>\$ 20,069</u>	<u>\$ 2,395</u>	<u>\$ 8,685</u>
NET POSITION			
Invested in capital assets net of related debt	\$ 10,578		
Unrestricted	<u>9,491</u>	<u>\$ 2,395</u>	<u>\$ 8,685</u>
Total net position	<u>\$ 20,069</u>	<u>\$ 2,395</u>	<u>\$ 8,685</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	Business-type Activities - Major Funds		Governmental Activities - Internal Service Fund
	Food Service	Latchkey Program	
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs	\$ 29,591		
Daily sales non-reimbursable programs	12,615		
Tuition		\$ 3,099	
Other			\$ 38,400
Total operating revenue	<u>42,206</u>	<u>3,099</u>	<u>38,400</u>
OPERATING EXPENSES:			
Salaries	22,963	2,506	29,028
Employee benefits	1,857	192	4,940
Purchased professional/technical services	494		
Purchased property services	646		
Other purchased services (400-500 series)	6,000		
Supplies and materials	118	23	
Cost of sales	41,283		
Depreciation	1,223		
Total operating expenses	<u>74,584</u>	<u>2,721</u>	<u>33,968</u>
Operating income (loss)	<u>(32,378)</u>	<u>378</u>	<u>4,432</u>
NON-OPERATING REVENUES:			
State sources:			
National school lunch program - state	845		
Federal sources:			
National school lunch program	23,928		
Food distribution program	7,308		
Total non-operating revenues (expenses)	<u>32,081</u>		
Income (loss) before operating transfers	<u>(297)</u>	<u>378</u>	<u>4,432</u>
Operating financing sources (uses):			
Operating transfer in - general fund	4,000		
Capital asset contributions	5,250		
Net income (loss)	8,953	378	4,432
Total net position - beginning	11,116	2,017	4,253
Total net position - ending	<u>\$ 20,069</u>	<u>\$ 2,395</u>	<u>\$ 8,685</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Major Funds		Governmental Activities - Internal Service Fund
	Food Service	Latchkey Program	
Cash flows from operating activities:			
Receipts from customers	\$ 42,206	\$ 3,099	\$ 38,400
Payments to suppliers	(48,750)	(23)	
Payments to employees	(22,963)	(2,506)	(29,028)
Payments for employee benefits	(1,857)	(192)	(4,940)
Net cash provided (used) by operating activities	<u>(31,364)</u>	<u>378</u>	<u>4,432</u>
Cash flows from non-capital financing activities:			
Cash received from state & federal reimbursements	32,422		
Board contribution	4,000		
Net cash provided by non-capital financing activities	<u>36,422</u>		
Net increase in cash & cash equivalents	5,058	378	4,432
Cash and cash equivalents - July 1	971	2,017	4,253
Cash and cash equivalents - June 30	<u>\$ 6,029</u>	<u>\$ 2,395</u>	<u>\$ 8,685</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (32,378)	\$ 378	\$ 4,432
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	1,223		
Change in assets and liabilities:			
(Increase) decrease in inventory	(209)		
	<u>\$ (31,364)</u>	<u>\$ 378</u>	<u>\$ 4,432</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	Trust Funds			Totals FY 2015
	Scholarship Trust	Unemployment Compensation Trust	Agency Funds	
ASSETS				
Cash and cash equivalents	\$ 1,989	\$ 183,409	\$ 8,985	\$ 194,383
Total assets	<u>\$ 1,989</u>	<u>\$ 183,409</u>	<u>\$ 8,985</u>	<u>194,383</u>
LIABILITIES				
Due to student groups			\$ 8,674	8,674
Payroll deductions and withholdings			311	311
Total liabilities			<u>\$ 8,985</u>	<u>8,985</u>
NET POSITION				
Held in trust for:				
Unemployment claims		\$ 183,409		183,409
Scholarship awards	\$ 1,989			1,989
Total net position	<u>\$ 1,989</u>	<u>\$ 183,409</u>		<u>\$ 185,398</u>

See accompanying notes to the basic financial statements.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	Trust Funds		Totals FY 2015
	Scholarship Trust	Unemployment Compensation Trust	
ADDITIONS:			
Contributions:			
Plan members		\$ 3,472	\$ 3,472
Total contributions		3,472	3,472
Investment earnings:			
Interest		271	271
Total investment earnings		271	271
Total additions		3,743	3,743
DEDUCTIONS:			
Unemployment claims		458	458
Scholarships awarded	\$ 125		125
Total deductions	125	458	583
Change in net position	(125)	3,285	3,160
Net position - July 1	2,114	180,124	182,238
Net position - June 30	\$ 1,989	\$ 183,409	\$ 185,398

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Lower Alloways Creek 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 Lower Alloways Creek 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 Lower Alloways Creek 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 latchkey 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 as well as long-term debt and obligations. The District's net position are reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

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 latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or business-type activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants 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 TPAF Pension contributions, and TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

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 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,

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

General Fund (Continued) - 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 is a description 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 and other governments and therefore not available to support District programs. The reporting focus is on net assets. Changes in net position and are reported using accounting principles similar to Proprietary Funds.

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)

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Fund Financial Statements (Continued)
FIDUCIARY FUNDS (CONTINUED)**

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 soon enough thereafter. 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 Equivalent

Cash and cash equivalent 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 certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents (Continued)

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. (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, 2015, consisted of the following:

Food - commodities	\$ 1,106
Food	<u>664</u>
	<u><u>\$ 1,770</u></u>

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:

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	15-20
Building & improvements	20-50
Machinery & equipment	5-20

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 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 an expenditure 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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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 Position, 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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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

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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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 balance are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

V. Recent Accounting Pronouncements Not Yet Effective

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This statement, which is effective for fiscal periods beginning after June 15, 2016, is anticipated to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement, which is effective for fiscal periods beginning after June 15, 2016, is anticipated to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, is anticipated to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Accounting Pronouncements Not Yet Effective (Continued)

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosures." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

During the year beginning July 1, 2015, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions," whose primary objective is to improve accounting and financial reporting for pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for pension. The effect of this change was to decrease fiscal year ended June 30, 2015, net position \$583,445, which is the prior period adjustment of net pension liability and offset by deferred outflows – District's contributions made during fiscal year 2014 of \$23,002. Financial statements for the fiscal year ended June 30, 2014, have not been restated, and the cumulative effect of the change totaling \$560,443, is shown as a one-time debit to net position in the fiscal year ended June 30, 2015, statement of activities.

NOTE 3: 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 New Jersey Statutes NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2015 and 2014, was \$2,051,639 and \$1,751,383. As of June 30, 2015 and 2014, \$0 of the District's bank balance of \$1,930,020 and \$1,905,223, respectively, was exposed to Custodial Credit Risk.

NOTE 4: INVESTMENTS

As of June 30, 2015 and 2014, 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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5: RECEIVABLES

Receivables at June 30, 2015, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	\$ 48,596	\$ 81
Federal aid	23,790	1,611
	<u>\$ 72,386</u>	<u>\$ 1,692</u>

NOTE 6: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$500 on October 10, 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 (June 1 to June 30) 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, 2015, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2014	\$ 145,259
Deposit	200,000
Interest earnings	457
Ending balance, June 30, 2015	<u>\$ 345,716</u>

NOTE 7: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2015.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2014	Additions	Disposals/ Adjustments	Balance June 30, 2015
Governmental activities:				
Site improvements	\$ 127,475			\$ 127,475
Building & building improvements	3,706,684	\$ 11,709		3,718,393
Machinery & equipment	1,505,656	24,380	\$ 53,894	1,476,142
Totals at historical cost	<u>5,339,815</u>	<u>36,089</u>	<u>53,894</u>	<u>5,322,010</u>
Less: accumulated depreciation				
Site improvements	(120,342)	(725)		(121,067)
Building & building improvements	(2,351,465)	(75,304)		(2,426,769)
Machinery & equipment	(964,142)	(65,596)	50,238	(979,500)
Total accumulated depreciation	<u>(3,435,949)</u>	<u>(141,625)</u>	<u>50,238</u>	<u>(3,527,336)</u>
Governmental activities capital assets, net	<u>\$ 1,903,866</u>	<u>\$ (105,536)</u>	<u>\$ 3,656</u>	<u>\$ 1,794,674</u>
Business-type activities:				
Machinery & equipment	\$ 70,787	\$ 5,250		\$ 76,037
Less: accumulated depreciation	(64,236)	(1,223)		(65,459)
Business-type capital assets, net	<u>\$ 6,551</u>	<u>\$ 4,027</u>	<u>None</u>	<u>\$ 10,578</u>

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

NOTE 8: 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.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due Within One Year
Compensated absences	<u>\$ 78,805</u>	<u>\$ 375</u>	<u>\$ 12,050</u>	<u>\$ 67,130</u>	<u>None</u>

Bonds Payable

During the year ended June 30, 2015, the Board had no bonds issued or outstanding.

Bonds Authorized but Not Issued

As of June 30, 2015, the Board has \$0 of bonds authorized but not issued.

Capital Leases

As of June 30, 2015, the Board has \$0 capital leases.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

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.

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, 2015, 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 9: PENSION FUNDS

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 and the Teachers' Pension and Annuity Fund. 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/actuarial-rpts.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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: PENSION FUNDS (CONTINUED)

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. 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.

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 6.92% 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, 2015, 2014, and 2013, were \$26,316, \$23,002, and \$24,601, respectively, equal to the required contributions 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, 2015, 2014, and 2013, which were \$196,505, \$163,383, and \$217,712, 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, 2015, 2014, and 2013; \$104,221, \$106,296, and \$108,186, 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, 2015, 2014, and 2013, were \$1,897,411, \$1,859,446, and \$1,839,644, covered payroll was \$1,439,272, \$1,420,848, and \$1,438,040, for TPAF and \$190,690, \$176,212, and \$220,718, for PERS.

