# LACEY TOWNSHIP SCHOOL DISTRICT

Lanoka Harbor, New Jersey County of Ocean

# ANNUAL COMPREHENSIVE FINANCIAL REPORT YEAR ENDED JUNE 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE LACEY TOWNSHIP SCHOOL DISTRICT LANOKA HARBOR, NEW JERSEY

YEAR ENDED JUNE 30, 2022

PREPARED BY LACEY TOWNSHIP BOARD OF EDUCATION FINANCE DEPARTMENT

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# **INTRODUCTORY SECTION**

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# LACEY TOWNSHIP SCHOOL DISTRICT

A Tradition Of Pride · A Tradition Of Excellence

SHARON SILVIA BUSINESS ADMINISTRATOR/BOARD SECRETARY

February 13, 2023

Honorable President and Members of the Board of Education Lacey Township Board of Education County of Ocean, New Jersey

Dear Board Members:

It is with pleasure that we submit the comprehensive annual financial report of the Lacey Township Board of Education for the fiscal year ended June 30, 2022. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Lacey Township 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 basic financial statements and schedules, as well as the auditors report thereon. statistical section includes selected financial and demographic The information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and Title 2 U.S. Code of Federal Regulations (DFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Lacey Township Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB 23. All funds and account groups of the District are included in this report. The Lacey Township Board of Education and all its schools constitute the District's reporting.

The District provides a comprehensive full range of educational services appropriate to grade levels K through 12. These include regular, as well as special education for handicapped youngsters. The District completed the 2021-2022 fiscal year with an average daily enrollment of 3,957 students, which is 34 students below the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last five years.

#### Enrollment

2016-2017	4,134	-3.43%
2017-2018	4,113	-0.51%
2018-2019	4,128	0.36%
2019-2020	4,000	-3.10%
2020-2021	3,991	-0.02%
2021-2022	3,957	-0.85%

2) <u>ECONOMIC CONDITION AND OUTLOOK</u>: A substantial portion of Lacey Township is still available for development. Pinelands Legislation passed in 1979 has limited residential construction west of the Garden State Parkway. However, east of the Garden State Parkway, new residential communities have been built in the past few years. In addition, municipal officials are doing all they can to increase the number of rateable properties in town which will serve to lower the tax rate for residents. In all, Lacey continues to be a desirable place to live due to its still relatively low tax rate, its proximity to the water and its accessibility to major roadways such as the Garden State Parkway, Route 9, and Route 70, making it convenient for commuters.

Unfortunately, the School Funding Reform Act (S-2) continues to have a negative impact not only on the District, but on the municipality as well. The School Funding Reform Act (S-2) reduced the District's state aid \$586,536 for the 2018-2019 school year, \$623,156 for the 2019-2020 school year, \$1,310,170 for the 2020-2021 school year, \$1,345,629 for the 2021-2022 school year and \$3,251,565. If projections hold true, the District stands to lose almost \$2.3 million over the following 2 school years. These reductions will put a strain on the District, which will almost certainly result in a significant reduction in programs and staff.

3) <u>MAJOR INITIATIVES</u>: The District updated Curriculum in line with the New Jersey Student Learning Standards. In addition, Federal funding received due to the Coronavirus has and will continue to allow the District to continue to employee teachers and other needed staff to help students to continue to succeed as well as address the social and emotional needs of our students. The District is also taking on an energy savings initiative to help our students, staff and community. This will also aid in reducing expenses of the District.

The capital projects listed below are in various stages of completion:

- · Replacement of Fire Alarm Systems at all Schools
- HVAC Upgrades at Six (6) Schools
- · Security Lighting Upgrade at Two (2) Schools
- Replacement of Boilers at the Cedar Creek School and Middle School
- · Replacement of Public Address Systems at All Schools

4) <u>INTERNAL ACCOUNTING CONTROLS</u>: 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 are compiled to allow for the preparation of 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 awards, 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 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 awards, as well as to determine that the District has complied with applicable laws and regulations.

5) <u>BUDGETARY CONTROLS</u>: 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 the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

6) <u>ACCOUNTING SYSTEMS AND REPORTS</u>: The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds

and account groups are explained in "Notes to the Financial Statements", Note 1.

7) <u>FINANCIAL INFORMATION AT FISCAL YEAR-END</u>: 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. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8) <u>DEBT ADMINISTRATION</u>: In June 1989, the District issued \$8,492,000 in bonds to complete various renovations. In November 1996, the District issued \$16,790,000 in bonds to construct a new 7/8 grade school, the proceeds of which we placed in the District's Capital Projects Fund. In April 2001, the District issued general obligation bonds in the amount of \$24,722,000. The proceeds of this bond issue were placed in the District's Capital Projects Fund for use to provide funds for renovations, replacement and additions to the Lacey Township High School, and elementary schools.

In February 2005, the Board of Education had a partial refinancing of the Series 1996 Bonds. The Board issued \$10,095,000 of general obligation refunding bonds Series 2005 to retire \$11,290,000 of the Series 1996 Bonds. The refunding resulted in a net economic gain to the District of \$1,195,000, which will be recognized over the life of the reissue.

In February 2006, the Board of Education had a partial refinancing of the 2001 Series Bonds. The Board issued \$24,625,000 of general obligation refunding bonds Series 2006 to retire \$23,370,000 of the Series 2001 Bonds. The refunding resulted in a net income gain to the district of \$976,896, which will be recognized over the life of the reissue.

In May 2009, the District issued \$19,806,000 in Series 2009 Bonds for solar panels on all the schools, window replacement at Forked River and Lanoka Harbor Elementary Schools, roof replacement at Lanoka Harbor Elementary School and boiler replacement at Forked River Elementary. The proceeds of this bond were placed in the District's Capital Projects Fund.

In January 2016, the Board of Education had a refinancing of the Series 2006 bonds. The Board issued \$16,090,000 of general obligation refunding bonds Series 2016 to retire \$17,770,000 of the Series 2006 bonds. The refunding resulted in a net present value income gain to the district of \$1,875,749, which will be recognized over the life of the reissue. In August 2016, the Board of Education had a partial refinancing of the Series 2006 bonds. The Board issued \$11,595,000 of general obligation refunding bonds Series 2016A to retire \$12,020,000 of the Series 2009 bonds. The refunding resulted in a net present value income gain to the district of \$548,918, which will be recognized over the life of the reissue.

As of June 30, 2022, the District's outstanding debt issues included \$14,050,000 of general obligation bonds.

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

10) <u>RISK MANAGEMENT</u>: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, cyber and fidelity bonds.

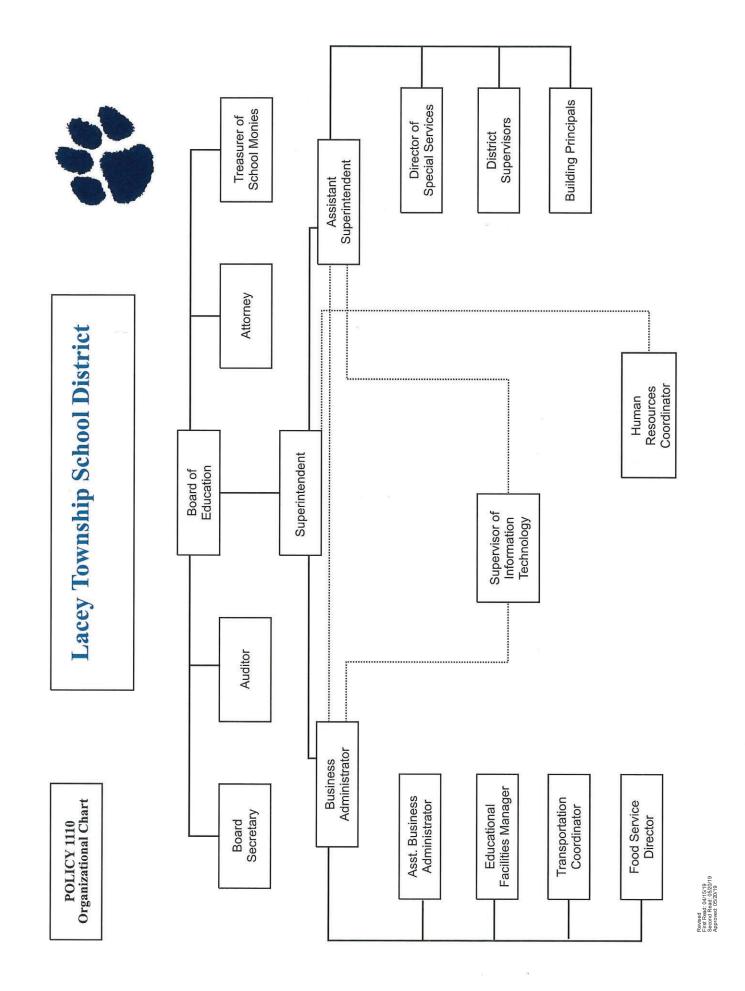
11) OTHER INFORMATION: Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Holman Frenia Allison, P.C., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's reports on the basic financial statements and combining and individual fund statements and schedules are 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.

12) <u>ACKNOWLEDGEMENTS</u>: We would like to express our appreciation to the members of the Lacey Township Board 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 fiscal 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,

Vanessa P. Pereira, Ph.D. Superintendent of Schools

Sharon Silvia Business Administrator/ Board Secretary



# LACEY TOWNSHIP SCHOOL DISTRICT LANOKA HARBOR, NEW JERSEY ROSTER OF OFFICIALS JUNE 30, 2022

Members of the Board of Education	TERM EXPIRES
Frank Palino	12/31/2023
Edward Scanlon	12/31/2022
Salvatore Armato	12/31/2024
Linda Downing	12/31/2022
Kim Klaus	12/31/2023
Donna McAvoy	12/31/2022
Harold "Skip" Peters	12/31/2024

## **Other Officials**

Dr. Vanessa R. Pereira, Superintendent of Schools William Zylinski, Assistant Superintendent for Curriculum and Instruction Patrick S. DeGeorge, School Business Administrator/Board Secretary Sharon Silvia, Asst. School Business Administrator/Asst. Board Secretary

# LACEY TOWNSHIP SCHOOL DISTRICT LANOKA HARBOR, NEW JERSEY CONSULTANTS AND ADVISORS JUNE 30, 2022

### **AUDITOR/AUDIT FIRM**

Robert W. Allison, CPA, PSA Holman Frenia Allison, P. C. 1985 Cedar Bridge Ave., Suite 3 Lakewood, New Jersey 08701

### ATTORNEY

Cleary, Giacobbe, Alfieri, Jacobs, LLC 955 Route 34, Suite 200 Matawan, NJ 07747

### **OFFICIAL DEPOSITORY**

Ocean First 975 Hooper Avenue Toms River, New Jersey 08754

# FINANCIAL SECTION

Second Section

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#### **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members of the Board of Education Lacey Township School District County of Ocean Lanoka Harbor, New Jersey 08734

#### **Report on the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lacey Township School District ("School District"), as of and for the fiscal year ended, June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the School District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirement prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

### Changes in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2022 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

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

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

#### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Office of School Finance Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence judgment made by a reasonable user based on the financial statements.

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

• Exercise professional judgment and maintain professional skepticism throughout the audit.

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.

• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post employment benefits, as listed 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

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

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison Certified Public Accountant Public School Accountant, No. 897

Lakewood, New Jersey February 13, 2023 This page intentionally left blank

# **REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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## LACEY TOWNSHIP SCHOOL DISTRICT

# MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022 UNAUDITED

This section of the Lacey Township School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2021-2022) and the prior fiscal year (2020-2021) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

- In total, net position of governmental activities increased \$8,347,084, which represents a 156.05% increase from 2021. Total net position of business-type activities increased \$554,861, which represents a 483.97% increase from 2021.
- General revenues accounted for \$78,569,046 in revenue or 83.22% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$15,842,543 or 16.78% of total revenue of \$94,411,589.
- Total assets of governmental activities increased by \$3,398,224 as cash and cash equivalents increased by \$2,898,456, receivables increased by \$2,345,426, restricted cash and cash equivalents increased by \$1,216,000, and total capital assets decreased by \$2,082,516.
- Total liabilities of governmental activities decreased by \$5,794,128 as accounts payable increased by \$1,784,655 and non-current liabilities decreased by \$7,798,844.
- The District had \$86,064,505 in governmental activity expenses; only \$15,842,543 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) and transfers of \$78,569,046 were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$8,347,084.
- In the governmental funds, the general fund had \$88,405,559 in revenues, and \$85,534,203 in expenditures. The general fund's fund balance increased by \$2,871,356 over 2021.

# USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CAFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Lacey Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to a private–sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the district.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

**Fund Financial Statements**. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near- term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, and debt service fund, all of which are considered to be major funds.

The general, special revenue and debt service funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

# **Proprietary Funds**

The District maintains one proprietary fund type, enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

**Other Information.** As described in Note 21 to the financial statements, "Prior Period Adjustment/Restatement of Net Position" the District has adopted the provisions of GASB 87, *Leases*, for the year ended June 30, 2022. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2021 in the amount of \$214,482, as indicated in Note 21 to the financial statements.

# **Government-Wide Financial Analysis**

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

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2022 and 2021, respectively:

# Net Position June 30, 2022

	Governmental Activities		Business-Type Activities			
	<u>2022</u>		2021	2022		2021
Assets						
Current and Other						
Assets	\$ 17,899,655	\$	12,418,915	\$ 628,669	\$	96,123
Capital Assets, Net	37,331,146		39,413,662	61,793		62,004
Total Assets	55,230,801		51,832,577	690,462		158,127
Deferred Outflows of						
Resources						
Deferred Outflows						
Relating to Pension	1,577,242		2,405,145	-		-
Deferred Charges on						
Refunding of Debt	139,727		171,005	-		-
Total Deferred Outflows						
of Resources	1,716,969		2,576,150	-		-
Liabilities						
Long-Term Liabilities	31,260,020		39,058,864	-		-
Other Liabilities	4,156,689		2,151,973	20,953		43,479
Total Liabilities	35,416,709		41,210,837	20,953		43,479
<b>Deferred Inflows of</b>						
Resources						
Deferred Inflows						
Relating to Pension	7,835,101		7,634,532	-		-
Total Deferred Inflows						
of Resources	7,835,101		7,634,532	-		-
Net Position						
Net Investment in						
Capital Assets	20,724,642		19,018,432	61,793		62,004
Restricted	10,685,353		9,643,340	-		-
Unrestricted	 (17,714,034)		(23,098,414)	 607,716		52,644
Total Net Position	\$ 13,695,960	\$	5,563,358	\$ 669,509	\$	114,648

The District's largest net position component is the Net Investment in Capital Assets portion as shown above. Restricted balances represent resources that are subject to external restrictions on how they may be used.

Restricted net position increased \$1,042,013, from the prior year to \$10,685,353 at June 30, 2022.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$17,714,034) is shown as unrestricted net position for Governmental Activities.

The following table provides a summary of revenues and expenses for the District's governmental and businesstype activities and the change in net position for June 30, 2022 and 2021. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

