

**SCHOOL DISTRICT
OF
LAWRENCE TOWNSHIP**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Township of Lawrence Board of Education

Cumberland, New Jersey

For the Fiscal Year Ended June 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

**Lawrence Township Board of Education
Cumberland, New Jersey**

For the Fiscal Year Ended June 30, 2022

Prepared by

Lawrence Township Board of Education

Finance Department

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE LAWRENCE TOWNSHIP SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION

Lawrence Township School District

225 MAIN STREET
CEDARVILLE, NJ 08311

Phone (856) 447-4409

FAX (856) 447-3446

Dr. Shelley Marie Magan x 5000

Chief School Administrator

Lisa M. DiNovi x 5690

Board Secretary/Business Administrator

February 15, 2023

Honorable President and
Members of the Board of Education
Lawrence Township School District
Cumberland County, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Lawrence Township School District for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). 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 of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive 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 auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." 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:

Lawrence Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on a basis of governmental, business-type and fiduciary funds, which are all included in this report. The Lawrence Township Board of Education and its one school constitute the District's reporting entity.

Lawrence Township School District provides a full range of educational services appropriate for grade levels Pre-K through Eighth grade. These include regular education, as well as special education for handicapped students. Our students in grades 9-12 are sent to Cumberland Regional High. The Lawrence Township School District completed the 2021-2022 fiscal year with an enrollment of 481 students, which was a increase of 1 student more than the prior year. The following shows changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-22	481	0.21%
2020-21	480	(5.13%)
2019-20	506	.10%
2018-19	460	(1.08%)
2017-18	465	(1.48%)
2016-17	472	(2.88%)

2. ECONOMIC CONDITION AND OUTLOOK:

Lawrence Township is a rural community encompassing 37.35 square miles in Cumberland County, New Jersey. It is bordered on the north by Fairfield Township, on the east by Millville, on the south by Downe Township and on the west by the Delaware Bay. Lawrence Township is primarily a farming community with few opportunities within its boundaries for industrial employment. The majority of the employed population works outside of the community in the neighboring cities of Bridgeton, Vineland and Millville.

3. MAJOR INITIATIVES:

The Board of Education believes in educating the whole child and within its limited financial resources, provides a comprehensive after-school student activities program. The Board of Education and Administration subscribe to a discipline code that takes into consideration the individual needs of the students as well as the student body in its entirety.

Professional development for the staff is encouraged and numerous opportunities are provided during the year for staff involvement in the most recent trends for successful schools.

It has been the philosophy of the Lawrence Township Board of Education that students attending the district should not only meet state standards but exceed them as often as possible. Recognizing that this task cannot be accomplished in one year, the Board has strived to implement a comprehensive Response to Intervention Program. Consequently, local standards are set at a level higher than state standards (particularly in the primary grades) which allows a greater number of students to participate in the RTI Program.

Emphasis is placed on those areas in which a child demonstrates a weakness, with the intent on having the student master all deficiencies as they progress through the elementary grades and be better prepared for the task of exceeding state standards, and for a successful future in High School.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data 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 awards and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR END:

As demonstrated by the various statements and schedules included in the financial statements section of the report, the District continues to meet its responsibility for sound financial management.

8. DEBT ADMINISTRATION:

As of June 30, 2022, the District has total Long-term Debt of \$2,434,596 made up of \$646,000 in Serial Bonds, Net Pension Liability of \$1,542,209, Right to Use Lease Liability of \$64,516 and \$181,871 in uncompensated absences. The amount available to authorize debt is \$6,178,862, as shown on Exhibit J-13.

9. CASH MANAGEMENT:

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 public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT:

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, and fidelity bonds.

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, PA. was appointed 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 Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report 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 report related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

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

Respectfully submitted,

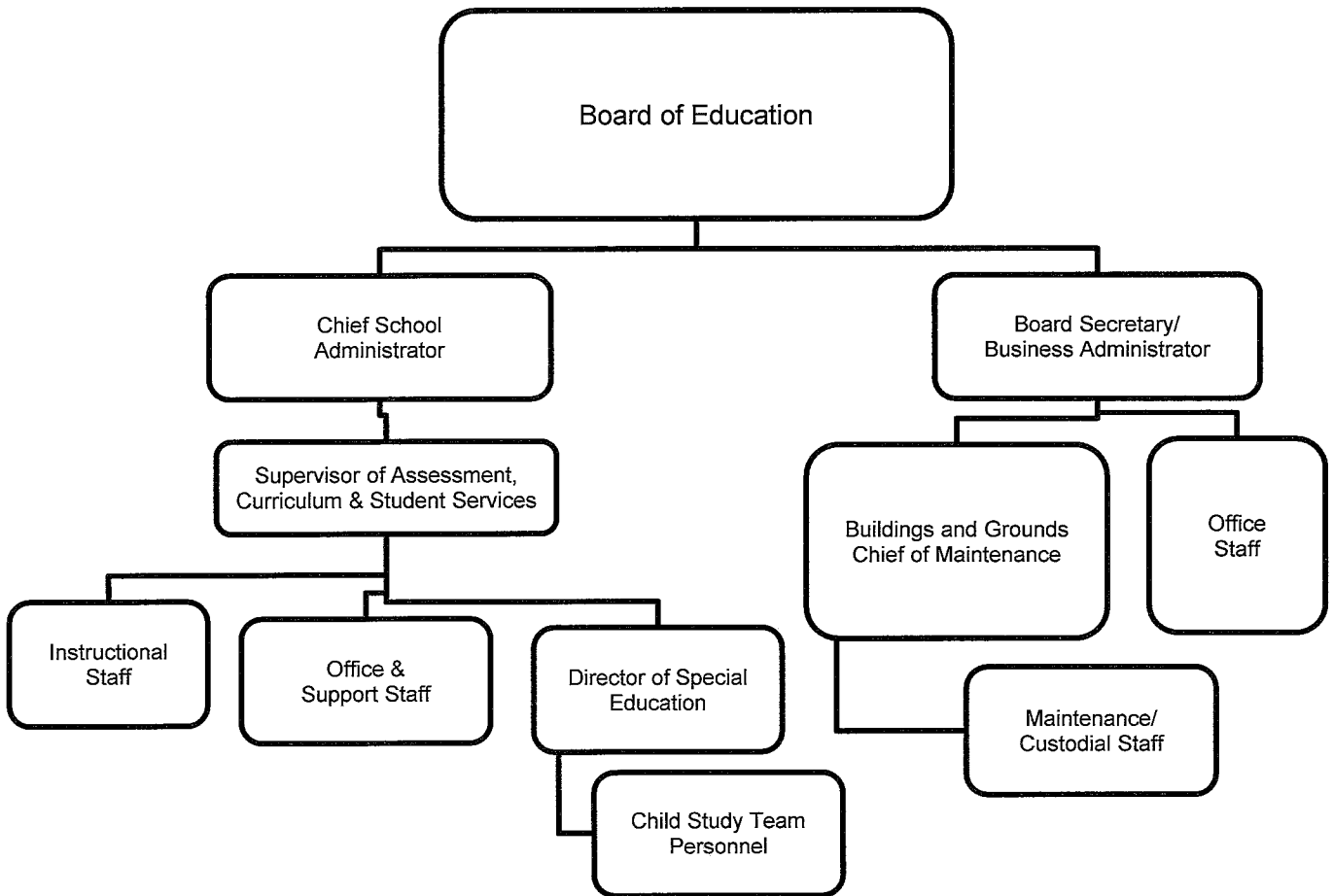
Dr. Shelleymarie Magan

Dr. Shelleymarie Magan
Chief School Administrator

Lisa M. DiNovi

Lisa M. DiNovi
Board Secretary / Business Administrator

Lawrence Township Board of Education Organizational Chart 2021-2022



LAWRENCE TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2022

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Edward J. Cox Jr., President	2023
Linda Miletta, Vice President	2022
Kristen Figueroa	2024
Cara Garrison	2024
Shannon McNiss	2023

<u>OTHER OFFICIALS</u>	<u>Bond Coverage</u>
Dr. Shelleymarie Magan - Chief School Administrator	
Lisa DiNovi, Board Secretary/Business Administrator	

LAWRENCE TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
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ARCHITECT

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Lawrence Township School District
County of Cumberland, New Jersey 08311

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 Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey'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 Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey, 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. 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 Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey'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 Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey'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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Lawrence Township School District in the County of Cumberland, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting financial statements 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, as required by the Office of School Finance, Department of Education, State of New Jersey. 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.

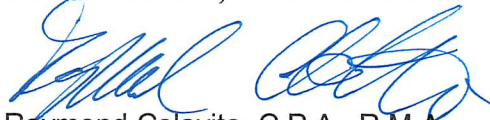
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 15, 2023 on our consideration of the Lawrence Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lawrence Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Lawrence Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

February 15, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Lawrence Township School District Management Discussion and Analysis (Unaudited)

This section of the Lawrence Township School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2022. Comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Annual Comprehensive Financial Report (ACFR)

The Annual Comprehensive Financial Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

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

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

Key financial highlights for 2022 are as follows:

- The assets of the Lawrence School District exceeded its liabilities at the close of the most recent fiscal year on June 30, 2022 by \$7,025,784.
- Total net position of governmental activities increased by \$356,480, excluding a fixed asset and a prior period adjustment, as well as a transfer to a charter school. This was comprised of changes in various assets and liabilities. The net position of Business-type Activities increased by \$96,764.
- As of the close of the current fiscal year, the Township of Lawrence School District's Governmental Funds reflected combined ending fund balances of \$2,726,206, which is a decrease of \$12,111 from the prior year.

- General revenues accounted for \$10,964,902, including the effects of the transfer to a charter school totaling \$19,764 and a prior year Right-to-Use Assets and Lease Liability Adjustment of \$6,278, which was 79.0% percent of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$2,914,326 or 20.9% percent to total revenues of \$13,879,228.
- The School District had \$13,425,984 in expenses, of which \$2,914,326 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) were adequate to provide for these programs, which include the Business-type Activities.
- The General Governmental Fund had \$11,030,677 in revenues, \$10,986,343 in expenditures and transferred to the Charter School \$19,764, along with \$26,038 in Preschool Inclusion in other net financing uses. The General Fund balance decreased by \$1,468 over 2021. This increase was anticipated by the Board of Education, although fund balance of \$678,339 was used to balance the budget, as shown on Exhibit C-1.

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

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, which represent the district-wide financial statements, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and After School Child Care enterprise funds are reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 23. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental fund statements explains the relationship (or differences) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Internal service funds:* (Also considered proprietary funds) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently does not have any internal service funds.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements, as these assets may not be used to finance the District's operations.

The School District as a Whole

Table 1 provides a comparative summary of the School District's net position for the years ended in 2022 and 2021.