For the year ended June 30, 2015, the District recognized pension expense of \$31,538. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: PENSION FUNDS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 18,794	
Net difference between projected and actual earnings on pension plan investments		\$ 35,618
Changes in proportion and differences between District contributions and proportionate share of contributions	22,509	
District contributions subsequent to the measurement date	26,316	
	\$ 67,619	\$ 35,618

\$26,316, 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, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2015	\$ (1,312)
2016	(1,312)
2017	(1,312)
2018	(1,312)
2019	7,592
Thereafter	3,341
	\$ 5,685

Additional information – Collective balances at June 30, 2013 and 2014, are as follows:

	June 30, 2013	June 30, 2014
Collective deferred outflows of resources		\$ 952,194,675
Collective deferred inflows of resources		1,479,224,662
Collective net pension liability	\$ 19,111,986,911	18,722,735,003
District's proportion	0.0030527702%	0.0031921956%

Defined Contribution Retirement Program - The 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.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: PENSION FUNDS (CONTINUED)

Defined Contribution Retirement Program (Continued) - 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, 2015, 2014, and 2013, were \$5,191, \$3,488, and \$3,363.

NOTE 10: POST-RETIREMENT 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.03 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. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. 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. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 11: LABOR CONTRACTS

As of June 30, 2015, the District's teachers, school nurses, LDT-C, social workers, guidance counselors, and psychologists are organized in the Lower Alloways Creek Education Association collective bargaining unit, which expired June 30, 2017.

NOTE 12: 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:

Lincoln Investment Planning, Inc.

ING

Metlife

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13: 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.

For the District-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The liability for compensated absences in the Governmental Fund at June 30, 2015, is \$67,130. The liability for compensated absences in the Food Service Fund at June 30, 2015, is \$0.

NOTE 14: 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 staff as of July 1, 2011, was \$1,000.

NOTE 15: 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, 2015, 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

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15: RISK MANAGEMENT (CONTINUED)

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

New Jersey Unemployment Compensation Insurance:

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015		\$ 3,472	\$ 458	\$ 183,409
2013-2014		3,458	14,695	180,124
2012-2013	\$ 45,492	3,255	6,239	191,080

NOTE 16: 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 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, 2015.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 16: FUND BALANCE APPROPRIATED (CONTINUED)

Restricted Fund Balance:

Capital Reserve Account - Of the \$345,717 balance in the capital reserve account at June 30, 2015, \$0 has been designated for utilization in the 2015-2016 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan.

Maintenance Reserve Account - Of the \$229,965 balance in the maintenance reserve account at June 30, 2015, \$0 has been designated for utilization in the 2015-2016 budget. 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).

Emergency Reserve Account - Of the \$30,000 balance in the emergency reserve account at June 30, 2015, \$0 has been designated for utilization in the 2015-2016 budget.

Excess Surplus - At June 30, 2015, excess surplus created in FY 2014 of \$523,595 will be utilized for expenditures in the 2015-2016 budget, while excess surplus created in FY 2015 of \$462,894 is restricted and will be utilized for budget expenditures in 2016-2017.

Debt Service Fund - At June 30, 2015, there was \$0 fund balance.

Committed Fund Balance - The District had no fund balance at June 30, 2015.

Assigned Fund Balance - At June 30, 2015, the Board has assigned \$62,208 of General Fund balance to expenditures in the 2015-2016 budget. \$6,578 was assigned for other purposes as of the year end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

Unassigned Fund Balance - At June 30, 2015, the District has \$205,568 of Unassigned Fund balance in the General Fund.

NOTE 17: 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, 2015, is \$986,489.

NOTE 18: ECONOMIC DEPENDENCY

The District is heavily reliant on the local tax levy and state sources to fund the District operations. State sources funded approximately 26% of the District's 2014-2015 Governmental Fund revenue, while local tax levy accounted for approximately 70%.

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 19: INTERFUND RECEIVABLES AND PAYABLES

There were no interfund balances remaining on the balance sheet at June 30, 2015.

NOTE 20: OPERATING LEASES

The District has commitments to lease copy machines under non-cancelable operating leases spanning 48 months. Monthly payments range from \$88-\$323 a month per machine. Total lease payments made during the year ended June 30, 2015, amounted to \$6,997. Future minimum lease payments are as follows:

Year Ended	
June 30,	Amount
2016	\$ 7,388
2017	7,388
2018	3,872
2019	3,872
	<u>\$ 22,520</u>

NOTE 21: CONTINGENT LIABILITIES

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.

It is the opinion of the administration and legal counsels, there exists no litigation or contingent liability that may be pending against the Lower Alloways Creek Township School District that would have a material or adverse effect on the Board or the financial position of the District.

NOTE 22: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2015 and November 23, 2015, 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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 3,292,016		\$ 3,292,016	\$ 3,292,016	
Interest on investments	5,000		5,000	18,881	\$ 13,881
Interest on capital reserve funds	500		500	457	(43)
Miscellaneous				1,210	1,210
Total - local sources	3,297,516		3,297,516	3,312,564	15,048
State sources:					
Transportation aid	120,883		120,883	120,883	
Special education aid	124,366		124,366	124,366	
Equalization aid	421,194		421,194	421,194	
Security aid	19,864		19,864	19,864	
Adjustment aid	196,496		196,496	196,496	
PARCC readiness aid	1,840		1,840	1,840	
Per pupil growth aid	1,840		1,840	1,840	
Extraordinary aid				42,877	42,877
Other state aid:					
Non-public transportation				1,218	1,218
TPAF post-retirement medical (on-behalf non-budgeted)				120,561	120,561
Teachers' pension & annuity fund (on-behalf non-budgeted)				75,944	75,944
Reimbursed TPAF social security contributions (non-budgeted)				104,221	104,221
Total - state sources	886,483		886,483	1,231,304	344,821
Total revenues	4,183,999		4,183,999	4,543,868	359,869

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	101,100	\$ 8,000	109,100	106,745	2,355
Kindergarten	97,600	12,000	109,600	104,186	5,414
Grades 1-5	563,650	(8,000)	555,650	539,876	15,774
Grades 6-8	520,000	(34,800)	485,200	458,908	26,292
Regular programs - home instruction:					
Salaries of teachers	4,000		4,000	2,387	1,613
Purchased professional-education services	2,000	21,000	23,000	11,634	11,366
Regular programs - undistributed instruction:					
Other salaries for instruction	16,400	9,555	25,955	24,318	1,637
Purchased professional-education services	4,000		4,000	1,416	2,584
Purchased technical services	36,000	(9,555)	26,445	26,096	349
Other purchased services (400-500 series)	45,550		45,550	37,528	8,022
General supplies	158,717		158,717	79,171	79,546
Textbooks	68,400		68,400	51,813	16,587
Miscellaneous expenditures	5,600		5,600	2,018	3,582
Total regular programs	1,623,017	(1,800)	1,621,217	1,446,096	175,121
Resource room:					
Salaries of teachers	116,000		116,000	112,308	3,692
General supplies	2,900		2,900	2,052	848
Textbooks	1,000		1,000	383	617
Total resource room	119,900		119,900	114,743	5,157
Total special education	119,900		119,900	114,743	5,157
Basic skills/remedial:					
Other salaries for instruction	2,527		2,527	678	1,849
General supplies	500		500		500
Total basic skills/remedial	3,027		3,027	678	2,349
School sponsored co-curricular activities:					
Salaries	2,000	1,800	3,800	2,394	1,406
Total school sponsored co-curricular activities	2,000	1,800	3,800	2,394	1,406
Total other instructional programs	5,027	1,800	6,827	3,072	3,755
Total - instruction	1,747,944		1,747,944	1,563,911	184,033

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within state-regular	306,386		306,386	306,386	
Tuition to other LEAs within state-special	8,580	20,500	29,080	28,580	500
Tuition to county vocational - regular	129,000	17,000	146,000	117,944	28,056
Tuition to CSSD & regional day school	37,850	(37,500)	350		350
Tuition to private schools for the handicapped - within state	171,639		171,639	140,596	31,043
Total undistributed expenditures - instruction	653,455		653,455	593,506	59,949
Attendance and social work services:					
Salaries	17,800		17,800	17,682	118
Purchased professional/technical services	5,200		5,200	4,829	371
Total attendance and social work services	23,000		23,000	22,511	489
Health services:					
Salaries	50,300		50,300	48,680	1,620
Purchased professional/technical services	5,650	(500)	5,150	3,100	2,050
Supplies and materials	1,400	500	1,900	1,444	456
Total health services	57,350		57,350	53,224	4,126
Related services:					
Purchased professional - education services	36,000		36,000	34,987	1,013
Total related services	36,000		36,000	34,987	1,013
Extraordinary services:					
Other salaries for instruction	23,200	(1,200)	22,000	13,117	8,883
Purchased professional - education services	94,000	800	94,800	93,433	1,367
Supplies and materials	200	400	600	230	370
Total extraordinary services	117,400		117,400	106,780	10,620
Other support services - guidance services:					
Purchased professional - education services	17,000		17,000	17,000	
Supplies and materials	200		200		200
Total other support services - guidance services	17,200		17,200	17,000	200
Other support services - child study team					
Purchased professional - education services	21,989		21,989	16,648	5,341
Other purchased professional - technical services	4,000		4,000	1,000	3,000
Supplies and materials	500		500		500
Total other support services - child study team	26,489		26,489	17,648	8,841
Improvement of instruction services:					
Salaries of other professional staff	3,200	(640)	2,560		2,560
Total improvement of instruction services:	3,200	(640)	2,560		2,560