Governmental         Business-Type           Activities         Activities         Total           Revenues:         Image: Charges for Services         S         Activities         S         S           Charges for Services         S $5$ $86,210$ S $86,210$ Operating Grants and Contributions $15,842,543$ $1,772,457$ $17,015,000$ General Revenues:         Property Taxes $54,060,948$ $ 54,060,948$ Federal and State Aid $23,572,273$ $ 935,825$ $ 935,825$ Total Revenues $935,825$ $1,858,667$ $96,270,256$ Expenses: $1,858,663$ $1,303,806$ $31,190,459$ Instructional Services $55,293,816$ $51,303,806$ $87,368,311$ Support Services $88,036$ $ 884,036$ Total Expenses $834,036$ $ 884,036$ Net Position $8,347,084$ $54,861$ $89,01,945$ Interest and Other Charges $83,470,84$ $54,861$ $84,036$ Total Expenses $13,695$			June 30, 2022				
Revenues:         S			Governmental		Business-Type		
Program Revenues:         S         .         S         86,210         S         86,210           Operating Grants and Contributions         15,842,543         1,772,457         17,615,000           General Revenues:          23,572,273         .         23,572,273           Property Taxes         54,060,948         .         .         54,060,948           Federal and State Aid         23,572,273         .         .         23,572,273           Miscellaneous         .         .         .         .         .           Instructional Services         . <t< td=""><td></td><td></td><td>Activities</td><td></td><td>Activities</td><td></td><td><u>Total</u></td></t<>			Activities		Activities		<u>Total</u>
$\begin{array}{c c c c c c c c c c c c c c c c c c c $							
Operating Grants and Contributions $15,842,543$ $1,772,457$ $17,615,000$ General Revenues: $ 54,060,948$ $ 54,060,948$ Federal and State Aid $23,572,273$ $ 235,825$ $ 935,825$ $ 935,825$ $ 935,825$ $ 935,825$ $ 935,825$ $ 935,825$ $ 935,825$ $ 94,270,256$ Expenses:         Instructional Services $55,293,816$ $ 884,036$ $ 884,036$ Support Services $29,886,653$ $1,303,806$ $31,190,499$ Interest and Other Charges $884,036$ $ 884,036$ Total Expenses $86,064,505$ $1,303,806$ $87,368,311$ Charge in Net Position $8,347,084$ $554,861$ $8,901,945$ Net Position, Ending $5$ $13,695,960$ $$$ $669,509$ $$$ $14,365,469$ Program Revenues:         Charges for Services $$$ $$$ $52,853,951$ $$$ $52,853,951$ Governmental	-						
General Revenues:         Property Taxes         54,060,948         -         54,060,948           Federal and State Aid         23,572,273         -         23,572,273           Miscellaneous         935,825         -         935,825           Total Revenues         94,411,589         1,858,667         96,270,256           Expenses:         -         -         55,293,816         -         -           Instructional Services         55,293,816         -         -         55,293,816           Support Services         29,886,653         1,303,806         31,190,459           Interest and Other Charges         884,036         -         884,036           Total Expenses         86,064,505         1,303,806         87,368,311           Change in Net Position         8,347,084         554,861         8,901,945           Net Position, Beginning (As Restated, Note 21)         5,348,876         114,648         5,463,524           Net Position, Ending         \$         13,095,960         \$         669,509         \$         14,365,469           Activities         Activities         Total         14,365,469         \$         13,125         \$         13,125           Operating Grants and Contributions         17,553,793 </td <td></td> <td>\$</td> <td>-</td> <td>\$</td> <td></td> <td>\$</td> <td>-</td>		\$	-	\$		\$	-
Property Taxes         54,060,948         -         54,060,948           Federal and State Aid         23,572,273         -         23,572,273           Miscellaneous         935,825         -         935,825           Total Revenues         94,411,589         1,858,667         96,270,256           Expenses:         -         55,293,816         -         55,293,816           Support Services         29,886,653         1,303,806         31,100,459           Instructional Services         29,886,653         1,303,806         87,368,311           Change in Net Position         8,347,084         554,861         8,901,945           Net Position, Beginning (As Restated, Note 21)         5,348,876         114,648         5,463,524           Net Position, Ending         S         13,095,960         \$         669,509         \$         14,365,469           Support Services         \$         1         S         13,125         \$         13,125           Program Revenues:         \$         1         S         13,125         \$         13,125           General Revenues:         \$         1         S         13,125         \$         13,125           Operating Grants and Contributions         17,553,793 <td></td> <td></td> <td>15,842,543</td> <td></td> <td>1,772,457</td> <td></td> <td>17,615,000</td>			15,842,543		1,772,457		17,615,000
Federal and State Aid         23,572,273         -         23,572,273           Miscellaneous         935,825         -         935,825           Total Revenues         94,411,589         1,858,667         96,270,256           Expenses:         -         55,293,816         -         55,293,816           Instructional Services         55,293,816         -         55,293,816           Support Services         29,886,653         1,303,806         31,190,459           Interest and Other Charges         884,036         -         884,036           Total Expenses         86,064,505         1,303,806         87,368,311           Change in Net Position         8,347,084         554,861         8,901,945           Net Position, Beginning (As Restated, Note 21)         5,348,876         114,648         5,465,246           Net Position, Ending         5         13,095,00         \$         669,509         \$         14,365,469           Miscellaneous:         S         0,2021         Governmental         Business-Type         Activities         Total           Revenues:         Charges for Services         \$         -         \$         13,125         \$         13,125           Operating Grants and Contributions         1	General Revenues:						
Miscellaneous         935,825         -         935,825           Total Revenues         94,411,589         1,858,667         96,270,256           Expenses:         Instructional Services         55,293,816         -         55,293,816           Support Services         29,886,653         1,303,806         31,190,459           Interest and Other Charges         884,036         -         884,036           Total Expenses         86,064,505         1,303,806         87,368,311           Change in Net Position         8,347,084         554,861         8,901,945           Net Position, Beginning (As Restated, Note 21)         5,348,876         114,648         5,463,524           Net Position, Ending         \$         13,059,560         \$         669,509         \$         14,365,469           June 30, 2021         Governmental         Business-Type         14,365,469         14,365,469           Program Revenues:         Activities         Activities         Total         13,125         13,125           General Revenues:         \$         -         \$         13,125         13,125         13,125         13,125         13,125         13,125         13,125         13,125         13,125         13,125         13,125         13,125 </td <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td>54,060,948</td>					-		54,060,948
Total Revenues $94,411,589$ $1,858,667$ $96,270,256$ Expenses:       Instructional Services $55,293,816$ - $55,293,816$ Support Services $29,886,653$ $1,303,806$ $31,190,459$ Interest and Other Charges $884,036$ - $884,036$ Total Expenses $86,064,505$ $1,303,806$ $87,368,311$ Change in Net Position $8,347,084$ $554,861$ $8,901,945$ Net Position, Beginning (As Restated, Note 21) $5,348,876$ $114,648$ $5,463,524$ Net Position, Ending $$ 13,695,960$ $$ 669,509$ $$ 14,365,469$ June 30, 2021       Governmental       Business-Type         Activities       Activities       Total         Revenues: $$ 13,125$ $$ 13,125$ $$ 13,125$ Program Revenues: $$ 17,553,793$ $647,726$ $18,201,519$ General Revenues: $$ 22,853,951$ $$ 52,853,951$ $$ 52,853,951$ Property Taxes $$ 52,853,951$ $$ 20,685,549$ $$ 20,685,549$ $$ 20,685,549$ Miscellaneous $1,880,271$ $$ 1,880,271$ $$ 1,880,271$ $$ 1,880,271$ <td>Federal and State Aid</td> <td></td> <td>23,572,273</td> <td></td> <td>-</td> <td></td> <td>23,572,273</td>	Federal and State Aid		23,572,273		-		23,572,273
Expenses:           Instructional Services $55,293,816$ - $55,293,816$ Support Services $29,886,653$ $1,303,806$ $31,190,459$ Interest and Other Charges $29,886,653$ $1,303,806$ $884,036$ Total Expenses $86,064,505$ $1,303,806$ $87,368,311$ Change in Net Position $8,347,084$ $554,861$ $8,901,945$ Net Position, Beginning (As Restated, Note 21) $5,348,876$ $114,648$ $5,463,524$ Net Position, Ending         \$ $13,695,960$ \$ $669,509$ \$ $14,365,469$ June 30, 2021           Governmental         Business-Type           Activities         Activities         Total           Revenues:           Charges for Services         \$         -         \$ $13,125$ \$ $13,125$ General Revenues:         Total         Business-Type         20,685,549         14,201,519         \$ $13,125$ \$ $13,125$ \$ $13,125$ \$ $13,225$ \$ $13,201,519$ \$ $13,22$	Miscellaneous		935,825		-		
$\begin{tabular}{ c c c c c c } Instructional Services $5,293,816 $-$$5,293,816 $-$$5,293,816 $-$$$5,293,816 $-$$$29,886,653 $1,303,806 $31,190,459 $$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$	Total Revenues		94,411,589		1,858,667		96,270,256
$\begin{tabular}{ c c c c c c } Instructional Services $5,293,816 $-$$5,293,816 $-$$5,293,816 $-$$$5,293,816 $-$$$29,886,653 $1,303,806 $31,190,459 $$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$	Expenses:						
Interst and Other Charges         884,036         -         884,036           Total Expenses         86,064,505         1,303,806         87,368,311           Change in Net Position         8,347,084         554,861         8,901,945           Net Position, Beginning (As Restated, Note 21)         5,348,876         114,648         5,463,524           Net Position, Ending         \$         13,695,960         \$         669,509         \$         14,365,469           June 30, 2021         Governmental         Business-Type         Activities         Total           Revenues:         Charges for Services         \$         -         \$         13,125         \$         13,125           Operating Grants and Contributions         17,553,793         647,726         18,201,519         General Revenues:         52,853,951         -         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125         \$         13,125			55,293,816		-		55,293,816
Total Expenses $86,064,505$ $1,303,806$ $87,368,311$ Change in Net Position $8,347,084$ $554,861$ $8,901,945$ Net Position, Beginning (As Restated, Note 21) $5,348,876$ $114,648$ $5,463,524$ Net Position, Ending       \$ 13,695,960 \$ 669,509 \$ 14,365,469         June 30, 2021       Governmental       Business-Type         Activities <u>Activities</u> <u>Total</u> Revenues:       Charges for Services       \$ 13,125 \$ 13,125         Operating Grants and Contributions $17,553,793$ $647,726$ $18,201,519$ General Revenues: $52,853,951$ $ 52,853,951$ $-$ Property Taxes $52,853,951$ $ 52,853,951$ $-$ Federal and State Aid $20,685,549$ $ 1,880,271$ $-$ Total Revenues $92,973,564$ $660,851$ $93,634,415$ Expenses: $10,92,973,564$ $660,851$ $93,634,415$	Support Services		29,886,653		1,303,806		31,190,459
Total Expenses $86,064,505$ $1,303,806$ $87,368,311$ Change in Net Position $8,347,084$ $554,861$ $8,901,945$ Net Position, Beginning (As Restated, Note 21) $5,348,876$ $114,648$ $5,463,524$ Net Position, Ending       \$ 13,695,960 \$ 669,509 \$ 14,365,469         June 30, 2021       Governmental       Business-Type         Activities <u>Activities</u> <u>Total</u> Revenues:       Charges for Services       \$ 13,125 \$ 13,125         Operating Grants and Contributions $17,553,793$ $647,726$ $18,201,519$ General Revenues: $52,853,951$ $ 52,853,951$ $-$ Property Taxes $52,853,951$ $ 52,853,951$ $-$ Federal and State Aid $20,685,549$ $ 1,880,271$ $-$ Total Revenues $92,973,564$ $660,851$ $93,634,415$ Expenses: $10,92,973,564$ $660,851$ $93,634,415$	Interest and Other Charges		884,036		-		884,036
Net Position, Beginning (As Restated, Note 21) $5,348,876$ $114,648$ $5,463,524$ Net Position, Ending\$ 13,695,960 \$ 669,509 \$ 14,365,469June 30, 2021 GovernmentalBusiness-TypeActivitiesActivitiesProgram Revenues: Charges for Services\$ - \$ 13,125 \$ 13,125Operating Grants and Contributions $17,553,793$ General Revenues: Property Taxes $52,853,951$ Property Taxes $52,853,951$ Federal and State Aid Miscellaneous $20,685,549$ Miscellaneous $1,880,271$ Total Revenues: Poperts $92,973,564$ Gotos,5482 $ 56,725,482$	_		86,064,505		1,303,806		
Net Position, Beginning (As Restated, Note 21) $5,348,876$ $114,648$ $5,463,524$ Net Position, Ending\$ 13,695,960 \$ 669,509 \$ 14,365,469June 30, 2021 GovernmentalBusiness-TypeActivitiesActivitiesProgram Revenues: Charges for Services\$ - \$ 13,125 \$ 13,125Operating Grants and Contributions $17,553,793$ General Revenues: Property Taxes $52,853,951$ Property Taxes $52,853,951$ Federal and State Aid Miscellaneous $20,685,549$ Miscellaneous $1,880,271$ Total Revenues: Poperts $92,973,564$ Gotos,5482 $ 56,725,482$	Change in Net Position		8.347.084		554.861		8.901.945
Net Position, Ending         \$ 13,695,960 \$ 669,509 \$ 14,365,469           June 30, 2021 Governmental         Business-Type           Activities         Activities         Total           Revenues:         Activities         \$ 13,125 \$ 13,125           Operating Grants and Contributions         17,553,793         647,726         18,201,519           General Revenues:         Yestic Activities         S 2,853,951         -         \$ 52,853,951           Property Taxes         52,853,951         -         \$ 20,685,549         -         \$ 20,685,549           Miscellaneous         1,880,271         -         1,880,271         -         1,880,271           Total Revenues         92,973,564         660,851         93,634,415         -         56,725,482         -         56,725,482	C						
June 30, 2021 Governmental Business-Type Activities Activities TotalRevenues: Program Revenues: 		\$		\$		\$	
Governmental         Business-Type           Activities         Activities         Total           Revenues:         Activities         S           Charges for Services         \$         -         \$         13,125         \$         13,125           Operating Grants and Contributions         17,553,793         647,726         18,201,519           General Revenues:         7         52,853,951         -         \$         52,853,951           Property Taxes         52,853,951         -         \$         20,685,549         20,685,549           Miscellaneous         1,880,271         -         1,880,271         1,880,271           Total Revenues         92,973,564         660,851         93,634,415           Expenses:         1nstructional Services         56,725,482         -         56,725,482	The rostion, Ending	Ψ		Ψ	000,000	Ψ	11,505,107
ActivitiesActivitiesTotalRevenues:Program Revenues:Charges for Services\$ - \$ 13,125 \$ 13,125Operating Grants and Contributions17,553,793General Revenues:Property Taxes52,853,951Property Taxes52,853,951Federal and State Aid20,685,549Miscellaneous1,880,271Total Revenues:92,973,564660,85193,634,415Expenses:Instructional Services56,725,482-56,725,482							
Revenues:       Program Revenues:         Charges for Services       \$ - \$ 13,125 \$ 13,125         Operating Grants and Contributions       17,553,793       647,726       18,201,519         General Revenues:       -       -       52,853,951       -       52,853,951         Property Taxes       52,853,951       -       52,853,951       -       20,685,549         Miscellaneous       1,880,271       -       1,880,271         Total Revenues       92,973,564       660,851       93,634,415         Expenses:       56,725,482       -       56,725,482					• -		
Program Revenues:       \$       -       \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,125 \$       13,201,519 \$       18,201,519 \$       19,314,515 \$       18,201,519 \$       18,201,519 \$       18,201,519 \$       18,201,519 \$			Activities		<u>Activities</u>		<u>Total</u>
Charges for Services       \$       -       \$       13,125       \$       13,125         Operating Grants and Contributions       17,553,793       647,726       18,201,519         General Revenues:       -       -       52,853,951       -       -         Property Taxes       52,853,951       -       52,853,951       -       -       52,853,951         Federal and State Aid       20,685,549       -       20,685,549       -       20,685,549         Miscellaneous       1,880,271       -       1,880,271       -       1,880,271         Total Revenues       92,973,564       660,851       93,634,415       -       56,725,482       -       56,725,482							
Operating Grants and Contributions         17,553,793         647,726         18,201,519           General Revenues:	-						
General Revenues:       Property Taxes       52,853,951       -       52,853,951         Federal and State Aid       20,685,549       -       20,685,549         Miscellaneous       1,880,271       -       1,880,271         Total Revenues       92,973,564       660,851       93,634,415         Expenses:       1       1       56,725,482       -       56,725,482	_	\$	-	\$		\$	-
Property Taxes       52,853,951       -       52,853,951         Federal and State Aid       20,685,549       -       20,685,549         Miscellaneous       1,880,271       -       1,880,271         Total Revenues       92,973,564       660,851       93,634,415         Expenses:       1       56,725,482       -       56,725,482			17,553,793		647,726		18,201,519
Federal and State Aid       20,685,549       -       20,685,549         Miscellaneous       1,880,271       -       1,880,271         Total Revenues       92,973,564       660,851       93,634,415         Expenses:       56,725,482       -       56,725,482							
Miscellaneous         1,880,271         -         1,880,271           Total Revenues         92,973,564         660,851         93,634,415           Expenses:         Instructional Services         56,725,482         -         56,725,482					-		
Total Revenues         92,973,564         660,851         93,634,415           Expenses:         Instructional Services         56,725,482         -         56,725,482					-		
Expenses:         56,725,482         -         56,725,482					-		
Instructional Services 56,725,482 - 56,725,482	Total Revenues		92,973,564		660,851		93,634,415
	Expenses:						
Support Services         27,939,396         873,603         28,812,999	Instructional Services		56,725,482		-		56,725,482
	Support Services		27,939,396		873,603		28,812,999
Interest and Other Charges         572,224         -         572,224	Interest and Other Charges		572,224		-		572,224
Total Expenses         85,237,102         873,603         86,110,705	Total Expenses		85,237,102		873,603		86,110,705
Change in Net Position 7,736,462 (212,752) 7,523,710	Change in Net Position		7,736,462		(212,752)		7,523,710
Net Position, Beginning (2,173,104) 327,400 (1,845,704)	_		(2,173,104)				
Net Position, Ending         \$ 5,563,358 \$ 114,648 \$ 5,678,006	Net Position, Ending	\$	5,563,358	\$	114,648	\$	5,678,006

## Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

### **Financial Information at Fiscal Year-End**

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2022 and 2021 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

		June 30, 2022		
			Increase	Percent of
		Percent	(Decrease)	Increase
	 Amount	Of Total	From 2021	(Decrease)
Current Expenditures:				
Instruction	\$ 32,823,288	35.20% \$	5 1,526,405	4.88%
Undistributed	53,482,576	57.35%	3,492,708	6.99%
Capital Outlay	3,140,868	3.37%	1,365,989	76.96%
Debt Service:				
Principal	2,895,000	3.10%	35,000	1.22%
Interest	916,552	0.98%	(118,600)	-11.46%
Total	\$ 93,258,284	100.00% \$	6,301,502	7.25%

		June 30, 2021		
			Increase	Percent of
		Percent	(Decrease)	Increase
	Amount	Of Total	From 2020	(Decrease)
Current Expenditures:				
Instruction	\$ 31,296,883	35.99% \$	528,596	1.72%
Undistributed	49,989,868	57.49%	1,900,059	3.95%
Capital Outlay	1,774,879	2.04%	(1,002,266)	-36.09%
Debt Service:				
Principal	2,860,000	3.29%	70,000	2.51%
Interest	 1,035,152	1.19%	(100,350)	-8.84%
Total	\$ 86,956,782	100.00% \$	1,396,039	1.63%

Instruction costs increased primarily due to negotiated salary increases and additional instructional positions being added.

# **General Fund Budgetary Highlights**

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2021-2022 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- TPAF, which is the state's contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2021-2022 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2021-2022, unassigned fund balance increased \$1,540,954 from the prior year to \$2,951,899 at June 30, 2022. (4% required per S-1701, net of allowable adjustments).

**Proprietary Funds.** The District's proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

During the fiscal year 2022, the net position of business-type activities increased \$554,861 or 483.97%. The assets and deferred outflows of the business-type activities exceed liabilities and deferred inflows by \$669,509.

### **Capital Assets**

At June 30, 2022, the District has capital assets of \$37,392,939, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	J	une 30, 2022		
	G	overnmental	Busi	ness-Type
		Activities	A	ctivities
Land	\$	163,472	\$	-
Buildings/Construction		27,068,231		-
Machinery and Equipment		10,099,443		61,793
Total	\$	37,331,146	\$	61,793
	<u>J</u>	<u>une 30, 2021</u>		
	G	overnmental	Busi	ness-Type
		Activities	A	ctivities
Land	\$	163,472	\$	-
Buildings/Construction		28,526,882		-
Machinery and Equipment		10,723,308		62,004
Total	\$	39,413,662	\$	62,004

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

### **Debt Administration and Other Obligations**

At June 30, 2022 and 2021, the District's outstanding debt issues included \$14,050,000 and \$16,945,000, respectively, of general obligation bonds, \$637,015 and \$993,347, respectively, of lease obligations and \$3,338,146 and \$3,253,272, respectively, of compensated absences.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

## Economic Factors and Subsequent Year's Budgets

- The District anticipates that the approved 2022-2023 budget will be adequate to satisfy all 2022-2023 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- The School Board anticipates flat enrollment for the coming years. However, if the School Board were to experience any significant increases in enrollment without a corresponding increase in state aid, the School Board will be faced with the following alternatives: (a) reduce programs and services, or (b) increase local tax levy beyond the 2.0% cap.
- The School Funding Reform Act (S-2) continues to have a negative impact on the District. The District has seen significant reductions in its state aid and anticipates future reductions as well. Our reduction for the 2022-2023 school year was \$3,200,000.

### **Requests for Information**

This financial report is designed to provide a general overview of the Lacey Township School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Lacey Township School District, 200 Western Blvd, Lanoka Harbor, NJ 08734.

# **BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

#### LACEY TOWNSHIP SCHOOL DISTRICT STATEMENT OF NET POSITION JUNE 30, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 5,814,172	\$ 502,474	\$ 6,316,646
Receivables, Net (Note 4)	2,466,931	121,505	2,588,436
Inventory	-	4,690	4,690
Other Current Assets	10,083	-	10,083
Restricted Cash & Cash Equivalents	8,967,328	-	8,967,328
Right to Use Leased Assets, Net (Note 20)	641,141	-	641,141
Capital Assets, Net (Note 5)	1(2,472)		1 (2, 172)
Non-Depreciable	163,472 37,167,674	- 61,793	163,472 37,229,467
Depreciable	37,107,074		57,229,407
Total Assets	55,230,801	690,462	55,921,263
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	1,577,242	-	1,577,242
Related to Loss on Debt Refunding	139,727	-	139,727
Total Deferred Outflow of Resources	1,716,969		1,716,969
LIABILITIES:			
Accounts Payable	2,199,728	1,053	2,200,781
Due to Other Governments	1,409,322	-	1,409,322
Unearned Revenue	172,714	19,900	192,614
Accrued Interest	235,725	-	235,725
Unemployment Trust Liability	83,713	-	83,713
Other Liabilities	55,487	-	55,487
Noncurrent Liabilities (Note 7):			
Due Within One Year	3,898,575	-	3,898,575
Due in More Than One Year	27,361,445	-	27,361,445
Total Liabilities	35,416,709	20,953	35,437,662
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	7,835,101	-	7,835,101
Total Deferred Inflow of Resources	7,835,101	-	7,835,101
NET POSITION:			
Net Investment in Capital Assets	20,724,642	61,793	20,786,435
Restricted for:	7 015 555		7 015 555
Capital Projects (Note 3) Maintenance Reserve (Note 3)	7,815,555 1,151,773	-	7,815,555 1,151,773
Unemployment Reserve	84,604	-	84,604
Student Activities	214,551	-	214,551
Scholarship	16,189	-	16,189
Excess Surplus	1,402,680	-	1,402,680
Unrestricted (Deficit)	(17,714,034)	607,716	(17,106,318)
Total Net Position	\$ 13,695,960	\$ 669,509	\$ 14,365,469

			LACEY TOWNSHIP SCHOOL DISTRICT STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022	IIP SCHO T OF ACT ED JUNE	OL DISTRICT IVITIES 30, 2022				
			<b>PROGRAM REVENUES</b>	M REVEN	UES	NET (EXPENS	SE) REVENI	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	NET POSITION
FUNCTIONS/PROGRAMS	E	EXPENSES	CHARGES FOR SERVICES		OPERATING GRANTS & CONTRIBUTIONS	<b>GOVERNMENTAL</b> ACTIVITIES	ENTAL TES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities: Instruction:									
Regular Instruction	S	36,166,982	۰ ۶	\$	9,820,292	\$ (2	(26,346,690) \$	-	(26, 346, 690)
Special Education Instruction Other Instruction		16,317,965 2,808,869			4,082,162 702,677	[]	(12,235,803) (2,106,192)		(12,235,803) (2,106,192)
Support Services:						r v			
Tuition Student & Instruction Related Services		2,032,926 10.507.443			- 1.237.412	<u> </u>	(2,032,926) (9.270.031)	1 1	(2,032,926) (9.270.031)
General Administrative		1,511,104	ı				(1,511,104)		(1,511,104)
School Administrative Services		1,920,796	•			)	(1,920,796)		(1,920,796)
Central Services		732,570			ı		(732,570)		(732,570)
Authinistiantye III.0. Lectinology Plant Oberations & Maintenance		8.072.880				)	(8.072.880)		(8.072.880)
Pupil Transportation		4,278,445			ı		(4,278,445)		(4,278,445)
Interest & Other Charges		884,036	ı			, 	(884,036)	I	(884, 036)
Total Governmental Activities		86,064,505	1		15,842,543	(7	(70,221,962)		(70, 221, 962)
Business-Type Activities: Food Service		1,303,806	86,210		1,772,457		1	554,861	554,861
Total Business-Type Activities		1,303,806	86,210		1,772,457			554,861	554,861
Total Primary Government	S	87,368,311	\$ 86,210	\$	17,615,000	()	(70,221,962)	554,861	(69,667,101)
General Revenues: Taxes: Property Taxes, Levied for General Purposes Property Taxes, Levied for Debt Service Federal & State Aid Not Restricted Federal & State Aid Not Restricted Tuition Charges Transportation Charges Miscellaneous Miscellaneous Total General Revenues Change In Net Position Net Position - Beginning, as Restated (See Note 21)								554,861 114,648	50,966,035 3,094,913 2,358,651 21,213,622 142,934 12,514 780,377 780,377 780,377 780,377 780,377
Net Position - Ending						¢	13,092,900 \$	\$ 605,509 \$	14,305,409

EXHIBIT A-2

**B.** Fund Financial Statements

**Governmental Funds** 

#### LACEY TOWNSHIP SCHOOL DISTRICT GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2022

			м	AJOR FUNDS				
				SPECIAL		DEBT		TOTAL
	•	GENERAL		REVENUE		SERVICE	GO	VERNMENTAL
		FUND		FUND		FUND		FUNDS
ASSETS								
Cash & Cash Equivalents	\$	5,804,151	\$	10,021	\$	-	\$	5,814,172
Receivables, Net:								
Interfund Receivable		258,921		15,000		-		273,921
Due from Other Governments:								
Federal		11,182		1,359,021		-		1,370,203
State		917,226		-		-		917,226
Other		23,730		-		-		23,730
Other Accounts Receivable		148,532		7,240		-		155,772
Other Current Assets		10,083		-		-		10,083
Restricted Cash & Cash Equivalents		8,967,328		-		-		8,967,328
Total Assets	\$	16,141,153	\$	1,391,282	\$	-	\$	17,532,435
LIABILITIES & FUND BALANCES Liabilities:								
Accounts Payable	\$	1,472,000	\$	727,728	\$	-	\$	2,199,728
Intergovernmental Payable - State		220,582		1,599		-		222,181
Interfund Payable		15,000		258,921		-		273,921
Unearned Revenue		420		172,294		-		172,714
Payroll Deductions and Withholdings Payable		55,487		-		-		55,487
Unemployment Trust Liability		83,713		-				83,713
Total Liabilities		1,847,202		1,160,542		-		3,007,744
Fund Balances:								
Restricted for:								
Capital Reserve		7,815,555		-		-		7,815,555
Maintenance Reserve		1,151,773		-		-		1,151,773
Excess Surplus		645,582		-		-		645,582
Unemployment Compensation Excess Surplus Designated		84,604		-		-		84,604
for Subsequent Year		757,099		-		-		757,099
Scholarships		-		16,189		-		16,189
Student Activities		-		214,551		-		214,551
Assigned to:				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				,
Other Purposes		2,532,240		-		-		2,532,240
Unassigned		1,307,099		-		-		1,307,099
Total Fund Balances		14,293,951		230,740		-		14,524,691
Total Liabilities & Fund Balances	\$	16,141,153	¢	1,391,282	¢			

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$110,634,225 and the accumulated depreciation is \$73,303,079.	37,331,146
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$943,630 and the accumulated amortization is \$302,489.	641,141
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows Related to Pensions	1,577,242
Deferred Inflows Related to Pensions	(7,835,101)
Deferred Outflow Related to the Loss on Bond Refunding of Debt	139,727
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(235,725)
Accrued pension contributions for the June 30, 2022 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,187,141)
Long-term liabilities, including net pension liability, lease obligations and bonds payable, are	
not due and payable in the current period and therefore are not reported as liabilities in the funds.	(31,260,020)
Net Position of Governmental Activities	\$ 13,695,960

#### LACEY TOWNSHIP SCHOOL DISTRICT GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2022

		MAJOR FUNDS		
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:	TOND	TOND	TUND	101(2)
Local Sources:				
Local Tax Levy	\$ 50,966,035	\$ -	\$ 3,094,913	\$ 54,060,948
Tuition Charges	142,934	-	-	142,934
Transportation Charges	12,514	-	-	12,514
Miscellaneous	521,387	331,551	-	852,938
Total Local Sources	51,642,870	331,551	3,094,913	55,069,334
State Sources	36,715,587	2,292	555,287	37,273,166
Federal Sources	47,102	3,738,550	-	3,785,653
Total Revenues	88,405,559	4,072,393	3,650,200	96,128,152
Expenditures:				
Instruction:				
Regular Instruction	20,696,669		-	21,469,296
Special Education Instruction	9,686,603		-	9,686,603
Other Instruction	1,667,389	-	-	1,667,389
Support Services:	1 (00 207			1 (00 205
Tuition	1,609,387		-	1,609,387
Attendance & Social Work Services	228,365		-	228,365
Health Services	851,769		-	851,769
Student & Instruction Related Services General Administrative	5,740,305 1,196,282		-	7,238,195 1,196,282
School Administrative Services	1,190,282		-	1,520,618
Central Services	579,947			579,947
Administrative Information Technology	657,465		_	657,465
Plant Operations & Maintenance	5,803,062		-	5,803,062
Pupil Transportation	3,387,076		-	3,387,076
Unallocated Benefits	14,861,342		-	14,861,342
On Behalf TPAF Pension and Social	, ,			, ,
Security Contributions	15,549,067	-	-	15,549,067
Capital Outlay	1,337,504		-	3,140,868
Debt Service:	1,007,001	1,005,501		5,110,000
Principal	-	_	2,895,000	2,895,000
Interest & Other Charges	161,352	-	755,200	916,552
Total Expenditures	85,534,203	4,073,881	3,650,200	93,258,284
Excess/(Deficiency) of Revenues				
Over Expenditures	2,871,356	(1,488)	-	2,869,868
Net Changes in Fund Balances	2,871,356	(1,488)	-	2,869,868
Fund Balance, July 1	11,422,595		-	11,654,823
Fund Balance, June 30	\$ 14,293,951	\$ 230,740	\$ -	\$ 14,524,691

#### LACEY TOWNSHIP SCHOOL DISTRICT RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ 2,869,868
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 depreciation exceeded capital outlays in the period.		
Depreciation Expense Capital Outlays	\$ (2,716,551) 1,850,168	(866,383)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		2,952,898
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		3,251,332
Governmental funds recognize the right to use leased assets as a revenue when lease is first entered, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows: Amortization of Right to Use Leased Assets		(302,489)
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		(202,107)
Amortization of Premium on Bonds Amortization of Loss on Bond Refunding	510,651 (31,278)	479,373
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		47,359
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(84,874)
Change in Net Position of Governmental Activities		\$ 8,347,084