	Governmental Activities		Business-Type Activities		Total School District	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	\$ 3,610,887	\$ 3,571,360	\$ 407,929	\$ 291,049	\$ 4,018,816	\$ 3,862,409
Capital Assets, Net	5,958,728	5,923,943	12,845	16,028	5,971,573	5,939,971
Total Assets	9,569,615	9,495,303	420,774	307,077	9,990,389	9,802,380
Deferred Outflow of Resources	799,964	937,148			799,964	937,148
Liabilities						
Current Liabilities	216,332	187,825	43,912	26,979	260,244	214,804
Non-Current Liabilities	2,496,363	3,040,278			2,496,363	3,040,278
Total Liabilities	2,712,695	3,228,103	43,912	26,979	2,756,607	3,255,082
Deferred Inflow of Resources	1,007,962	911,906			1,007,962	911,906
Net Position						
Invested in Capital Assets, Net of Debt	5,248,212	4,942,943	12,845	16,028	5,261,057	4,958,971
Restricted	2,927,252	2,965,876			2,927,252	2,965,876
Unrestricted (Deficit)	(1,526,542)	(1,616,377)	364,017	264,070	(1,162,525)	(1,352,307)
Total Net Position	\$ 6,648,922	\$ 6,292,442	\$ 376,862	\$ 280,098	\$ 7,025,784	\$ 6,572,540

Table 2 shows the changes in net position from fiscal year's 2022 and 2021.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2022	2021	2022	2021	2022	2021
Revenues						
Programs Revenues						
Charges for Services	\$ 481,482	\$ 527,378	\$ 71,776	\$ 64,526	\$ 553,258	\$ 591,904
Operating Grants	1,957,772	2,914,591	403,296	271,824	2,361,068	3,186,415
General Revenues						
Property Taxes	2,700,375	2,659,182			2,700,375	2,659,182
Grants and Entitlements	8,180,061	7,707,705			8,180,061	7,707,705
Other	104,208	113,775	22	69	104,230	113,844
Total Revenues	\$ 13,423,898	\$ 13,922,631	\$ 475,094	\$ 336,419	\$ 13,898,992	\$ 14,259,050
Program Expenses						
Instruction	4,720,812	4,617,413			4,720,812	4,617,413
Tuition	957,680	1,202,419			957,680	1,202,419
Pupil and Instructional Staff	953,647	967,331			953,647	967,331
General Administration, School Administration, Business						
Administration, Business	644,915	559,887			644,915	559,887
Operations and Maintenance of Facilities	554,822	422,545			554,822	422,545
Pupil Transportation	917,396	773,697			917,396	773,697
Employee Benefits	3,773,102	4,106,551			3,773,102	4,106,551
Interest on Debt	69,507	82,309			69,507	82,309
Internal Services	455,773	479,985			455,773	479,985
Food Service & After School Care			378,330	264,737	378,330	264,737
Total Expenses	\$ 13,047,654	\$ 13,212,137	\$ 378,330	\$ 264,737	\$ 13,425,984	\$ 13,476,874
Excess of Revenue over Expenditures	376,244	710,494	96,764	71,682	473,008	782,176
Less:						
Transfer to Charter school	(19,764)	(22,994)			(19,764)	(22,994)
Prior Period Adjustment		192,613				
Pension Adjustment						
Increase in Net Position	\$ 356,480	\$ 880,113	\$ 96,764	\$ 71,682	\$ 453,244	\$ 759,182

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's Property taxes made up 24.6% percent of the net revenues for governmental activities of \$10,964,880. Federal, state and local grants accounted for another 74.6% and other net revenues were .8%. The total cost of services, as shown below, was \$13,047,654. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$10,608,400. Instruction comprises 41% of these net District expenses.

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

Table 3

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Instruction	\$ 4,720,812	\$ 3,609,302	\$ 4,617,413	\$ 3,604,232
Tuition	957,680	957,680	1,202,419	1,202,419
Pupil and Instructional Staff	953,647	775,440	967,331	760,176
General Administration, School Administration, Business	644,915	644,915	559,887	559,887
Operation and Maintenance of Facilities	554,822	554,822	422,545	422,545
Pupil Transportation	917,396	917,396	773,697	773,697
Employee Benefits	3,773,102	3,098,237	4,106,551	2,412,296
Interest on Debt	69,507	69,507	82,309	82,309
Internal Service Fund	455,773	(18,899)	479,985	(47,393)
Total Expenses	<u>\$ 13,047,654</u>	<u>\$ 10,608,400</u>	<u>\$ 13,212,137</u>	<u>\$ 9,770,168</u>

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

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

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

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

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

Unallocated Depreciation reflects the cost of fixed assets spread over the estimated useful lives of the individual assets

Business-Type Activities

Revenues for the District's business-type activities (Food Service and After School Child Care Programs) were comprised of charges for services and federal and state reimbursements.

- Revenues exceeded Expenditures by \$96,742 in the Food Service Fund. There was also \$22 in interest earnings during the year.
- Charges for services represent \$71,776 in the Food Service Fund. This represents amount paid by patrons for daily food service activities.

- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$403,296.

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (i.e., General Fund, Special Revenue Fund and Capital Project Fund presented in the fund-based statements) had total revenues of \$12,978,949, expenditures of \$12,971,296 and other net financing uses of \$19,764, which was for a transfer to a charter school. The net change in fund balance for the year was \$12,111. This demonstrates that the District was able to meet current operating costs with no urgent need for additional funds other than \$678,339 in surplus appropriated to balance the 2021-2022 budget.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the Governmental Funds (excluding Capital Projects) for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 2,817,671	21.71%	\$ 44,714	1.61%
State Sources	9,297,086	71.63%	542,606	6.20%
Federal Sources	864,192	6.66%	200,489	30.21%
Total	\$ 12,978,949	100.00%	\$ 787,809	6.46%

The increase in Local sources is attributed to increases in the tax levy of \$41,193 and tuition of \$55,122, offset by decreases in miscellaneous revenues of \$50,253 and interest revenues of \$1,348.

The increase in State sources is attributed to increases in State Public School aid of \$583,616, offset by less Special Revenue Fund Grants of \$34,518 and debt service of \$6,492.

The above schedule includes the two last state aid payments for 2020-2021 of \$592,002 received in July 2021 and does not include the two last state aid payments for 2021-2022 received in July 2022 in the amount of \$605,011.

The increase in Federal sources is due to various increases in the Special Revenue Fund Grants. In addition, the 2022 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of General Fund and Special Revenue Fund Expenditures for the fiscal year ended June 30, 2022 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 4,495,412	34.66%	\$ 90,024	2.04%
Undistributed expenditures	7,797,576	60.11%	1,017,485	15.01%
Capital Outlay	309,589	2.39%	258,890	510.64%
Debt Service	368,719	2.84%	(12,811)	-3.36%
Total	<u>\$ 12,971,296</u>	<u>100.00%</u>	<u>\$ 1,353,588</u>	<u>0.117</u>

The increase in Instructional Expenditures is attributed to increases in and \$155,964 in Special Education Instructional Expenses and 73,252 in Other Instruction Expenses, offset by a decrease of \$139,192. In Regular Instruction.

The increase in Undistributed Expenditures was due to increases in Administration costs of \$82,320, Plant and Maintenance costs of \$123,724, Transportation costs of \$143,699 and Employee Benefits of \$926,165, offset by decreases in Student Related costs of \$13,684 and Tuition of \$244,739.

The decrease in Capital Outlay is attributed to higher equipment and facility acquisition costs.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2022, the School District amended its General Fund budget as needed. The School District uses program-based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- Staffing changes based on student needs
- Additional costs for student transportation both in regular education and special education
- Changes in maintenance and operations
- Changes in appropriations to prevent budget overruns

While the District's final budget for the general fund anticipated that revenues, including \$679,339 of surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase of \$11,541 as shown on Exhibit C-1.

- Actual revenues were \$229,682 more than expected, excluding on-behalf pension and social security reimbursements of \$,2175,187, due to the increased adjustment aid.
- Actual expenditures were \$686,458 less than expected. This excludes state on-behalf pension and social security reimbursements of \$2,175,187, reflecting favorable variances in most expenditure accounts.

Capital Assets

At the end of the fiscal year 2022, the School District had \$5,921,041 (net of accumulated depreciation) invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2022 balances compared to 2021.

	Governmental Activities		Business-type Activities		Total School District	
	2022	2021	2022	2021	2022	2021
Land	\$ 25,071	\$ 25,071			\$ 25,071	\$ 25,071
Site Improvements	22,709	22,709			22,709	22,709
Building and Improvements	5,606,754	5,825,498			5,606,754	5,825,498
Right-To-Use Lease Equipment	50,532				50,532	
Equipment	253,662	50,665	\$ 12,845	\$ 16,028	266,507	66,693
Totals	\$ 5,958,728	\$ 5,923,943	\$ 12,845	\$ 16,028	\$ 5,971,573	\$ 5,939,971

Overall net Capital Assets increased by \$31,602 from fiscal year 2021 to fiscal year 2022, representing a fixed asset addition of \$278,136 and Right-To-Use Lease adjustments of \$58,238, offset by depreciation expense of \$304,772.

Long-Term Debt:

At year-end, the District had outstanding long-term debt of \$2,434,596 comprised of compensated absences of \$181,871, Serial Bonds of \$646,000, Right-To-Use Lease Liability of \$64,516 and Net Pension Liability of \$1,542,209. There was no other outstanding debt authorized or issued (Note 6 to the Financial Statements). The amount of debt available for authorization by statute is \$6,178,862, as shown on Exhibit J-13.

Factors Bearing on the District's Future

While becoming a choice school district has helped the district maintain current programs, the restriction on the amount the district may raise in taxes, by statute, is always a concern for future budgets, as well as for any unforeseen expenditures

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Lisa M. DiNovi, School Business Administrator/Board Secretary, at Lawrence Township School District, 225 Main Street, Cedarville, NJ 08311.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,793,636	\$ 361,508	\$ 2,155,144
Receivables, Net	526,726	43,738	570,464
Inventory		2,683	2,683
Restricted Assets:			
Cash	1,290,525		1,290,525
Capital Assets, Net (Note 6)	5,958,728	12,845	5,971,573
Total Assets	<u>9,569,615</u>	<u>420,774</u>	<u>9,990,389</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	799,964		799,964
LIABILITIES			
Current Liabilities:			
Accounts Payable	182,612	34,076	216,688
Unearned Revenue	25,662	9,836	35,498
Accrued Interest	8,058		8,058
Noncurrent Liabilities:			
Due Within One Year	255,829		255,829
Due Beyond One Year	2,240,534		2,240,534
Total Liabilities	<u>2,712,695</u>	<u>43,912</u>	<u>2,756,607</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	1,007,962		1,007,962
Net Position			
Invested in Capital Assets, Net of Related Debt	5,248,212	12,845	5,261,057
Restricted for:			
Capital Projects	851,917		851,917
Excess Surplus	900,799		900,799
Unemployment Compensation	164,878		164,878
Scholarships	12,314		12,314
Student Activities	17,998		17,998
Other Purposes	979,346		979,346
Unrestricted (Deficit)	<u>(1,526,542)</u>	<u>364,017</u>	<u>(1,162,525)</u>
Total Net Position	<u>\$ 6,648,922</u>	<u>\$ 376,862</u>	<u>\$ 7,025,784</u>