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Purchased professional - education services	500	368	868	850	18
Supplies and materials	5,600	272	5,872	5,872	
Total educational media services/school library	6,100	640	6,740	6,722	18
Instructional staff training:					
Salaries of other professional staff	1,000		1,000		1,000
Purchased professional - education services	2,500	2,981	5,481	2,500	2,981
Other purchased professional - technical services	2,500		2,500	1,250	1,250
Other purchased services (400-500 series)	13,672	(2,981)	10,691	3,575	7,116
Supplies and materials	1,000		1,000		1,000
Total instructional staff training	20,672		20,672	7,325	13,347
Support services general administration:					
Salaries	82,000		82,000	80,454	1,546
Legal services	7,000	2,500	9,500	9,246	254
Audit fees	12,200		12,200	11,425	775
Other purchased professional services	11,100	(2,500)	8,600	3,005	5,595
Other purchased professional - technical services	1,000		1,000		1,000
Other purchased services (400-500 series)	19,650		19,650	11,608	8,042
Communications/telephone	9,100		9,100	6,721	2,379
BOE other purchased services	100		100		100
Supplies and materials	3,000		3,000	2,278	722
BOE in-house training/meeting supplies	100		100		100
Miscellaneous expenditures	6,400		6,400	5,625	775
BOE membership dues and fees	3,500		3,500	3,011	489
Total support services general administration	155,150		155,150	133,373	21,777
Support services school administration:					
Salaries of principals/assistant principals	57,900		57,900	57,800	100
Other purchased services (400-500 series)	400		400	20	380
Supplies and materials	100		100		100
Miscellaneous expenditures	100		100		100
Total support services school administration	58,500		58,500	57,820	680
Central services					
Purchased professional services	99,000		99,000	99,000	
Purchased technical services	8,962	550	9,512	9,125	387
Miscellaneous purchased services	2,000	(550)	1,450	1,051	399
Supplies and materials	2,500		2,500	1,069	1,431
Total central services	112,462		112,462	110,245	2,217
Required maintenance for school facilities:					
Other salaries	31,375		31,375	30,980	395
Cleaning, repair, and maintenance services	70,000	(10,000)	60,000	46,627	13,373
Supplies and materials	2,500	8,745	11,245	5,136	6,109
Other objects	500	1,255	1,755	1,755	
Total required maintenance for school facilities	104,375		104,375	84,498	19,877

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial services:					
Other salaries	64,800	4,000	68,800	63,319	5,481
Purchased professional and technical services	7,200		7,200	2,269	4,931
Purchased technical services	100		100		100
Cleaning, repair, and maintenance services	22,200	(4,000)	18,200	6,020	12,180
Insurance	35,000		35,000	32,564	2,436
Miscellaneous purchased services	600		600	300	300
General supplies	20,000		20,000	17,315	2,685
Energy - electricity	88,000		88,000	67,212	20,788
Energy - oil	73,000		73,000	52,482	20,518
Energy - gasoline	500		500		500
Other objects	1,460		1,460	283	1,177
Total other operation and maintenance of plant services	312,860		312,860	241,764	71,096
Total operation and maintenance of plant services	417,235		417,235	326,262	90,973
Security					
Cleaning, repair, and maintenance services	5,500	300	5,800	5,710	90
General supplies	1,000	(300)	700	357	343
Total security	6,500		6,500	6,067	433
Student transportation services:					
Salaries (between home and school) - regular	77,500	2,300	79,800	62,230	17,570
Salaries (between home and school) - special	49,300	16,396	65,696	54,534	11,162
Salaries (other than between home and school)	34,375	1,500	35,875	32,577	3,298
Cleaning, repair, and maintenance services	5,957		5,957	2,513	3,444
Rental school bus	300		300		300
Aid in lieu - nonpublic	6,500		6,500	6,188	312
Aid in lieu - choice	1,800	852	2,652	2,652	
Contracted services (regular students) - ESC and CTSA	79,000		79,000	66,441	12,559
Contracted services (special education students) - ESC	130,000	(11,548)	118,452	115,618	2,834
Miscellaneous purchased services	15,000	(8,500)	6,500	1,500	5,000
Supplies and materials	56,000	(1,000)	55,000	29,241	25,759
Miscellaneous expenditures	2,675		2,675	2,554	121
Total student transportation services	458,407		458,407	376,048	82,359
Unallocated benefits:					
Social security contributions	30,000		30,000	28,655	1,345
Other retirement contributions - PERS	33,000		33,000	26,316	6,684
Other retirement contributions - DCRP	8,000		8,000	5,191	2,809
Unemployment compensation	10,000		10,000		10,000
Workers' compensation	25,000		25,000	24,700	300
Health benefits	503,200		503,200	394,458	108,742
Tuition reimbursement	10,000		10,000	3,245	6,755
Other employee benefits	30,000		30,000	5,550	24,450
Total unallocated benefits	649,200		649,200	488,115	161,085

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TPAF post-retirement medical (on-behalf non-budgeted)				120,561	(120,561)
Teachers' Pension & Annuity Fund (on-behalf non-budgeted)				75,944	(75,944)
Reimbursed TPAF social security contributions (non-budgeted)				104,221	(104,221)
Total non-budgeted				300,726	(300,726)
Total undistributed expenditures	2,818,320		2,818,320	2,658,359	159,961
Total expenditures - current expense	4,566,264		4,566,264	4,222,270	343,994
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Instruction - instructional equipment	5,000		5,000		5,000
Required maintenance - equipment	13,000	(9,450)	3,550	3,550	
Custodial services	30,000		30,000	28,630	1,370
Total equipment	48,000	(9,450)	38,550	32,180	6,370
Facilities acquisition and construction services:					
Other professional/technical services		9,450	9,450	8,159	1,291
SDA debt service assessment	1,258		1,258	1,258	
Total facilities acquisition and construction services	1,258	9,450	10,708	9,417	1,291
Total capital outlay	49,258		49,258	41,597	7,661
Total expenditures	4,615,522		4,615,522	4,263,867	351,655
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(431,523)		(431,523)	280,001	711,524
Other financing sources (uses)					
Transfers out - food service	(25,000)		(25,000)	(4,000)	(21,000)
Total other financing sources and uses	(25,000)		(25,000)	(4,000)	(21,000)
Net changes in fund balance	(456,523)		(456,523)	276,001	690,524
Fund balances - July 1	1,718,051		1,718,051	1,718,051	
Fund balances - June 30	\$ 1,261,528		\$ 1,261,528	\$ 1,994,052	\$ 690,524

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				\$ 345,717	
Maintenance reserve				229,965	
Tuition reserve				39,000	
Emergency reserve				30,000	
Excess surplus - designated for subsequent year's expenditures				523,595	
Excess surplus - current year				462,894	
Assigned Fund Balance:					
Year-end encumbrances				6,578	
Designated for subsequent year's expenditures				62,208	
Unassigned Fund Balance				294,095	
				<u>1,994,052</u>	
Reconciliation to governmental fund statements (GAAP):					
Last state aid payment not recognized on GAAP Basis				(88,527)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 1,905,525</u>	

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 78,939	\$ 22,501	\$ 101,440	\$ 100,019	\$ 1,421
Local sources	1,000.00	2,818	3,818	3,818	
Total revenues	<u>\$ 79,939</u>	<u>\$ 25,319</u>	<u>\$ 105,258</u>	<u>\$ 103,837</u>	<u>\$ 1,421</u>
EXPENDITURES:					
Instruction:					
Other salaries for instruction	\$ 21,410		\$ 21,410	\$ 21,410	
Other purchased services (400-500 series)	17,036		17,036	17,036	
Supplies and materials		\$ 22,501	22,501	22,501	
Total Instruction	<u>38,446</u>	<u>22,501</u>	<u>60,947</u>	<u>60,947</u>	
Support services:					
Personal services - employee benefits	1,638		1,638	1,638	
Purchased professional - educational services	35,712		35,712	35,712	
Other purchased services (400-500 series)	4,143		4,143	2,722	\$ 1,421
Supplies and materials		2,818	2,818	2,818	
Total support services	<u>41,493</u>	<u>2,818</u>	<u>44,311</u>	<u>42,890</u>	<u>1,421</u>
Total expenditures	<u>\$ 79,939</u>	<u>\$ 25,319</u>	<u>\$ 105,258</u>	<u>\$ 103,837</u>	<u>\$ 1,421</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2015

Note A: Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund N-1		Special Revenue Fund
Sources/inflows of resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 4,543,868	[C-2]	\$ 103,837
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	87,854		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(88,527)		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.	[B-2] \$ 4,543,195	[B-2]	\$ 103,837
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 4,263,867		\$ 103,837
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.	[B-2] \$ 4,263,867	[B-2]	\$ 103,837

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

LOWER ALLOWAYS CREEEK TOWNSHIP SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
 Last Two Fiscal Years

	Fiscal Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
District's proportion of the net pension liability (asset)	0.0031921956%	0.0030527702%
District's proportionate share of the net pension liability (asset)	\$ 597,666	\$ 583,445
District's covered-employee payroll	212,498	228,970
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	281.26%	254.81%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

LOWER ALLOWAYS CREEEK TOWNSHIP SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Two Fiscal Years

	Fiscal Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contribution	\$ 26,316	\$ 23,002
Contributions in relation to the contractually required contribution	<u>26,316</u>	<u>23,002</u>
Contribution deficiency (excess)	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 212,498	\$ 228,970
Contributions as a percentage of covered-employee payroll	12.38%	10.05%

LOWER ALLOWAYS CREEEK TOWNSHIP SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
 Last Two Fiscal Years

	Fiscal Year Ended	
	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0014631511%	0.0015813124%
District's proportionate share of the net pension liability (asset)	\$ 7,820,066	\$ 7,991,828
District's covered-employee payroll	1,476,750	1,477,064
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	529.55%	541.06%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