**Proprietary Funds** 

#### **EXHIBIT B-4**

### LACEY TOWNSHIP SCHOOL DISTRICT PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2022

	 MAJOR FUNDS BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	FOOD	TOTALS			
	 SERVICE	TOTALS			
ASSETS					
Current Assets:					
Cash & Cash Equivalents	\$ 502,474	\$ 502,474			
Accounts Receivable:					
Federal	115,015	115,015			
State Other Receivables	1,964 4,526	1,964 4,526			
Inventories	4,520	4,690			
mventories	 1,000	1,000			
Total Current Assets	 628,669	628,669			
Noncurrent Assets:					
Capital Assets	468,758	468,758			
Less: Accumulated Depreciation	 (406,965)	(406,965)			
Total Capital Assets, Net	 61,793	61,793			
Total Noncurrent Assets	 61,793	61,793			
Total Assets	 690,462	690,462			
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,053	1,053			
Unearned Revenue	 19,900	19,900			
Total Current Liabilities	 20,953	20,953			
NET POSITION					
Net Investment in Capital Assets	61,793	61,793			
Unrestricted	 607,716	607,716			
Total Net Position	\$ 669,509	\$ 669,509			

#### LACEY TOWNSHIP SCHOOL DISTRICT PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION YEAR ENDED JUNE 30, 2022

	MAJOR FUNDS BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVIC		TOTALS
	SERVIC	. <b>E</b>	IUIALS
Operating Revenues:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	\$	77,823 \$	77,823
Special Functions		6,063	6,063
Miscellaneous		2,324	2,324
Total Operating Revenues		86,210	86,210
Operating Expenses:			
Cost of Sales - Reimbursable Programs		668,861	668,861
Salaries		569,617	569,617
Supplies and Materials		15,501	15,501
Repairs and Maintenance		27,249	27,249
Depreciation		5,654	5,654
Other		16,924	16,924
Total Operating Expenses		1,303,806	1,303,806
Operating Income/(Loss)		(1,217,596)	(1,217,596)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program		29,676	29,676
Federal Sources:			
National School Lunch Program		1,264,789	1,264,789
National School Breakfast Program		329,454	329,454
Emergency Operational Cost Program - Schools		33,870	33,870
P-EBT Administrative Cost Program		6,198	6,198
Food Distribution Program		108,470	108,470
Total Nonoperating Revenues/(Expenses)		1,772,457	1,772,457
Change in Net Position		554,861	554,861
Total Net Position - Beginning		114,648	114,648
Total Net Position - Ending	\$	669,509 \$	669,509

### LACEY TOWNSHIP SCHOOL DISTRICT PROPRIETARY FUNDS STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2022

	MAJOR FUNDS BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
		FOOD SERVICE		TOTALS
Cash Flows From Operating Activities:			¢	
Receipts from Customers Payments to Employees Payments to Suppliers	\$	25,821 (569,617) (617,764)	\$	25,821 (569,617) (617,764)
Net Cash Provided by/(Used for) Operating Activities		(1,161,560)		(1,161,560)
Cash Flows From Noncapital Financing Activities: State Sources Federal Sources		29,676 1,634,311		29,676 1,634,311
Net Cash Provided by/(Used for) Noncapital Financing Activities		1,663,987		1,663,987
Cash Flows From Capital & Related Financing Activities: Purchases of Capital Assets		(5,443)		(5,443)
Net Increase/(Decrease) in Cash & Cash Equivalents Balances - Beginning of Year		496,984 5,490		496,984 5,490
Balances - End of Year	\$	502,474	\$	502,474
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Operating Income/(Loss) Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	\$	(1,217,596)	\$	(1,217,596)
Depreciation Food Distribution Program (Increase)/Decrease in Accounts Receivable, Net (Increase)/Decrease in Inventories		5,654 108,470 (47,419) 11,857		5,654 108,470 (47,419) 11,857
Increase/(Decrease) in Unearned Revenue Increase/(Decrease) in Accounts Payable		(12,970) (9,556)		(12,970) (9,556)
Total Adjustments		56,036		56,036
Net Cash Provided/(Used) by Operating Activities	\$	(1,161,560)	\$	(1,161,560)

**Fiduciary Fund** Not Applicable

## LACEY TOWNSHIP SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

## Note 1. Summary of Significant Accounting Policies

### **Basis of Presentation**

The financial statements of the Lacey Township School District (hereafter referred to as the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

### **Reporting Entity**

The School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year staggered terms. The District provides a full range of educational services appropriate to grades levels kindergarten through twelfth at its six schools. The School District has an approximate enrollment at June 30, 2022 of 3,957 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- the School District appoints a voting majority of the organization's board
- the School District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the School District
- there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

### **Component Units**

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84*. The School District had no component units as of for the year ended June 30, 2022.

### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Basis of Accounting, Measurement Focus and Financial Statement Presentation**

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

### A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which they are earned while expenses are recognized in the period in which they are reported cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

### **B.** Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

### Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recognized when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the governmentwide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

**General Fund** - The general fund is the general operating fund of the School District and 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 noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education the School District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**Special Revenue Fund** - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

### **C.** Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

### Note 1. Summary of Significant Accounting Policies (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary funds:

**Food Service Fund** – The food service fund accounts for the financial transactions related to the food service operations of the School District.

#### **D.** Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District's fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports no fiduciary funds.

#### **Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in  $N.J.A.C. \ 6A:23-2-2(f)1$ . Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with  $N.J.A.C. \ 6A:23-2-211$ .

## Note 1. Summary of Significant Accounting Policies (Continued)

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 one or more June state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

### **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 the special revenue fund are reported as assigned 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 School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal yearend.

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.

#### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Cash, Cash Equivalents and Investments**

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.A.18A:20-3* 7 provides a list of permissible investments that may be purchased by New Jersey school districts.

*N.J.S.A.17:9-41* et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

#### **Tuition Receivable/Payable**

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

#### **Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

#### **Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

#### **<u>Right to Use Leased Assets</u>**

The School District has recorded right to use leased assets as a result of implementing GASB Statement No. 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

## Note 1. Summary of Significant Accounting Policies (Continued)

## **Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the governmentwide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

	Governmental	Business-Type
	Activities	Activities
Description	Estimated Lives	Estimated Lives
Land Improvements	10-20 Years	N/A
Building and improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

### **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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

### Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

## Note 1. Summary of Significant Accounting Policies (Continued)

### Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government 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, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

#### Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

#### **Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

### **Deferred Outflows and Deferred Inflows of Resources**

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

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

## Note 1. Summary of Significant Accounting Policies (Continued)

### **Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

## **Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

### **Pensions**

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

### **Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

<u>Non-spendable</u> – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

<u>Restricted</u> – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

<u>Committed</u> – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

#### Note 1. Summary of Significant Accounting Policies (Continued)

<u>Assigned</u> – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

<u>Unassigned</u> – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

#### **Net Position**

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

<u>Net Investment in Capital Assets</u> – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

<u>Restricted</u> – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

<u>Unrestricted</u> – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

#### Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and February 13, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

#### **Impact of Recently Issued Accounting Principles**

#### Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2022:

Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. Implementation of this standard resulted in a prior period adjustment to net position and additional footnotes.

#### Note 1. Summary of Significant Accounting Policies (Continued)

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the District's financial statements.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost of a capital asset reported in a business-type activity or enterprise fund. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the District's financial statements.

Statement No. 93, *Replacement of Interbank Offered Rates.* This Statement establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases in addition to identifying appropriate benchmark interest rates for hedging derivative instruments. Requirements of this pronouncement related to paragraph 11b will be effective for reporting periods ending after December 31, 2021, and requirements related to paragraphs 13 and 14 will be effective for fiscal years beginning after June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the District's financial statements.

Statement No. 98, *The Annual Comprehensive Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Management has determined the implementation of this Statement did not have a significant impact on the District's financial statements.

#### Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 99, *Omnibus 2022*. The requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITA are effective for fiscal years beginning after June 15, 2022, and all reporting period thereafter.

Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. The effective date is fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Management has not yet determined the potential impact on the District's financial statements.

#### Note 2. Deposits and Investments

#### **Deposits**

<u>Custodial Credit Risk</u> – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, *N.J.S.A.* 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2022, the School District's bank balance of \$17,004,930 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 250,000
Uninsured and Uncollateralized	 16,754,930
Total	\$ 17,004,930

#### Investments

New Jersey statutes permit the District to purchase the following types of securities:

a. Bonds and Other obligations of the United States or obligations guaranteed by the United States.

b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of

c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

As of June 30, 2022, the District's investment balance of \$89,423 was in Solar Renewable Energy Certificates (SRECs). The district categorizes its fair value measurement within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant and unobservable.

The District has the following recurring fair value measurements as of June 30, 2022:

SRECs in the amount of \$89,423.

#### Note 3. Reserve Accounts

#### Capital Reserve

A capital reserve account was established by the School District 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School 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 School 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 N.J.S.A.19:60-2. Pursuant to N.J.A.C.6:23A-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 activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 6,699,555
Increased by:	
Deposits Approved by Board	2,750,000
Decreased by:	
Budget Withdrawals	(1,634,000)
Ending Balance, June 30, 2022	\$ 7,815,555

## Note 3. Reserve Accounts (Continued)

#### Maintenance Reserve

The School District established a maintenance reserve account in June of 2011 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 1,051,773
Increased by:	
Deposits Approved by Board	500,000
Decreased by:	
Budget Withdrawals	 (400,000)
Ending Balance, June 30, 2022	\$ 1,151,773

### Unemployment Claim Reserve

Unemployment Claim Reserve funds are restricted pursuant to N.J.S.A. 43:21-7.3(g), which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentality for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

The activity of the unemployment claim reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 29,419
Increased by:	
Interest Earnings	185
Deposits Approved by Board	 55,000
Ending Balance, June 30, 2022	\$ 84,604

#### Note 4. Accounts Receivable

Accounts receivable at June 30, 2022 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2022, consisted of the following:

Description		eneral Fund		Special Revenue <u>Fund</u>	 Total overnmental <u>Activities</u>
Federal Awards State Awards Other		11,182 917,226 172,263	\$	1,359,021 - 7,240	\$ 1,370,203 917,226 179,503
Total	\$ 1,	100,671	\$	1,366,261	\$ 2,466,932
Description		Propriet Food	-		Total Business-Type <u>Activities</u>
Federal Awards State Awards Other	\$			115,015 1,964 4,526	\$ 115,015 1,964 4,526
Total	\$			121,505	\$ 121,505

# Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

		Balance July 1, <u>2021</u>	Additions	tirements <u>Transfers</u>		Balance June 30, <u>2022</u>
<b>Governmental Activities:</b>						
Capital assets not being depreciated:						
Land	\$	163,472	\$ -	\$ -	\$	163,472
Total Capital Assets not being depreciated		163,472	-	-		163,472
Capital Assets being depreciated:						
Buildings and Improvements	5	85,387,713	-	-		85,387,713
Equipment	-	23,993,561	1,850,168	(760,689)		25,083,040
Total Capital Assets being depreciated	10	09,381,274	1,850,168	(760,689)	]	10,470,753
Less: Accumulated Depreciation:						
Buildings and Improvements	(:	56,860,831)	(1,458,651)	-		(58,319,482)
Equipment	(	14,486,386)	(1,257,900)	760,689		(14,983,597)
Total Accumulated Depreciation	(	71,347,217)	(2,716,551)	760,689		(73,303,079)
Total Capital Assets being depreciated, net		38,034,057	(866,383)	-		37,167,674
Total Governmental Activities Capital						
Assets, net	\$ .	38,197,529	\$ (866,383)	\$ 	\$	37,331,146

#### Note 5. Capital Assets (Continued)

Destaure Theorem And Marce		Balance July 1, <u>2021</u>		Additions		etirements <u>1 Transfers</u>	Balance June 30, <u>2022</u>
Business-Type Activities:	¢	467.050	¢	5 4 4 2	¢	(4.527) 0	460 750
Equipment - Food Service	\$	467,852	\$	5,443	\$	(4,537) \$	468,758
Total Capital Assets being depreciated		467,852		5,443		(4,537)	468,758
Less: Accumulated Depreciation:							
Equipment - Food Service		(405,848)		(5,654)		4,537	(406,965)
Total Capital Assets being depreciated, net		(405,848)		(5,654)		4,537	(406,965)
Total Business-Type Activities Capital							
Assets, net	\$	62,004	\$	(211)	\$	- \$	61,793

Depreciation expense was charged to functions/programs of the School District as follows:

Governmental Activities	
Instruction:	
Regular Instruction	\$ 1,043,420
Special Education Instruction	470,774
Other Instruction	81,036
Support Services:	
Student & Instruction Related Services	404,276
General Administrative	58,140
School Administrative Services	73,903
Central Services	28,186
Administrative Info. Technology	31,953
Plant Operations & Maintenance	282,032
Pupil Transportation	 164,614
Total Depreciation Expense - Governmental Activities	\$ 2,716,551

#### Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2022 are as follows:

Fund	Interfund <u>Receivables</u>	Interfund <u>Payables</u>
General Fund Special Revenue Fund	\$ 258,921 15,000	\$
	\$ 273,921	\$ 273,921

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

There were no interfund transfers for the year ended June 30, 2022.

#### Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations for the governmental and business-type activities:

Governmental Activities:	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Balance Due Within <u>One Year</u>
General Obligation Bonds	\$ 16,945,000	\$ -	\$ 2,895,000	\$ 14,050,000	\$ 2,950,000
Lease Obligations	993,347	-	356,332	637,015	296,908
Unamortized Bond					
Premiums	2,569,867	-	510,651	2,059,216	550,132
Compensated Absences	3,253,272	137,963	53,089	3,338,146	101,535
Net Pension Liability	15,239,357	6,176,532	10,240,246	11,175,643	-
	¢ 20.000.942	¢ 6 214 405	¢ 14055 219	¢ 21 260 020	¢ 2 000 575
	\$ 39,000,843	\$ 6,314,495	\$ 14,055,318	\$ 31,260,020	\$ 3,898,575

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, lease obligations, unamortized bond premiums and the net pension liability are liquidated by the general fund.

# **Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On January 13, 2016, the School District issued \$16,090,000 of Refunding School Bonds. The Refunding School Bonds were issued at interest rates varying from 4.000% to 5.000% and mature on April 1, 2026.

On September 8, 2016, the School District issued \$11,595,000 of Refunding School Bonds. The Refunding School Bonds were issued at interest rates varying from 3.000% to 4.000% and mature on January 15, 2030.

Fiscal Year Ending			
<u>June 30,</u>	Principal	Interest	Total
2023	\$ 2,950,000	\$ 623,100	\$ 3,573,100
2024	2,900,000	488,850	3,388,850
2025	2,945,000	357,700	3,302,700
2026	2,125,000	224,850	2,349,850
2027	660,000	125,200	785,200
2028-2030	2,470,000	201,400	2,671,400
	\$ 14,050,000	\$ 2,021,100	\$ 16,071,100

#### Note 7. Long-Term Obligations (Continued)

#### Lease Obligations

The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The School District executed an agreement on August 15, 2018 to lease buses that requires annual payments of \$92,136. There are no variable payment components of the leases. The lease liabilities are measured at an explicit discount rate of 3.125% and have a balance of \$89,344 at June 30, 2022. As a result of the leases, the School District has recorded right to use leased assets with a net book value of \$90,740 at June 30, 2022. The right to use leased assets are discussed in more detail in Note 20.

The School District executed an agreement on August 15, 2019 to lease vehicles that requires annual payments of \$75,647. There are no variable payment components of the leases. The lease liabilities are measured at an explicit discount rate of 3.50% and have a balance of \$143,707 at June 30, 2022. As a result of the leases, the School District has recorded right to use leased assets with a net book value of \$146,236 at June 30, 2022. The right to use leased assets are discussed in more detail in Note 20.

The School District executed an agreement on April 30, 2020 to lease vehicles that requires annual payments of \$73,684. There are no variable payment components of the leases. The lease liabilities are measured at an explicit discount rate of 2.017% and have a balance of \$151,856 at June 30, 2022. As a result of the leases, the School District has recorded right to use leased assets with a net book value of \$150,360 at June 30, 2022. The right to use leased assets are discussed in more detail in Note 20.

The School District executed an agreement on April 30, 2021 to lease vehicles that requires annual payments of \$65,148. There are no variable payment components of the leases. The lease liabilities are measured at an explicit discount rate of 1.337% and have a balance of \$252,108 at June 30, 2022. As a result of the leases, the School District has recorded right to use leased assets with a net book value of \$253,805 at June 30, 2022. The right to use leased assets are discussed in more detail in Note 20.

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2022:

Fiscal Year Ending June 30,	<u>Principal</u>	Interest	<u>Total</u>
2023	\$ 296,908	\$ 14,256	\$ 311,164
2024	212,378	6,650	219,028
2025	63,440	1,708	65,148
2026	64,289	860	65,149
	\$ 637,015	\$ 23,474	\$ 660,489

#### **Bonds Authorized but not Issued**

As of June 30, 2022, the School District had no bonds authorized but not issued.

#### Note 8. Pension Plans

#### A. Public Employees' Retirement System (PERS)

**Plan Description** - The State of New Jersey (the State), Public Employees' Retirement System (PERS) is a costsharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at http://www.nj.gov/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for PERS:

#### Tier

#### **Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and the service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A.* 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

#### Note 8. Pension Plans (Continued)

**Pension Liability, Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources -** At June 30, 2022, the School District reported a liability of \$11,175,643 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2021, was, 0.09433709% which was an increase of 0.00088644% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized full accural pension credit of (\$1,848,101) in the government-wide financial statements. This pension credit was based on the pension plans June 30, 2021 measurement date. At June 30, 2022 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following source:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between Expected and Actual Experience	\$	176,254	\$	80,004
Changes of Assumptions		58,203		3,978,601
Net Difference between Projected and Actual Earnings on Pension Plan Investments		-		2,943,958
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		155,644		832,538
School District contributions subsequent to measurement date		1,187,141		-
	\$	1,577,242	\$	7,835,101

\$1,187,141 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2021-2022 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2023	\$ (2,940,939)
2024	(2,107,218)
2025	(1,397,829)
2026	(843,727)
2027	 (155,287)
	\$ (7,445,000)

#### Note 8. Pension Plans (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflow of	Deferred Inflow of
	<b>Resources</b>	Resources
Differences between Expected		
and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:	C 11	
June 30, 2014	6.44	-
June 30, 2015	5.72 5.57	-
June 30, 2016		- 5.48
June 30, 2017 June 30, 2018	-	5.63
	-	
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	-	5.13
Net Difference between Projected		
and Actual Earnings on Pension		
Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
Changes in Proportion and Differences		
between District Contributions		
Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

#### Note 8. Pension Plans (Continued)

Assumptions were Based

Actuarial Assumptions – The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on Age
Thereafter	3.00% - 7.00% Based on Age
Investment Rate of Retur	n 7.00%
Mortality Rate of Return:	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Exper	rience
Study upon which Actu	arial

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

July 1, 2014 - June 30, 2018

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

#### Note 8. Pension Plans (Continued)

	Target	Long-Term Expected Real
Asset Class	Allocation	<b>Rate of Return</b>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	_

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2021, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

# Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 15,381,194	\$ 11,175,643	\$ 7,826,870

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

	6/30/2022	6/30/2021
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
School District's portion	0.09434%	0.09345%

# **B. Teachers' Pension and Annuity Fund (TPAF)**

**Plan Description** - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the Division. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for TPAF:

# Tier

# Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

# Note 8. Pension Plans (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A~18:66-33. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2022 was \$122,426,871. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.25465%, which was a decrease of 0.00358% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized a pension expense in the amount of \$2,880,758 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2021 measurement date.

#### Note 8. Pension Plans (Continued)

Actuarial Assumptions – The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45% Based on Years of Service
Thereafter	2.75% - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return -** In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

#### Note 8. Pension Plans (Continued)

	Target	Long-Term Expected Real
Asset Class	<b>Allocation</b>	<b>Rate of Return</b>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
-	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the **Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

#### Note 8. Pension Plans (Continued)

		At 1% Decrease <u>(6.00%)</u>		At Current Discount Rate <u>(7.00%)</u>		At 1% Increase <u>(8.00%)</u>
State's Proportionate Share of Net Pension Liability associated with the School District	¢	144,851,438	¢	122,426,871	¢	103,591,644
associated with the School District	\$	144,031,430	Ф	122,420,871	Ф	105,591,044

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

	6/30/2022	6/30/2021
Collective Deferred Outflows of Resources Collective Deferred Inflows of Resources Collective Net Pension Liability	\$ 6,373,530,834 27,363,906 48,165,991,182	\$ 9,626,548,228 14,591,988,841 65,993,498,688
School District's portion	0.25466%	0.25824%

# C. Defined Contribution Retirement Plan (DCRP)

**Plan Description** - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of *N.J.S.A.* 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

• State or local officials who are elected or appointed on or after July 1, 2007;

• Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;

• Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;

• Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually.

• Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local educations employees.

#### Note 8. Pension Plans (Continued)

**Contributions** - The contribution policy is set by *N.J.S.A.* 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2022, employee contributions totaled \$116,639, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$87,520.

#### Note 9. Other Post-Retirement Benefits

#### General Information about the OPEB Plan

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

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

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

#### **Basis of Presentation**

The Schedule presents the State of New Jersey's obligation under *NJSA* 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

#### Note 9. Other Post-Retirement Benefits (continued)

#### **Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%		
	<b>TPAF/ABP</b>	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25%
	based on service years	based on service years	based on service years
Thereafter	2.75 - 5.65%	3.00 - 7.00%	Not
	based on service years	based on service years	Applicable

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2021 was \$207,179,038. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the OPEB Obligation attributable to the School District was 0.34525437%, which was a decrease of (0.01436815%) from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$8,752,422.00 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2021 measurement date.

# Note 9. Other Post-Retirement Benefits (continued)

# Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend is 5.00%.

# **Discount Rate**

The discount rate for June 30, 2021 was 2.16%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

# Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

			June 30, 2021		
	D	At 1% ecrease (1.16%)	At Discount Rate (2.16%)	Iı	At 1% ncrease (3.16%)
State of New Jersey's					
Proportionate Share of Total OPEB Obligations Associated with the School District	\$	248,167,964	\$ 207,179,038	\$	174,902,720
State of New Jersey's Total Nonemployer OPEB					
Liability	\$	71,879,745,555	\$ 60,007,650,970	\$	50,659,089,138

# Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

# Note 9. Other Post-Retirement Benefits (continued)

	 June 30, 2021				
	1% Decrease	ł	Healthcare Cost Trend Rate		1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 167,711,932	\$	207,179,038	\$	260,180,213
State of New Jersey's Total Nonemployer OPEB Liability	\$ 48,576,338,417	\$	60,007,650,970	\$	75,358,991,782

\* See Healthcare Cost Trend Assumptions for details of rates.

# **Additional Information**

Collective balances of the Local Group at June 30, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected		
& Actual Experience	\$ 9,045,886,863	\$ (18,009,362,976)
Change in Assumptions	10,179,536,966	(6,438,261,807)
Contributions Made in Fiscal Year		
Ending 6/30/2022 After		
Measurement Date	TBD	N/A
	\$ 19,225,423,829	\$ (24,447,624,783)

#### Note 9. Other Post-Retirement Benefits (continued)

#### Additional Information (continued):

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

Fiscal Year Ending June 30,	
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	 347,612,410
	\$ (5,222,200,954)

\*\* Employer Contributions made after June 30, 2021 are reported as a deferred outflow of resources, but are not amortized in expense.