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

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,700,266		\$ 1,111,510	\$ (2,588,756)		\$ (2,588,756)
Special Education	897,993			(897,993)		(897,993)
Other Instruction	122,553			(122,553)		(122,553)
Support Services:						
Tuition	957,680			(957,680)		(957,680)
Student & Instruction Related Services	953,647	6,810	171,397	(775,440)		(775,440)
General and Business Administrative Services	207,676			(207,676)		(207,676)
School Administrative Services	233,337			(233,337)		(233,337)
Central Services	166,286			(166,286)		(166,286)
Administrative Information Technology	37,616			(37,616)		(37,616)
Plant Operations and Maintenance	554,822			(554,822)		(554,822)
Pupil Transportation	917,396			(917,396)		(917,396)
Unallocated Benefits	3,773,102		674,865	(3,098,237)		(3,098,237)
Interest on Debt	69,507			(69,507)		(69,507)
Internal Service	455,773	474,672		18,899		18,899
Total Governmental Activities	13,047,654	481,482	1,957,772	(10,608,400)		(10,608,400)
Business-type Activities:						
Food Service	378,330	71,776	403,296		96,742	96,742
Total Business-type Activities	378,330	71,776	403,296		96,742	96,742
Total Primary Government	\$ 13,425,984	\$ 553,258	\$ 2,361,068	(10,608,400)	96,742	(10,511,658)
General revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,700,375		2,700,375
Federal and State Aid not restricted				8,180,061		8,180,061
Tuition Fees				92,779		92,779
Miscellaneous Income				17,707		17,707
Transfer To Charter School				(19,764)		(19,764)
Interest Earned					22	22
Special Items:						
Prior Year Right-to-Use Assets and Lease Liability Adjustment				(6,278)		(6,278)
Total General Revenues, Special Items, Extraordinary Items and Transfers				10,964,880	22	10,964,902
				356,480	96,764	453,244
				6,292,442	280,098	6,572,540
				\$ 6,648,922	\$ 376,862	\$ 7,025,784

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,147,534	\$ 30,312	\$ 1	\$ 1,177,847
Cash - Capital Reserve	951,917			951,917
Cash - Maintenance Reserve	338,608			338,608
Accounts Receivables:				
Intergovernmental	52,178			52,178
Federal		319,046		319,046
State	150,351			150,351
Interfund Receivable	221,024			221,024
Total Assets	\$ 2,861,612	\$ 349,358	\$ 1	\$ 3,210,971
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 20,272	\$ 147,048	\$	\$ 167,320
Payroll Deductions and withholdings Payable	15,292			15,292
Interfund Payable	57,249	219,242		276,491
Unearned Revenue		25,662		25,662
Total Liabilities	92,813	391,952		484,765
Fund Balances:				
Restricted For:				
Capital Reserve	851,917			851,917
Maintenance Reserve	338,608			338,608
Emergency Reserve	250,000			250,000
Tuition Reserve	70,000			70,000
Excess Surplus - Designated for Subsequent Year's Expenditures	431,987			431,987
Excess Surplus	468,812			468,812
Unemployment Compensation	164,878			164,878
Scholarship		12,314		12,314
Student Activity		17,998		17,998
Assigned Fund Balance:				
Designated for Subsequent Year's Expenditures	57,051			57,051
Encumbrances	63,687			63,687
Tuition Reserve	100,000			100,000
Capital Reserve	100,000			100,000
Unassigned, Reported In:				
General Fund	(128,141)			(128,141)
Special Revenue Fund		(72,906)		(72,906)
Debt Service			1	1
Total Fund Balances (Deficit)	2,768,799	(42,594)	1	2,726,206
Total Liabilities and Fund Balances	\$ 2,861,612	\$ 349,358	\$ 1	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,806,377 and the accumulated depreciation is \$4,847,649 (Note 7).	5,958,728
Deferred Outflows of Resources - Deferred Pension Contributions	799,964
Deferred Inflows of Resources - Pension Actuarial gains	(1,007,962)
Internal Service Fund Net Position	676,407
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(8,058)
Long-term Liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,542,209)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(954,154)

Net Position of Governmental Activities	\$ 6,648,922
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The accompanying Notes to Financial Statements are an integral part of this statement.

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 2,423,132		\$ 277,243	\$ 2,700,375
Tuition Fees	92,779			92,779
Unrestricted Miscellaneous Revenues	9,496	10,789		20,285
Interest Earned	4,232			4,232
Total Local Sources	2,529,639	10,789	277,243	2,817,671
State Sources	8,482,593	723,017	91,476	9,297,086
Federal Sources	18,445	845,747		864,192
Total Revenues	11,030,677	1,579,553	368,719	12,978,949
EXPENDITURES				
Current:				
Regular Instruction	2,380,475	1,111,510		3,491,985
Special Education Instruction	880,874			880,874
Other Instruction	122,553			122,553
Support Services:				
Tuition	957,680			957,680
Student & Instruction Related Services	782,250	171,397		953,647
General Administration	184,851			184,851
School Administrative Services	210,512			210,512
Central Services	166,286			166,286
Administrative Information Technology	37,616			37,616
Plant Operations and Maintenance	532,850			532,850
Pupil Transportation	917,396			917,396
Employee Benefits	3,512,822	323,916		3,836,738
Capital Outlay	300,178	9,411		309,589
Debt Service				
Principal			335,000	335,000
Interest			33,719	33,719
Total Expenditures	10,986,343	1,616,234	368,719	12,971,296
Excess (Deficiency) of Revenues Over Expenditures	44,334	(36,681)		7,653
OTHER FINANCING SOURCES (USES)				
Transfer to Charter School	(19,764)			(19,764)
Transfer to Preschool Program	(26,038)	26,038		
Total Other Financing Sources and Uses	(45,802)	26,038		(19,764)
Net Change in Fund Balances	(1,468)	(10,643)		(12,111)
Fund Balance - July 1 (Deficit)	2,770,267	(31,951)	1	2,738,317
Fund Balance—June 30 (Deficit)	\$ 2,768,799	\$ (42,594)	\$ 1	\$ 2,726,206

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ (12,111)
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation expense	\$ (301,589)
Capital outlays	269,569
	<hr/>
	(32,020)
Decrease in Accrued Interest	4,232
Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including Service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.	
Repayment of right-to-use lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	2,289
The issuance of long-term debt through bonds or leases provides current financial resources to the governmental funds, while the repayment of principal on long-term debt represents a use of resources in governmental funds. The payment of long-term debt principal is not a use of funds in the statement of activities.	335,000
Pension Expense recognized for GAAP but not for budgetary purposes.	171,450
Increase in Internal Service Fund	18,899
In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year, such as compensated absences. In the governmental funds, however, expenditures are reported when the corresponding financial resources are used or paid.	(131,259)
	<hr/>
Change in Net Position of Governmental Activities (A-2)	\$ 356,480

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

PROPRIETARY FUNDS

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities Enterprise Fund Food Service	Governmental Activities Internal Service Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 306,041	\$ 671,256	\$ 977,297
Accounts Receivable:			
State	446		446
Federal	43,292		43,292
Interfund Receivable	57,249		57,249
Other Program Fees		5,151	5,151
Inventory	2,683		2,683
Total Current Assets	409,711	676,407	1,086,118
Noncurrent Assets:			
Furniture, Machinery & Equipment	122,868	10,117	132,985
Less Accumulated Depreciation	(110,023)	(10,117)	(120,140)
Total Noncurrent Assets	12,845		12,845
Total Assets	\$ 422,556	\$ 676,407	\$ 1,098,963
LIABILITIES AND FUND EQUITY:			
Current Liabilities:			
Accounts Payable	\$ 34,076	\$	\$ 34,076
Interfund Payable	1,782		1,782
Prepaid Latchkey	1,340		1,340
Unearned Revenue	8,496		8,496
Total Current Liabilities	45,694		45,694
Net Position			
Invested in Capital Assets, Net of Related Debt	12,845		12,845
Unrestricted	364,017	676,407	1,040,424
Total Net Position	376,862	676,407	1,053,269
Total Liabilities & Net Position	\$ 422,556	\$ 676,407	\$ 1,098,963

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund	Total
Operating Revenues:			
Charges for Services:			
Food Sales Reimbursable Programs	\$	\$	\$
Food Sales Non-Reimbursable Programs	71,776		71,776
Changes for services		474,672	474,672
Total Operating Revenue:	71,776	474,672	546,448
Operating Expenses:			
Salaries	135,123	444,794	579,917
Employee Beneditis			
Purchased Professional Tech.		8,211	
Supplies and Materials	15,884	2,700	18,584
Cost of Sales - Reimbursable	144,792		144,792
Cost of Sales - Non Reimbursable			
Repairs and Maintenance	9,830		
Management Fees	36,000		36,000
Utilities	22,975		22,975
Other Purchased Services		68	
Miscellaneous	10,543		10,543
Depreciation	3,183		3,183
Total Operating Expenses	378,330	455,773	815,994
Operating Income (Loss)	(306,554)	18,899	(269,546)
Non-operating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	5,695		5,695
Federal Sources:			
National School Lunch Program	242,536		242,536
School Breakfast Program	123,295		123,295
P-EBT Administrative Cost Reimbursement	1,242		1,242
Supply Chain Assistance Funding	13,998		13,998
Food Distribution Program	16,530		16,530
Interest	22		22
Total Non-operating Revenues (Expenses)	403,318		403,318
Income (Loss) before Contributions & Transfers	96,764	18,899	133,772
Change in Net Position	96,764	18,899	115,663
Total Net Position - July 1	280,098	657,508	937,606
Total Net Position - June 30	\$ 376,862	\$ 676,407	\$ 1,053,269

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

LAWRENCE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 71,776	\$ 474,672	\$ 546,448
Payments to Employees	(135,123)	(444,794)	(579,917)
Payments to Suppliers	(234,742)		(234,742)
Payment to Others	(10,543)	(51,425)	(61,968)
Net Cash Provided by (used for) Operating Activities	<u>(308,632)</u>	<u>(21,547)</u>	<u>(330,179)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	5,695		5,695
Federal Sources	397,601		397,601
Interfund Transfer			
Net Cash Provided by (used for) Non-capital Financing Activities	<u>403,296</u>		<u>403,296</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Purchases of Capital Assets			
Net Cash Used by Capital Financing			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	22		22
Net Cash Provided by (used for) Investing Activities	<u>22</u>		<u>22</u>
Net Increase (Decrease) in Cash and Cash Equivalents	94,686	(21,547)	73,139
Balances—Beginning of Year	211,355	692,803	904,158
Balances—End of Year	<u>\$ 306,041</u>	<u>\$ 671,256</u>	<u>\$ 977,297</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	\$ (306,554)	\$ 18,899	\$ (287,655)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	3,183		3,183
(Increase)Decrease in Accounts Receivable, Net	(23,600)	(896)	(24,496)
(Increase)Decrease in Interfund Receivable, Net			
(Increase)Decrease in Inventories	1,406		1,406
Increase(Decrease) in Accounts Payable	19,973		19,973
Increase(Decrease) in Interfund Payable		(39,550)	(39,550)
Increase(Decrease) in Unearned Revenue	(3,040)		(3,040)
Total Adjustments	<u>(2,078)</u>	<u>(40,446)</u>	<u>(42,524)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (308,632)</u>	<u>\$ (21,547)</u>	<u>\$ (330,179)</u>

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$17,029 of food commodities from the U.S. Department of Agriculture

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lawrence Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A chief school administrator is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Lawrence Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity

The Lawrence Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of five (5) members elected to three (3) year terms. The purpose of the district is to educate students in grades K-8. The Lawrence Township School District had an enrollment at June 30, 2022 of 481 students.