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.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**LOWER ALLOWAY CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

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, 2014, measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013, measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.01%
Salary increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

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.nj.gov/treasury/pensions/employer-home.shtml>.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward Ex. E-1a	Title I Part A	NJ-SBA Safety Award	Totals	
				FY 2015	FY 2014
REVENUES:					
Federal sources	\$ 76,971	\$ 23,048		\$ 100,019	\$ 95,246
Local sources	1,000		\$ 2,818	3,818	
Total revenues	<u>\$ 77,971</u>	<u>\$ 23,048</u>	<u>\$ 2,818</u>	<u>\$ 103,837</u>	<u>\$ 95,246</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers					\$ 10,557
Other salaries for instruction		\$ 21,410		\$ 21,410	
Other purchased services (400-500 series)	\$ 17,036			17,036	15,639
Supplies and materials	22,501			22,501	28,713
Total instruction	<u>39,537</u>	<u>21,410</u>		<u>60,947</u>	<u>54,909</u>
Support services:					
Personal services - employee benefits		1,638		1,638	808
Purchased professional - educational services	35,712			35,712	35,731
Other purchased services (400-500 series)	2,722			2,722	3,798
Supplies and materials			\$ 2,818	2,818	
Total support services	<u>38,434</u>	<u>1,638</u>	<u>2,818</u>	<u>42,890</u>	<u>40,337</u>
Total expenditures	<u>\$ 77,971</u>	<u>\$ 23,048</u>	<u>\$ 2,818</u>	<u>\$ 103,837</u>	<u>\$ 95,246</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Title II, Part A Teacher & Principal Training & Recruiting	Mid-Atlantic Dairy	IDEA Preschool	IDEA Part B	Rural Education Achievement Program	Total Carried Forward
REVENUES:						
Federal sources	\$ 2,722		\$ 712	\$ 51,036	\$ 22,501	\$ 76,971
Local sources		\$ 1,000				1,000
Total revenues	<u>\$ 2,722</u>	<u>\$ 1,000</u>	<u>\$ 712</u>	<u>\$ 51,036</u>	<u>\$ 22,501</u>	<u>\$ 77,971</u>
EXPENDITURES:						
Instruction:						
Other purchased services (400-500 series)		\$ 1,000		\$ 16,036		\$ 17,036
Supplies and materials					\$ 22,501	22,501
Total instruction		<u>1,000</u>		<u>16,036</u>	<u>22,501</u>	<u>39,537</u>
Support services:						
Purchased professional - educational services			\$ 712	35,000		35,712
Other purchased services (400-500 series)	\$ 2,722					2,722
Total support services	<u>2,722</u>		<u>712</u>	<u>35,000</u>		<u>38,434</u>
Total expenditures	<u>\$ 2,722</u>	<u>\$ 1,000</u>	<u>\$ 712</u>	<u>\$ 51,036</u>	<u>\$ 22,501</u>	<u>\$ 77,971</u>

CAPITAL PROJECTS FUND

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 June 30, 2015

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2015
			Prior Years	Current Year	
Exterior door replacement, partial roof replacement & front vestibule	04/23/12	\$ 915,000	\$ 907,992	None	\$ 7,008

LOWER ALLOWAYS CREEK 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, 2015

Fund balance - beginning	\$ 7,008
Fund balance - ending	<u>\$ 7,008</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Exterior Door Replacement, Partial Roof Replacement and Front Vestibule
 From Inception and for the Fiscal Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues & other financing sources:				
Transfer from capital reserve	\$ 915,000		\$ 915,000	\$ 915,000
Total revenues	915,000		915,000	915,000
Expenditures & other financing uses:				
Purchased professional & technical services	46,697		46,697	49,050
Construction services	861,295		861,295	865,950
Total expenditures	907,992		907,992	915,000
Excess (deficiency) or revenues over (under) expenditures	\$ 7,008	None	\$ 7,008	
Additional project information:				
Project number	2800-050-13-1000			
Grant date	n/a			
Bond authorization date	n/a			
Bonds authorized	0			
Bonds issued	0			
Original authorized cost	\$ 915,000			
Additional authorized cost	None			
Revised authorized cost	915,000			
Percentage increase over original authorized cost	0%			
Percentage completion	100%			
Original target completion date	September 2013			
Revised target completion date	September 2013			

PROPRIETARY FUNDS

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2015

	Business-type Activities			
	Food Service Fund	Latchkey Fund	Totals FY 2015	Totals FY 2014
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,029	\$ 2,395	\$ 8,424	\$ 2,988
Accounts receivable:				
State	81		81	125
Federal	1,611		1,611	1,908
Inventory	1,770		1,770	1,561
Total current assets	9,491	2,395	11,886	6,582
Non-current assets:				
Machinery and equipment	76,037		76,037	70,787
Less: accumulated depreciation	(65,459)		(65,459)	(64,236)
Total non-current assets	10,578		10,578	6,551
Total assets	\$ 20,069	\$ 2,395	\$ 22,464	\$ 13,133
NET POSITION				
Invested in capital assets, net of related debt	\$ 10,578		\$ 10,578	\$ 6,551
Unrestricted	9,491	\$ 2,395	11,886	6,582
Total net position	\$ 20,069	\$ 2,395	\$ 22,464	\$ 13,133

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Business-type Activities			
	Food Service Fund	Latchkey Fund	Totals FY 2015	Totals FY 2014
OPERATING REVENUES:				
Local sources:				
Daily sales:				
Reimbursable programs	\$ 29,591		\$ 29,591	\$ 33,332
Non-reimbursable programs	12,615		12,615	8,931
Tuition		\$ 3,099	3,099	4,275
Total operating revenue	42,206	3,099	45,305	46,538
OPERATING EXPENSES:				
Salaries	22,963	2,506	25,469	38,870
Employee benefits	1,857	192	2,049	3,404
Purchased professional/technical services	494		494	
Purchased property services	646		646	846
Other purchased services (400-500 series)	6,000		6,000	12,800
Supplies and materials	118	23	141	651
Cost of sales	41,283		41,283	41,483
Depreciation	1,223		1,223	1,450
Total operating expenses	74,584	2,721	77,305	99,504
Operating income (loss)	(32,378)	378	(32,000)	(52,966)
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	845		845	930
Federal sources:				
National school lunch program	23,928		23,928	23,384
School breakfast program				288
Food distribution program	7,308		7,308	5,091
Total non-operating revenues (expenses)	32,081		32,081	29,693
Income (loss) before operating transfers	(297)	378	81	(23,273)
Other financing sources (uses)				
Operating transfer in - general fund	4,000		4,000	18,000
Capital asset contributions	5,250		5,250	2,600
Net income (loss)	8,953	378	9,331	(2,673)
Total net position - July 1	11,116	2,017	13,133	15,806
Total net position - June 30	\$ 20,069	\$ 2,395	\$ 22,464	\$ 13,133

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Business-type Activities			
	Food Service Fund	Latchkey Fund	Totals FY 2015	Totals FY 2014
Cash flows from operating activities:				
Receipts from customers	\$ 42,206	\$ 3,099	\$ 45,305	\$ 46,748
Payments to suppliers	(48,750)	(23)	(48,773)	(54,735)
Payments to employees	(22,963)	(2,506)	(25,469)	(38,870)
Payments for employee benefits	(1,857)	(192)	(2,049)	(3,404)
Net cash provided (used) by operating activities	(31,364)	378	(30,986)	(50,261)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	32,422		32,422	28,701
Board contribution	4,000		4,000	18,000
Net cash provided by non-capital financing activities	36,422		36,422	46,701
Net increase in cash and cash equivalents	5,058	378	5,436	(3,560)
Cash and cash equivalents - July 1	971	2,017	2,988	6,548
Cash and cash equivalents - June 30	\$ 6,029	\$ 2,395	\$ 8,424	\$ 2,988
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (32,378)	\$ 378	\$ (32,000)	\$ (52,966)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	1,223		1,223	1,450
Change in assets and liabilities:				
(Increase) decrease in accounts receivable				210
(Increase) decrease in inventory	(209)		(209)	1,045
	\$ (31,364)	\$ 378	\$ (30,986)	\$ (50,261)

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Internal Service Fund
 Combining Schedule of Net Position
 For the Fiscal Year Ended June 30, 2015

	Total FY 2015	Total FY 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,685	\$ 4,253
Total assets	\$ 8,685	\$ 4,253
LIABILITIES AND NET POSITION		
Net position:		
Unrestricted	\$ 8,685	\$ 4,253
Total liabilities and net position	\$ 8,685	\$ 4,253

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	<u>Total</u> <u>FY 2015</u>	<u>Total</u> <u>FY 2014</u>
OPERATING REVENUES:		
Local sources:		
Other charges and fees	\$ 38,400	\$ 24,099
Total operating revenue	<u>38,400</u>	<u>24,099</u>
OPERATING EXPENSES:		
Salaries	29,028	19,372
Employee benefits	4,940	474
Total operating expenses	<u>33,968</u>	<u>19,846</u>
Income (loss) before operating transfers	<u>4,432</u>	<u>4,253</u>
Net changes in net position	4,432	4,253
Other financing sources (uses)		
Transfer to general fund		(3,792)
Total net position - July 1	<u>4,253</u>	<u>3,792</u>
Total net position - June 30	<u><u>\$ 8,685</u></u>	<u><u>\$ 4,253</u></u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Total</u> <u>FY 2015</u>	<u>Total</u> <u>FY 2014</u>
Cash flows from operating activities:		
Receipts from customers	\$ 38,400	\$ 24,099
Payments to employees	(29,028)	(19,372)
Payments for employee benefits	(4,940)	(474)
	<u>4,432</u>	<u>4,253</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Transfer to general fund		(3,792)
		<u>461</u>
Net increase in cash and cash equivalents	4,432	461
Cash and cash equivalents - July 1	4,253	3,792
Cash and cash equivalents - June 30	<u>\$ 8,685</u>	<u>\$ 4,253</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 4,432	\$ 4,253
	<u>\$ 4,432</u>	<u>\$ 4,253</u>