#### **Plan Membership**

At June 30, 2020, the Program membership consisted of the following:

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	150,427
	364,328

#### **Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

#### **Total OPEB Liability**

Service Cost	\$ 3,217,184,264
Interest Cost	1,556,661,679
Changes of Benefit Terms	(63,870,842)
Difference Between Expected & Actual Experience	(11,385,071,658)
Changes of Assumptions	59,202,105
Contributions: Member	39,796,196
Gross Benefit Payments	 (1,226,213,382)
Net Change in Total OPEB Liability	(7,802,311,638)
Total OPEB Liability (Beginning)	 67,809,962,608
Total OPEB Liability (Ending)	\$ 60,007,650,970
Total Covered Employee Payroll	14,425,669,769
Net OPEB Liability as a Percentage of Payroll	415.98%

#### Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2022, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$10,821,422, \$2,196,161, \$2,528,321, and \$3,163, respectively.

#### Note 11. Risk Management

The School 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.

**New Jersey Unemployment Compensation Insurance** – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending unemployment claims fund balance and/or unemployment trust liability of the School District for the current year and previous two years.

					Ending Bal	lanc	ce
			Amount	Restricted	l Unemployment		Unemployment
Fiscal Year	Cor	ntributions	Reimbursed	Fur	nd Balance		Trust Liability
2022	\$	85,367	\$ 1,469	\$	29,604	\$	83,713
2021		256,433	255,916		29,419		-
2020		63,062	97,853		28,902		-

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

**Joint Insurance Pool** – The School District also participates in the School Alliance Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property - Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers' Compensation
School Board Legal Liability	Comprehensive Crime Coverage

#### Note 12. Contingencies

**State and Federal Grantor Agencies** - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Economic Dependency** – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District's programs and activities.

#### Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Ameriprise Financial	The Legend Group	New York Life Insurance Company
Equitable Advisors	Lincoln Investment Planning	

#### Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2022, the liability for compensated absences reported was \$3,338,146.

#### Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because *N.J.S.A.* 54:4-75 and *N.J.S.A.* 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

# Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7. 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, 2022 was \$1,402,680.

#### Note 17. Fund Balances

General Fund – Of the \$14,293,951 General Fund fund balance at June 30, 2022, \$7,815,555 has been restricted for the Capital Reserve Account; \$1,151,773 has been restricted for the Maintenance Reserve Account; \$84,604 has been restricted for the reserve for unemployment claims; \$645,582 is restricted for current year excess surplus; \$757,099 is restricted for excess surplus - designated for subsequent year's expenditures; \$2,532,240 is assigned for other purposes; \$1,307,099 is unassigned.

**Special Revenue Fund** – Of the \$230,740 Special Revenue Fund fund balance at June 30, 2022, \$16,189 is restricted for scholarships; \$214,551 is restricted for student activities.

#### Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of (\$17,714,034) at June 30, 2022. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2022. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

### Note 19. Commitments

The District has contractual commitments at June 30, 2022 to various vendors, which are recorded in the General Fund as Fund Balance Assisgned to Other Purposes in the amount of \$2,532,240.

#### Note 20. Right to Use Leased Assets

The School District has recorded right to use leased assets. The assets are right to use assets for leased equipment and vehicles. The related leases are discussed in the Note 7. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Right to use leased asset activity for the year ended June 30, 2022 was as follows:

	eginning Balance	Increases	Decreases	Ending Balance
Right to Use Leased Assets:				
Equipment and Vehicles	\$ 943,630	\$ -	\$ -	\$ 943,630
Total Right to Use Leased Assets	 943,630	-	-	943,630
Accumulated Amortization:				
Equipment and Vehicles	-	(302,489)	-	(302,489)
Total Accumulated Amortization	 -	(302,489)	-	(302,489)
Right to Use Leased Assets, Net	\$ 943,630	\$ (302,489)	\$ -	\$ 641,141

#### Note 21. Prior Period Adjustment/Restatement of Net Position

Net Position as of July 1, 2021 has been restated as follows for the implementation of GASB Statement No. 87, Leases as follows:

Net Position as previously reported at June 30, 2021	\$ 5,563,358
Prior Period Adjustment - Implementation of GASB 87	 (214,482)
Net Position as restated, July 1, 2021	\$ 5,348,876

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# **REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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C. Budgetary Comparison Schedules

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# EXHIBIT C-1

# LACEY TOWNSHIP SCHOOL DISTRICT GENERAL FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2022

			JUNE	JUNE 30, 2022		VARIANCE
	ACCOUNT NUMBERS	<b>ORIGINAL</b> BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 50,966,035	۰ ۲	\$ 50,966,035	50,966,035 \$	
Tuition From Individuals	10-1310	27,800		27,800	96,720	68,920
Tuition From Other LEAs Within State	10-1320	63,072	ı	63,072	46,214	(16,858)
Transportation Fees From Individuals	10-1410	12,000	ı	12,000	12,514	514
Interest Earned on Investment	10-1510	I	ı	I	19,410	19,410
Rents and Royalties	10-1910	ı	·	ı	9,500	9,500
Unrestricted Miscellaneous Revenues	10-1990	385,950		385,950	588,514	202,564
Total Local Sources		51,454,857		51,454,857	51,738,907	284,050
State Sources:						
Categorical Transportation Aid	10-3121	228,519	ı	228,519	228,519	ı
Extraordinary Aid	10-3131	550,000	ı	550,000	680,874	130,874
Categorical Special Education Aid	10-3132	2,504,516	ı	2,504,516	2,504,516	1
Equalization Aid	10-3176	14,474,616		14,474,616	14,474,616	
Categorical Security Aid	10-3177	483,794		483,794	483,794	
Nonpublic Transportation Aid	10-3194				21,620	21,620
Stabilization Aid	10-3246		1,322,429	1,322,429	1,322,429	
Education Rescue Grant	10-3248		1,316,000	1,316,000	1,316,000	
Nonbudgeted:						
TPAF Pension (on-behalf)					10,821,422	10,821,422
TPAF Social Security (reimbursed)					2,196,161	2,196,161
TPAF Post Retirement Medical (on-behalf)					2,528,321	2,528,321
TPAF Long-Term Disability Insurance (on behalf)					3,163	3,163
T otal State Sources		18,241,445	2,638,429	20,879,874	36,581,435	15,701,561
Federal Sources:						
Medicaid Reimbursement	10-4200	55,254		55,254	47,102	(8,152)
Total Federal Sources		55,254		55,254	47,102	(8,152)
Total Revenues		69,751,556	2,638,429	72,389,985	88,367,444	15,977,459

			JUNE 30, 2022	, 2022		VARIANCE
	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Current Expense:						
Regular Programs - Instruction:						
Kindergarten - Salaries of Teachers	11-110-100-101	862,320	50,000	912,320	862,679	49,641
Grades 1-5 - Salaries of Teachers	11-120-100-101	6,596,275	437,561	7,033,836	6,859,643	174,193
Grades 6-8 - Salaries of Teachers	11-130-100-101	4,453,153	268,801	4,721,954	4,532,922	189,032
Grades 9-12 - Salaries of Teachers	11-140-100-101	7,237,035	(975, 140)	6,261,895	6,259,952	1,943
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	117,000	·	117,000	43,404	73,596
Purchased Professional - Educational Services	11-150-100-320	33,130		33,130	11,293	21,836
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	144,629	(143,000)	1,629	46	1,583
Purchased Professional - Educational Services	11-190-100-320	345,273	12,464	357,737	251,579	106,158
Purchased Technical Services	11-190-100-340	90,400	9,076	99,476	98,091	1,385
Other Purchased Services	11-190-100-500	237,912	79,496	317,408	235,618	81,790
General Supplies	11-190-100-610	1,416,006	204,724	1,620,730	1,490,264	130,466
Textbooks	11-190-100-640	5,200	ı	5,200	3,000	2,200
Other Objects	11-190-100-800	70,257	(1,180)	69,077	48,177	20,900
Total Reoular Proorams - Instruction		21.608.590	(57,199)	21.551.392	20.696.669	854.723
				1/26+226+1	1006000	
Special Education - Instruction:						
Learning and of Language Disabilitues: Salaries of Teachers	11-204-100-101	1 300 804	797 771	1 577 191	1 577 190	-
Other Salaries for Instruction	11-204-100-101	603.561	41.642	645.203	645.064	139
General Supplies	11-204-100-610	22.500	(6.344)	16.156	16.063	93
Textbooks	11-204-100-640	500		500	, I	500
Other Objects	11-204-100-800	1,250	(1,100)	150		150
Total Learning and/or Language Disabilities		2,027,705	211,495	2,239,200	2,238,318	882
Special Education - Instruction:						
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	230,361	130,026	360,387	360,386	1
Other Salaries for Instruction	11-209-100-106	190,140	23,088	213,228	212,821	407
General Supplies	11-209-100-610	4,577	(210)	4,367	4,366	-
Textbooks	11-209-100-640	550	(541)	6		6
Uther Objects	11-209-100-800	000,5	(000,5)	I	I	I
Total Behavioral Disabilities		429,128	148,863	577,991	577,574	417

# **EXHIBIT C-1**

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			JUNE 30, 2022	, 2022		VARIANCE
	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Special Education - Instruction: Multiple Disabilities:						
Salaries of Leacners Other Solonies for Instruction	101-001-212-11	444,201 360 603	(0,422) 75 3 25	431,119	401,154 200154	-
Outer Satatres for filsu uction	001-001-212-11	260,000 7 0 1 8	3 000	4.30,078	91050	40,924
Octicat Supplies Taythoole	010-001-212-11	1,000	000,0	10,010	01,0	C17
Differ Objects	11-212-100-040	2,000	(1,000)	-1,100	- 1,100	
a martinitation of the second s		010 119	10 063	001 075	030 130	200 24
Multiple Disabilities		014,917	cou,u/	004,910	020,130	10,00,014
Special Education - Instruction:						
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	3,725,678	(121, 143)	3,604,535	3,544,856	59,679
Other Salaries	11-213-100-106	378,722	183,492	562,214	552,204	10,010
Other Purchased Services	11-213-100-500	1,000		1,000	·	1,000
General Supplies	11-213-100-610	9,000		9,000	7,867	1,133
Textbooks	11-213-100-640	500		500	I	500
Other Objects	11-213-100-800	750		750		750
Total Resource Room/Resource Center		4,115,650	62,349	4,177,999	4,104,927	73,072
Caroniol Education Instantations						
ocial Euucation - Ilisu ucuoli. Antism:						
Salaries of Teachers	11-214-100-101	616.849	(38.673)	578.176	433.740	144.436
Other Salaries for Instruction	11-214-100-106	434,484	140,193	574,677	563,848	10,829
General Supplies	11-214-100-610	7,650	1.750	9,400	8,087	1.313
Textbooks	11-214-100-640	1,000	(1,000)	I		
Other Objects	11-214-100-800	750	(750)			
Trates] A refrience		1 050 733	101 520	1 163 753	1 005 275	025 251
Autom		<i>cc/</i> ,000,1	101,720	1,102,201	1,00,000,1	0/0/1
Special Education - Instruction:						
Preschool Disabilities - Full-Time:						
Salaries of Leachers	11-216-100-101	341,/50	96,854	438,604	438,604	
Other Salaries for Instruction	11-216-100-106	377,566	37,836	415,402	395,126	20,276
General Supplies	11-216-100-600	6,908	ı	6,908	3,169	3,739
Other Objects	11-216-100-800	000		000	I	000
Total Preschool Disabilities - Full-Time		726,724	134,690	861,414	836,898	24,515
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	LACEY TOWNSHIP SCHOOL DISTRICT GENERAL FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2022	LACEY TOWNSHIP SCHOOL DISTRICT GENERAL FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2022	UCT			
			JUNE 30, 2022	), 2022		VARIANCE
	ACCOUNT NUMBERS	<b>ORIGINAL</b> BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
special Education - Instruction: Home Instruction: Salaries of Teachers Purchased Professional - Educational Services	11-219-100-101 11-219-100-320	78,000 22,880	4,759 (4,758)	82,759 18,122	76,138 8,936	6,622 9,186
Total Home Instruction		100,880	1	100,881	85,074	15,807
Total Special Education - Instruction		9,275,732	728,981	10,004,713	9,686,603	318,109
Bilingual Education - Instruction: Salaries of Teachers	11-240-100-101	199,632		199,632	157,393	42,239
Total Bilingual Education - Instruction		199,632		199,632	157,393	42,239
School-Sponsored Cocurricular/Extra Curricular Activities - Instruction: Salaries Supplies and Materials Other Objects	11-401-100-100 11-401-100-600 11-401-100-800	432,363 24,650 16,650	16,221 (6,389) (3,459)	448,584 18,261 13,191	444,711 12,046 11,292	3,873 6,215 1,899
Total School-Sponsored Cocurricular/Extra Curricular Activities - Instruction		473,663	6,373	480,036	468,049	11,987
School-Sponsored Athletics - Instruction: Salaries Purchased Services Supplies and Materials Other Objects	11-402-100-100 11-402-100-500 11-402-100-600 11-402-100-800	790,473 168,200 122,704 33,890	6,499 (26,499) 20,000	796,972 141,701 142,704 33,890	796,118 102,201 116,002 27,626	854 39,500 26,702 6,264
Total School-Sponsored Athletics - Instruction		1,115,267		1,115,267	1,041,947	73,320
Undistributed Expenditures - Instruction (Tuition): Tuition to Other LEAs Within State - Special Tuition to County Vocational School - Regular Tuition to County Special Services & Regular Day Schools Tuition to Private School Disabled - Within State Tuition - State Facilities Tuition - Other	11-000-100-562 11-000-100-563 11-000-100-565 11-000-100-566 11-000-100-568 11-000-100-568	303,435 212,800 342,701 1,156,053 55,000	52,063 52,063 (3,760) (248,388) 58,000	355,498 213,720 338,941 907,665 55,000 58,000	355,497 204,048 271,550 680,421 39,872 58,000	1 9,672 67,391 227,244 15,128
Total Undistributed Expenditures - Instruction (Tuition)		2,069,989	(141,165)	1,928,824	1,609,387	319,436

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			JUNE 30, 2022	0, 2022		VARIANCE
	ACCOUNT NUMBERS	<b>ORIGINAL</b> BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Undistributed Expenditures Attendance and Social Work: Salaries	11-000-211-100	228,371	1,560	229,931	228,365	1,566
Total Undistributed Expenditures Attendance and Social Work		228,371	1,560	229,931	228,365	1,566
Undistributed Expenditures - Health Services: Salaries Purchased Professional & Technical Services Supplies and Materials	11-000-213-100 11-000-213-300 11-000-213-600	566,994 270,867 14,411	47,715 (29,879) 485	614,709 240,988 14,896	611,466 230,366 9,937	3,243 10,622 4,959
Total Undistributed Expenditures - Health Services		852,271	18,321	870,593	851,769	18,824
Undistributed Expenditures - Speech, OT, PT and Related Services: Salaries Purchased Professional - Educational Services Supplies and Materials	11-000-216-100 11-000-216-320 11-000-216-600	470,075 391,166 1,350	16,275 34,975 (789)	486,350 426,141 561	486,349 419,065 560	7,077
Total Undistributed Expenditures - Speech, OT, PT and Related Services		862,591	50,461	913,052	905,974	7,078
Undistributed Expenditures - Other Support Services - Extra Services: Salaries	11-000-217-100	225,000	12,164	237,164	237,164	,
Total Undistributed Expenditures - Other Support Services - Extra Services		225,000	12,164	237,164	237,164	ı
Undistributed Expenditures - Guidance: Salaries of Other Professional Staff Salaries of Secretaries & Clerical Assistants Purchased Professional - Educational Services Supplies and Materials	11-000-218-104 11-000-218-105 11-000-218-320 11-000-218-600	1,291,851 98,227 75,500 5,250	42,272 4,398 (56,500) (2,400)	$1,334,123 \\ 102,625 \\ 19,000 \\ 2,850$	1,329,505 102,624 18,588 2,265	4,618 1 412 585
Total Undistributed Expenditures - Guidance		1,470,828	(12, 230)	1,458,598	1,452,982	5,616

	LACEY TOWNSHI GENE BUDGETARY CON YEAR ENDF	LACEY TOWNSHIP SCHOOL DISTRICT GENERAL FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2022	lcr ULE			
			JUNE 30, 2022	ı, 2022		VARIANCE
	ACCOUNT NUMBERS	<b>ORIGINAL</b> BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Undistributed Expenditures - Child Study Teams: Salaries of Other Professional Staff Salaries of Secretaries & Clerical Assistants Purchased Professional - Educational Services	11-000-219-104 11-000-219-105 11-000-219-320	950,735 121,213 142,500	98,906 4,285 133,842	1,049,641 125,498 276,342	1,046,265 125,497 274,159	3,376 1 2,182
Total Undistributed Expenditures - Child Study Teams		1,214,448	237,033	1,451,481	1,445,921	5,560
Undistributed Expenditures - Improvement of Instruction Services: Salaries of Supervisors of Instruction Salaries of Other Professional Staff Salaries of Sec. and Clerical Assist. Purchased Professional - Educational Services Supplies and Materials	11-000-221-102 11-000-221-104 11-000-221-105 11-000-221-320 11-000-221-600	816,740 231,995 78,515 299,964 37,995	(65,971) - 10,167 (16,826) 1,300	750,769 231,995 88,682 283,138 39,295	736,706 231,813 88,681 214,094 37,549	14,063 182 1 69,043 1,747
Total Undistributed Expenditures - Improvement of Instruction Services		1,465,209	(71,330)	1,393,879	1,308,843	85,036
Undistributed Expenditures - Educational Media Services/Library: Salaries Purchased Professional and Technical Services Supplies and Materials	11-000-222-100 11-000-222-300 11-000-222-600	326,968 25,518 13,050	6,234 (61) (2,503)	333,202 25,457 10,547	321,602 21,006 6,866	11,600 4,451 3,681
Total Undistributed Expenditures - Educational Media Services/Library		365,536	3,670	369,206	349,474	19,733
Undistributed Expenditures - Instructional Staff Training Services: Other Purchased Services	11-000-223-500	65,500	2,600	68,100	39,947	28,153
Total Undistributed Expenditures - Instructional Staff Training Services		65,500	2,600	68,100	39,947	28,153

EXHIBIT C-1

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			JUNE 30, 2022	), 2022		VARIANCE
	ACCOUNT NUMBERS	ORIGINAL BUDGET	<b>BUDGET</b> <b>TRANSFERS</b>	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Undistributed Expenditures - Sunnort Services - General Administration:						
Salaries	11-000-230-100	557,823	3.088	560,911	560.911	
Legal Services	11-000-230-331	117,859	83,956	201,815	150,607	51,208
Audit Fees	11-000-230-332	28,900		28,900	25,800	3,100
Other Purchased Professional Services	11-000-230-339	24,610		24,610	22,873	1,737
Communications/Telephone	11-000-230-530	208,502	4,184	212,686	212,436	250
BOE Other Purchased Professional Services	11-000-230-585	2,699	(584)	2,115	006	1,215
Other Purchased Services	11-000-230-590	173,842	(10, 146)	163,696	162,283	1,413
General Supplies	11-000-230-610	15,062	8,070	23,132	21,721	1,412
Miscellaneous Expenditures	11-000-230-890	9,994	1,824	11,818	11,700	118
BOE Membership Dues and Fees	11-000-230-895	28,000	I	28,000	27,050	950
Total Undistributed Expenditures - Support Services - General Administration		1,167,291	90,392	1,257,683	1,196,282	61,402
Undistributed Expenditures - Support Services - School Administration:						
Salaries of Principals/Assistant Principals	11-000-240-103	1,171,861	(29,963)	1,141,898	1,141,898	·
Salaries of Secretaries & Clerical Assistants	11-000-240-105	347,324	6,135	353,459	353,458	2
Supplies and Materials	11-000-240-600	29,200	(3,832)	20,308	25,263	C01
Total Undistributed Expenditures - Support Services - School Administration		1,548,385	(27,660)	1,520,725	1,520,618	107
Undistributed Expenditures - Central Services:						
Salaries United Sick Davment to Staff	11-000-251-100 11-000-251-200	500,712	12,527	513,239	513,238	
Purchased Professional Services	11-000-251-330	45.210	3.071	48.281	47.911	370
Purchased Technical Services	11-000-251-340	4,350	I	4,350	4,326	25
Supplies and Materials	11-000-251-600	7,906	(293)	7,613	7,162	451
Miscellaneous Expenditures	068-107-000-11	066,6	1,/01	/,511	/,311	
Total Undistributed Expenditures - Central Services		579,439	1,355	580,794	579,947	847
Undistributed Expenditures - Administrative Information Technology:						
Salaries	11-000-252-100	588,948	(585)	588,363	574,365	13,998
Purchased Technical Services	11-000-252-340	84,162	I	84,162	83,100	1,062
Total Undistributed Expenditures - Administrative Information Technology		673,110	(585)	672,525	657,465	15,060

			JUNE 30, 2022	0, 2022		VARIANCE
T to direction to a December of Accessor	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Undistributed Expenditures - Required Maintenance for School Facilities:						
Salaries	11-000-261-100	324,795	(9,837)	314,958	305,982	8,976
Cleaning, Repair & Maintenance Services	11-000-261-420	340,615	158,958	499,573	414,106	85,467
General Supplies Other Objects	11-000-261-610 11-000-261-800	229,010 8,800	13,263 -	242,273 8,800	224,888 7,925	17,385 875
Total Undistributed Expenditures - Required Maintenance for School Facilities		903,220	162,384	1,065,604	952,901	112,702
Undistributed Expenditures - Custodial Services:						
Salaries	11-000-262-100	2,495,653	(99,861)	2,395,792	2,383,703	12,089
Salaries of Non-Instructional Aides	11-000-262-107	294,408	(7,001)	287,407	181,157	106,250
Cleaning, Repair & Maintenance Services	11-000-262-420	15,000	(3,066)	11,934		11,934
Other Purchased Property Services	11-000-262-490	61,879	3,016	64,895	64,895	0
Insurance	11-000-262-520	504,781	22,678	527,459	526,710	749
Travel	11-000-262-580	1	50	50	4	46
General Supplies	11-000-262-610	109,500	18,500	128,000	127,970	30
Energy (Natural Gas)	11-000-262-621	285,363	165,532	450,895	386,728	64,167
Energy (Electricity)	11-000-262-622	558,131	(37,948)	520,183	487,883	32,300
Total Undistributed Expenditures - Custodial Services		4,324,715	61,901	4,386,616	4,159,050	227,566
Undistributed Expenditures -						
Care and Upkeep of Grounds:						
Salaries	11-000-263-100	232,324	6,490	238,814	223,462	15,352
Purchased Professional and Lechnical Services	11-000-263-300	I	502	302 80.811	502	-
Creating, repair & maintenance services General Supplies	11-000-263-420	- 92,900	(51,800)	41,100	38,427	2,673
Total Undistributed Expenditures - Care and Upkeep of Grounds		325,224	35,803	361,027	327,103	33,924
Security.						
Salaries	11-000-266-100	166,014	1,454	167,468	149,032	18,436
Purchased Professional and Technical Services	11-000-266-300	192,509	ı	192,509	170,400	22,109
Cleaning, Repair, and Maintenance Services	11-000-266-420	4,638		4,638	367	4,271
General Supplies	11-000-266-610	62,150	1,968	64,118	44,209	19,909
Total Security		425,311	3,422	428,733	364,008	64,725