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

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

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

B. Basic Financial Statements – Governmental Wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities column (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Basic Financial Statements – Governmental Wide Financial Statements – (Continued)

Program revenue include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenue, are presented as general revenues of the school district.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, federal and state aid, interest income, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. Basic Financial Statements – Fund Financial Statements

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by a category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category of the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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. These resources can be transferred from and to Current Expense by board resolution.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

2. Proprietary Funds:

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

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users of goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district and a latchkey program to provide afterschool child care to the students of the district.
- b. Internal Service Fund are used to charge costs for certain activities to individual funds or other governmental entities. The District's internal service fund is comprised of shared business service with other LEA's.

3. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the entity-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

D. Basis of Accounting

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

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts

1. Cash and Cash Equivalents:

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 stated at cost. All other investments are stated at fair value.

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

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

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings

banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental

Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

2. Investments:

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

3. Inventories:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

At June 30, 2022, the ending inventory was made up of \$499 in Commodity Food, \$1,297 in purchased food and \$887 in supplies.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extended the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues are reported as reductions to expenses in the statement of activities.

6. Expenditures:

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

7. Compensated Absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

7. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

8. Budgets/Budgetary Control:

Annual appropriation budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

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

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.

9. Tuition Receivables:

Tuition charges were established by the Boards of Education based on estimated costs. These rates are subject to change when the actual cost have been determined.

10. Tuition Payable:

Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subjected to change when the actual costs have been determined.

11. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

12. Allocation of Costs:

In the government-wide statement of activities, the District has not allocated unallocated benefits to various programs.

13. 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 fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

F. New Accounting Standards

The School District has adopted the following GASB statements:

- GASB Statement No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The adoption of GASB 87 will impact the financial statements of the School District.
- GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of GASB 89 did not impact the financial statements of the School District.
- GASB Statement No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 92 did not impact the financial statements of the School District.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 93 did not impact the financial statements of the School District.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC)

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. New Accounting Standards – (Continued)

Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 97 did not impact the financial statements of the School District.

- GASB Statement No. 98 – *The Annual Comprehensive Financial 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. The requirements of this Statement are effective for reporting periods ending after December 15, 2021. The adoption of GASB 98 did not impact the financial statements of the School District.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

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

- a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2022, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq, establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - (Continued)

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, 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 Governmental Units.

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

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2022, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking Account	\$2,762,099
TOTAL	<u>\$2,762,099</u>

Custodial Credit Risk:

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of GUDPA Act as previously described.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2022, the District's bank balance \$3,796,466 and was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	<u>3,546,466</u>
TOTAL	<u>\$3,796,466</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73 (S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$688,000 as shown in the 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	\$ 751,692
Interest earnings	225
Deposits	200,000
Approved in 2021/2022	
Withdrawals	
Approved 2020/2021 Budget	
Ending balance, June 30, 2022	\$ <u>951,917</u>

NOTE 4 – MAINTENANCE RESERVE

The Maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

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

Beginning Balance July 1, 2021	\$ 338,558
Deposits – Interest	50
Withdrawals – Board Resolution	
Ending Balance June 30, 2022	\$ <u>338,608</u>

The June 30, 2022 maximum maintenance reserve amount is \$620,000.

NOTE 5 – EMERGENCY RESERVE

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c (1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 5 – EMERGENCY RESERVE - (Continued)

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

Beginning Balance, July 1, 2021	\$ 250.000
Added in 2021-2022	
Withdrawn in 2022-2023	
Ending Balance, June 30, 2022	<u>\$ 250.000</u>

NOTE 6 - TUITION RESERVE ACCOUNTS

If at the end of the contract year a district board of education anticipates that a large tuition adjustment will be required in the second year following the contract year, the district board of education may restrict fund balance up to 10 percent of the estimated tuition cost in the contract year, in a reserve for tuition adjustments. The tuition reserve is available only for districts that have a sending/receiving relationship. Full appropriation shall be made in the third year and any remaining balance shall be reserved and designated in the subsequent year's budget. (*N.J.A.C. 6A:23-3.1(f)(8)*).

As of June 30, 2022, the district has reserved the following amounts in the tuition reserve accounts, of which \$100,000 has been appropriated in the 2022-2023 budget:

Beginning Balance, July 1, 2021	\$ 225.000
Added in 2021-2022	70,000
Withdrawn in 2022-2023	(125,000)
Ending Balance, June 30, 2022	<u>\$ 170,000</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 - FIXED ASSETS

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

	Beginning Balance 7/1/2021	Additions	Adjustment/ Retirements	Ending Balance 6/30/2022
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	\$ 25,071	\$ -	\$ -	\$ 25,071
Total Capital Assets not Being Depreciated	25,071			25,071
Capital Assets Being Depreciated and Amortized				
Building and Building Improvements	9,712,799	30,729		9,743,528
Site Improvements	174,669			174,669
Machinery & Equipment	542,905	238,840		781,745
Right-to-Use Lease Assets		8,567	72,797	81,364
Totals at Historical Cost	10,455,444	278,136	72,797	10,781,306
Less Accumulated Depreciation and Amortization				
Building and Improvements	(3,887,301)	(249,473)		(4,136,774)
Site Improvements	(151,960)			(151,960)
Machinery & Equipment	(492,240)	(35,843)		(528,083)
Right-to-Use Lease Assets		(16,273)	(14,559)	(30,832)
Total Accumulated Depreciation and Amortization	(4,531,501)	(301,589)	(14,559)	(4,847,649)
Total Capital Assets Being Depreciated and Amortized, Net of Accumulated Depreciation and Amortization	5,923,943	(23,453)	58,238	5,933,657
Government Activities Capital Assets, Net	\$ 5,923,943	\$ (23,453)	\$ 58,238	\$ 5,958,728
	To A-1			To A-1
Business-type Activities - Equipment				
Equipment - Enterprise Fund	\$ 122,868			\$ 122,868
Equipment - Internal Service Fund	10,117			10,117
Less Accumulated Depreciation				
Equipment - Enterprise Fund	(106,840)	(3,183)		(110,023)
Equipment - Internal Service Fund	(10,117)			(10,117)
Business-type Activities Capital Assets, Net	\$ 16,028	\$ (3,183)	\$ -	\$ 12,845

***Depreciation Expense was Charged to Governmental Functions as Follows:**

Instruction:

Regular	\$ 208,281
Special Education	17,119
Support Services:	
School Administration	22,825
General and Business Administrative Services	22,825
Plant Operations and Maintenance	30,539
Total Depreciation Expense	<u>\$ 301,589</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8 - OPERATING LEASES

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2022, total future minimum lease payments under right-to-use lease agreements are as follows:

<u>Year</u> <u>June 30,</u>	<u>Amount</u>
2023	26,088
2024	22,692
Total	<u>\$ 48,780</u>

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 9 - GENERAL LONG-TERM DEBT

Type of Debt	Balance at 6/30/2021	Issued	Retired	Balance at 6/30/2022	Amounts Due Within 1 Year	Long-Term Portion
Compensated absences payable	\$ 112,379	\$ 69,492		\$ 181,871		181,871
Bonds payable	981,000		335,000	646,000	335,000	311,000
Net Pension Liability	1,946,899		404,690	1,542,209		1,542,209
Right-to-Use Lease Liability		79,580	15,064	64,516	15,829	48,687
Total	\$ 3,040,278	\$ 149,072	\$ 754,754	\$ 2,434,596	\$ 350,829	\$ 2,083,767

A. Bonds Payable:

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

On December 27, 2007, the District issued School Refunding Bonds in the amount of \$2,345,000 in order to refund all or a portion of the outstanding callable school bonds of the Board of Education originally issued in the principal amount of \$3,137,000 and dated March 1, 1998. The 1998 bonds are redeemable at the option of the Board of Education in whole or in part with a 30 day notice of redemption at a price of 100% of the principal amount thereof.

The \$2,345,000 Refunding Bonds, included issuance costs of \$29,454. \$2,296,225 was used to retire bonds from the 1998 issue and \$19,321 was returned to the District. The gross debt service savings to the District is \$95,645 and the economic benefit to the District is estimated to be \$77,042. The balance in these bonds as of June 30, 2022 is \$50,000.

On January 7, 2010, the District issued School Bonds in the amount of \$2,216,000 in order to partially finance the construction of an addition as well as undertake various improvements and renovations to the Myron L. Powell Elementary School. The total cost of the project is \$6,549,146. The project is being permanently funded through the aforementioned Bonds in the amount of \$2,216,000., a grant from the State of New Jersey in the amount of \$4,032,260, the transfer of \$300,000 from the Capital Reserve Account and \$786 of other available Board funds. The balance in these bonds as of June 30, 2022 is \$596,000.

The following is a schedule of the future bond principal and interest payments due as of June 30, 2022.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$240,000	\$20,731	\$260,731
2024	200,000	11,475	211,475
2025	206,000	3,863	209,863
TOTAL	\$646,000	\$36,069	\$ 682,069

See Exhibit I-1 for further information on bonds payable.

A. Bond Authorized But Not Issued:

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

B. Capital Leases Payable:

The district has no capital leases.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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 have not reached the service retirement age for the respective tier.

Public Employees' Retirement System (Continued)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are 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.

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2020 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2022 were 78,295. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2022 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2022, and 2021, were \$150,851 and \$130,604 respectively.

The total payroll for the year ended June 30, 2022 was \$5,913,607. Payroll covered by PERS was \$1,043,926 for fiscal year 2022.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 10 – PENSION PLANS (CONTINUED)

Components of Net Pension Liability - At June 30, 2021, the District's proportionate share of the PERS net pension liability was \$1,542,209. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020 was 0.011939% which was an increase of 0.00240% from its proportion measured as of June 30, 2019.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2021 PERS pension expense, with respect to GASB 68, was \$229,390. The District's 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,450	\$ 6,885
Changes of assumptions	63,160	815,185
Net difference between projected and actual earnings on pension plan investments	66,547	
Changes in proportion	641,387	89,836
Contributions subsequent to the measurement date	130,604	
Total	\$ 937,148	\$ 911,906

Public Employees' Retirement System (Continued)

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

Year		PERS
2022	\$	(117,717)
2023		(45,603)
2024		(54,683)
2025		(94,880)
2026		(45,966)
Thereafter		
Total	\$	(358,849)

Additional Information - Collective Balances at June 30, 2022 and 2021 are as follows:

Year		2022		2021
Collective deferred outflows of resources	\$	799,964	\$	937,148
Collective deferred inflows of resources	\$	1,007,962	\$	911,906
Collective Net Pension Liability	\$	1,542,209	\$	1,946,899
District's Proportion		0.012881%		0.011939%

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10. 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:

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 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 Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

PERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
Total	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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 2,100,176	\$ 1,542,209	\$ 1,068,695

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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. 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 are 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.

Special Funding Situation - 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, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2020. 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. Under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2022 because of the 100% special funding situation with the State of New Jersey.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,509,374 to the TPAF for pension contributions, \$352,651 for post-retirement benefits on behalf of the School, and \$708 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$312,454 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2022, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2022, the District recognized pension expense of \$361,703 and revenue of \$361,703 for support provided by the State.