FIDUCIARY FUNDS

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	Trust Funds		Agency Funds		Totals	
	Scholarship Trust	Unemployment Compensation Trust	Student Activity	Payroll & Payroll Agency	FY 2015	FY 2014
ASSETS						
Cash and cash equivalents	\$ 1,989	\$ 183,409	\$ 8,674	\$ 311	\$ 194,383	\$ 191,556
Total assets	<u>\$ 1,989</u>	<u>\$ 183,409</u>	<u>\$ 8,674</u>	<u>\$ 311</u>	<u>194,383</u>	<u>191,556</u>
LIABILITIES						
Due to student groups			\$ 8,674		8,674	8,373
Payroll deductions and withholdings				\$ 311	311	945
Total liabilities			<u>\$ 8,674</u>	<u>\$ 311</u>	<u>8,985</u>	<u>9,318</u>
NET POSITION						
Held in trust for:						
Unemployment claims		\$ 183,409			183,409	180,124
Scholarship awards	\$ 1,989				1,989	2,114
Total net position	<u>\$ 1,989</u>	<u>\$ 183,409</u>			<u>\$ 185,398</u>	<u>\$ 182,238</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	Trust Funds		Totals	
	Scholarship Trust	Unemployment Compensation Trust	FY 2015	FY 2014
ADDITIONS:				
Contributions:				
Plan members		\$ 3,472	\$ 3,472	\$ 3,458
Total contributions		3,472	3,472	3,458
Investment earnings:				
Interest		271	271	281
Total investment earnings		271	271	281
Total additions		3,743	3,743	3,739
DEDUCTIONS:				
Unemployment claims		458	458	14,695
Scholarships awarded	\$ 125		125	125
Total deductions	125	458	583	14,820
Change in net position	(125)	3,285	3,160	(11,081)
Net position July 1	2,114	180,124	182,238	193,319
Net position June 30	\$ 1,989	\$ 183,409	\$ 185,398	\$ 182,238

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Student Activity Agency Fund -
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
ACTIVITIES:				
Elementary school	\$ 8,373	\$ 11,053	\$ 10,752	\$ 8,674

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Payroll Agency Fund -
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	\$ 945	\$ 2,076,641	\$ 2,077,275	\$ 311
Total assets	\$ 945	\$ 2,076,641	\$ 2,077,275	\$ 311
LIABILITIES				
Employees' net pay		\$ 1,161,376	\$ 1,161,376	
Payroll deductions and withholdings	\$ 945	913,242	913,876	\$ 311
Interfund Payable		2,023	2,023	
Total liabilities	\$ 945	\$ 2,076,641	\$ 2,077,275	\$ 311

**STATISTICAL SECTION
(Unaudited)**

**LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	98-103
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	104-107
Debt Capacity 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.	108-111
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	112-113
Operating Information 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.	114-118

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Net Position By Component
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Invested in capital assets, net of related debt	\$ 770,603	\$ 595,814	\$ 741,886	\$ 676,263	\$ 610,486	\$ 601,201	\$ 1,093,296	\$ 1,034,496	\$ 1,903,866	\$ 1,794,674
Restricted	599,337	554,796	775,703	1,151,420	1,186,001	1,410,710	1,512,647	1,955,939	1,412,851	1,706,965
Unrestricted	22,887	230,264	123,172	51,764	69,805	96,704	141,661	142,631	149,802	(418,542)
Total governmental activities net position	<u>\$ 1,392,827</u>	<u>\$ 1,380,874</u>	<u>\$ 1,640,761</u>	<u>\$ 1,879,447</u>	<u>\$ 1,866,292</u>	<u>\$ 2,108,615</u>	<u>\$ 2,747,604</u>	<u>\$ 3,133,066</u>	<u>\$ 3,466,519</u>	<u>\$ 3,083,097</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 1,602		\$ 15,493	\$ 13,398	\$ 11,303	\$ 9,207	\$ 7,112	\$ 5,401	\$ 6,551	\$ 10,578
Unrestricted	22,535	\$ 4,674	1,796	2,653	17,542	5,300	3,214	10,405	6,582	11,886
Total business-type activities net position	<u>\$ 24,137</u>	<u>\$ 4,674</u>	<u>\$ 17,289</u>	<u>\$ 16,051</u>	<u>\$ 28,845</u>	<u>\$ 14,507</u>	<u>\$ 10,326</u>	<u>\$ 15,806</u>	<u>\$ 13,133</u>	<u>\$ 22,464</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 772,205	\$ 595,814	\$ 757,379	\$ 689,661	\$ 621,789	\$ 610,408	\$ 1,100,408	\$ 1,039,897	\$ 1,910,417	\$ 1,805,252
Restricted	599,337	554,796	775,703	1,151,420	1,186,001	1,410,710	1,512,647	1,955,939	1,412,851	1,706,965
Unrestricted	45,422	234,938	124,968	54,417	87,347	102,004	144,875	153,036	156,384	(406,656)
	<u>\$ 1,416,964</u>	<u>\$ 1,385,548</u>	<u>\$ 1,658,050</u>	<u>\$ 1,895,498</u>	<u>\$ 1,895,137</u>	<u>\$ 2,123,122</u>	<u>\$ 2,757,930</u>	<u>\$ 3,148,872</u>	<u>\$ 3,479,652</u>	<u>\$ 3,105,561</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
XPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 1,544,013	\$ 1,674,165	\$ 1,519,852	\$ 1,495,052	\$ 1,508,549	\$ 1,441,678	\$ 1,336,507	\$ 1,382,904	\$ 1,396,118	\$ 1,466,324
Special education	144,826	160,142	217,138	210,381	211,250	166,930	155,811	157,600	166,215	175,065
Other special education	55,470	58,516	61,548	81,762	138,608	4,110	51,000			
Other instruction			616	1,687	732	1,552	878	422	495	3,072
Support services:										
Tuition	614,057	669,381	565,401	595,614	488,660	761,204	795,473	456,836	578,708	593,506
Student & instruction and related services	247,198	150,295	212,305	267,415	300,073	251,425	278,268	274,120	315,367	307,449
General administration	70,761	72,696	128,399	124,318	130,919	112,810	118,218	127,322	136,260	133,373
School administrative services	149,868	144,123	56,511	57,719	59,241	59,241	60,808	59,422	58,715	57,820
Central services	71,978	72,677	75,560	84,447	89,152	86,226	90,799	94,316	101,450	110,245
Administrative information technology	1,743	1,080	1,204	1,797	2,156					
Plant operations and maintenance	305,420	340,566	367,540	334,194	359,133	283,799	311,990	416,061	317,915	332,329
Pupil transportation	273,720	281,640	305,753	355,780	344,052	314,203	342,116	299,835	351,905	372,798
Unallocated benefits	827,002	990,173	975,747	758,890	779,860	889,829	835,848	823,840	759,237	800,641
Capital outlay			9,734		14,412	3,113	2,315	61,391	1,258	6,508
Unallocated depreciation			89,114	60,026	57,739	80,907	123,654	122,517	132,947	141,625
Total Governmental activities expenses	<u>4,306,056</u>	<u>4,615,454</u>	<u>4,586,422</u>	<u>4,429,082</u>	<u>4,484,536</u>	<u>4,457,027</u>	<u>4,503,685</u>	<u>4,276,586</u>	<u>4,316,590</u>	<u>4,500,755</u>
Business-type activities:										
Food service	83,033	88,013	95,201	95,888	90,611	89,053	94,612	91,778	96,311	74,584
Child care	433				9,497	7,744	6,526	5,374	3,193	2,721
Total business-type activities expense	<u>83,466</u>	<u>88,013</u>	<u>95,201</u>	<u>95,888</u>	<u>100,108</u>	<u>96,797</u>	<u>101,138</u>	<u>97,152</u>	<u>99,504</u>	<u>77,305</u>
Total district expenses	<u>\$ 4,389,522</u>	<u>\$ 4,703,467</u>	<u>\$ 4,681,623</u>	<u>\$ 4,524,970</u>	<u>\$ 4,584,644</u>	<u>\$ 4,553,824</u>	<u>\$ 4,604,823</u>	<u>\$ 4,373,738</u>	<u>\$ 4,416,094</u>	<u>\$ 4,578,060</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
Instruction (tuition)							\$ 23,275	\$ 20,980	\$ 24,099	\$ 38,400
Pupil transportation	\$ 38,190	\$ 43,027								
Operating grants and contributions	394,498	505,810	\$ 118,281	\$ 108,198	\$ 152,197	\$ 132,441	108,584	96,444	95,246	103,837
Total governmental activities program revenues	<u>432,688</u>	<u>548,837</u>	<u>118,281</u>	<u>108,198</u>	<u>152,197</u>	<u>132,441</u>	<u>131,859</u>	<u>117,424</u>	<u>119,345</u>	<u>142,237</u>