LACEY TOWNSHIP SCHOOL DISTRICT GENERAL FUND

	LACEY TOWNSH GENI BUDGETARY CO YEAR END	LACEY TOWNSHIP SCHOOL DISTRICT GENERAL FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2022	ater			
			JUNE 30, 2022	), 2022		VARIANCE
	ACCOUNT NUMBERS	<b>ORIGINAL</b> BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Undistributed Expenditures - Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	46,796	7,000	53,796	46,346	7,450
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,230,578	(53,991)	1,176,587	1,166,773	9,814
Sal for Pupil Trans (Other than Bet. Home & Sch) Other Durchased Drof and Technical Serv	11-000-270-390	495,000	88,228 2 500	583,228 2023	5/8,961	4,267
Cleaning. Repair and Maintenance Services	11-000-270-330	40.400	(148)	40.252	36.778	3.474
Lease Purchase Payments - School Buses	11-000-270-443	65,000	311,148	376,148	374,977	1,171
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	34,500	8,500	43,000	42,117	883
Contract Services (Special Education) - ESCs & CTSAs	11-000-270-518	1,060,079	(139,737)	920,342	577,885	342,457
Miscellaneous Purchased Services - Transportation	11-000-270-593 11-000-270-593	119,935	1	119,935	100,323	19,612
Octociat Supplies Transnortation Supplies	11-000-270-010 11-000-270-615	432,407	- (8 500)	473 907	363 369	60.538
Miscellaneous Expenditures	11-000-270-800	20,700	8,500	29,200	28,975	225
Total Undistributed Expenditures - Student Transportation Services		3,618,361	223,500	3,841,861	3,387,076	454,785
Unallocated Benefits:						
Social Security Contributions	11-000-291-220	1,008,782	360,194	1,368,976	994,073	374,903
Other Retirement Contributions - PERS	11-000-291-241	1,100,970	3,827	1,104,797	1,104,797	1 0
Pension Contributions	11-000-291-249	97,500	1	97,500 55 000	87,520	9,980 55 000
Unsuppopriment Compensation Workmen's Compensation	11-000-291-250	579.591		579.591	- 498.995	80.596
Health Benefits	11-000-291-270	12,284,698	(879, 487)	11,405,211	11,318,918	86,293
Tuition Reimbursement	11-000-291-280	112,087	ı	112,087	62,996	49,091
Other Employee Benefits	11-000-291-290	458,315	34,816	493,131	466,312	26,819
Unused Sick Payment to Start Unused Vacation Payment to Staff	11-000-291-299	127,460 42,807	107/401 -	284,927 42,807	284,922 42,807	- 7
Total Unallocated Benefits		15,867,216	(323,188)	15,544,028	14,861,342	682,685
Nonbudgeted:						
TPAF Pension (on-behalf)		ı	I	I	10,821,422	(10,821,422)
IPAF Social Security (reimbursed) TPAF Post Refirement Medical (on-behalf)					2,196,161	(2, 196, 161)
TPAF Long-Term Disability Insurance (on behalf)		I	I	I	3,163	(3,163)
Total Undistributed Expenditures		38,252,016	328,407	38,580,423	51,984,686	(13,404,263)
Total Expenditures - Current Expense		70,924,901	1,006,562	71,931,463	84,035,347	(12, 103, 884)

EXHIBIT C-1

# EXHIBIT C-1

### LACEY TOWNSHIP SCHOOL DISTRICT GENERAL FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2022

			JUNE 30, 2022	0, 2022		VARIANCE
	ACCOUNT NUMBERS	<b>ORIGINAL</b> BUDGET	<b>BUDGET</b> TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Capital Outlay:						
Equipment:						
Grades 1-5	12-120-100-730		155,849	155,849	12,600	143,249
Grades 6-8	12-130-100-730		17,902	17,902	17,902	
Grades 9-12	12-140-100-730	ı	8,100	8,100	3,900	4,200
School-Sponsored & Other Instructional Programs	12-400-100-730	37,437	3,000	40,437	40,437	I
Undistributed Expenditures:						
Undistributed Expenditures - Instruction	12-000-100-730	80,894		80,894	80,830	64
Undist. Expend Support Serv Students - Reg	12-000-213-730		11,915	11,915	11,915	
Undistributed Expenditures - Admin Info Tech.	12-000-252-730	247,186	10,549	257,735	257,735	ı
Undist. Expend Required Maint for School Fac.	12-000-261-730	73,560	111,520	185,080	124,796	60,284
Undist. Expend Custodial Services	12-000-262-730	38,161		38,161	38,161	ı
Undist. Expend Care and Upkeep of Grounds	12-000-263-730	·	43,291	43,291	15,864	27,427
Undist. Expend Security	12-000-266-730	22,010		22,010	22,010	
Undist. ExpendStudent TransNon-Inst. Equip	12-000-270-732	7,192		7,192	7,192	
School Buses - Regular	12-000-270-733		421,672	421,672		421,672
Non-Instructional Services	12-000-300-730	27,462		27,462	27,462	
Total Equipment		533,901	783,797	1,317,699	660,802	656,896
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	418,934	(27,663)	391,271	131,583	259,689
Construction Services	12-000-400-450	1,351,200	875,732	2,226,932	545,119	1,681,814
Assessment for Debt Service on SDA Funding	12-000-400-896	161,352		161,352	161,352	
Total Facilities Acquisition & Construction Services		1,931,486	848,069	2,779,555	838,053	1,941,502
Total Capital Outlay		2,465,387	1,631,867	4,097,254	1,498,856	2,598,398
Total Expenditures		73,390,288	2,638,429	76,028,717	85,534,203	(9,505,486)

C-I	
EXHIBIT	

## LACEY TOWNSHIP SCHOOL DISTRICT GENERAL FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2022

			JUNE 30, 2022	0, 2022		VARIANCE
	ACCOUNT	ORIGINAL	BUDGET	FINAL		FINAL TO
	NUMBERS	BUDGET	TRANSFERS	BUDGET	ACTUAL	ACTUAL
Excess/(Deficiency) of Revenues Over/(Under) Expenditures						
After Other Financing Sources/(Uses)		(3,638,732)		(3, 638, 732)	2,833,241	6,471,973
Fund Balances, July 1		13,105,510		13,105,510	13,105,510	
Fund Balances, June 30		\$ 9,466,778	ı	\$ 9,466,778 \$	15,938,751 \$	6,471,973

# **RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:	
Capital Reserve	\$ 7,815,555
Maintenance Reserve	1,151,773
Excess Surplus	645,582
Excess Surplus Designated for Subsequent Year's Expenditures	757,099
Reserve for Unemployment Claims	84,604
Assigned Fund Balance:	
Year-End Encumbrances	2,532,240
Unassigned Fund Balance	2,951,899
Subtotal	15,938,751
Reconciliation to Governmental Funds Statements (GAAP): Last State Aid Payments Not Recognized on GAAP Basis Solar Renewable Energy Credit Revenue Realized on GAAP Basis	(1,734,223) 89,423
Fund Balance per Governmental Funds (GAAP)	\$ 14,293,951

#### LACEY TOWNSHIP SCHOOL DISTRICT SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2022

			20. 2022		VARIANCE FINAL TO
	ORIGINAL	JUNE . BUDGET	30, 2022 FINAL		ACTUAL (OVER)/
	BUDGET	TRANSFERS	BUDGET	ACTUAL	UNDER
Revenues:					
Local Sources	\$ -	\$ 429,821			· · · · ·
State Sources	-	99,553.00	99,553.00	97,955	1,598
Federal Sources	3,874,991	6,237,585	10,112,576	4,915,531	5,197,045
Total Revenues	3,874,991	6,766,959	10,641,950	5,364,834	5,277,116
Expenditures:					
Instruction:					
Salaries of Teachers	1,214,524	1,536,689	2,751,213	734,595	2,016,618
Other Salaries for Instruction	-	49,258	49,258	49,258	-
Purchased Professional - Educational Services	120,000	199,075	319,075	209,057	110,018
Other Purchased Services (400-500 Series)	500,000	(460,440)	39,560	560	39,000
General Supplies	573,000	(84,158)	488,842	369,351	119,491
Tuition	550,000	152,095	702,095	695,994	6,101
Other Objects		11,513	11,513	6,253	5,260
Total Instruction	2,957,524	1,404,032	4,361,556	2,065,068	2,296,488
Support Services:					
Salaries	280,000	425,779	705,779	119,208	586,571
Personal Services - Employee Benefits	-	1,910,027	1,910,027	503,000	1,407,027
Purchased Educational Services	187,132	361,100	548,232	492,501	55,731
Travel	8,000	185,665	193,665	16,673	176,992
Supplies and Materials	442,335	(182,129)	260,206	105,092	155,114
Scholarships Awarded	-	19,300	19,300	19,300	-
Student Activities	-	241,178	241,178	241,178	-
Other Objects		98,985	98,985	938	98,047
Total Support Services	917,467	3,059,905	3,977,372	1,497,890	2,479,482
Facilities Acquisition & Construction Services:					
Buildings	-	1,923,836	1,923,836	1,426,800	497,036
Instructional Equipment	-	340,159	340,159	337,564	2,595
Noninstructional Equipment	-	39,027	39,027	39,000	27
Total Facilities Acquisition & Construction					
Services	-	2,303,022	2,303,022	1,803,364	499,658
Total Expenditures	3,874,991	6,766,959	10,641,950	5,366,322	5,275,628
Total Outflows	3,874,991	6,766,959	10,641,950	5,366,322	5,275,628
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ (1,488)	5 1,488
Fund Balance, July 1				232,228	
Fund Balance, June 30				\$ 230,740	
Recapitulation:					
Restricted:				ф <u>16100</u>	
Scholarships				\$ 16,189	
Student Activities				214,551	
Total Fund Balance				\$ 230,740	

#### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

#### LACEY TOWNSHIP SCHOOL DISTRICT NOTE TO REQUIRED SUPPLEMENTARY INFORMATION BUDGET TO GAAP RECONCILIATION YEAR ENDED JUNE 30, 2022

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

		GENERAL FUND	RE	ECIAL VENUE 'UND
Sources/Inflows of Resources:				
Actual Amounts (Budgetary Basis) "Revenue"	¢	00 267 444	¢	5 2 6 4 0 2 4
From the Budgetary Comparison Schedule (C-Series)	\$	88,367,444	\$	5,364,834
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that				
encumbrances are recognized as expenditures, and the related				
revenue is recognized.				
Current Year		-		(1,343,335)
Prior Year		-		50,894
The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).				
Current Year		(1,734,223)		-
Prior Year		1,868,375		-
Adjustment to record the value of Solar Renewable Energy				
Credits (SREC) income on the modified accural basis				
Current Year		89,423		-
Prior Year		(185,460)		-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$	88,405,559	\$	4,072,393
Uses/outflows of resources: Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2) Differences - budget to GAAP Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for	\$	85,534,203	\$	5,366,322
<i>budgetary</i> purposes, but in the year the supplies are received				
for <i>financial reporting</i> purposes.		-		(1,292,441)
Total Expenditures as Reported on the Statement of Revenues,				
Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$	85,534,203	\$	4,073,881

**REQUIRED SUPPLEMENTARY INFORMATION - PART III** 

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

Ξ	
EXHIBIT	

# LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) LAST NINE FISCAL YEARS\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.094337093%	0.0934506520%	0.0934506520% 0.0970825250% 0.099197740% 0.100770925% 0.102122871% 0.101749406% 0.107942937% 0.101753521%	0.099197740%	0.100770925%	0.102122871%	0.101749406%	0.107942937%	0.101753521%
School District's proportionate share of the net pension liability	\$ 11,175,643	\$	15,239,357 \$ 17,492,798 \$ 19,531,540 \$ 23,457,861 \$ 30,245,865 \$ 23,747,948 \$	\$ 19,531,540	\$ 23,457,861	\$ 30,245,865	\$ 23,747,948	\$ 21,084,642	21,084,642 \$ 19,447,120
School District's covered payroll	\$ 6,805,617	\$ 6,867,930 \$	\$ 6,605,274 \$	\$ 6,820,621 \$	\$ 7,215,297	\$ 7,070,140	\$ 6,984,405	•	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	164.21%	221.89%	264.83%	286.36%	325.11%	427.80%	340.01%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%
*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date)	of the previous fiscal	year end (the measu	trement date).						

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**EXHIBIT L-2** 

# LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) LAST NINE FISCAL YEARS

		2022		2021		2020	2019		2018		2017	2016		2015	2014
School District's contractually required contribution	S	1,104,797	Ś	1,022,303	\$	944,327 \$	986,697 \$	$\sim$	933,535 \$	£ <b>4</b>	907,245 \$	874,772	772 \$	889,866 \$	766,692
Contributions in relation to the contractually required contribution		(1,104,797)	Ŭ	(1,022,303)		(944,327)	(986,697)		(933,535)		(907,245)	(874,772)	772)	(889,866)	(766,692)
Contribution deficiency (excess)	Ś	ı	S		Ś	-		Ś		S	-		•	-	
School District's covered payroll	S	6,692,863	Ś	6,805,617	Ś	6,805,617 \$ 6,867,930 \$ 6,605,274 \$ 6,820,621 \$ 7,215,297 \$ 7,070,140 \$ 6,984,405	6,605,274	$\sim$	6,820,621	∽	7,215,297 \$	7,070,	140 \$	6,984,405	N/A
Contributions as a percentage of covered payroll		16.51%	1	5.02%	1	13.75%	14.94%		13.69%	1	12.57%	12.37%		12.74%	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**EXHIBIT L-3** 

# LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHERS' PENSION AND ANNUITY FUND (TPAF) LAST NINE FISCAL YEARS\*

		2022	2021	7070	6107	Q 107	/ 107	2121	CT07	2014
School District's proportion of the net pension liability		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
School District's proportionate share of the net pension liability	÷	۱ جې	۰ ج	<del>(۷)</del> ۱		1	'	-	5 <del>5</del> 1	,
State's proportionate share of the net pension liability associated with the School District		122,426,871	170,049,132	158,810,865	175,123,023	186,690,110	218,036,596	218,036,596	147,602,513	136,686,359
	Ś	\$ 122,426,871 \$	\$ 170,049,132 \$	158,810,865 \$	\$ 158,810,865 \$ 175,123,023 \$ 186,690,110 \$ 218,036,596 \$ 218,036,596 \$ 147,602,513	186,690,110	218,036,596	\$ 218,036,596	147,602,513	\$ 136,686,359
School District's covered payroll	s	30,075,340 \$	29,278,447 \$	29,149,017 \$	\$ 27,363,660 \$	27,621,846 \$	27,558,762	\$ 28,541,864 \$	28,523,671	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability		35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

÷ Ŀ 2 5. 5 5 This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

#### SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)

#### LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB) LAST FIVE FISCAL YEARS\*

	 2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 9,200,411 \$	5,232,662 \$	5,371,266 \$	6,369,288 \$	7,662,668
Interest Cost	5,374,442	5,200,151	6,496,706	7,100,070	6,145,147
Changes of Benefit Terms	(220,517)	-	-	-	-
Difference Between Expected and Actual Experiences	(38,143,435)	40,182,618	(29,043,675)	(19,742,341)	-
Changes of Assumptions	204,398	42,900,832	2,166,560	(18,893,938)	(25,521,227)
Contributions: Member	137,398	123,929	132,223	152,160	165,514
Gross Benefit Payments	 (4,233,555)	(4,088,717)	(4,460,535)	(4,402,572)	(4,494,916)
Net Change in Total OPEB Liability	(27,680,858)	89,551,475	(19,337,455)	(29,417,333)	(16,042,814)
Total OPEB Liability (Beginning)	 234,859,896	145,308,421	164,645,876	194,063,209	210,106,023
Total OPEB Liability (Ending)	\$ 207,179,038 \$	234,859,896 \$	145,308,421 \$	164,645,876 \$	194,063,209
State's Covered Employee Payroll	\$ 36,880,957 \$	36,146,377 \$	36,146,377 \$	33,968,934 \$	38,895,333
Net OPEB Liability as a Percentage of Payroll	561.75%	649.75%	402.00%	484.70%	498.94%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

#### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

#### LACEY TOWNSHIP SCHOOL DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III YEAR ENDED JUNE 30, 2022

#### Teachers Pension and Annuity Fund (TPAF)

#### **Changes in Benefit Terms**

None.

#### **Changes in Assumptions**

The discount rate used as of June 30, measurement date is as follows:

Year	Rate	Year	Rate	Year	Rate
2021	7.00%	2018	4.86%	2015	4.13%
2020	5.40%	2017	4.25%	2014	4.68%
2019	5.60%	2016	3.22%		

The long-term expected rate of return used as of June 30, measurement data is as follows:

Year	Rate	Year	Rate	Year	Rate
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.30%	2017	7.00%	2014	7.90%
2019	7.00%	2016	7.65%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

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

#### **Changes in Benefit Terms**

The June 30, 2021 measurement date includes one change in plan provisions as Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

#### **Changes in Assumptions**

The discount rate used as of June 30, measurement date is as follows:

Year	Rate	Year	Rate	Year	Rate
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%
2019	6.28%	2016	3.98%		

The long-term expected rate of return used as of June 30, measurement data is as follows:

Year	Rate	<u>Year</u>	Rate	Year	Rate
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%
2019	7.00%	2016	7.65%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

#### State Health Benefit Local Education Retired Employees Plan (OPEB)

#### **Changes in Benefit Terms**

None.

#### **Changes in Assumptions**

The discount rate used as of June 30, measurement date is as follows:

Year	Rate	Year	Rate
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%	2016	2.85%

#### **OTHER SUPPLEMENTARY INFORMATION**

#### **D. School Based Budget Schedules**

Not Applicable

E. Special Revenue Fund

	 Title I	Titl	le II Part A	Title	III Immigrant	Title IV	IDEA Part B- Basic	]	DEA Part B - Preschool
Revenues:									
Local Sources	\$ -	\$	-	\$	-	\$ -	\$ -	\$	-
State Sources	-		-		-	-	-		-
Federal Sources	 679,486		105,933		208	16,781	1,166,168		34,143
Total Revenues	\$ 679,486	\$	105,933	\$	208	\$ 16,781	\$ 1,166,168	\$	34,143
Expenditures:									
Instruction:									
Salaries	\$ 388,792	\$	50,000	\$	-	\$ -	\$ -	\$	-
Other Salaries for Instruction	-		-		-	-	-		-
Purchased Services	-		-		-	-	145,668		-
Other Purchased Services (400-500 Series)	-		-		-	-	-		-
General Supplies	31,727		-		-	2,567	35,311		-
Tuition	-		-		-	-	601,588		-
Other Objects	-		-		-	-	-		-
Total Instruction	 420,519		50,000		-	2,567	782,567		-
Support Services:									
Salaries	953		22,940		208	_	_		_
Personal Services - Employee Benefits	174,074		26,560		-	_	_		_
Purchased Services	66,590		6,000		_	9,733	370,155		34,143
Travel	4,054		433		_	4,481	5,683		54,145
Supplies and Materials	13,296				_	-,01	3,563		_
Scholarships Awarded	-		_			_	5,505		_
Student Activities			-		-	-	-		-
Other Objects	-		-		-	-	-		-
Total Support Services	 258,967		55,933		208	14,214	379,401		34,143
Facilities Acquisition & Construction Services:									
Buildings	-		-		-	-	-		-
Instructional Equipment	-		-		-	-	4,200		-
Noninstructional Equipment	 -		-		-	 -	-		-
Total Facilities Acquisition & Construction									
Services	 -		-		-	-	4,200		
Total Expenditures	\$ 679,486	\$	105,933	\$	208	\$ 16,781	\$ 1,166,168	\$	34,143
Excess (Deficiency) of Revenues Over (Under) Expenditures	 -		-		-	-			-
Fund Balance, July 1	 -		-		-	-	-		-
Fund Balance, June 30	\$ -	\$	-	\$	-	\$ -	\$ -	\$	

		IDEA Part - Basic		ARP - IDEA - Preschool		RES Emergency Relief Grant	Non	-Public Digital Divide		ACSERS
Revenues:	¢		¢		¢		¢		<i>•</i>	
Local Sources	\$	-	\$	-	\$	-	\$	-	\$	-
State Sources		-		-		-		-		-
Federal Sources		38,968		15,558		1,198		313		149,906
Total Revenues	\$	38,968	\$	15,558	\$	1,198	\$	313	\$	149,906
Expenditures:										
Instruction:										
Salaries	\$	34,446	\$	-	\$	-	\$	-	\$	6,242
Other Salaries for Instruction		-		-		-		-		49,258
Purchased Services		-		15,558		1,198		-		-
Other Purchased Services (400-500 Series)		-		-		-		-		-
General Supplies		2,500		-		-		313		-
Tuition		-		-		-		-		94,406
Other Objects		-		-		-		-		-
Total Instruction		36,946		15,558		1,198		313		149,906
Support Services:										
Salaries		-		-		-		-		-
Personal Services - Employee Benefits		-		-		-		-		-
Prof. and Tech. Services		-		-		-		-		-
Travel		2,022		-		-		-		-
Supplies and Materials		-		-		-		-		-
Scholarships Awarded		-		-		-		-		-
Student Activities		-		-		-		-		-
Other Objects		-		-		-		-		-
Total Support Services		2,022		_		_		_		
Facilities Acquisition & Construction Services:										
Buildings		-		-		-		-		-
Instructional Equipment		-		-		-		-		-
Noninstructional Equipment		-		-		-		-		-
Total Facilities Acquisition & Construction Services		-		-		-		-		
Total Expenditures	\$	38,968	\$	15,558	\$	1,198	\$	313	\$	149,906
Excess (Deficiency) of Revenues Over (Under) Expenditures		-		-		-		-		-
Fund Balance, July 1	. <u> </u>	-		-		-		-		-
Fund Balance, June 30	\$	-	\$	-	\$	-	\$	-	\$	-
	-		*		*		*		*	

	CRRSA - ESSER II			CRRSA - Learning Acceleration	Cł	RRSA - Mental Health	AF	RP - ESSER III	А	ARP - Summer Learning	
Revenues:	¢		¢		¢		¢		¢		
Local Sources	\$	-	\$		\$	-	\$	-	\$	-	
State Sources Federal Sources		1,550,868		93,279		6,075		1,030,492		1,257	
rederal Sources	·	1,550,808		95,279		0,075		1,030,492		1,237	
Total Revenues	\$	1,550,868	\$	93,279	\$	6,075	\$	1,030,492	\$	1,257	
Expenditures:											
Instruction:											
Salaries	\$	155,416	\$	61,323	\$	-	\$	-	\$	-	
Other Salaries for Instruction		-		-		-		-		-	
Purchased Services		31,633		-		-		15,000		-	
Other Purchased Services (400-500 Series)		560		-		-		-		-	
General Supplies		33,982		-		-		231,779		1,257	
Tuition		-		-		-		-		-	
Other Objects		-		-		-		-		-	
Total Instruction		221,591		61,323		-		246,779		1,257	
Support Services:											
Salaries		26,327		31,956		6,075		30,749		-	
Personal Services - Employee Benefits		302,366		-		_		-		-	
Prof. and Tech. Services		5,880		-		-		-		-	
Travel		-		-		-		-		-	
Supplies and Materials		46,546		-		-		-		-	
Scholarships Awarded		-		-		-		-		-	
Student Activities		-		-		-		-		-	
Other Objects		-		-		-		-		-	
Total Support Services		381,119		31,956		6,075		30,749		_	
Estilition Association & Constantion Complete											
Facilities Acquisition & Construction Services:		579 172						752 064			
Buildings		578,173		-		-		752,964		-	
Instructional Equipment Noninstructional Equipment		330,985 39,000		-		-		-		-	
Noninstructional Equipment		39,000		-		-		-			
Total Facilities Acquisition & Construction											
Services		948,158		-		-		752,964		-	
		,									
Total Expenditures	\$	1,550,868	\$	93,279	\$	6,075	\$	1,030,492	\$	1,257	
Excess (Deficiency) of Revenues Over (Under) Expenditures		-				-		-			
Fund Balance, July 1		-		-				-		-	
Fund Balance, June 30	\$	-	\$	-	\$	-	\$	-	\$	-	