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:

	TPAF
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Long-Term Expected Rate of Return - 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:

	TPAF	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
Total	100.00%	

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

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 based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 24,785,567	\$ 15,371,717	\$ 18,041,540
State's Share of the Net Pension Liability	\$ 56,988,413,045	\$ 48,165,991,182	\$ 40,755,711,186

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. 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
5. 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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2022, employee contributions totaled \$2,606 and the District's employer contribution, recognized in pension expense, was \$1,752. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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.

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The State of New Jersey’s total OPEB liability, as of the measurement date of June 30, 2021, was \$60,007,650,970. Of this amount, the total OPEB liability attributable to the School District was \$19,740,720. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03290%. The total OPEB liability for the School District measured as of June 30, 2021 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District’s proportionate share of the total OPEB liability measured as of June 30, 2021 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

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:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	2.75% - 5.65%	3.00% - 7.00%	N/A

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

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.

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 4.5% 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 rate is 5.00%.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Discount rate

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

Changes in the Total OPEB Liability

State of New Jersey	Total OPEB Liability
Balance as of June 30, 2020 Measurement Date	\$ 67,809,962,609
Changes for the year:	
Service Cost	3,217,184,264
Interest	1,556,661,679
Changes of Benefit Terms	(63,870,842)
Differences between Expected and Actual	(11,385,071,658)
Changes of Assumptions	59,202,105
Benefit Payments	(1,226,213,382)
Contributions from Members	39,796,196
Net Changes	(7,802,311,638)
Balance as of June 30, 2021 Measurement Date	\$ 60,007,650,971

Sensitivity of Total Nonemployer OPEB Liability to changes in the 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		
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	1.16%	2.16%	3.16%
\$	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, 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:

	June 30, 2021		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	48,576,388,417	60,007,650,970	75,358,991,782

LAWRENCE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$1,476,877. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,975,826	\$ 5,924,541
Changes of Assumptions	3,348,763	2,117,995
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	2,241,323	
Contributions Subsequent to the Measurement Date		
Total	<u>\$ 8,565,912</u>	<u>\$ 8,042,536</u>

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

<u>Measurement Period Ending June 30,</u>	<u>OPEB</u>
2022	\$ (53,296)
2023	(53,296)
2024	(53,296)
2025	(53,296)
2026	49,913
Thereafter	<u>686,647</u>
Total	<u>\$ 523,376</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, a liability existed for compensated absences in the Food Service Fund in the amount of \$181,871.

NOTE 13 - DEFERRED COMPENSATION

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

Lincoln Investments
Metropolitan

NOTE 14 - RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$	\$9,182	\$		\$164,878
2020-2021		20,909		13,664	155,696
2019-2020	7,106	5,601	179	23,838	148,451

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 15 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2022.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$221,024	\$57,249
Special Revenue Fund		219,242
Food Service Fund	57,249	1,782
Hawk Latchkey Fund		
Debt Service Fund		
Internal Service Fund		
	<u>\$278,273</u>	<u>\$278,273</u>

The amounts due from Special Revenue Fund to the General Fund represents cash deficit in Special Revenue Fund due to delays in receiving grant funds.

The remaining balances resulted from the time lag between the dates that:

1. The interfund transactions occur
2. Transactions are recorded in the accounting system
3. Payments between funds are made

NOTE 16 - CONTINGENT LIABILITIES

GRANT PROGRAM

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

LITIGATION

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

NOTE 17 - TAX ABATEMENTS

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

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.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 18 - CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General 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 is \$900,799.

NOTE 19 - DEFICIT FUND BALANCES

The District has a deficit in unassigned fund balances of \$(128,141) in the General Fund and \$(72,906) in the Special Revenue Fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(128,141) in the General Fund is less than the last two state aid payments and the Special Revenue deficit of \$(72,906) is equal to the last state aid payments.

NOTE 20 - FUND BALANCE

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2022.

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general 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 is \$900,799; \$431,987 has been restricted and designated for utilization in the 2022-2023 budget and \$468,812 will be budgeted in the 2023-2024 budget.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 20 - FUND BALANCE – (Continued)

Capital Reserve Account: As of June 30, 2022, the balance in the capital reserve account is \$951,917, of which \$100,000 has been appropriated in the 2022-2023 budget. These funds are restricted for the future approved capital projects of school facilities.

For Maintenance Reserve Account: As of June 30, 2022, the balance in the maintenance reserve account is \$338,608. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Emergency Reserve Account: As of June 30, 2022, the balance in the emergency reserve was \$250,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

Tuition Reserve Account – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the District has a restricted fund balance in the amount of \$170,000 in a legal reserve for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective year and \$100,000 of the balance has been appropriated in the 2022-2023 budget.

COMMITTED

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

Other Purposes: As of June 30, 2022, the School District had \$63,687 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

Debt Service Fund:

The Debt Service Fund balance as of June 30, 2022 was \$1.00.

For Subsequent Year's Expenditures: The School District has appropriated and included, as an anticipated revenue for the fiscal year ending June 30, 2023, \$57,051 of unassigned general fund balance, \$100,000 in Capital Reserve and \$100,000 of the Tuition Reserve fund balance at June 30, 2022.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned GAAP fund balance as shown on Schedule B-1 is summarized as follows:

General Fund:

As of June 30, 2022, the deficit in unassigned fund balance of the general fund was \$(128,141).

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022

NOTE 21 - RECEIVABLES

Receivables at June 30, 2022 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General Fund	Special Revenue Fund	Debt Service Fund	Enterprise Funds
Governmental	\$ 202,529	\$ 319,046		\$ 43,239
Other				5,151
Totals	<u>\$ 202,529</u>	<u>\$ 319,046</u>		<u>\$ 48,390</u>

NOTE 22 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2022 through February 15, 2023, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,423,132	\$	\$ 2,423,132	\$ 2,423,132	\$
Tuition from Other LEA's				92,779	92,779
Unrestricted Miscellaneous Revenues	20,000		20,000	9,496	(10,504)
Interest Earned				3,957	3,957
Interest Earned on Maintenance Reserve	50		50	50	
Interest Earned on Capital Reserve Funds	225		225	225	
Total - Local Sources	2,443,407		2,443,407	2,529,639	86,232
State Sources:					
Equalization Aid	5,117,935		5,117,935	5,117,935	
School Choice Aid	433,840		433,840	433,840	
Categorical Transportation Aid	87,111		87,111	87,111	
Categorical Special Education Aid	372,413		372,413	372,413	
Categorical Security Aid	160,344		160,344	160,344	
Extraordinary Aid				118,612	118,612
Non-Public Transportation Aid				4,770	4,770
Homeless Aid				25,390	25,390
On-Behalf TPAF Pension Contrib (Non-budgeted)				1,509,374	1,509,374
On-behalf Post-Retirement Medical Contribution				352,651	352,651
On-behalf Long-term Disability Contribution				708	708
Reimbursed TPAF Social Security Contributions (Non-budgeted)				312,454	312,454
Total - State Sources	6,171,643		6,171,643	8,495,602	2,323,959
Federal Sources:					
Medicaid Reimbursements	23,767		23,767	18,445	(5,322)
	23,767		23,767	18,445	(5,322)
TOTAL REVENUES	8,638,817		8,638,817	11,043,686	2,404,869
EXPENDITURES:					
Current Expense:					
Salaries of Teachers:					
Pre School Salaries of Teachers	\$ -	\$ 45	\$ 45	\$ 45	\$ -
Kindergarten	281,494	(45)	281,449	244,989	36,460
Grades 1-5	1,259,199	(179,705)	1,079,494	1,064,307	15,187
Grades 6-8	876,414	(9,900)	866,514	803,713	62,801
Regular Programs - Home Instruction:					
Salaries of Teachers	2,500	2,400	4,900	900	4,000
Purchased Professional-Educational Services	5,000		5,000	1,334	3,666
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	140,412	(113,718)	26,694	26,694	
Purchased Professional-Educational Services	1,000	100	1,100	1,100	
Other Purchased Services	72,033	43,890	115,923	105,946	9,977
General Supplies	85,000	59,058	144,058	121,419	22,639
Textbooks	33,000	(14,522)	18,478	10,028	8,450
Other Objects	1,500	1,790	3,290		3,290
Total Regular Programs - Instruction	\$ 2,757,552	\$ (210,607)	\$ 2,546,945	\$ 2,380,475	\$ 166,470

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:					
Special Education - Learning/language Disabilities					
Salaries of Teachers	\$ 310,949	\$ (25,603)	\$ 285,346	\$ 285,346	
Other Salaries for Instruction	166,528	(166,528)			
Total Learning/language Disabilities	477,477	(192,131)	285,346	285,346	
Resource Room/Resource Center					
Salaries of Teachers	135,860	3,488	139,348	139,348	
Other Salaries for Instruction	62,513	291,541	354,054	354,054	
Total Resource Room/Resource Center	198,373	295,029	493,402	493,402	
Preschool Disabilities					
Salaries of Teachers		65,399	65,399	65,399	
Other Salaries for Instruction		36,727	36,727	36,727	
Total Preschool Disabilities-Full Time		102,126	102,126	102,126	
Total Special Education - Instruction	675,850	205,024	880,874	880,874	
Basic Skills/Remedial - Instruction					
Salaries of Teachers		68,963	68,963	50,607	18,356
Total Basic Skills/Remedial - Instruction		68,963	68,963	50,607	18,356
Bilingual Education					
Salaries of Teachers	35,775	(7,615)	28,160	28,160	
Total Bilingual Education	35,775	(7,615)	28,160	28,160	
School Sponsored Co-curricular Activities - Instruction					
Salaries of Teachers	18,000	538	18,538	11,910	6,628
Purchased Services	2,500	(318)	2,182		2,182
Supplies and Materials	1,500	(219)	1,281	1,281	
Total School Sponsored Co-curr. Act. - Instr.	22,000	1	22,001	13,191	8,810
School Sponsored Athletics - Athletics					
Salaries of Teachers	25,000	1,000	26,000	26,000	
Other Purchased Services	2,500	(1,000)	1,500	1,334	166
Supplies and Materials	7,250	1,309	8,559	3,261	5,298
Total School Sponsored Athletics - Instruction	34,750	1,309	36,059	30,595	5,464
Total Instruction	3,525,927	57,075	3,583,002	3,383,902	199,100
Undistributed Expenditures:					
Instruction					
Tuition to Other LEA's Within State-Regular	379,284	12,705	391,989	391,989	
Tuition to Other LEA's Within State-Special	119,592	(59,889)	59,703	59,703	
Tuition to County Voc. School Dist-Regular	174,800	33,783	208,583	208,583	
Tuition to County Voc. School Dist-Special	82,033	(35,553)	46,480	40,911	5,569
Tuition - CSSD & Regular Day Schools	237,619	(100,126)	137,493	116,835	20,658
Tuition to Priv Sch for the Disabled W/I State	268,352	(119,341)	149,011	139,659	9,352
Tuition - Other	87,128	(87,128)			
Total Instruction	1,348,808	(355,549)	993,259	957,680	35,579
Attendance and Social Work Services:					
Salaries	29,380	4,245	33,625	33,625	
Total Attendance and Social Work Services	29,380	4,245	33,625	33,625	
Health Services:					
Salaries	94,596	1,618	96,214	92,057	4,157
Purch Professional/Technical Services	3,700	(1,499)	2,201	2,201	
Other Purchase Services	150		150	58	92
Supplies and Materials	5,000	(2,875)	2,125	1,638	487
Equipment		800	800	408	392
Total Health Services	\$ 103,446	\$ (1,956)	\$ 101,490	\$ 96,362	\$ 5,128