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Food service	43,865	41,729	45,653	48,642	53,140	51,945	50,152	49,573	42,263	42,206
Child care					9,040	8,593	6,637	5,806	4,275	3,099
Operating grants and contributions	17,697	19,860	19,575	21,008	25,722	21,921	24,168	22,253	29,693	32,081
Total business-type activities program revenues	61,562	61,589	65,228	69,650	87,902	82,459	80,957	77,632	76,231	77,386
Total district program revenue	\$ 494,250	\$ 610,426	\$ 183,509	\$ 177,848	\$ 240,099	\$ 214,900	\$ 212,816	\$ 195,056	\$ 195,576	\$ 219,623
Net (expense) revenue:										
Governmental activities:	\$ (3,873,368)	\$ (4,066,617)	\$ (4,468,141)	\$ (4,320,884)	\$ (4,332,339)	\$ (4,324,586)	\$ (4,371,826)	\$ (4,159,162)	\$ (4,197,245)	\$ (4,358,518)
Business-type activities	(21,904)	(26,424)	(29,973)	(26,238)	(12,206)	(14,338)	(20,181)	(19,520)	(23,273)	81
Total district-wide net expense	\$ (3,895,272)	\$ (4,093,041)	\$ (4,498,114)	\$ (4,347,122)	\$ (4,344,545)	\$ (4,338,924)	\$ (4,392,007)	\$ (4,178,682)	\$ (4,220,518)	\$ (4,358,437)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for government purposes	\$ 2,603,000	\$ 3,000,000	\$ 3,120,000	\$ 3,170,000	\$ 3,230,000	\$ 3,359,200	\$ 3,359,200	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016
Unrestricted grants and contributions	1,007,679	1,005,720	1,424,366	1,322,368	933,733	1,178,253	1,354,182	1,232,736	1,213,118	1,230,631
Restricted grants and contributions					123,835					
Tuition charges	14,200	12,750	16,900	17,070	30,830	12,229	7,000	6,890	3,483	
Transportation fees			26,897	55,150	13,200	575	250	62	600	
Investment earnings	31,393	42,779	33,850	18,128	10,545	31,840	34,845	37,283	23,511	19,338
Gain on disposal of assets	(7,326)	1,142	(2,946)			(34,515)	(19,914)		(3,525)	(3,656)
Transfers out	(9,400)	(9,000)	(25,000)	(25,000)	(25,000)		(16,000)	(25,000)	(18,000)	(4,000)
Insurance recovery							286,754			
Miscellaneous income	8,735	1,273	2,099	1,854	2,041	19,327	4,498	637	19,495	1,210
Total governmental activities	3,648,281	4,054,664	4,596,166	4,559,570	4,319,184	4,566,909	5,010,815	4,544,624	4,530,698	4,535,539
Business-type activities:										
Transfers	9,400	9,000	25,000	25,000	25,000			25,000	18,000	4,000
Capital asset contributions									2,600	5,250
Total business-type activities	9,400	9,000	25,000	25,000	25,000			25,000	20,600	9,250
Total district-wide	\$ 3,657,681	\$ 4,063,664	\$ 4,621,166	\$ 4,584,570	\$ 4,344,184	\$ 4,566,909	\$ 5,010,815	\$ 4,569,624	\$ 4,551,298	\$ 4,544,789
Change in net position										
Governmental activities	\$ (225,087)	\$ (11,953)	\$ 128,025	\$ 238,686	\$ (13,155)	\$ 242,323	\$ 638,989	\$ 385,462	\$ 333,453	\$ 177,021
Business-type activities	(12,504)	(17,424)	(4,973)	(1,238)	12,794	(14,338)	(20,181)	5,480	(2,673)	9,331
Total district	\$ (237,591)	\$ (29,377)	\$ 123,052	\$ 237,448	\$ (361)	\$ 227,985	\$ 618,808	\$ 390,942	\$ 330,780	\$ 186,352

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2015
 Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Reserved	\$ 625,107	\$ 650,457	\$ 775,703	\$ 1,099,868	\$ 1,186,001					
Unreserved	68,218	206,947	207,437	193,786	163,914					
Restricted						\$ 1,118,667	\$ 1,382,706	\$ 1,147,303	\$ 1,356,523	\$ 1,631,171
Assigned						292,043	129,941	68,614	49,320	68,786
Unassigned						179,539	211,187	208,139	224,354	205,568
Total general fund	<u>\$ 693,325</u>	<u>\$ 857,404</u>	<u>\$ 983,140</u>	<u>\$ 1,293,654</u>	<u>\$ 1,349,915</u>	<u>\$ 1,590,249</u>	<u>\$ 1,723,834</u>	<u>\$ 1,424,056</u>	<u>\$ 1,630,197</u>	<u>\$ 1,905,525</u>
All other governmental funds:										
Unreserved, reported in:										
Special revenue fund	\$ (351)	\$ (351)	\$ (351)							
Capital projects fund								\$ 740,022	\$ 7,008	\$ 7,008
Total all other governmental funds	<u>\$ (351)</u>	<u>\$ (351)</u>	<u>\$ (351)</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>\$ 740,022</u>	<u>\$ 7,008</u>	<u>\$ 7,008</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Tax levy	\$ 2,603,000	\$ 3,000,000	\$ 3,120,000	\$ 3,170,000	\$ 3,230,000	\$ 3,359,200	\$ 3,359,200	\$ 3,292,016	\$ 3,292,016	\$ 3,292,016
Tuition charges	14,200	12,750	16,900	17,070	30,830	12,229	7,000	6,890	3,483	
Transportation fees	38,190	43,027	26,897	55,150	13,200	575	250	62	600	
Interest earnings	31,393	42,779	33,850	18,128	10,545	31,840	34,845	37,283	23,511	19,338
Miscellaneous	8,735	4,273	2,099	1,854	5,959	24,634	8,597	3,938	19,495	5,028
State sources	1,295,395	1,394,452	1,434,389	1,323,719	934,733	1,178,253	1,315,617	1,232,736	1,213,118	1,230,631
Federal sources	106,782	114,078	108,258	106,847	271,114	127,134	143,050	93,143	95,246	100,019
Total revenue	4,097,695	4,611,359	4,742,393	4,692,768	4,496,381	4,733,865	4,868,559	4,666,068	4,647,469	4,647,032
EXPENDITURES:										
Instruction:										
Regular	1,422,610	1,548,948	1,511,187	1,489,200	1,504,926	1,447,868	1,328,293	1,368,160	1,371,383	1,446,096
Special	127,483	142,254	217,078	209,881	210,520	166,860	155,221	158,012	165,653	175,690
Other special instruction	55,470	58,516	62,432	83,308	139,050	3,935	51,045			
Other instruction						1,552	878	422	1,095	3,072
Undistributed:										
Instruction	614,057	643,759	565,401	595,614	488,660	761,204	795,473	456,836	578,708	593,506
Student & instruction related services	249,865	178,867	212,105	255,870	293,584	251,425	317,505	274,120	315,367	307,449
General administration	132,525	126,235	128,399	124,318	130,919	112,810	118,218	127,322	136,260	133,373
School administration	53,418	54,808	56,511	57,719	59,241	59,241	60,808	59,422	58,715	57,820
Central administration	71,978	72,677	75,560	80,138	85,984	86,226	90,799	94,316	101,450	110,245
Administration information technology	1,743	1,080	1,204	1,797	2,156					
Plant operations & maintenance	305,420	340,566	362,906	340,704	356,620	289,128	314,600	415,121	355,293	332,329
Student transportation	273,720	281,640	307,123	339,182	331,056	314,203	342,116	299,835	347,725	376,048
Unallocated benefits	822,165	988,930	975,747	758,890	779,860	889,829	832,031	822,150	758,763	790,479
Capital outlay	39,635		116,004	20,282	32,544	109,250	311,987	125,108	969,722	41,597
Total expenditures	4,170,089	4,438,280	4,591,657	4,356,903	4,415,120	4,493,531	4,718,974	4,200,824	5,160,134	4,367,704
Excess (deficiency of revenues over (under) expenditures	(72,394)	173,079	150,736	335,865	81,261	240,334	149,585	465,244	(512,665)	279,328
Other financing sources (uses)										
Transfer in - internal service fund									3,792	
Transfers out - food service	(9,400)	(9,000)	(25,000)	(25,000)	(25,000)		(16,000)	(25,000)	(18,000)	(4,000)
Total other financing sources (uses)	(9,400)	(9,000)	(25,000)	(25,000)	(25,000)		(16,000)	(25,000)	(14,208)	(4,000)
Net change in fund balance	\$ (81,794)	\$ 164,079	\$ 125,736	\$ 310,865	\$ 56,261	\$ 240,334	\$ 133,585	\$ 440,244	\$ (526,873)	\$ 275,328

Debt service as a percentage of noncapital expenditures

Source: District records

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

Fiscal Year Ended June 30,	Miscellaneous	Refund Prior Year	Annual Totals
2006	\$ 5,915	\$ 2,820	\$ 8,735
2007	3,973	300	4,273
2008	1,129	970	2,099
2009	338	1,516	1,854
2010	1,192	849	2,041
2011	3,304	16,023	19,327
2012	2,576	1,922	4,498
2013	183	454	637
2014	4,215	15,280	19,495
2015	1,210		1,210
	<u>\$ 24,035</u>	<u>\$ 40,134</u>	<u>\$ 64,169</u>