		- Beyond chool Day	Nonj	public Textbooks	Non	public Nursing		Nonpublic Technology	Nonj	public Security
Revenues:	¢		¢		¢		¢		¢	
Local Sources State Sources	\$	-	\$	- 572	\$	-	\$	-	\$	- 300
Federal Sources		24,898		- 372		1,102		318		
rederal Sources		24,898		-		-		-		-
Total Revenues	\$	24,898	\$	572	\$	1,102	\$	318	\$	300
Expenditures:										
Instruction:										
Salaries	\$	24,898	\$	-	\$	-	\$	-	\$	-
Other Salaries for Instruction		-		-		-		-		-
Purchased Services		-		-		-		-		-
Other Purchased Services (400-500 Series)		-		-		-		-		-
General Supplies		-		572		1,102		318		300
Tuition		-		-		-		-		-
Other Objects		-		-		-		-		-
Total Instruction		24,898		572		1,102		318		300
Support Services:										
Salaries		-		-		-		-		-
Personal Services - Employee Benefits		-		-		-		-		-
Prof. and Tech. Services		-		-		-		-		-
Travel		-		-		-		-		-
Supplies and Materials		-		-		-		-		-
Scholarships Awarded		-		-		-		-		-
Student Activities		-		-		-		-		-
Other Objects		-		-		-		-		-
Total Support Services		-		-		-		-		-
Facilities Acquisition & Construction Services:										
Buildings		-		_		-		-		-
Instructional Equipment		-		-		-		-		-
Noninstructional Equipment		-		-		-		-		-
Total Facilities Acquisition & Construction										
Services		-		-		-		-		-
Total Expenditures	\$	24,898	\$	572	\$	1,102	\$	318	\$	300
Excess (Deficiency) of Revenues Over (Under) Expenditures		-		-		_		_		_
Fund Balance, July 1		-		-		-		-		-
Fund Balance, June 30	\$	-	\$	-	\$	-	\$	-	\$	-

	Needs	Emergent and Capital ntenance	Othe	er Local Grants	Stu	ident Activities	Scholarships	Totals
Revenues:								
Local Sources	\$	-	\$	92,358	\$	242,224	\$ 16,766	\$ 351,348
State Sources		95,663		-		-	-	97,955
Federal Sources		-		-		-	-	4,915,531
Total Revenues	\$	95,663	\$	92,358	\$	242,224	\$ 16,766	\$ 5,364,834
Expenditures:								
Instruction:								
Salaries	\$	-	\$	13,478	\$	-	\$ -	\$ 734,595
Other Salaries for Instruction		-		-		-	-	49,258
Purchased Services		-		-		-	-	209,057
Other Purchased Services (400-500 Series)		-		-		-	-	560
General Supplies		-		27,623		-	-	369,351
Tuition		-		-		-	-	695,994
Other Objects		-		6,253		-	-	6,253
Total Instruction		-		47,354		-	_	2,065,068
Support Services:								
Salaries		-		-		-	-	119,208
Personal Services - Employee Benefits		-		-		-	-	503,000
Prof. and Tech. Services		-		-		-	-	492,501
Travel		-		-		-	-	16,673
Supplies and Materials		-		41,687		-	-	105,092
Scholarships Awarded		-		-		-	19,300	19,300
Student Activities		-		-		241,178	-	241,178
Other Objects		-		938		-	-	938
Total Support Services		-		42,625		241,178	19,300	1,497,890
Facilities Acquisition & Construction Services:								
Building		95,663		-		-	-	1,426,800
Instructional Equipment		-		2,379		-	-	337,564
Noninstructional Equipment		-		-		-	-	39,000
Total Facilities Acquisition & Construction								
Services		95,663		2,379		-	 -	1,803,364
Total Expenditures		95,663		92,358		241,178	19,300	5,366,322
Excess (Deficiency) of Revenues Over (Under) Expenditures		-		-		1,046	(2,534)	(1,488)
Fund Balance, July 1		-		-		213,505	18,723	-
Fund Balance, June 30	\$	-	\$	-	\$	214,551	\$ 16,189	\$ (1,488)

#### F. Capital Projects Fund

Not Applicable

#### H. Fiduciary Fund

Not Applicable

I. Long-Term Debt

Ξ
EXHIBIT

### LACEY TOWNSHIP SCHOOL DISTRICT LONG-TERM DEBT SCHEDULE OF SERIAL BONDS PAYABLE YEAR ENDED JUNE 30, 2022

		AMOUNT				BALANCE	NCE		B	BALANCE
	DATE OF	OF	ANNUAL M	ANNUAL MATURITIES	INTEREST	JUNE 30,	30,			<b>JUNE 30,</b>
ISSUE	ISSUE	ISSUE	DATE	AMOUNT	RATE	2021	21	RETIRED		2022
Refunding School Bonds Series 2016A	9/8/2016	9/8/2016 \$ 11,595,000	1/15/2023	1,325,000	4.000%	\$ ,9	9,205,000 \$	\$ 1,265,000	\$ 0	7,940,000
)			1/15/2024	1,385,000	4.000%					
			1/15/2025	1,440,000	4.000%					
			1/15/2026	660,000	4.000%					
			1/15/2027	660,000	4.000%					
			1/15/2028	760,000	4.000%					
			1/15/2029	855,000	4.000%					
			1/15/2030	855,000	4.000%					
14										
Refunding School Bonds Series 2016	1/13/16	16.090.000	4/1/2023	1.625.000	5.000%	7.	7.740.000	1.630.000	0	6,110,000
)		~	4/1/2024	1,515,000	5.000%	~		~		~
			4/1/2025	1,505,000	5.000%					
			4/1/2026	1,465,000	5.000%					
					Total	\$ 16,	16,945,000 \$	\$ 2,895,000 \$	0 \$	14,050,000

## LACEY TOWNSHIP SCHOOL DISTRICT LONG-TERM DEBT SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES YEAR ENDED JUNE 30, 2022

	AMOUNT OF		AR OUTS	AMOUNT			A DUT	AMOUNT
ITEM	ORIGINAL ISSUANCE	INTEREST RATE	lſ	JUNE 30, 2021	RE	RETIRED		JUNE 30, 2022
School Buses	242,300	2.300%	S	49,717	Ś	49,717	Ś	ı
School Buses	430,000	3.125%		181,480		92,136		89,344
School Buses	350,000	3.500%		219,354		75,647		143,707
School Buses	376,000	2.017%		225,540		73,684		151,856
School Buses	316,000	1.337%		317,256		65,148		252,108
			ŧ		÷		÷	
			\$	993,347 \$	\$	356,332 \$	\$	637,015

	DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2022	DEBT SERVICE FUND STARY COMPARISON SCHE YEAR ENDED JUNE 30, 2022	DULE		
		JUNE 30, 2022	0, 2022		VARIANCE
	<b>ORIGINAL</b> BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Revenues: Local Sources: Local Tax Levy	\$ 3,094,913	•	13	\$ 3,094,913	·
State Sources: Debt Service Aid Type II	555,287	ı	555,287	555,287	ı
Total Revenues	3,650,200	1	3,650,200	3,650,200	
Expenditures: Regular Debt Service: Interest Redemption of Principal	755,200 2,895,000		755,200 2,895,000	755,200 2,895,000	
Total Regular Debt Service	3,650,200		3,650,200	3,650,200	
Total Expenditures	3,650,200	ı	3,650,200	3,650,200	ı
Fund Balance, July 1,	ı			,	,
Fund Balance, June 30,	S		۰ ا	، ج	۰ ج

**EXHIBIT I-3** 

LACEY TOWNSHIP SCHOOL DISTRICT

#### STATISTICAL SECTION (Unaudited)

Third Section

#### **Financial Trends Information**

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

	2013	11,311,352	2,697,936 (4,128,614)	9,880,674	82,277 275,632	357,909	11,393,6292,697,936 $(3,852,982)$	10,238,583
	2014	11,059,256 \$	1,083,794 (4,855,733)	7,287,317 \$	82,673 \$ 342,112	424,785 \$	11,141,929 \$ 1,083,794 (4,513,621)	7,712,102 \$
	2015	11,165,085 \$	1,789,230 (27,402,090)	(14,447,775) \$	73,961 \$ 269,771	343,732 \$	11,239,046 \$ 1,789,230 (27,132,319)	(14,104,043) \$
	2016	10,799,607 \$	1,760,939 (24,639,494)	(12,078,948) \$	70,051 \$ 267,422	337,473 \$	10,869,658 \$ 1,760,939 (24,372,072)	(11,741,475) \$
	NG JUNE 30, 2017	10,587,219 \$	3,225,375 (23,899,938)	(10,087,344) \$	74,091 \$ 390,292	464,383 \$	10,661,310 \$ 3,225,375 (23,509,646)	(9,622,961) \$
LACEY TOWNSHIP SCHOOL DISTRICT NET POSITION BY COMPONENT LAST TEN FISCAL YEARS UNAUDITED (Accrual Basis of Accounting)	FISCAL YEAR ENDING JUNE 30. 2018 2017	11,388,749 \$	4,588,472 (23,909,827)	(7,932,606) \$	66,211 \$ 347,293	413,504 \$	11,454,960 \$ 4,588,472 (23,562,534)	(7,519,102) \$
CEY TOWNSHIP SCHOOL DISTR NET POSITION BY COMPONENT LAST TEN FISCAL YEARS UNAUDITED (Accrual Basis of Accounting)	FIS 2019	13,253,081 \$	5,982,354 (25,718,174)	(6,482,739) \$	70,290 \$ 379,099	449,389 \$	13,323,371 \$ 5,982,354 (25,339,075)	(6,033,350) \$
LACE	2020	16,846,919 \$	7,566,293 (26,806,222)	(2,393,010) \$	68,681 \$ 258,719	327,400 \$	16,915,600 \$ 7,566,293 (26,547,503)	(2,065,610) \$
	2021	19,018,432 \$	9,643,340 (23,098,414)	5,563,358 \$	62,004 \$ 52,644	114,648 \$	19,080,436 \$ 9,643,340 (23,045,770)	5,678,006 \$
	2022	20,724,642 \$	10,685,353 $(17,714,034)$	13,695,961 \$	61,793 \$ 607,716	669,509 \$	20,786,435 \$ 10,685,352 (17,106,318)	14,365,469 \$
		÷		÷	Ś	Ś	\$	÷
	:	Governmental Activities: Net Investment in Capital Assets	Restricted Unrestricted (Deficit)	Total Governmental Activities Net Position	Business-Type Activities: Net Investment in Capital Assets Unrestricted (Deficit)	Total Business-Type Activities Net Position	District-Wide: Net Investment in Capital Assets Restricted Unrestricted (Deficit)	Total District Net Position

Source: ACFR Schedule A-1 \*For the year ended June 30, 2022, Net Position was reclassified due to GASB 87

			СНА	LACEY NGES IN NET POS L	LACEY TOWNSHIP SCHOOL DISTRICT NET POSITION - (ACCRUAL BASIS OF A LAST TEN FISCAL YEARS UNAUDITED	LACEY TOWNSHIP SCHOOL DISTRICT CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING) LAST TEN FISCAL YEARS UNAUDITED	(DUNTING)				
						FISCAL YEAR ENDING JUNE 30	NG JUNE 30,				
Expenses:		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities Instruction:											
Regular	\$	36,166,982 \$	38,194,017 \$	38,302,623 \$	43,687,406 \$	22,743,587 \$	21,889,525 \$	23,524,652 \$	24,485,567 \$	21,656,072 \$	22,199,001
Special Education Other Special Education				14,810,12/ -		/,214,208 1,624,222	/,145,800 1,562,297	1,131,3/4 1,510,517	0,020,475 1,480,905	0,5/8,508 1,490,344	0,320,828 1,420,127
Other Instruction		2,808,869	2,813,921	3,042,502	3,360,743	ı	ı	ı	ı	·	
Tuition		2,032,926	1,929,939	1,898,178	1,942,863					1,954,601	1,899,808
Attendance & Social Work Services		1		I.	1	205,333	197,948	222,909	251,700	1	
Health Services Student & Instruction Related Services		-10,129,816	- 9,610,108	- 8,744,770	- 9,125,741	612,928 $4,261,875$	538,336 $4,305,449$	602,206 $4,506,846$	600,624 $4,382,602$	- 6,648,193	- 6,360,879
Educational Media Services/School											
Library		349,474	354,916	408,439	410,340	372,546	420,637	433,462	424,491	ı	ı
Instructional Staff Training Other Administrative Services		28,153 1 511 104	22,773	31,510	43,835	59,886 4 513 758	37,607 4 204 058	61,567 4 760 350	56,423 4 376 188	- 1 012 210	-
Central Services		732.570	743.476	759.991	764.421	512.716	487,873	597.772	554.588	568.372	528.064
Administration Information Technology		- 					   				
Services		830,489	882,730	949,837	939,162	602,340	633,422				
School Administrative Services		1,920,796	2,029,092	2,015,366	2,025,583	1,282,793	1,624,392	1,546,351	1,240,863	1,478,501	1,451,965
Plant Operations & Maintenance		0,012,000 1 7 7 0 115	0,408,079	0,980,282 1 572 220	1,190,522	2 2 7 5 0 17	4,020,130 2 200 224	0,108,807,0	0,218,/40 2 000 701	0,113,044 7 038 007	2009,209 202,009 C
Unallocated Benefits				-		18.404.189	17.954.591	15.747.519	15.237.999	20.745.138	20.664.217
Interest & Other Charges		884,036	572,224	724,842	1,489,975	5,291,381	6,611,657	6,689,878	4,524,173	1,634,313	1,638,517
Unallocated Depreciation Total Community A activities										3,644,911	2,041,518
totat Ooventinentat Activates Expenses		86,064,505	85,237,102	84,950,006	92,523,574	76,219,954	75,539,912	75,831,200	73,434,120	76,262,914	74,018,045
Business-Type Activities:											
Food Service R.E.D. Program		1,303,806 -	873,603 -	1,029,530 3,643	1,193,160 250,080	1,415,767 217,771	1,260,465 254,055	1,363,573 287,548	1,442,100 334,606	1,477,126 219,506	1,471,681 179,941
Total Business-Type Activities Expense		1,303,806	873,603	1,033,173	1,443,240	1,633,538	1,514,520	1,651,121	1,776,706	1,696,632	1,651,622
Total District Expenses	s	87,368,311 \$	86,110,705 \$	85,983,179 \$	93,966,814 \$	77,853,492 \$	77,054,432 \$	77,482,321 \$	75,210,826 \$	77,959,546 \$	75,669,667
Program Revenues: Operating Grants & Contributions	S	15,842,543 \$	17,553,793 \$	15,168,108 \$	20,585,584 \$	4,650,233 \$	4,581,484 \$	4,671,054 \$	2,966,345 \$	7,444,337 \$	8,835,923
Total Governmental Activities Program Revenues		15,842,543	17,553,793	15,168,108	20,585,584	4,650,233	4,581,484	4,671,054	2,966,345	7,444,337	8,835,923
Business-Type Activities: Charose for Services:											
Food Service		86,210	13,125	437,725	701,118	745,450	768,833	737,288	755,941	806,999	821,382
R.E.D. Program Operating Grants & Contributions		- 1,772,457	- 647,726	- 473,459	225,184 552,823	248,428 588,781	253,190 619,407	275,787 631,787	271,807 667,905	243,076 713,433	211,497 652,149
Total Business Type Activities Program Revenues		1,858,667	660,851	911,184	1,479,125	1,582,659	1,641,430	1,644,862	1,695,653	1,763,508	1,685,028

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EX	

## LACEY TOWNSHIP SCHOOL DISTRICT CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING) LAST TEN FISCAL YEARS UNAUDITED

					LL.	FISCAL YEAK ENDING JUNE 30,	NG JUINE SU,				
Total District Program Revenues	S	<b>2022</b> 17,701,210 \$	<b>2021</b> 18,214,644 \$	<b>2020</b> 16,079,292 \$	<b>2019</b> 22,064,709 \$	<b>2018</b> 6,232,892 \$	<b>2017</b> 6,222,914 \$	<b>2016</b> 6,315,916 \$	<b>2015</b> 4,661,998 \$	<b>2014</b> 9,207,845 \$	<b>2013</b> 10,520,951
Net (Expense)/Revenue: Governmental Activities Business-Type Activities	\$	(70,221,962) \$ 554,861	(67,683,309) \$ (212,752)	(69,781,898) \$ (121,989)	(71,937,990) \$ 35,885	(71,569,721) \$ (50,879)	(70,958,428) \$ 126,910	(71,160,146) \$ (6,259)	(70,467,775) \$ (81,053)	(68,818,577) \$ 66,876	(65,182,122) 33,406
Total District-Wide Net Expense	÷	(69,667,101) \$	(67,896,061) \$	(69,903,887) \$	(71,902,105) \$	(71,620,600) \$	(70,831,518) \$	(71,166,405) \$	(70,548,828) \$	(68,751,701) \$	(65,148,716)
General Revenues & Other Changes in Net Position: Governmental Activities: Property Taxes Levied for General	et Position:										
Purposes, Net	\$	50,966,035 \$	49,672,584 \$	48,322,737 \$	47,375,232 \$	45,642,489 \$	44,747,538 \$	42,435,625 \$	41,393,480 \$	41,210,651 \$	40,090,630
Taxes Levied for Debt Service		3,094,913	3,181,367	3,232,542	3,214,591	3,172,854	3,383,058	3,675,013	3,776,467	2,919,047	1,103,479
Grants & Contributions		23,572,273	20,685,549	21,629,035	22,167,885	24,289,284	24,054,405	24,327,929	24,173,405	21,549,895	21,160,059
Transportation Charges		12,514	5,181	17,160	6,334						
Tuition Received		142,934	145,503	77,164	99,414					94,567	97,251
Miscellaneous Income		780,377	1,729,587	592,988	524,401	619,832	765,031	965,817	1,057,958	601,864	937,211
Total Governmental Activities		78,569,046	75,419,771	73,871,626	73,387,857	73,724,459	72,950,032	71,404,384	70,401,310	66,376,024	63,388,630
Total District-Wide	÷	78,569,046 \$	75,419,771 \$	73,871,626 \$	73,387,857 \$	73,724,459 \$	72,950,032 \$	71,404,384 \$	70,401,310 \$	66,376,024 \$	63,388,630
Clange in Net Position: Governmental Activities Business-Type Activities	↔	8,347,084 \$ 554,861	7,736,462 \$ (212,752)	4,089,729 \$ (121,989)	1,449,867 \$ 35,885	2,154,738 \$ (50,879)	1,991,604 \$ 126,910	244,238 \$ (6,259)	(66,465) \$ (81,053)	(2,442,553) \$ 66,876	(1,793,492) 33,406
Total District	<del>6</del> 9	8,901,945 \$	7.523.710 \$	3.967.740 \$	1.485.752 \$	2.103.859 \$	2.118.514 \$	237.979 \$	(147.518) \$	(2.375.677) \$	(1.760.086)

Source: ACFR Schedule A-2

J-3	
EXHIBIT	

## LACEY TOWNSHIP SCHOOL DISTRICT FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS UNAUDITED (Modified Accrual Basis of Accounting)

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund: Restricted	Ð	\$ 10.454.612	0 411 113 \$	\$ 20C 995 L	\$ 087 354	\$ PC2 222 P	2 225 701	<b>9</b>	2		1
Committed	Ð	φ →TO(FCF(OT	φ <i>C</i> II, IIT, <i>C</i>			ф нас,асс,н		130.985	30 778	748 305	045 747
Assigned		2 532 240	731 465		867 564	693 620	153 307	939.915	1 750 000	833 910	478 117
Unassigned		1.307.099	1.280.018	(263.956)		(128,795)	135,502				
Reserved		1			,			500,000	,		327,493
Unreserved		I	ı	I	ı	I	I	(873,395)	(1, 145, 262)	I	
Total General Fund	S	\$ 14,293,951 \$ 11,422,596 \$	11,422,596 \$	7,302,337 \$	6,844,918 \$	5,097,149 \$	3,114,690 \$	697,505 \$	643,966 \$	1,082,215 \$	1,751,357
All Other Governmental Funds:											
Restricted Debt Service Fund	S	-	-	' S	- S	56,148 \$	246,187 \$	190,039 \$	2 \$	2	2
Capital Projects Fund		ı	ı	ı	ı	ı	ı		ı	1,577	946,577
Scholarships		16,189	18,723	ı	ı	ı	·			I	
Student Activities		214.551	213.504								'
Reserved		<b>,</b> 1	, I					5,179,555	5,179,555		'
Total All Other Governmental											
Funds	¢.	3 0740 \$	230 740 \$ 232 727 \$	۶ ١	3	56 148 \$	246 187 \$	\$ 360 504 \$	5 170 557 C	1 570 \$	076 570

Source: ACFR Schedule B-1 \*For the year ended June 30, 2022, Net Position was reclassified due to GASB 87

			LACEY TOWNSHIP SCHOOL DISTRICT CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS UNAUDITED (Modified Accrual Basis of Accounting)	LACEY TOWNSHIP SCHOOL DISTRICT 5 IN FUND BALANCES - GOVERNMENT. LAST TEN FISCAL YEARS UNAUDITED (Modified Accrual Basis of Accounting)	, DISTRICT ERNMENTAL FUI ARS counting)	SQN				
	2022	2021	<u>2020</u>	2019	2018	2017	2016	2015	2014	2013
Kvenues Tax Levy Tuition Charges Interest Earnings Solar Renewable Energy Credits Miscellancous State Sources Federal Sources	<ul> <li>\$ 54,060,948</li> <li>142,934</li> <li>25,419</li> <li>89,423</li> <li>750,610</li> <li>37,273,166</li> <li>37,273,166</li> </ul>	S 52,853,951 145,503 25,419 185,461 1,679,275 32,584,109 32,584,109	<ul> <li>\$ 51,555,279</li> <li>\$ 77,164</li> <li>\$ 25,419</li> <li>\$ 325,85</li> <li>\$ 325,85</li> <li>\$ 31,484,949</li> <li>\$ 1,844,945</li> </ul>	50,589,823 \$ 99,414 24,449 364,257 255,694 31,606,933 1,868,626	48,815,343 S 112,175 12,189 658,812 (163,344) 27,020,733 1,918,784	48,130,596 \$ 31,372 4,949 251,302 477,408 26,853,695 1,782,194	46,110,638 \$ 60,875 3,842 3,842 449,764 451,336 27,071,687 1,927,296	45,169,947 S 167,414 3,091 605,033 282,420 25,357,006 1,782,744	44,129,698 \$ 94,567 5,081 341,547 394,519 27,277,246 1,716,986	41,194,109 97,251 11,875 689,549 235,787 28,235,179 1,760,803
Total Revenues	96,128,152	2 90,397,361	85,668,162	84,809,196	78,374,692	77,531,516	76,075,438	73,367,655	73,959,644	72,224,553
Expenditures Instruction: Regular Instruction Special Education Instruction Other Special Instruction Other Partinicion	21,469,296 8,543,466 1,143,137 1,143,137	6 21,072,605 6 7,572,344 7 1,099,423 9 1 557 511	20,984,327 7,159,468 957,639 1 666,853	21,068,779 6,328,372 948,608 1 620 759	20,576,854 7,137,735 1,611,477	19,613,799 7,065,546 1,548,910	21,350,848 7,054,651 1,497,730	21,892,026 6,558,936 1,465,649	21,656,072 6,378,308 1,490,344	22,199,001 6,320,828 1,420,127
Support Services: Tuition Attendance & Social Work Services	1,609,387 228,365		1,898,178 231,872	1,942,863 218,505	- 205,333	- 197,948	- 222,909	- 251,700	- 247,081	- 246,381
Health Services Student & Instruction Related Services	851,769 6,848,774	ġ	573,408 5,353,952	597,270 5,336,994	612,928 4,045,203	538,336 4,077,877	602,206 4,289,466	600,624 4,123,248	634,049 1,954,601	642,853 1,899,808
Educational Media Services School Library Instructional Staff Training Other Administrative Services Central Services	349,474 39,947 1,196,282 579,947	4 354,916 7 25,345 2 1,135,224 7 551,905	408,439 31,510 1,289,197 546,050	410,340 43,835 1,124,467 527,195	372,546 59,886 3,380,011 512,716	420,637 37,607 3,200,719 487,873	433,462 61,567 3,408,729 597,772	424,491 56,423 3,377,656 554,588	420,773 77,897 5,268,393 568,372	467,127 73,666 4,930,852 528,064
Admunstration information Technology Services School Administrative Services Plant Operations & Maintenance Pupil Transportation Unallocated Benefits	657,465 1,520,618 5,803,062 3,387,076 25,682,764	5 655,278 8 1,506,258 2 5,054,170 6 3,258,090 4 24,039,174	682,454 1,448,032 5,273,429 3,285,925 22,866,644	647,708 1,396,976 5,158,892 3,409,332 23,010,263	602,340 2,549,888 4,979,787 3,325,947 17,754,656	633,422 2,482,873 5,125,685 3,209,224 17,840,688	2,328,493 5,964,246 2,877,930 16,115,424	2,406,114 5,936,417 2,998,784 15,253,093	2,490,711 6,113,044 2,938,907 15,993,934	2,450,734 5,669,269 2,825,083 16,351,729
Business and Other Support Services: Other Capital Outlay Debt Service: Principal Interest & Other Charges	4,727,645 3,140,868 2,895,000 916,552	5         4,445,580           .8         1,774,879           .0         2,860,000           .2         1,035,152	4,200,720 2,777,145 2,790,000 1,135,502	4,326,458 1,438,031 2,755,000 1,236,927	4,650,233 298,994 2,745,000 1,160,738	4,581,484 177,544 2,670,000 1,148,011	4,671,054 377,053 2,810,000 1,168,322	2,966,345 668,787 2,755,000 1,517,600	3,976,693 810,774 2,795,000 1,619,550	4,043,444 1,352,167 3,330,000 1,698,137
Total Expenditures	93,258,284	.4 86,956,782	85,560,744	83,547,574	76,582,272	75,058,183	75,831,862	73,807,481	75,434,503	76,449,270
Other Financing Sources(Uses): Capital Leases (Non-budgeted) Proceeds of Refunding Bonds Proceeds from Bond Issuance Cancellation of Payable Transfers out Transfers Out		000,263 - - -	350,000 	430,000 - - -		- (11,595,000) 11,595,000 - 3	- (16,090,000) 16,090,000 -	- - - 1,577 (1,577)	- - (139,283) 945,000 (945,000)	- - 2,750,000 (2,750,000)
Total Other Financing Sources/(Uses)		692,000	350,000	430,000		3			(139,283)	
Net Change in Fund Balances	\$ 2,869,868	8 \$ 4,132,579 \$	\$ 457,419 \$	1,691,622 \$	1,792,420 \$	2,473,336 \$	243,576 \$	(439,826) \$	(1,614,142) \$	(4,224,717)
Debt Servece as a Percentage of Noncapital Expenditures	4.26%	% 4.69%	4.81%	5.02%	5.37%	5.36%	5.54%	6.14%	6.22%	7.04%