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Speech, OT, PT and Related Services:					
Salaries	\$ 68,930	\$ 4,310	\$ 73,240	\$ 73,240	\$
Purchased Professional/Educational Services	22,500	(3,443)	19,057	12,043	7,014
Supplies and Materials	1,000	329	1,329	924	405
Other Objects	500	349	849	849	
Total Speech, OT, PT and Related Services	92,930	1,545	94,475	87,056	7,419
Other Support Services-Students-Extra Services:					
Salaries	63,653	36,112	99,765	65,919	33,846
Purchased Professional/Educational Services	192,641	45,910	238,551	170,598	67,953
Total Other Support Serv-Students-Extra Services	256,294	82,022	338,316	236,517	101,799
Guidance					
Salaries of Other Professional Staff					
Total Undistributed Services Guidance					
Other Support Services-Students-Child Study Teams:					
Salaries of Other Professional Staff	158,629	3,274	161,903	161,903	
Salaries of Secretarial and Clerical Assistants	45,841	(4,420)	41,421	22,921	18,500
Purchased Professional - Educational Services	15,750	36,150	51,900	37,490	14,410
Other Purchased Prof. and Tech. Services	1,500	(1,500)			
Other Purchased Services	6,772	(1,386)	5,386	4,299	1,087
Misc. Pur. Serv. (400-500 series O/than Resid Costs)		2,772	2,772	2,772	
Supplies and Materials	6,000	(1,510)	4,490	3,492	998
Other Objects	900		900	220	680
Total Other Support Serv-Child Study Teams	235,392	33,380	268,772	233,097	35,675
Improvement of Instruction Services:					
Salaries of Other Professional Staff	8,000		8,000	6,309	1,691
Total Improvement of Instruction Services	8,000		8,000	6,309	1,691
Instructional Staff Training Services:					
Salaries of Other Professional Staff	45,632	(451)	45,181	40,255	4,926
Other Salaries	42,382		42,382	40,255	2,127
Purchased Professional/Educational Services	6,600		6,600	3,000	3,600
Other Purchased Services	4,000	(543)	3,457	2,580	877
Other Objects	2,200	994	3,194	3,194	
Total Instructional Staff Training Services	\$ 100,814	\$	\$ 100,814	\$ 89,284	\$ 11,530

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Support Services - General Administration:					
Salaries	\$ 97,268	\$ (22,470)	\$ 74,798	\$ 74,768	\$ 30
Legal Fees	15,000	(1,962)	13,038	7,254	5,784
Audit Fees	23,000	(308)	22,692	21,875	817
Other Purchased Prof Services	5,600	8,012	13,612	13,612	
Purchased Technical Services	4,000	1,200	5,200	4,675	525
Communications/Telephone	38,900	4,861	43,761	42,740	1,021
Misc. Purch Serv (400-500) [Other than 530 & 585]	15,226	(5,548)	9,678	9,550	128
General Supplies	3,000	(2,188)	812	812	
Miscellaneous Expenditures	1,100	4,416	5,516	5,516	
BOE Other Purchased Services	4,500	(450)	4,050	4,049	1
Total Support Services - School Administration	207,594	(14,437)	193,157	184,851	8,306
Support Services - School Administration:					
Salaries of Principals/Asst. Principals/Prog Dir	74,768		74,768	74,768	
Salaries of Secretarial/Clerical Assistants	69,074	16,490	85,564	85,564	
Other Salaries	11,561	2,179	13,740	13,740	
Purchased Professional and Technical Services	12,000	900	12,900	12,900	
Other Purchased Services	6,000		6,000	6,000	
Supplies and Materials	15,000	(5,067)	9,933	8,976	957
Other Objects	4,000	4,564	8,564	8,564	
Total Support Services - School Administration	192,403	19,066	211,469	210,512	957
Central Services:					
Salaries	168,751	(5,598)	163,153	136,779	26,374
Purchased Technical Services	20,000	400	20,400	20,400	
Misc. Purchased Services	1,850		1,850	1,459	391
Supplies and Maintenance	1,100	5,022	6,122	2,149	3,973
Misc. Expenditures	1,250	4,249	5,499	5,499	
Total Central Services	192,951	4,073	197,024	166,286	30,738
Administrative Information Technologys:					
Purchased Technical Services	30,000	7,616	37,616	37,616	
Total Admin.	30,000	7,616	37,616	37,616	
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	107,364	(35,839)	71,525	68,596	2,929
General Supplies	2,500		2,500		2,500
Total Required Maintenance for School Facilities	109,864	(35,839)	74,025	68,596	5,429
Other Operation and Maintenance of Plant Services:					
Salaries	192,125	(9,680)	182,445	182,445	
Purchased Professional/Technical Services	30,000		30,000	25,245	4,755
Cleaning, Repair and Maintenance Services	57,850	32,216	90,066	72,424	17,642
Insurance	42,250	(944)	41,306	41,306	
Miscellaneous Purchased Services	3,500	180	3,680	3,680	
General Supplies	38,000	3,323	41,323	15,598	25,725
Energy (Natural Gas)	35,000	6,095	41,095	23,189	17,906
Energy (Electricity)	114,600		114,600	97,306	17,294
Other Objects	3,825	1,304	5,129	3,061	2,068
Total Other Operation and Maint. of Plant Services	517,150	32,494	549,644	464,254	85,390
Total Operation and Maintenance of Plant Services	\$ 627,014	\$ (3,345)	\$ 623,669	\$ 532,850	\$ 90,819

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$	\$ 6,234	\$ 6,234	\$ 6,234	\$
Sal. For Pupil Trans (Btw Home & School) - Reg	11,188	3,395	14,583	14,583	
Other Purchased Professional and Technical Serv	1,400		1,400	1,400	
Contracted Services - Aid in Lieu Payments - Non-Pub.	13,000	(932)	12,068	12,067	1
Contracted Services - Aid in Lieu Payments - Charter Sch	3,000	(1,000)	2,000	2,000	
Contracted Services - Aid in Lieu Payments - Choice Sch	6,000	2,584	8,584	8,584	
Contracted Services - (Bet. Home and Sch.) - Vendors	564,072	12,410	576,482	518,456	58,026
Contract Serv (Other than Btw Home & School) Vendors	30,000	(816)	29,184	4,925	24,259
Contracted Services - ESC & CTSA	397,000	(47,010)	349,990	349,043	947
General Supplies	300	(196)	104	104	
Total Student Transportation Services	1,025,960	(25,331)	1,000,629	917,396	83,233
Unallocated Benefits					
Social Security Contributions	118,000	2,187	120,187	120,187	
Other Retirement Contributions - PERS	149,428	1,423	150,851	150,851	
Unemployment Compensation	30,000	(23,190)	6,810		6,810
Workmen's Compensation	44,249	(1,005)	43,244	42,823	421
Health Benefits	875,469	7,435	882,904	882,329	575
Tuition Reimbursement	5,000	1,430	6,430	6,430	
Other Employee Benefits	12,000	112,015	124,015	124,015	
Unused Sick Payment to Terminated/Retired Staff		11,000	11,000	11,000	
Total Unallocated Benefits	1,234,146	111,295	1,345,441	1,337,635	7,806
On-Behalf TPAF Pension Contrib (Non-budgeted)				1,509,374	(1,509,374)
On-Behalf TPAF Post Retirem. Medical Contrib.(Non-budgeted)				352,651	(352,651)
On-behalf Long-term Disability Contribution				708	(708)
Reimbursed TPAF Soc. Sec. Contrib. (Non-budgeted)				312,454	(312,454)
Total Undistributed Expenditures	5,685,132	(137,376)	5,547,756	7,302,263	(1,754,507)
Interest Earned on Maintenance Reserve	50	-	50		50
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 9,211,109	\$ (80,301)	\$ 9,130,808	\$ 10,686,165	\$ (1,555,357)

LAWRENCE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
CAPITAL OUTLAY:					
Undistributed Expenditures:					
Equipment					
Instruction	\$ 20,000	\$ 133,317	\$ 153,317	\$ 150,508	\$ 2,809
Required Maintenance for School Facilities		30,285	30,285	30,285	
Custodial Services		50,644	50,644	46,488	4,156
Total Undistributed Expenditures	20,000	214,246	234,246	227,281	6,965
Facilities Acquisition and Construction Services:					
Construction Services					
Architectural/Engineering Services		90,000	90,000	30,729	59,271
Supplies and Materials		2,315	2,315	2,148	167
Assessment for Debt Service on SDA Funding	40,020		40,020	40,020	
Total Facilities Acquisition and Construction Services	40,020	92,315	132,335	72,897	59,438
Interest Deposit to Capital Res	225		225		225
TOTAL CAPITAL OUTLAY	60,245	306,561	366,806	300,178	66,628
TOTAL EXPENDITURES	9,271,354	226,260	9,497,614	10,986,343	(1,488,729)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(632,537)	(226,260)	(858,797)	57,343	916,140
Transfer to Charter School	(19,764)		(19,764)	(19,764)	
Transfer to Preschool Program	(26,038)		(26,038)	(26,038)	
Total Other Financing Sources	(45,802)		(45,802)	(45,802)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(678,339)	(226,260)	(904,599)	11,541	916,140
Fund Balances, July 1	3,362,269		3,362,269	3,362,269	
Fund Balances, June 30	\$ 2,683,930	\$ (226,260)	\$ 2,457,670	\$ 3,373,810	\$ 916,140
RECAPITULATION :					
Restricted Fund Balance:					
Capital Reserve			\$ 851,917		
Maintenance Reserve			338,608		
Emergency Reserve			250,000		
Tuition Reserve			70,000		
Excess Surplus			468,812		
Excess Surplus - Designated for Subsequent Year's Expenditures			431,987		
Unemployment Compensation			164,878		
Assigned Fund Balance:					
Encumbrances			63,687		
Tuition Reserve			100,000		
Capital Reserve			100,000		
Designated for Subsequent Year's Expenditures			57,051		
Unassigned Fund Balance			476,870		
			3,373,810		
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(605,011)	
Fund Balance per Governmental Funds (GAAP)			\$ 2,768,799		