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2006	\$ 2,532,500	\$ 59,262,800	\$ 25,500,800	\$ 4,243,810	\$ 1,527,200	\$ 111,214,100	0	\$ 204,281,210	\$ 602,977	\$ 204,884,187	\$ 243,685,089	0.000
2007	2,469,000	59,410,500	25,789,100	4,205,910	1,527,200	111,214,100	0	204,615,810	544,459	205,160,269	246,124,871	0.000
2008	2,479,700	60,678,500	25,347,500	4,181,210	1,527,200	112,994,100	0	207,208,210	689,861	207,898,071	231,109,347	0.000
2009	2,445,400	61,197,000	25,783,200	4,311,000	1,527,100	113,154,200	0	208,417,900	507,414	208,925,314	314,570,493	0.000
2010	2,614,300	61,954,200	25,588,300	4,168,500	1,527,200	113,229,100	0	209,081,600	610,966	209,692,566	265,310,796	0.000
2011	3,198,600	64,264,700	23,401,100	3,907,300	1,527,200	113,498,600	0	209,797,500	423,390	210,220,890	296,419,755	0.000
2012	3,229,600	69,945,000	18,928,500	3,772,300	1,633,600	113,498,600	0	211,007,600	436,054	211,443,654	276,948,769	0.000
2013	3,226,000	70,567,100	18,679,100	3,757,200	1,633,600	113,498,600	0	211,361,600	409,427	211,771,027	264,640,143	0.000
2014	3,023,500	70,949,400	19,112,000	3,749,800	1,633,600	113,498,600	0	211,966,900	247,473	212,214,373	301,889,459	0.000
2015	3,014,700	70,823,500	19,449,800	3,773,600	1,633,600	113,498,600	0	212,193,800	249,916	212,443,716	305,958,977	0.000

Source: Municipal Tax Collector

n/a = Not available at time of completion of CAFR

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Per \$100 of Assessed Valuation
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
				Township of LAC	Salem County	
2006	0.000	0.000	0.000	0.000	1.136	1.136
2007	0.000	0.000	0.000	0.000	1.072	1.072
2008	0.000	0.000	0.000	0.000	1.127	1.127
2009	0.000	0.000	0.000	0.000	1.033	1.033
2010	0.000	0.000	0.000	0.000	1.336	1.336
2011	0.000	0.000	0.000	0.000	1.116	1.116
2012	0.000	0.000	0.000	0.000	1.268	1.268
2013	0.000	0.000	0.000	0.000	1.207	1.207
2014	0.000	0.000	0.000	0.000	1.376	1.376
2015	0.000	0.000	0.000	0.000	1.441	1.441

Source: Municipal Tax Assessor

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current and Nine Years Ago
Unaudited

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
PSE&G	\$ 113,592,800	53.53%	\$ 111,609,400	54.47%
Taxpayer #1	856,300	0.40%	856,300	0.42%
Taxpayer #2	782,500	0.37%		
Taxpayer #3			698,100	0.33%
Taxpayer #4			682,280	0.32%
Wave Maker 4 LLC	644,900	0.30%		
Taxpayer #5			520,300	0.24%
Taxpayer #6			423,500	0.21%
Taxpayer #7	398,800	0.19%	398,800	0.19%
Hancock, Tice & Crane LLC	396,600	0.19%		
Taxpayer #8	368,100	0.17%	392,700	0.19%
Taxpayer #9	366,400	0.17%		
Taxpayer #10	362,500	0.17%	337,400	0.16%
Taxpayer #11	349,600	0.16%	323,000	0.16%
	<u>\$ 118,118,500</u>	<u>55.67%</u>	<u>\$ 116,241,780</u>	<u>56.71%</u>

Source: Municipal Tax Assessor

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2006	\$ 2,603,000	\$ 2,603,000	100.00%	
2007	3,000,000	3,000,000	100.00%	
2008	3,120,000	3,120,000	100.00%	
2009	3,170,000	3,170,000	100.00%	
2010	3,230,000	3,230,000	100.00%	
2011	3,359,200	3,359,200	100.00%	
2012	3,359,200	3,359,200	100.00%	
2013	3,292,016	3,292,016	100.00%	
2014	3,292,016	3,292,016	100.00%	
2015	3,292,016	3,292,016	100.00%	

Source: District records

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities Capital Leases	Total District	Percentage of Personal Income
	General Obligation Bonds	Certificate of Participation	Capital Leases	Bond Anticipation Notes			
2006	0	0	0	0	0	0	0.00%
2007	0	0	0	0	0	0	0.00%
2008	0	0	0	0	0	0	0.00%
2009	0	0	0	0	0	0	0.00%
2010	0	0	0	0	0	0	0.00%
2011	0	0	0	0	0	0	0.00%
2012	0	0	0	0	0	0	0.00%
2013	0	0	0	0	0	0	0.00%
2014	0	0	0	0	0	0	0.00%
2015	0	0	0	0	0	0	0.00%

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2006	0	0	0	0.00%	0
2007	0	0	0	0.00%	0
2008	0	0	0	0.00%	0
2009	0	0	0	0.00%	0
2010	0	0	0	0.00%	0
2011	0	0	0	0.00%	0
2012	0	0	0	0.00%	0
2013	0	0	0	0.00%	0
2014	0	0	0	0.00%	0
2015	0	0	0	0.00%	0

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

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 as of December 31, 2014
 Unaudited

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Lower Alloways Creek	0	100%	0
Salem County General Obligation Debt	\$ 40,278,964	5.65%	<u>\$ 2,277,541</u>
Subtotal, overlapping debt			2,277,541
Lower Alloways Creek School District			<u>0</u>
Total direct and overlapping debt			<u><u>\$ 2,277,541</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Salem County Board of Taxation. Debt outstanding provided by each government unit.

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

	Equalized Valuation Basis	
Year		
2014	\$	303,851,634
2013	\$	299,251,876
2012		262,218,964
	\$	<u>865,322,474</u>
Average equalized valuation of taxable property	\$	288,440,825
Debt limit (3% of average equalized value)		8,653,225
Total net debt applicable to limit		0
Legal debt margin	\$	<u>8,653,225</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 7,037,954	\$ 7,236,955	\$ 6,896,657	\$ 7,803,869	\$ 7,988,957	\$ 8,676,642	\$ 8,302,877	\$ 8,303,129	\$ 8,347,514	\$ 8,653,225
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	<u>\$ 7,037,954</u>	<u>\$ 7,236,955</u>	<u>\$ 6,896,657</u>	<u>\$ 7,803,869</u>	<u>\$ 7,988,957</u>	<u>\$ 8,676,642</u>	<u>\$ 8,302,877</u>	<u>\$ 8,303,129</u>	<u>\$ 8,347,514</u>	<u>\$ 8,653,225</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2006	1,899	\$ 64,049,472	33,728	2.60%
2007	1,894	67,009,720	35,380	2.60%
2008	1,881	69,630,858	37,018	3.30%
2009	1,885	73,692,190	39,094	5.80%
2010	1,892	73,736,916	38,973	6.20%
2011	1,767	70,133,997	39,691	5.90%
2012	1,761	72,444,018	41,138	7.90%
2013	1,752	72,795,600	41,550	8.20%
2014	1,739	73,032,783	41,997	7.80%
2015	1,732	n/a	n/a	n/a

Source: Data regarding school district population and per capita personal income was provided by the Department of Education.

n/a - Not available at the time of CAFR completion.

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

Employer	2015		2006	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Public Service Electric & Gas	\$ 1,300	160.10% *		
LAC Township	52	6.40%		
LAC Board of Education	47	5.79%		
	<u>\$ 1,399</u>	<u>172.29%</u>	<u>N/A</u>	<u>0.00%</u>

Source: County of Salem Department of Economic Development.

* Labor force consists of a significant number of employees for PSE&G from other municipalities, therefore, the percentage of employees to the labor force is greater than 100%.

N/A - Not available

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

Function/program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	22.5	24.4	23.7	24.1	23.5	21.70	19.21	20.76	21.24	22.16
Special education	2.6	2.8	4.1	5.1	5.4	3.52	3.84	3.45	3.37	3.37
Support services:										
Student & instruction related services	1.2	1.2	1.2	1.2	1.2	1.20	1.00	1.10	1.00	1.00
General administration	0.5	1.0	1.0	1.0	1.0	1.00	1.00	1.00	1.00	1.00
School administration	0.5	1.0	1.0	1.0	1.0	1.00	1.00	1.00	1.00	1.00
Business administrative services	1.0	1.0	1.0	0.9	0.8	0.10	0.00	0.00	0.00	0.00
Plants operations and maintenance	3.7	3.7	3.7	3.7	3.7		0.50	0.50	0.50	0.50
Pupil transportation	5.2	5.9	6.3	6.9	4.7	5.10	4.36	5.26	3.56	4.05
Custodial services										2.52
Food service	3.0	0.0	0.0	0.0	2.3	2.30	2.30	2.30	2.29	1.58
Child care	0.0	0.0	0.0	0.0	0.9	0.30	0.50	0.36	0.29	0.29
Total	<u>40</u>	<u>41</u>	<u>42</u>	<u>44</u>	<u>44</u>	<u>36</u>	<u>33.7</u>	<u>35.7</u>	<u>34.3</u>	<u>37.47</u>

Source: District personnel records

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

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2006	229	\$ 4,130,454	\$ 18,037	6.83%	25.1	1:9	233.1	223.3	2.87%	95.80%
2007	238	4,438,280	18,648	3.39%	26.8	1:9	225.5	221.4	-3.26%	98.18%
2008	230	4,475,653	19,459	4.35%	26.8	1:9	232.5	222.9	3.10%	95.87%
2009	230	4,336,621	18,855	-3.11%	27.0	1:8	221.7	209.7	-4.65%	94.59%
2010	223	4,382,576	19,653	4.23%	27.0	1:8	219.3	203.1	-1.08%	92.61%
2011	215	4,384,281	20,392	3.76%	24.7	1:8	199.6	186.2	-8.98%	93.29%
2012	202	4,406,987	21,817	6.99%	22.3	1:9	198.5	189.0	-0.55%	95.21%
2013	201	4,075,716	20,277	-7.06%	22.3	1:9	200.2	191.3	0.86%	95.55%
2014	191	4,190,412	21,939	0.56%	22.3	1:9	193.9	186.1	-3.17%	95.99%
2015	180	4,326,107	24,034	18.53%	22.4	1:8	177.4	167.8	-8.50%	94.61%