Source: ACFR Schedule B-2

## LACEY TOWNSHIP SCHOOL DISTRICT GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE LAST TEN FISCAL YEARS UNAUDITED (Modified Accrual Basis of Accounting)

		TOTAL	. \$ 772,872	1,485,483		630,149		275,968				81,082	\$ 6,490,283
		<b>MISCELLANEOUS</b>	\$ 598,014	1,200,928	567,935	499,952	580,399	264,129	584,569	775,861	326,352	81,082	\$ 5,479,221 \$
STUDENT	FINES/LOST	TEXTBOOKS	ı S	1,221	2,272	'	1,815	2,250	3,809	4,240			\$ 15,607 \$
	PRIOR YEAR	REFUNDS		113,904	22,784		38,717	6,383	36,372	14,834			13,465 \$ 232,994 \$
	USE OF PR	FACILITIES	•		1,920	ı	10,435	1,110	ı		ı	·	\$ 13,465 \$
		<b>TUITION</b>	\$ 142,934	145,503	77,164	99,414	112,175			ı	·	ı	,189 \$ 577,190 \$
	JOINT	<b>TRANSPORTATION</b>	\$ 12,514	5,181	17,160	6,334							41
		INTEREST	\$ 19,410	18,746	25,416	24,449	12,189	ı	ı	ı			30,407 \$ 100,210 \$
	SALE OF	EQUIPMENT	۰ ۲	ı	ı		1,500	2,096	22,279	4,532			\$ 30,407
FISCAL	<b>YEAR ENDING</b>	<b>JUNE 30,</b>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Total

#### **Revenue Capacity Information**

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

# LACEY TOWNSHIP SCHOOL DISTRICT ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY, LAST TEN FISCAL YEARS UNAUDITED

ACTUAL (COUNTY SQUALIZED) <u>VALUE</u>	3,981,007,600	3,974,786,747	3,974,786,747	3,889,046,701	3,795,191,832	3,785,195,332	3,850,550,781	3,782,292,706	3,915,633,894	3,957,650,065
Ŧ	\$									
TOTAL DIRECT SCHOOL TAX RATE (b)	1.38	1.37	1.35	1.32	1.31	1.28	1.27	1.22	1.07	1.03
NET VALUATION <u>TAXABLE</u>	3,981,007,600	3,911,694,893	3,911,694,893	3,898,380,413	3,854,017,305	3,817,574,505	3,798,130,500	3,782,955,199	4,240,385,967	4,272,878,737
-	\$									
PUBLIC UTILITIES (a)	۰ ۶							5,123,899	7,009,567	7,164,737
LESS: TAX EXEMPT PROPERTY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL ASSESSED <u>VALUE</u>	3,981,007,600	3,911,694,893	3,911,694,893	3,898,380,413	3,854,017,305	3,817,574,505	3,798,130,500	3,777,831,300	4,233,376,400	4,265,714,000
APARTMENT	\$ 4,759,000 \$	4,759,000	4,759,000	4,759,000	4,759,000	4,759,000	4,759,000	4,759,000	5,172,700	5,172,700
INDUSTRIAL	\$ 168,534,200	171,077,300	171,077,300	190,235,400	190,235,400	190,585,300	190,066,500	190,066,500	222,393,200	222,691,800
COMMERCIAL	317,759,000	319,303,343	319,303,343	312,325,663	315,846,455	319,895,555	320,674,300	319,523,800	336,213,100	337,470,300
OFARM	45,300	45,300	45,300	954,800	962,000	957,200	957,200	1,000,000	996,700	965,800
FARM <u>REG.</u>	3,473,500	3,473,500	3,473,500	4,031,600	4,031,600	4,049,800	4,242,300	4,202,300	3,893,800	4,662,100
RESIDENTIAL	3,414,325,000 \$	3,324,613,750	3,324,613,750	3,283,136,850	3,234,796,950	3,199,509,750	3,179,379,400	3,158,811,800	3,556,920,000	3,577,090,600
VACANT LAND	72,111,600 \$	88,422,700	88,422,700	102,937,100	103,385,900	97,817,900	98,051,800	99,467,900	107,786,900	117,660,700
ہe	\$									
FISCAL YEAR ENDED JUNE 30	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013

Source: Municipal Tax Assesor Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment a. Taxatle Val Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies b. Tax rates are per S100 c. Based on county abstract of ratables column 11 net valuation for county tax apportionment

## LACEY TOWNSHIP SCHOOL DISTRICT DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS UNAUDITED (Rate per \$100 of Assessed Value)

N TOTAL E(b) DIRECT - 1.382 - 1.369 - 1.369 - 1.379 - 1.279 - 1.279 - 1.279 - 1.279 - 1.279 - 1.267 - 1.267 - 1.267 - 1.333	SCH001	RECT	RATE		<b>OVERLAPPING RATES</b>	ES	TOTAL
DEBT SERVICE (b)         DIRECT         LACEV (c)         RATE           -         1.382 $0.458$ $0.000$ -         1.369 $0.444$ $0.000$ -         1.351 $0.3399$ $0.000$ - $1.351$ $0.3386$ $0.000$ - $1.351$ $0.3373$ $0.000$ - $1.313$ $0.373$ $0.000$ - $1.279$ $0.373$ $0.000$ - $1.279$ $0.3373$ $0.000$ - $1.267$ $0.3373$ $0.000$ - $1.267$ $0.3373$ $0.000$ - $1.267$ $0.3373$ $0.000$ - $1.267$ $0.3368$ $0.000$ - $1.267$ $0.3280$ $0.000$ - $0.338$ $0.000$ $0.000$		GENERAL ODI ICATION	I V LOL	TOWNSHIP	I VOLJA	NY AUG	DIRECT AND
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		DEBT SERVICE (b)	DIRECT	UF LACEY (c)	RATE	COUNTY (c)	TAX RATE
$\begin{array}{cccccccccccccccccccccccccccccccccccc$			1.382	0.458	0.000	0.423	2.263
0.399       0.000         0.386       0.000         0.373       0.000         0.357       0.000         0.348       0.000         0.348       0.000         0.308       0.000         0.252       0.000			1.369	0.444	0.000	0.412	2.225
0.386 0.000 0.373 0.000 0.357 0.000 0.348 0.000 0.308 0.000 0.280 0.000 0.252 0.000			1.351	0.399	0.000	0.404	2.154
$\begin{array}{cccccccccccccccccccccccccccccccccccc$			1.322	0.386	0.000	0.408	2.116
0.357 0.000 0.348 0.000 0.308 0.000 0.280 0.000 0.252 0.000			1.313	0.373	0.000	0.405	2.091
0.348 0.000 0.308 0.000 0.280 0.000 0.252 0.000			1.279	0.357	0.000	0.393	2.029
0.308 0.000 0.280 0.000 0.252 0.000			1.267	0.348	0.000	0.406	2.021
0.280 0.000 0.252 0.000			1.221	0.308	0.000	0.401	1.930
0.252 $0.000$			1.066	0.280	0.000	0.361	1.707
			1.033	0.252	0.000	0.349	1.634

Source: Municipal Tax Collector, Ocean County Board of Taxation

#### LACEY TOWNSHIP SCHOOL DISTRICT PRINCIPAL PROPERTY TAX PAYERS, CURRENT YEAR AND NINE YEARS AGO UNAUDITED

		2022	
			% OF TOTAL
	TAXABLE		DISTRICT NET
	ASSESSED		ASSESSED
Taxpayer	VALUE	RANK	VALUE
Oyster Creek Environmental Protection, LLC	\$ 111,486,700	1	2.850%
First Energy Service Co.	33,133,100	2	0.847%
Agree Forked River	29,553,000	3	0.756%
Piedmont Associates	20,656,100	4	0.528%
Wal-Mart R. E. Business Trust	16,500,000	5	0.422%
Forked River Residences LLC	8,521,500	6	0.218%
Giombetti, David M & Dawn M	7,029,600	7	0.180%
US Bank Trust	5,789,700	8	0.148%
WaWa, Inc.	5,071,500	9	0.130%
Cav-Burt LLC	 4,954,000	10	0.127%
Total	\$ 242,695,200		6.206%

		2013	
			% OF TOTAL
	TAXABLE		DISTRICT NET
	ASSESSED		ASSESSED
Taxpayer	VALUE	RANK	VALUE
Exelon Generation Co., LLC	\$ 145,444,700	1	3.400%
JCP&L	49,433,800	2	1.157%
PR Lacey LLC	35,890,600	3	0.840%
Wal-Mart R.E. Business Trust	21,926,300	4	0.513%
Piedmont Associates	21,200,000	5	0.496%
Toll Land XI, LP	18,889,000	6	0.442%
Forked River Residences, LLC	9,571,800	7	0.224%
NJ Bell/Verizon	8,114,151	8	0.190%
Forked River Power, LLC	7,554,000	9	0.177%
Taxpayer #1	 5,525,800	10	0.129%
Total	\$ 323,550,151		7.568%

Source: Municipal Tax Assessor

#### LACEY TOWNSHIP SCHOOL DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS UNAUDITED

FISCAL YEAR	TAXES LEVIED FOR	CO	DLLECTED WITH YEAR OF T	HIN THE FISCAL HE LEVY	COLLECTIONS IN
ENDED JUNE 30,	THE FISCAL YEAR		AMOUNT	PERCENTAGE OF LEVY	SUBSEQUENT YEARS
,					
2022	\$ 54,060,948	\$	54,060,948	100.00%	-
2021	52,853,950		52,853,950	100.00%	-
2020	51,555,279		51,555,279	100.00%	-
2019	50,589,823		50,589,823	100.00%	-
2018	48,815,343		48,815,343	100.00%	-
2017	48,130,596		48,130,596	100.00%	-
2016	46,110,638		46,110,638	100.00%	-
2015	45,169,947		45,169,947	100.00%	-
2014	44,129,698		44,129,698	100.00%	-
2013	41,194,109		38,353,214	93.10%	2,840,895

Source: Municipal Chief Financial Officer

#### **Debt Capacity Information**

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and it's debt capacity.

#### LACEY TOWNSHIP SCHOOL DISTRICT RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS UNAUDITED

FISCAL YEAR ENDED JUNE 30,	(	DVERNMENT GENERAL BLIGATION BONDS	CTIVITIES LEASE LIGATIONS	-	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
2022	\$	14,050,000	\$ 637,015	\$	14,687,015	0.20%	29,273
2021		16,945,000	993,347		17,938,347	0.17%	29,760
2020		19,805,000	699,802		20,504,802	0.14%	29,295
2019		22,595,000	709,061		23,304,061	0.12%	27,667
2018		25,350,000	568,983		25,918,983	0.11%	28,819
2017		28,095,000	256,977		28,351,977	0.10%	28,569
2016		31,190,000	363,811		31,553,811	0.09%	28,569
2015		35,680,000	111,672		35,791,672	0.08%	28,451
2014		38,435,000	51,180		38,486,180	0.07%	28,307
2013		41,230,000	150,929		41,380,929	0.07%	28,090

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements. a: See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and

population for the prior calendar year.

b:Includes Early Retirement Incentive Plan (ERIP) refunding

\*For the years ended June 30, 2022 & 2021, Lease Obligations were reclassified due to GASB 87.

#### LACEY TOWNSHIP SCHOOL DISTRICT RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS UNAUDITED

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	DED	UCTIONS	NET GENERAL BONDED DEBT JTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE (a) OF PROPERTY	
2022	\$ 14,050,000	\$	-	\$ 14,050,000	0.35%	29,273
2021	16,945,000		-	16,945,000	0.43%	29,760
2020	19,805,000		-	19,805,000	0.50%	29,295
2019	22,595,000		-	22,595,000	0.58%	27,667
2018	25,350,000		-	25,350,000	0.67%	28,819
2017	28,095,000		-	28,095,000	0.74%	28,569
2016	31,190,000		-	31,190,000	0.81%	28,569
2015	35,680,000			35,680,000	0.94%	28,451
2014	38,435,000		-	38,435,000	0.98%	28,307
2013	41,230,000		-	41,230,000	1.04%	28,090

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

a. Use Estimated County equalized value from J-6

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

#### LACEY TOWNSHIP SCHOOL DISTRICT RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT YEAR ENDED JUNE 30, 2022 UNAUDITED

GOVERNMENTAL UNIT	(	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	(	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes: Lacey Township	\$	\$ 16,071,100	100.0%	\$	16,071,100
Other Debt: County of Ocean - Township's Share (%) a		53,906,972	4.03%		2,172,451
Subtotal, Overlapping Debt Lacey Township School District Direct Debt			-		18,243,551 14,050,000
Total Direct & Overlapping Debt			=		32,293,551

Sources: Assessed value data used to estimate applicable percentages provided by the Ocean County Board of Taxation. Debt outstanding data provided by each governmental unit. a= Ocean County 2021 Budget

#### LACEY TOWNSHIP SCHOOL DISTRICT LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (Dollars in Thousands)

						FISCAL YEAR	~					
		2022	2021	2020	2019	2018		2017	2016	2015	2014	2013
Debt Limit	S	157,391,965 \$	157,391,965 \$ 156,290,269 \$ 155,521,23	155,521,235 \$	154,266,296 \$	153,158,144	s	153,410,015 \$	153,410,015 \$ 153,280,761 \$ 155,348,203 \$ 159,242,005 \$	155,348,203 \$	159,242,005 \$	163,706,273
Total Net Debt Applicable to Limit		14,050,000	16,945,000	19,805,000	22,595,000	25,350,000		28,095,000	31,190,000	35,680,000	38,435,000	41,230,000
Legal Debt Margin	s	143,341,965 \$	s 143,341,965 \$ 155,521,235 \$ 131,671,29	131,671,296 \$	127,808,144 \$	127,808,144 \$ 125,315,015 \$ 122,090,761 \$ 119,668,203 \$ 120,807,005 \$ 122,476,273	s	125,315,015 \$	122,090,761 \$	119,668,203 \$	120,807,005 \$	122,476,273
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		8.93%	10.84%	12.73%	14.65%	16.55%		18.31%	20.35%	22.97%	24.14%	25.19%
		Lega	Legal Debt Margin Calculation		Equalized Valuation Basis 2022 \$ 2021 2020	3,981,007,600 c 3,911,694,893 c 3,911,694,893 c						

Average Equalized Valuation of Taxable Property

Debt Limit (4% of Average Equalization Value) Net Bonded School Debt

157,391,965 a 14,050,000

Ś

143,341,965

\$

3,934,799,129

Ś

11,804,397,386

s

Legal Debt Margin

**Source:** a. Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury. Division of Taxation c. from Ocean County Abstract of ratables net valuation for county tax apportionment column 11

#### **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

#### LACEY TOWNSHIP SCHOOL DISTRICT DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS UNAUDITED

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2022	29,273	-	57,344	6.10%
2021	29,760	-	53,139	9.00%
2020	29,295	-	52,008	4.30%
2019	27,667	-	50,184	4.30%
2018	28,819	-	47,413	4.50%
2017	28,569	-	46,109	5.10%
2016	28,569	-	47,413	5.10%
2015	28,451	-	46,109	5.50%
2014	28,307	-	44,453	7.00%
2013	28,090	-	42,946	8.70%

#### Source:

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

b Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

0.00%

#### LACEY TOWNSHIP SCHOOL DISTRICT PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO UNAUDITED

2022

PERCENTAGE OF TOTAL EMPLOYEES RANK EMPLOYMENT

#### DATA NOT AVAILABLE

\_

Total

Total Employment - (Estimated)

Source: Municipal Tax Collector

Municipality didn't have the information available a time to publication of this report.

#### **Operating Information**

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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## **EXHIBIT J-16**

# LACEY TOWNSHIP SCHOOL DISTRICT FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS UNAUDITED

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular	249.2	247.0	249.7	259.0	260.0	254.0	276.0	283.0	283.0	283.0
Special Education	189.0	189.4	145.5	155.0	143.0	144.0	143.0	141.0	128.0	128.0
Other Special Instruction	6.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Support Services:										
Student & Instruction Related Services	74.1	73.0	74.9	71.0	71.0	72.0	82.0	80.0	82.0	82.0
General Administration	12.7	12.4	12.7	13.0	14.0	12.0	13.0	13.0	11.0	11.0
School Administrative Services	25.0	24.6	24.0	24.0	25.0	24.0	16.0	17.0	17.0	17.0
Central Services										
Plant Operations & Maintenance	88.9	85.5	88.5	100.0	112.0	114.0	124.0	122.0	113.0	113.0
Pupil Transportation	36.0	38.2	39.6	41.0	44.0	46.0	46.0	44.0	41.0	41.0
Total	680.9	674.1	638.9	667.0	673.0	670.0	704.0	704.0	679.0	679.0

Source: District Personnel Records

J-17	
EXHIBIT	

## LACEY TOWNSHIP SCHOOL DISTRICT OPERATING STATISTICS LAST TEN FISCAL YEARS UNAUDITED

FISCAL		OPERATING EXPENDITURES	CO	ST PER PI	COST PER PERCENTAGE	TEACHING		PUPIL/ TEACHER RATIO		AVERAGE DAILY ENROLLMENT	AVERAGE DAILY ATTENDANCE	% CHANGE IN AVERAGE DAILY	<b>STUDENT</b> <b>ATTENDANCE</b>
YEAR	ENROLLMENT	(a)	Р	PUPIL	CHANGE	STAFF (b)	ELEM	MIDDLE	HIGH	(ADE) (c)	(ADA) (c)	ENROLLMENT	PERCENTAGE
2022	3,957	Ś	Ś	21,616	8.19%	438	10	10	11	3,802	3,540		93.11%
2021	3,991			19,980	6.05%	419	11	13	12	3,772	3,567	•	94.57%
2020	4,000	79,921,503		19,980	6.05%	333	11	13	11	3,938	3,786	-0.51%	96.14%
2019	4,128			18,840	9.61%	349	11	13	11	3,958	3,706	•	93.63%
2018	4,113			17,189	2.53%	345	12	12	11	3,987	3,696	•	92.70%
2017	4,134	C		16,765	0.41%	346	12	12	11	4,013	3,741		93.22%
2016	4,281			16,696	11.86%	360	12	12	11	4,142	3,858		93.14%
2015	4,415	0		14,926	-2.99%	366	12	11	11	4,299	4,000		93.04%
2014	4,563			15,387	2.13%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	4,651			15,065	0.00%	N/A	N/A	N/A	N/A	4,524	4,201	-1.74%	92.86%

Sources: District records

Note: Enrollment based on June 30 Superintendent's Report.

a Operating expenditures equal total expenditures less debt service and capital outlay per schedule B -2 b Teaching staff includes only full-time equivalents of certificated staff. c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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### LACEY TOWNSHIP SCHOOL DISTRICT SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS UNAUDITED

2013	5,000 0 0	8,960 0 0	45,800 675 540	51,630 750 593	64,420 700 599	100,250 975 679	105,335 900 707	276,175 1,600 1,460	
2014	5,000 0 0	8,960 0 0	45,800 675 540	51,630 750 593	64,420 700 599	100,250 975 679	105,335 900 707	276,175 1,600 1,460	
2015	5,000 0 0	8,960 0 0	45,800 675 493	51,630 750 543	64,420 700 559	100,250 975 763	105,335 900 648	276,175 1,600 1,337	
2016	5,000 0 0	8,960 0 0	45,800 675 452	51,630 750 504	64,420 700 536	100,250 975 786	105,335 900 645	276,175 1,600 1,279	
2017	5,000 0 0	8,960 0 0	45,800 675 407	51,630 750 479	64,420 700 526	100,250 975 775	105,335 900 672	276,175 1,600 1,185	
2018	5,000 0 0	8,960 0 0	45,800 675 419	51,630 750 456	64,420 700 515	100,250 975 779	105,335 900 689	276,175 1,600 1,179	
2019	5,000 0 0	8,960 0 0	45,800 675 395	51,630 750 488	64,420 700 502	100,250 975 772	105,335 900 676	276,175 1,600 1,189	
<u>2020</u>	5,000 0 0	8,960 0 0	45,800 675 418	51,630 750 504	64,420 700 496	100,250 975 733	105,335 900 672	276,175 1,600 1,177	
2021	5,000 0 0	8,960 0 0	45,800 675 418	51,630 750 504	64,420 700 496	100,250 975 733	105,335 900 672	288,500 1,600 1,177	
2022	5,000 0 0	8,960 0 0	45,800 675 461	51,630 750 453	64,420 700 443	100,250 975 665	105,335 900 620	288,500 1,600 1,237	
DISTRICT BUILDINGS Elementary Schools: Board Office (1980).	Square Feet Capacity Enrollment	Grounds Department (1995): Square Feet Capacity Enrollment Forbed Bitzer Plannatory (1950).	Square Feet Capacity (1969): Enrollment (a) Lanoka Harbor Elementary (1969):	Square Feet Capacity Enrollment Cedar Creek Flementary (1990).	Square Feet Capacity Enrollment Mill David Flamentary (1980).	square Feet Capacity Enrollment	Middle School: Lacey Twp Middle School (2000): Square Feet Capacity Enrollment	High School: Lacey Township High School (1981): Square Feet Capacity Enrollment	Number of Schools at June 30, 2022: Elementary = 4 Middle School = 1 High School = 1 Other = 2

Source: District Facilities Office, District Records

EXHIBIT J-19

## LACEY TOWNSHIP SCHOOL DISTRICT C GENERAL FUND SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES LAST TEN FISCAL YEARS UNAUDITED

2013	33 \$ 604,141	37 231,075			49 209,615		06 \$ 1,818,911
2014	500,583	323,937	388,38	272,05	285,149	296,2(	2,066,306 \$
2015	464,905 \$	310,394	352,461	241,171	266,732	267,586	1,903,249 \$
<u>2016</u>	848,588 \$	311,487	297,451	189,969	154,219	136,706	1,938,420 \$
2017	244,228 \$	104,326	84,348	72,324	56,867	48,728	610,821 \$ 1
2018	252,925 \$	96,468	91,811	58,997	47,284	41,944	589,429 \$
<u>2019</u>	350,777 \$	133,789	127,330	81,822	65,577	58,172	817,467 \$
<u>2020</u>	336,671 \$	123,471	117,336	75,156	60,585	53,683	766,902 \$
2021	268,934 \$	98,629	93,728	60,035	48,396	42,882	612,604 \$
2022	419,115 \$	93,585	66,535	153,024	145,637	75,005	952,901 \$
	S						÷
PROJECT # (s)	N/A	N/A	N/A	N/A	N/A	N/A	
SCHOOL FACILITIES	High Schools: Lacey Township High School Middle Schools:	Lacey Township Middle School Elementary Schools:	Mill Pond Elementary	Cedar Creek Elementary	Lanoka Harbor Elementary	Forked River Elementary	Grand Total

#### LACEY TOWNSHIP SCHOOL DISTRICT INSURANCE SCHEDULE JUNE 30, 2022 UNAUDITED

	С	OVERAGE	DED	UCTIBLE
SCHOOL PACKAGE POLICY (1):				
Building and Contents (All Locations)	\$	182,262,259	\$	5,000
Equipment Breakdown		100,000,000		5,000
Computers - EDP Blanket		2,000,000		1,000
General Liability		31,000,000		-
General Automobile Liability				
Auto Physical Liability		31,000,000		-
Employee Benefit Liability		31,000,000		-
Crime - Employee Dishonesty		100,000		500
School Leaders Errors & Omissions		31,000,000		10,000
Workers's Compensation:				
Employers Liability		3,000,000		-
Excess Coverage		25,000,000		-
Terrorism		1,000,000		-
SURETY BONDS:				
School Business Administrator		360,000		-
ENVIRONMENTAL LIABILITY (3):				
Limit of Liability		1,000,000		25,000
STUDENT ACCIDENT INSURANCE (2):				
Accident Medical Benefit		5,000,000		25,000
Catastrophic Cash Benefit		1,000,000		25,000
Cyber Liability		2,000,000	V	arious
(1) New Jaron School Poarde Association Insurance Group				

(1) New Jersey School Boards Association Insurance Group

(2) Axis Global & Health

(3) Beazley Environmental

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#### SINGLE AUDIT SECTION

Fourth Section

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EXHIBIT K-1

#### INDEPENDENT AUDITOR'S 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*

Honorable President and Members of the Board of Education Lacey Township School District County of Ocean Lanoka Harbor, New Jersey 08734

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 Lacey Township School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 13, 2023.