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources	\$	\$ 3,964	\$ 3,964	\$ 10,789	\$
Federal Sources	360,116	1,080,334	1,440,450	845,747	594,703
State Sources	755,102	18,749	773,851	730,628	43,223
Total Revenues	1,115,218	1,103,047	2,218,265	1,587,164	631,101
EXPENDITURES:					
Instruction					
Salaries of Teachers	492,317	314,879	807,196	710,051	97,145
Other Salaries for Instruction	138,855	20,610	159,465	159,465	
Other Purchased Services	140,575	57,413	197,988	197,988	
General Supplies	39,866	54,972	94,838	44,006	50,832
Total Instruction	811,613	447,874	1,259,487	1,111,510	147,977
Support Services					
Salaries of Supervisors of Instruction	18,937	1,191	20,128	20,128	
Salaries of Other Professional Staff		140,000	140,000		140,000
Salaries of Family/Parent Liaison & Community Parent	14,048		14,048	14,048	
Salaries of Master Teacher	74,784	(235)	74,549	74,549	
Employee Benefits	177,392	275,660	453,052	323,916	129,136
Purchased Professional Educational Services	5,000	5,525	10,525	5,525	5,000
Other Purchased Services		200,000	200,000	13,500	186,500
Transportation	8,444	(995)	7,449	7,449	
Travel	5,000	(5,000)			
Materials and Supplies		29,616	29,616	26,341	3,275
Scholarships Awarded				3,000	(3,000)
Student Activities				6,857	(6,857)
Total Support Services	303,605	645,762	949,367	495,313	454,054
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		9,411	9,411	9,411	
Total Facilities Acquisition and Constr. Serv.		9,411	9,411	9,411	
Total Expenditures	1,115,218	1,103,047	2,218,265	1,616,234	602,031
Other Financing Sources (Uses)					
Total Outflows	1,115,218	1,103,047	2,218,265	1,616,234	602,031
Preschool Inclusion				26,038	26,038
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)				(3,032)	(3,032)
Fund Balance, July 1				33,344	
Fund Balance, June 30				\$ 30,312	
Recapitulation:					
Restricted:					
Scholarships				\$ 12,314	
Student Activities				17,998	
Total Fund Balance				\$ 30,312	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGET-TO-GAAP RECONCILIATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 11,043,686	[E-1] \$ 1,587,164
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		
Current Year		
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.	592,002	65,295
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(605,011)	(72,906)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 11,030,677	[B-2] \$ 1,579,553
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 10,986,343	[E-1] \$ 1,616,234
Differences - budget to GAAP		
Encumbrances for supplies and equipment or not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 10,986,343	[B-2] \$ 1,616,234

REQUIRED SUPPLEMENTARY INFORMATION – PART III

LAWRENCE TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.012881%	0.011939%	0.009534%	0.998083%	0.814060%	0.860831%	0.806251%	0.007100%
District's Proportionate Share of the Net Pension Liability	\$ 1,525,943	\$ 1,946,899	\$ 1,717,961	\$ 1,965,175	\$ 1,895,002	\$ 2,549,535	\$ 1,809,873	\$ 1,329,374
District's Covered-Employee Payroll	\$ 1,043,926	\$ 976,241	\$ 929,171	\$ 761,949	\$ 671,710	\$ 649,003	\$ 535,649	\$ 565,567
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	146.17%	199.43%	184.89%	257.91%	282.12%	392.84%	337.88%	235.05%
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%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 150,851	\$ 130,604	\$ 93,176	\$ 75,414	\$ 76,475	\$ 69,316	\$ 58,534	\$ 53,799
Contributions in relation to the Contractually Required Contribution	(150,851)	(130,604)	(93,176)	(75,414)	(76,475)	(69,316)	(58,534)	(53,799)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 1,043,926	\$ 976,241	\$ 929,171	\$ 761,949	\$ 671,710	\$ 649,003	\$ 535,649	N/A
Contributions as a Percentage of Covered-Employee Payroll	14.45%	13.38%	10.03%	9.90%	11.39%	10.68%	10.93%	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.031974%	0.029599%	0.031854%	0.029603%	0.029973%	0.029719%	0.028916%	0.031380%
District's Proportionate Share of the Net Pension Liability	\$ 15,371,717	\$ 19,490,489	\$ 19,549,051	\$ 18,832,825	\$ 20,209,134	\$ 23,378,600	\$ 18,276,441	\$ 16,771,755
District's Covered-Employee Payroll	\$ 4,371,273	\$ 4,176,372	\$ 3,980,788	\$ 3,338,564	\$ 3,184,233	\$ 3,197,992	\$ 2,997,423	\$ 3,065,268
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	351.65%	466.68%	491.08%	564.10%	634.66%	731.04%	609.74%	547.15%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	28.71%	28.71%	33.64%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service Cost	\$ 1,102,890	\$ 549,289	\$ 580,344	\$ 583,577	\$ 672,981
Interest Cost	512,095	451,166	532,138	555,074	478,156
Changes of Benefit Terms	(21,012)				
Differences Between Expected and Actual Experiences	(2,673,222)	4,158,745	(1,762,431)	(998,846)	
Changes of Assumptions	19,476	3,870,829	186,652	(1,532,516)	(1,993,891)
Member Contributions	13,092	11,182	11,391	12,342	12,872
Gross Benefit Payments	(403,387)	(368,914)	(384,280)	(357,099)	(349,566)
Net Change in Total OPEB Liability	<u>(1,450,068)</u>	<u>8,672,297</u>	<u>(836,186)</u>	<u>(1,737,468)</u>	<u>(1,179,448)</u>
Total OPEB Liability - Beginning	<u>21,190,788</u>	<u>12,518,491</u>	<u>13,354,677</u>	<u>15,092,145</u>	<u>16,271,593</u>
Total OPEB Liability - Ending	<u>\$ 19,740,720</u>	<u>\$ 21,190,788</u>	<u>\$ 12,518,491</u>	<u>\$ 13,354,677</u>	<u>\$ 15,092,145</u>
Covered-Employee Payroll	<u>\$ 5,415,199</u>	<u>\$ 5,152,613</u>	<u>\$ 4,909,959</u>	<u>\$ 4,100,513</u>	<u>\$ 3,855,943</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	364.54%	427.49%	254.96%	325.68%	391.40%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	NCLB / ESEA			CRRSA Consolidated			Scholarship Fund	Student Activities Fund	Sub-Total Per E-1(2)	Totals	
	Title I 2021-22	Title II	Title IV	CRRSA ESSER II	CR Mental Health	Pre-School				2022	2021
REVENUES:											
Local Sources	\$	\$	\$	\$	\$	\$	15	\$ 6,810	\$ 3,964	\$ 10,789	\$ 9,380
Federal Sources	300,410	36,186	17,184	263,243	11,435				217,289	845,747	635,000
State Sources						730,628				730,628	639,201
Total Revenues	300,410	36,186	17,184	263,243	11,435	730,628	15	6,810	221,253	1,587,164	1,283,581
EXPENDITURES:											
Instruction:											
Salaries of Teachers	205,900	24,900		188,197	4,158	286,896				710,051	435,620
Other Salaries for Instruction						159,465				159,465	167,668
General Supplies	1,855	81	17,184	21,091	68	3,727				44,006	119,779
Other Purchased Serv.						3,076			194,912	197,988	175,719
Total Instruction	207,755	24,981	17,184	209,288	4,226	453,164			194,912	1,111,510	898,786
Support Services:											
Salaries of Supervisors of Instruction						20,128				20,128	
Salaries of Other Professional Staff											5,265
Salaries of Family/Parent Liaison & Community Parent						14,048				14,048	
Salaries of Master Teacher						74,549				74,549	72,430
Employee Benefits	92,655	11,205		40,455	2,209	177,392				323,916	180,968
Purchased Professional Educational Services					5,000	525				5,525	
Other Purchased Professional Services				13,500						13,500	5,000
Transportation						7,449				7,449	12,000
Communications/Telephone											10,232
Materials and Supplies									26,341	26,341	92,935
Scholarships Awarded							3,000			3,000	1,500
Student Activities								6,857		6,857	7,793
Total Support Services	92,655	11,205		53,955	7,209	294,091	3,000	6,857	26,341	495,313	388,123
Facilities Acquisition/Construction:											
Non-Instructional Equipment						9,411				9,411	
Total Facilities Acquisition/Construction						9,411				9,411	
Total Expenditures	\$ 300,410	\$ 36,186	\$ 17,184	\$ 263,243	\$ 11,435	\$ 756,666	\$ 3,000	\$ 6,857	\$ 221,253	\$ 1,616,234	\$ 1,286,909
Preschool Inclusion						26,038				26,038	
Excess (Deficiency) of Revenues Over (Under) Expenditures							(2,985)	(47)		(3,032)	(3,328)
Fund Balance, July 1							15,299	18,045		33,344	
Fund Balance June 30	\$	\$	\$	\$	\$	\$	\$ 12,314	\$ 17,998	\$	\$ 30,312	\$ 33,344

LAWRENCE TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	IDEA						Totals 2022
	Basic Flow- Through	Pre- School	ARP Basic	ARP Pre- School	REAP	Safety Grant	
REVENUES:							
Local sources					\$	\$ 3,964	\$ 3,964
Federal Sources	\$ 163,526	\$ 4,621	\$ 24,669	\$ 2,096	22,377		217,289
State Sources							
Total Revenues	<u>163,526</u>	<u>4,621</u>	<u>24,669</u>	<u>2,096</u>	<u>22,377</u>	<u>3,964</u>	<u>221,253</u>
EXPENDITURES:							
Instruction:							
General Supplies							
Other Purchased Services	163,526	4,621	24,669	2,096			194,912
Total Instruction	<u>163,526</u>	<u>4,621</u>	<u>24,669</u>	<u>2,096</u>			<u>194,912</u>
Support Services:							
Salaries of Other Profes. Staff							
Supplies and Materials					22,377	3,964	26,341
Total Support Services					<u>22,377</u>	<u>3,964</u>	<u>26,341</u>
Facilities Acquisition/Construction:							
Instructional Equipment							
Total Facilities Acquisition/Construction							
Total Expenditures	<u>\$ 163,526</u>	<u>\$ 4,621</u>	<u>\$ 24,669</u>	<u>\$ 2,096</u>	<u>\$ 22,377</u>	<u>\$ 3,964</u>	<u>\$ 221,253</u>

LAWRENCE TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 286,896	\$ 286,896	\$
Other Salaries for Instruction	159,465	159,465	
Purchased Tech Services	3,076	3,076	
Supplies	13,138	3,727	9,411
Total Instruction	<u>462,575</u>	<u>453,164</u>	<u>9,411</u>
Support:			
Salaries Supervisors Instr	20,128	20,128	
Salary Family/Parent Liaison	14,048	14,048	
Salaries - Masters Teachers	74,549	74,549	
Personal Services - Employee Benefits	177,392	177,392	
Travel			
Other Professional Services	525	525	
Transportation	7,449	7,449	
Supplies			
Total Support Services	<u>294,091</u>	<u>294,091</u>	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment	9,411	9,411	
Total Facilities Acquisition and Const. Services:	<u>9,411</u>	<u>9,411</u>	
Total Expenditures	<u>\$ 766,077</u>	<u>\$ 756,666</u>	<u>\$ 9,411</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2021-22 Preschool Education Aid Allocation	\$ 729,064	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2021)	13,752	(2)
Expenditure Adjustment	1,564	
Add: Budgeted Transfer from the General Fund 2021-22	26,038	(3)
Total Preschool Education Aid Funds Available for 2021-22 Budget	<u>770,418</u>	(4)
Less: 2021-22 Budgeted Preschool Education Aid (including prior year budget carryover)	<u>(766,077)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	4,341	(6)
Add: June 30, 2022 Unexpended Preschool Education Aid	9,411	(7)
Less: 2021-22 Commissioner-approved Transfer to the General Fund		(8)
2021-22 Carryover - Preschool Education Aid/Preschool Programs	<u>\$ 13,752</u>	(9)
 2021-22 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2022-23	 <u>\$ 13,752</u>	 (10)