Sources: District records, ASSA

Note: Enrollment based on annual October District count.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary										
Lower Alloways Creek:										
Square feet	54,110	54,110	54,110	54,110	54,110	54,110	54,110	54,110	54,110	54,110
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	230	230	234	237	220	200	197	201	194	173

Number of schools at June 30, 2015

Elementary = 1

Source: District office

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 For the Fiscal Year Ended June 30, 2015
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

* School Facilities	Gross Square Footage	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Lower Alloways Creek	54,110	<u>\$ 22,255</u>	<u>\$ 31,019</u>	<u>\$46,129</u>	<u>\$ 42,033</u>	<u>\$ 41,754</u>	<u>\$ 47,539</u>	<u>\$ 74,341</u>	<u>\$ 159,012</u>	<u>\$ 73,806</u>	<u>\$ 84,498</u>	<u>\$ 622,386</u>

* School facilities as defined under EFCA
 (NJAC 6A:26-1.2 and NJAC 6:24-1.3)

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2015
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Educational Risk and Insurance Consortium - South		
Property - blanket buildings & contents	\$ 14,586,820	\$ 5,000
School board legal liability	5,000,000	
Automobile liability	5,000,000	None
Workmen's compensation - NJ School Boards Association		
Insurance group		
Bodily injury - by accident	2,000,000	None
Bodily injury - by disease	2,000,000	None
Bodily injury - by employee	2,000,000	None
Pollution liability	25,000,000	10,000
Student accident - Berkley Health and Life	1,000,000	None
Public employees' faithful performance bonds -		
Liberty Mutual Insurance Company		
Employee bond - Shannon N. DuBois-Brody, Business		
Administrator/Board Secretary	185,000	None
Employee bond - Rebecca S. Joyce, Alternate		
Board Secretary	10,000	None

Source: District records

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
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Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

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
Lower Alloways Creek Township School District
967 Main Street - Canton
Salem, New Jersey 08079

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lower Alloways Creek Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lower Alloways Creek Township School District's basic financial statements, and have issued our report thereon dated November 23, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lower Alloways Creek 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 Lower Alloways Creek 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.

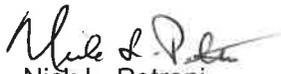
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies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

November 23, 2015

PETRONI & ASSOCIATES LLC

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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULARS 04-04 AND/OR 15-08

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Lower Alloways Creek Township School District
967 Main Street - Canton
Salem, New Jersey 08079

Report on Compliance for Each Major State Program

We have audited the Lower Alloways Creek Township School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Lower Alloways Creek Township School District's major state programs for the year ended June 30, 2015. The Lower Alloways Creek Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 Lower Alloways Creek 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 OMB Circular A-133, and the *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 Circulars 04-04 and/or 15-08, Single Audit Policy for recipients of Federal Grants, State Grants and State Aid. Those standards and

OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 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 Lower Alloways Creek 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 Lower Alloways Creek Township School District's compliance.

Opinion on Each Major State Program

In our opinion, the Lower Alloways Creek 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, 2015.

Report on Internal Control Over Compliance

Management of the Lower Alloways Creek 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 Lower Alloways Creek 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 OMB Circular A-133, and New Jersey OMB Circulars 04-04 and/or 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 Lower Alloways Creek 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 federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. 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 OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards and State Financial Assistance
Required by New Jersey OMB Circulars 04-04 and/or 15-08.**

We have audited the financial statements Lower Alloways Creek Township School District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 23, 2015, 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 OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 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

November 23, 2015

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015			Memo Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A	84.010A	NCLB280014	\$ 23,048	07/1/14	- 06/30/15			\$ 10,369	\$ (23,048)			\$ (12,679)			\$ 23,048
Title I - Part A	84.010A	NCLB280013	15,329	09/1/12	- 08/31/13	\$ (2,352)		2,352							15,329
Title II-A - Teacher & Principal Training	84.367	NCLB280015	4,143	07/1/14	- 06/30/15			1,143	(2,722)			(1,579)			2,722
IDEA Part B, Basic Regular	84.027A	IDEA280015	51,036	07/1/14	- 06/30/15			41,504	(51,036)			(9,532)			51,036
IDEA Part B, Basic Regular	84.027A	IDEA280014	50,639	07/1/13	- 06/30/14	(20,627)		20,627							50,639
IDEA Part B, Preschool	84.173	IDEA280015	712	07/1/14	- 06/30/15			712	(712)						712
Rural Education Achievement Program	84.358	S358A141769	22,501	07/1/14	- 09/30/15			22,501	(22,501)						22,501
Total Special Revenue Fund						(22,979)		99,208	(100,019)			(23,790)			165,987
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	n/a	7,308	07/1/14	- 06/30/15			7,308	(6,202)				\$ 1,106		7,308
Food Distribution Program	10.550	n/a	5,091	07/1/13	- 06/30/14	1,137			(1,137)						5,091
National School Lunch Program	10.555	n/a	23,928	07/1/14	- 06/30/15			22,317	(23,928)			(1,611)			23,928
National School Lunch Program	10.555	n/a	23,384	07/1/13	- 06/30/14	(1,908)		1,908							23,384
Total Enterprise Fund						(771)		31,533	(31,267)			(1,611)	1,106		59,711
Total Federal Financial Awards						<u>\$ (23,750)</u>		<u>\$ 130,741</u>	<u>\$ (131,286)</u>			<u>\$ (25,401)</u>	<u>\$ 1,106</u>		<u>\$ 225,698</u>

The accompanying notes to the schedules of expenditures of awards and financial assistance are an integral part of this schedule.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014			Cash Received	Budgetary Expenditures	Adjustment/ Repayment of Prior Year's Balance	Balance at June 30, 2015			Memo	
			From	To	Deferred Revenue (Accts. Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Transportation Aid	15-495-034-5120-014	\$ 120,883	07/1/14 - 06/30/15					\$ 120,883	\$ (120,883)					\$ 12,072	\$ 120,883
State Aid Public:															
Equalization Aid	15-495-034-5120-078	421,194	07/1/14 - 06/30/15				421,194	(421,194)						42,060	421,194
Special Education Aid	15-495-034-5120-089	124,366	07/1/14 - 06/30/15				124,366	(124,366)						12,420	124,366
Security Aid	15-495-034-5120-084	19,864	07/1/14 - 06/30/15				19,864	(19,864)						1,984	19,864
Adjustment Aid	15-495-034-5120-085	196,496	07/1/14 - 06/30/15				196,496	(196,496)						19,623	196,496
PARCC Readiness Aid	15-495-034-5120-098	1,840	07/1/14 - 06/30/15				1,840	(1,840)						184	1,840
Per Pupil Growth Aid	15-495-034-5120-097	1,840	07/1/14 - 06/30/15				1,840	(1,840)						184	1,840
Extraordinary Aid	15-100-034-5120-473	42,242	07/1/14 - 06/30/15								\$ (42,242)				42,242
Extraordinary Aid	14-100-034-5120-473	61,493	07/1/13 - 06/30/14		\$ (60,858)		61,493	(635)			(635)				61,493
Nonpublic Transportation Costs	n/a	1,218	07/1/14 - 06/30/15								(1,218)				1,218
Nonpublic Transportation Costs	n/a	1,350	07/1/13 - 06/30/14		(1,350)		1,350								1,350
Reimbursed TPAF Social Security Contributions	15-100-034-5094-003	104,221	07/1/14 - 06/30/15				99,085	(104,221)			(5,136)				104,221
Reimbursed TPAF Social Security Contributions	14-100-034-5095-002	106,296	07/1/13 - 06/30/14		(5,247)		5,247								106,296
On-behalf TPAF Post Retirement Contribution	15-100-034-5094-001	120,561	07/1/14 - 06/30/15				120,561	(120,561)							120,561
On-behalf TPAF Pension Contribution	15-100-034-5094-006	75,944	07/1/14 - 06/30/15				75,944	(75,944)							75,944
Total General Fund					(67,455)		1,250,163	(1,231,304)			(49,231)		88,527	1,278,925	
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	845	07/1/14 - 06/30/15				764	(845)			(81)				845
National School Lunch Program (State Share)	14-100-010-3350-023	930	07/1/13 - 06/30/14		(125)		125								930
Total Enterprise Fund					(125)		889	(845)			(81)			1,775	
Total State Financial Assistance					\$ (67,580)		\$ 1,251,052	\$ (1,232,149)			\$ (49,312)		\$ 88,527	\$ 1,280,700	

The accompanying notes to the schedules of expenditures of awards and financial assistance are an integral part of this schedule.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

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, Lower Alloways Creek 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 bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circulars Letters 04-04 and/or 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to 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 last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the June state aid payments in the current budget year, consistent with NJSA 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$673) for the General Fund and \$0 for the Special Revenue Fund. See Note A (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:

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund		\$ 1,230,631	\$ 1,230,631
Special revenue fund	\$ 100,019		100,019
Food service fund	31,236	845	32,081
Total financial assistance	<u>\$ 131,255</u>	<u>\$ 1,231,476</u>	<u>\$ 1,362,731</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related Federal and State financial reports.

NOTE 5: 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, 2015, Lower Alloways Creek Township School District has food commodities totaling \$1,106 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, 2015. 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, 2015.

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ Yes X No

2. Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal awards

N/A

State awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes _____ No

Internal control over major programs:

1. Material weakness(es) identified? _____ Yes X No

2. Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circulars 04-04 and/or 15-08? _____ Yes X No

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor’s Results

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5094-003	TPAF Social Security Contributions
	State Aid Public:
495-034-5120-085	Adjustment Aid
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid

Section II – Financial Statement Findings

None

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

FEDERAL AWARDS

N/A

STATE AWARDS

None

LOWER ALLOWAYS CREEK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

No matters were reported.