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

In planning and performing our audit of the financial statements, we considered the Lacey Township School District's internal control over financial reporting (internal control) as a basis for designing 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lacey Township School District's internal control.

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

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

#### **Compliance and Other Matters**

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

#### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison Certified Public Accountant Public School Accountant, No. 897

Lakewood, New Jersey February 13, 2023



#### **EXHIBIT K-2**

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

Honorable President and Members of the Board of Education Lacey Township School District County of Ocean Lanoka Harbor, New Jersey 08734

#### Report on Compliance for Each Major Federal and State Program

#### **Opinion on Each Major Federal and State Program**

We have audited the Lacey Township School District's compliance with types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2022. The Lacey 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.

In our opinion, the Lacey 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 federal and state programs for the year ended June 30, 2022.

#### Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### **Responsibilities of Management for Compliance**

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

#### Auditor's Responsibilities for the Audit of Compliance

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

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

• Exercise professional judgment and maintain professional skepticism throughout the audit.

• Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

• Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

#### **Report on Internal Control Over Compliance**

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

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

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

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

Respectfully Submitted, HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison Certified Public Accountant Public School Accountant, No. 897

Lakewood, New Jersey February 13, 2023 This page intentionally left blank

					LACEY SCHEDULE OF E FOR THE FI	LACEY TOWNSHIP SCHOOL DISTRICT LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERALL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022	L DISTRICT FEDERAL AWARE 9 JUNE 30, 2022	2						EXHIBIT K.3 SCHEDULE A
FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT	C BALANCE (V JUNE 30, 2021	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BA UNEARNED REVENUE	BALANCE, JUNE 30, 2022 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
L.S. Department of Health and Human Services Passed Through New Jersey Department of Human Services: Medicald Chater Medicald Assistance Pergunt (SEMI) Foal Medicald Chaser	93.778	2005NJ5MAP	100-054-7540-211	47,102	7/1/21-6/30/22	s - s	~	47,102 \$ 47,102	(47,102) (47,102)		s .	~	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	
Total U.S. Department of Health and Human Services					. 1			47,102	(47,102)					
1.5. Department of Agriculture Passed Through New Josey Department of Agriculture: Child Nutrition Clusters Department School Breakfast Program School Breakfast Program	10.553 10.553	221NJ304N1099 211NJ304N1099	100-010-3350-028	329,454 241,428	7/1/21-6/30/22 7/1/20-6/30/21		(32,819) 32,819 -	332,600 - 332,600	(329,454) - (329,454)				(29,673) - (29,673)	
National School Lunch Program National School Lunch Program National Performance Based Lunch Energency Operational Cost Program - Schools Food Distribution Program (Noncard) A sistemice)	10.555 10.555 10.555 10.555	221NJ304N1099 211NJ304N1099 211NJ304N1099 211NJ304N1099 202121H170341 221NJ304N1099	100-010-3350-028 100-010-3350-028 100-010-3350-026 100-010-3350-112 Unavailable	1,264,789 309,505 6,172 33,870 108,470	7/1/21-6/30/22 7/1/20-6/30/21 7/1/20-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22	(33,149) (661) (661) - - (33,810)	(33,149) 33,149 - -	1,212,596 - 33,870 108,470 1,355,597	(1,264,789) - (33,870) (108,470) (1,407,129)				(85,342) - - - (85,342)	
Total Child Nutrition Cluster	012.01			901 2		(66,629)		1,688,197	(1,736,583)				(115,015)	r
P-ED I AUTHINSTAUVE COSIS GRAIT	640.01	1+60060777707	c11-0ccc-010-001	0,120	77/0C/0-17/1//	-		6,198	(6,11,0) (6,198) (1,07,011)				-	
Lies Co. Dependent on specimite <u>1.6.8 Dependent of Education</u> <u>Passed Through New Jersey Depantent of Education: Education Stabilization To Stabilization School Energency Relief (2018AA - ISSER II CORRAA - ISSER II CORRAA - Issening Acceleration ARP - Simmer Learning ARP - Simmer Learning ARP - Summer Learning ARP - Summer Learning ARP - Summer Learning</u>	84,425D 84,425D 84,425D 84,425D 84,425U 84,425U 84,425U	\$425D200027 \$425D200027 \$425D210027 \$425D210027 \$425U210027 \$425U210027 \$425U210027	100-034-5120-513 100-037-5120-513 100-037-5120-518 100-037-5120-518 100-037-5120-518 Unawaliable Unawaliable	522,987 5,139,835 137,324 40,000 40,000	3/13/20-9/30/22 3/13/20-9/30/22 3/13/20-9/30/23 3/13/20-9/30/23 3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24	(92,947) 		88,116 88,116 807,892 90,282 6075 -	(1,1,9%) (1,1,9%) (1,1,5%) (1,2%0,8%) (1,2%0,8%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,2%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,1,9%) (1,2%) (1,				(11.501) (6.02) (7.297) (2.297) (1.297) (1.257	
Every Student Succeeds Act (ESSA) Title 1 - Part A Title 1 - Part A	84.010 84.010	S010A210030 S010A200030	100-034-5064-194 100-034-5064-194	585,601 652,842	7/1/21-9/30/22 7/1/20-9/30/21	- (115,314) (115,314)	(115,314) 115,314	517,292 - 517,292	(679,486)				(277,508) - (277,508)	
Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction Title III - Faction Januara Aconsistion	84.367A 84.367A 84.367A	S367A210029 S367A200029 S365A210030	100-034-5063-290 100-034-5063-290 100-034-5064-187	106,428 123,225 208	7/1/21-9/30/22 7/1/20-9/30/22 7/1/21-9/30/22	- (28,865) (28,865)	(28,865) 28,865 -	88,465 - 88,465	(105,933) - (105,933)				(46,333) - (46,333)	
tuv tu - ulgang vaquanuu Tide IV - Part A Tide IV - Part A	84.424 84.424	S424A210031 S424A210031 S424A200031		47,653 48,035	7/1/21-9/30/22	- (39,450) (39,450)	- (39,450) 39,450	- 49,145 - 49,145	(208) (208) (16,781) - (16,781)		- 1,835 - 1,835		(208) (208) (5,251) (5,251) (5,251)	
Special Education Cluster: LD.E.A. Part B LD.E.A. Part B ARP -LD.E.A. Part B	84.027A 84.027A 84.027X	H027A210100 H027A200100 H027X210100	100-034-5065-016 100-034-5065-016 100-034-5065-094	1,003,274 1,017,223 182,744	7/1/21-9/30/22 7/1/20-9/30/21 7/1/21-9/30/22	(97,712) (97,712)	(97,712) 97,712 -	1,031,663 - 1,031,663	(1,166,168) - (38,968) (1,205,136)		5,187 - 5,187		(227,030) - (38,968) (265,998)	
LD E.A. Preschool ARP - LD E.A. Preschool	84.173 84.173X	H173A210114 H173X210114	100-034-5065-020 100-034-5065-020	34,143 15,558	7/1/21-9/30/22			34,143 - 34,143	(34,143) (15,558) (49,701)				- (15,558) (15,558)	
Total Special Education Cluster Total U.S. Department of Education						(97,712) (374,288)		1,065,806 2,713,073	(1,254,837) (4,765,312)		5,187 7,022		(281,556) (2,419,505)	
U.S. Department of Treasury Passed Through New Jersey Department of Treasury: Bridging the Digital Divide	21.019	SLT0007	100-034-5120-516	346,456	3/13/20-9/30/23				(313) (313)		1,703	1,390		
COVID ARP State and Local Fiscal Recovery Fund DOE Special Education Services	21.027	SLRFDOEISES	Unavailable	149,906	7/1/21-6/30/22			74,953 74,953	(149,906) (149,906)				(74,953) (74,953)	
Total U.S. Department of Treasury Total Expenditures of Federal Awards					. 11	- S (440,917) S		74,953 4,529,523 \$	(150,219) (6,705,414) 5		1,703 \$ 8,725	1,390 S 1,390 5	(74,953) \$ (2,609,473) \$	

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

Thrush fragments         Thrush fragments<														
10         713-4002         2	STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT <u>NUMBER</u>	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2021		BUDGETARY EXPENDITURES		ADJUSTMENT	BA UNEARNED REVENUE	LANCE, JUNE 30, 2 (ACCOUNTS <u>RECEIVABLE)</u>	2022 DUE TO GRANTOR	M BUDGETARY RECEIVABLE	EMO CUMULATIVE TOTAL EXPENDITURES
0.00000000000000000000000000000000000	New Jersey Department of Education: General Fund: State Aid Public:							e	e	÷	e	Ę		
03         1312.000         1	Special Education Categorical Aid Security Aid Equalization Aid		_	7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22		2,504,516 483,794 14,474,616	0	ччч ж		× · · ·		 æ	1	-
111102         201013<	Stabilization Aid Education Rescue Grant	Not Available Not Available	1,322,429 1,316,000	7/1/21-6/30/22 7/1/21-6/30/22		1,322,429 1,316,000	(1,322,429) (1,316,000)							1,322,429 1,316,000
101         101 <td>Total State Aid Public</td> <td></td> <td></td> <td></td> <td></td> <td>20,101,355</td> <td>(20,101,355)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1,711,822</td> <td>20,101,355</td>	Total State Aid Public					20,101,355	(20,101,355)						1,711,822	20,101,355
11         11<	Transportation Aid	495-034-5120-014 495-034-5120-014	228,519 680 874	7/1/21-6/30/22		228,519	(228,519)				- (680,874)		22,401	228,519
000000000000000000000000000000000000	Extraordinary And Extraordinary Aid	495-034-5120-044	750,611	7/1/20-6/30/21	(750,611)	750,611	- -							
11         7721-6902         (106,800)         5         7         5         (106,32)         5 <td>Additional Non-Public Transportation Aid Additional Non-Public Transportation Aid</td> <td>495-034-5120-014 495-034-5120-014</td> <td>21,620 18,716</td> <td>7/1/20-6/30/22</td> <td>- (18,716)</td> <td>- 18,716</td> <td>-</td> <td></td> <td></td> <td></td> <td>(21,620)</td> <td></td> <td></td> <td>21,62(</td>	Additional Non-Public Transportation Aid Additional Non-Public Transportation Aid	495-034-5120-014 495-034-5120-014	21,620 18,716	7/1/20-6/30/22	- (18,716)	- 18,716	-				(21,620)			21,62(
21       7/124.6002       (10,136)       (10,136)       (10,132)       (10,821,422)       (10,921,422)	Securing Our Children's Future Bond Act (Alyssa's Law) Reimbursed TPAF Social Security Contributions		223,434 2,196,161	7/1/20-6/30/21 7/1/21-6/30/22	(106,800) -	2,088,192	- (2,196,161)		37		(106,800) (107,932)			- 2,196,161
1011-09022         2.253.31         (2.253.31)         (2.53.31)         <	Reimbursed TPAF Social Security Contributions TPAF - Post Retirement	495-034-5094-003	2,077,921	7/1/20-6/30/21	(103,128)	103,128				,		'		
21         7101-6002         -         0.081,422         (0.821,42)         (0.821,42)         (0.821,42)         (0.821,42)         (0.821,42)         (0.821,42)         (0.821,42)         (0.821,42)         (0.81,42)         (0.81,42)         (0.81,42)         (0.81,42)         (0.81,42)         (0.81,42)         (0.81,43)         (0.81	Medical (Noncash Assistance) TPAF - Pension	495-034-5094-001	2,528,321	7/1/21-6/30/22		2,528,321	(2,528,321)				,			2,528,321
(10)         (11)         (10)         (11) <th< td=""><td>Contributions (Noncash Assistance) TPAF_1 ono-Term Dissibility</td><td>495-034-5094-002</td><td>10,821,422</td><td>7/1/21-6/30/22</td><td></td><td>10,821,422</td><td>(10,821,422)</td><td></td><td>,</td><td></td><td></td><td></td><td></td><td>10,821,422</td></th<>	Contributions (Noncash Assistance) TPAF_1 ono-Term Dissibility	495-034-5094-002	10,821,422	7/1/21-6/30/22		10,821,422	(10,821,422)		,					10,821,422
(07236)         36643427         (36,581,435)         37         (97226)         37         (1724,6702)         1734,229         (36,581,435)         1734,229         36,6           00         7121-60022         1 <td>ITAN - LONG-LEUII DIsaoutity Insurance (Noncash Assistance)</td> <td>495-034-5094-004</td> <td>3,163</td> <td>7/1/21-6/30/22</td> <td></td> <td>3,163</td> <td>(3,163)</td> <td></td> <td></td> <td></td> <td>1</td> <td></td> <td>1</td> <td>3,163</td>	ITAN - LONG-LEUII DIsaoutity Insurance (Noncash Assistance)	495-034-5094-004	3,163	7/1/21-6/30/22		3,163	(3,163)				1		1	3,163
00         7/121-63022         0         600         (572)         0	Total General Fund				(979,255)	36,643,427	(36,581,435)		37	1	(917,226)	'	1,734,223	36,581,435
00         71/12-63022         -         1         00         (1/2)         0         (1/0)         0 <th0< th="">         0         0         0</th0<>	Special Revenue Fund: Non-Public Aid-													
71/121-65002         -         -         -         -         -         -         100         -         -         100         -         -         100         -         -         100         -         -         100         -         -         100         - <td>Textbooks Nursing Services</td> <td>100-034-5120-064</td> <td>600</td> <td>7/1/21-6/30/22</td> <td></td> <td>600 1 1 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1</td> <td>(572)</td> <td></td> <td></td> <td></td> <td></td> <td>28 18</td> <td></td> <td>572</td>	Textbooks Nursing Services	100-034-5120-064	600	7/1/21-6/30/22		600 1 1 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1	(572)					28 18		572
50         7/121-63022         -         1,350         (9366)         -         -         1,460         -           -         9566         (9566)         (9566)         -         -         -         1,460         -           -         9553         (9795)         -         -         -         -         1,460         -           57         7/121-63023         -         555.287         (555.287)         -	Technology Initiative	100-034-5120-373	420	7/1/21-6/30/22		420	(318)					102		315
9533         (97955)         -         -         1596         -           1/121-63023         -         555,287         (535,287)         -	Security Aid SDA Emergent Needs and Capital Maintenance	100-034-5120-509 100-034-5120-519	1,750 95,663	7/1/21-6/30/22 7/1/21-6/30/22		1,750 95,663	(300) (95,663)					1,450		300 95,663
87       71/21-63022       -       555.287       (555.287)       -	Total Special Revenue Fund				,	99,553	(97,955)			,	,	1,598	,	97,955
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Debt Service Fund: Debt Service Aid	495-034-5120-075	555,287	7/1/21-6/30/22	1	555,287	(555,287)				,		,	555,287
71/21-63022         -         27,712         (29,676)         -	Total Debt Service Fund					555,287	(555,287)			,				555,287
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	New Jersey Department of Agriculture: Emerprise Fund: National School Lunch Program	100-010-3350-023	29,676	7/1/21-6/30/22	-	27,712	(29,676)			,	(1,964)			29,676
(4.188)         31.900         (29676)         -         -         (1.964)         - <td>INATODIAL SCHOOL DUILOI FLOREALI</td> <td>CZ0-0000-001</td> <td>10,100</td> <td>17/00/0-07/11/1</td> <td>(4)100)</td> <td>001'+</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	INATODIAL SCHOOL DUILOI FLOREALI	CZ0-0000-001	10,100	17/00/0-07/11/1	(4)100)	001'+								
s         (983,443)         s         (37,264,353)         s         s         37         s         s         (174,100)         s         1,734,223         s           221         7/1/21-63022         s         2,528,321         s         2,528,321         s         1,034,100)         s         1,734,223         s           222         7/1/21-63022         s         2,528,321         10,821,422         10,821	Total Enterprise Fund				(4,188)	31,900	(29,676)		1		(1,964)		1	29,676
21 7/1/21-6/30/22 \$ 422 7/1/21-6/30/22 163 7/1/21-6/30/22	Total State Financial Assistance				(983,443)	37,330,167		-				s	S	
istance) 495-034-5094-001 \$ 2,528,321 7/1/21-6/30/22 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	State Financial Assistance Programs not Subject to Calculation TDAF - Doct Boticonnect	n for Major Program Dete	stmination:											
istance) 495-034-5094-002 10,821,422 7/1/21-6/30/22 10,82 tcc) 495-034-5094-004 3,163 7/1/21-6/30/22	TTAL - FOSTIVE TOTATION Medical (Noncash Assistance) TDAF - Davision			7/1/21-6/30/22										
tee) 495-034-5094-004 3,163 7/1/21-6/30/22	Contribution Contributions (Noncash Assistance) ThAE Tore Tores Thisbuilt	495-034-5094-002	10,821,422	7/1/21-6/30/22			10,821,422							
	Insurance (Noncash Assistance)	495-034-5094-004	3,163	7/1/21-6/30/22		1	3,163							

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

# LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

#### LACEY TOWNSHIP SCHOOL DISTRICT NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 2022

#### Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Lacey Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

#### Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2022. 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, 2022.

#### LACEY TOWNSHIP SCHOOL DISTRICT NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 2022 (Continued)

#### Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$134,152 for the general fund and (\$1,292,441) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

Fund	Federal	<u>State</u>	<u>Total</u>
General Fund	\$ 47,102	\$ 36,715,587	\$ 36,762,689
Special Revenue Fund	3,738,550	2,292	3,740,842
Debt Service Fund	-	555,287	555,287
Food Service Fund	 1,742,781	29,676	1,772,457
Total Awards & Financial Assistance	\$ 5,528,433	\$ 37,302,842	\$ 42,831,275

#### 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. Federal and State Loans Outstanding

The Lacey Township School District had no loan balances outstanding at June 30, 2022.

#### LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2022

#### Section I - Summary of Auditor's Results

#### **Financial Statements**

Type of auditor's report issued		Unmo	odified	
Internal control over financial reporting:				
1) Material weakness(es) identified?		yes	Х	no
2) Significant deficiency(ies) identified?		yes	Х	none reported
Noncompliance material to financial statements noted?		yes	Х	no
Federal Awards				
Internal control over major programs:				
1) Material weakness(es) identified?		yes	Х	no
2) Significant deficiency(ies) identified?		yes	Х	none reported
compliance for major programs Any audit findings disclosed that are require section .516(a) of Uniform Guidance? Identification of major programs:	d to be reported in ac		odified ith X	no
			Na	me of Federal Program
<u>CFDA Number(s)</u>	FAIN Number(s)			<u>or Cluster</u>
	22121222421222	_		hild Nutrition Cluster:
10.553 10.555	221NJ304N1099 221NJ304N1099	_		hool Breakfast Program nal School Lunch Program
10.555	221NJ304N1099	-		ncy Operational Cost Program
		_		
84.425D	S425D210027	_		cation Stabilization Fund
84.425D 84.425U	S425D210027 S425U210027	-		cation Stabilization Fund
Dollar threshold used to determine Type A programs	\$			750,000
Auditee qualified as low-risk auditee?		yes	Х	no

#### LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2022

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

#### **State Financial Assistance**

\_\_\_\_\_

Dollar threshold used to determine Type A programs	\$	750,000
Auditee qualified as low-risk auditee?	yes	X no
Internal control over major programs:		
1) Material weakness(es) identified?	yes	X no
2) Significant deficiency(ies) identified?	yes	X none reported
Type of auditor's report issued on compliance for major programs	Un	modified
Any audit findings disclosed that are required to be re	ported in accordance with	n
New Jersey OMB's Circular 15-08?	yes	X no
Identification of major programs:		
State Grant/Project Number(s)	Name of	State Program
	State	Aid Public:
495-034-5120-089	Special Educat	tion Categorical Aid
495-034-5120-084	Sec	urity Aid
495-034-5120-078	Equal	ization Aid

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#### LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF FINDINGS & QUESTIONED COSTS YEAR ENDED JUNE 30, 2022

#### **Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

#### LACEY TOWNSHIP SCHOOL DISTRICT SCHEDULE OF FINDINGS & QUESTIONED COSTS YEAR ENDED JUNE 30, 2022

#### Section III - Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08.

#### FEDERAL AWARDS

None.

#### STATE FINANCIAL ASSISTANCE

None.

#### LACEY TOWNSHIP SCHOOL DISTRICT SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT YEAR ENDED JUNE 30, 2022

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance),* and New Jersey OMB's Circular 15-08.

#### **Financial Statement Findings**

#### Finding 2021-001

Condition:

The School District did not accrue and disclose updated information pertaining to other post-employment benefits for the year ended June 30, 2021.

Current Status:

This finding has been corrected.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.