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINED SCHEDULE OF NET POSITION
AS OF JUNE 30, 2022 AND 2021

	<u>Food Service Fund</u>	<u>Hawk Latchkey</u>	<u>Total</u>	
			<u>2022</u>	<u>2021</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 285,531	\$ 20,510	\$ 306,041	\$ 211,355
Accounts Receivable:				
State	446		446	944
Federal	43,292		43,292	19,194
Interfund Receivable	57,249		57,249	57,249
Other				
Inventories	2,683		2,683	4,089
Total Current Assets	389,201	20,510	409,711	292,831
Fixed Assets:				
Equipment	122,868		122,868	122,868
Accumulated Depreciation	(110,023)		(110,023)	(106,840)
Total Fixed Assets	12,845		12,845	16,028
Total Assets	402,046	20,510	422,556	308,859
LIABILITIES:				
Current Liabilities:				
Accounts Payable	34,076		34,076	14,103
Interfund Payable		1,782	1,782	1,782
Prepaid Summer Camp		1,340	1,340	1,340
Prepaid Latchkey		7,997	7,997	7,997
Unearned Revenue	499		499	3,539
Total Current Liabilities	34,575	11,119	45,694	28,761
Total Liabilities	34,575	11,119	45,694	28,761
Deferred Inflow of Resources				
NET POSITION:				
Investment in Fixed Assets	12,845		12,845	16,028
Unrestricted	354,626	9,391	364,017	264,070
Total Net Position	\$ 367,471	\$ 9,391	\$ 376,862	\$ 280,098

LAWRENCE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	Food Service Fund	Hawk Latchkey	Total	
			2022	2021
OPERATING REVENUES:				
Local Sources:				
Food Sales Reimbursable Programs	\$	\$	\$	\$ 64,526
Food Sales Non-Reimbursable Programs	71,776		71,776	
After School Childcare Fees				
Total Operating Revenue	71,776		71,776	64,526
OPERATING EXPENSES:				
Salaries and Benefits	135,123		135,123	94,766
Supplies and Materials	15,884		15,884	14,310
Cost of Sales	144,792		144,792	75,984
Cost of Sales - Non Program Food				25,328
Repairs and Maintenance	9,830		9,830	
Management Fee	36,000		36,000	36,000
Miscellaneous	10,543		10,543	2,948
Utilities	22,975		22,975	12,550
Depreciation	3,183		3,183	2,851
Total Operating Expenses	378,330		378,330	264,737
Operating Income/(Loss)	(306,554)		(306,554)	(200,211)
NON-OPERATING REVENUES:				
State Sources:				
State School Lunch Program	5,695		5,695	6,183
Federal Sources:				
National School Lunch Program	242,536		242,536	165,071
School Breakfast Program	123,295		123,295	98,455
P-EBT Administrative Cost Reimbursement	1,242		1,242	
Supply Chain Assistance Funding	13,998		13,998	
Food Distribution Program	16,530		16,530	2,115
Interest		22	22	69
Total Non-Operating Revenues	403,296	22	403,318	271,893
Change in Net Assets Before Operating Transfers				
In/(out)	96,742	22	96,764	71,682
Net (Loss)/Income	96,742	22	96,764	71,682
Net Position - July 1	270,729	9,369	280,098	208,416
Net Position - June 30	\$ 367,471	\$ 9,391	\$ 376,862	\$ 280,098

LAWRENCE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2022

	<u>Food Service Fund</u>	<u>Hawk Latchkey</u>	<u>Total</u>	
			<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 71,776	\$	\$ 71,776	\$ 64,526
Payments to Employees	(135,123)		(135,123)	(94,766)
Payments to Suppliers	(234,742)		(234,742)	(159,671)
Payments to Others	(10,543)		(10,543)	(27,715)
Net Cash Provided by (Used for) Operating Activities	(308,632)		(308,632)	(217,626)
Cash Flows from Non-capital Financing Activities				
State Sources	5,695		5,695	6,183
Federal Sources	397,601		397,601	265,641
Interfund Transfer				
Net Cash Provided by (Used for) Non-capital Financing Activities	403,296		403,296	271,824
Cash Flows from Capital Financing Activities				
Purchases of Capital Assets				(9,989)
Net Cash Provided by (Used for) Capital Financing				(9,989)
Cash Flows from Investing Activities				
Interest and Dividends		22	22	69
Net Cash Provided by (Used for) Investing Activities		22	22	69
Net Increase/(Decrease) in Cash and Cash Equivalents	94,664	22	94,686	44,278
Balances - Beginning of Year	190,867	20,488	211,355	167,077
Balances - End of Year	\$ 285,531	\$ 20,510	\$ 306,041	\$ 211,355
Operating Income/(Loss)	\$ (306,554)	\$	\$ (306,554)	\$ (200,211)
Adjustments to Reconcile Operating Income/(Loss) to Cash Used by Operating Activities:				
Depreciation	3,183		3,183	2,851
Federal Commodities				
Change in Assets and Liabilities:				
Decrease/(Increase) in Accounts Receivable	(23,600)		(23,600)	34,336
Decrease/(Increase) in Interfund Receivable				(23,890)
Decrease/(Increase) in Other Program Fees Receivable				
Decrease/(Increase) in Inventory	1,406		1,406	
Increase/(Decrease) in Outflow of Resouces				
Increase/(Decrease) in Accounts Payable	19,973		19,973	(3,830)
Increase/(Decrease) in Interfund Payable				(24,767)
Increase/(Decrease) in Pension Accounts Payable				
Increase/(Decrease) in Cash Overdraft				
Increase/(Decrease) in Prepaid Latchkey/Summer				7,997
Increase/(Decrease) in Unearned Revenue	(3,040)		(3,040)	(10,112)
Increase/(Decrease) in Inflow of Resources				
Increase/(Decrease) in Net Pension Liability				
Total Adjustments	(2,078)		(2,078)	(17,415)
Net Cash Used by Operating Activities	\$ (308,632)	\$	\$ (308,632)	\$ (217,626)

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Internal Service Fund</u>
ASSETS	
Current Assets:	
Cash and Cash equivalents	\$ 671,256
Accounts Receivable	5,151
	<hr/>
Total current assets	676,407
	<hr/>
Fixed Assets:	
Equipment	10,117
Accumulated Depreciation	(10,117)
	<hr/>
Total Fixed Assets	
	<hr/>
Total Assets	676,407
	<hr/>
LIABILITIES	
Current Liabilities	
Interfund Payable	
	<hr/>
Total Current Liabilities	
	<hr/>
NET POSITION:	
Invested in Capital Assets Net of Related Debt	
Unrestricted:	676,407
	<hr/>
Total Net Position	\$ 676,407
	<hr/> <hr/>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
JUNE 30, 2022

	<u>Child Study Team</u>	<u>Shared Business Services</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services:			
Business Services	\$	\$ 76,500	\$ 76,500
Child Study Team	398,172		398,172
	<u>398,172</u>	<u>76,500</u>	<u>474,672</u>
Total operating revenues			
	<u>398,172</u>	<u>76,500</u>	<u>474,672</u>
OPERATING EXPENSES			
Salaries	320,174	124,620	444,794
Purchased Professional Tech.	8,211		8,211
Supplies and Materials	1,840	860	2,700
Other Purchased Servies		68	68
	<u>330,225</u>	<u>125,548</u>	<u>455,773</u>
Total Operating Expenses			
	<u>330,225</u>	<u>125,548</u>	<u>455,773</u>
Operating income/(loss)	67,947	(49,048)	18,899
NET POSITION, JULY 1, 2021	57,816	599,692	657,508
	<u>57,816</u>	<u>599,692</u>	<u>657,508</u>
NET POSITION JUNE 30, 2022	\$ 125,763	\$ 550,644	\$ 676,407
	<u>\$ 125,763</u>	<u>\$ 550,644</u>	<u>\$ 676,407</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	<u>Internal Service Fund</u>
Cash Flow From Operating Activities	
Receipts from customers and Users	\$ 474,672
Payment to employees	(444,794)
Payment to employee benefits	
Payment to other	(51,425)
Net Cash provided (used) by operating activities	<u>(21,547)</u>
Cash Flow From Financing Activities	
Purchase of Equipment	
Net cash provided by non-capital financing activities	
Net increase/(decrease) in cash and cash equivalents	
Cash and cash equivalents July 1	692,803
Cash and cash equivalents June 30	<u>\$ 671,256</u>
Operating Income/(Loss)	\$ 18,899
Adjustments to Reconcile Operating Income/(Loss) to Cash Used by Operating Activities:	
Depreciation	
Change in Assets and Liabilities:	
Decrease/(Increase) in Accounts Receivable	(896)
Increase/(Decrease) in Interfund Payable	(39,550)
Total Adjustments	<u>(40,446)</u>
Net Cash Used by Operating Activities	<u>\$ (21,547)</u>

LONG-TERM DEBT SCHEDULES

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate Range	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
			Date	Amount					
School Refunding Bonds Series 2007	12/27/07	\$ 2,345,000	3/1/23	\$ 50,000	3%-4.16%	\$ 205,000	\$	\$ 155,000	\$ 50,000
Myron L Powell Elementary School Additions Series 2010	1/21/10	2,216,000	9/1/22 9/1/23 9/1/24	190,000 200,000 206,000	2.75% - 3.75%	776,000		180,000	596,000
						<u>\$ 981,000</u>	<u>\$</u>	<u>\$ 335,000</u>	<u>\$ 646,000</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 277,243	\$	\$ 277,243	\$ 277,243	\$
State Sources:					
Debt Service Aid Type II	91,476		91,476	91,476	
Total Revenues	368,719		368,719	368,719	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	33,719		33,719	33,719	
Redemption of Principal	335,000		335,000	335,000	
Total Expenditures	368,719		368,719	368,719	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	\$ 1	\$	\$ 1	\$ 1	\$
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$ 1	\$	\$ 1	\$ 1	\$

STATISTICAL SECTION

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 4,594,871	\$ 5,077,440	\$ 5,139,584	\$ 5,232,199	\$ 5,263,369	\$ 5,980,113	\$ 6,107,505	\$ 4,866,225	\$ 4,942,943	\$ 5,248,212
Restricted	2,300,067	2,232,898	2,134,952	2,224,506	2,253,547	1,988,209	2,049,426	2,400,517	2,965,876	2,927,252
Unrestricted (Deficit)	238,453	(20,280)	(1,312,032)	(1,432,709)	(1,574,290)	(1,621,116)	(1,753,003)	(1,854,413)	(1,616,377)	(1,526,542)
Total Governmental Activities Net Position	\$ 7,133,391	\$ 7,290,058	\$ 5,962,504	\$ 6,023,996	\$ 5,942,626	\$ 6,347,206	\$ 6,403,928	\$ 5,412,329	\$ 6,292,442	\$ 6,648,922
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 91,939	\$ 84,947	\$ 77,955	\$ 30,197	\$ 26,729	\$ 13,924	\$ 11,408	\$ 8,890	\$ 16,028	\$ 12,845
Unrestricted	31,057	66,670	33,078	41,722	48,999	72,483	87,933	199,526	264,070	364,017
Total Business-Type Activities Net Position	\$ 122,996	\$ 151,617	\$ 111,033	\$ 71,919	\$ 75,728	\$ 86,407	\$ 99,341	\$ 208,416	\$ 280,098	\$ 376,862
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 4,686,810	\$ 5,162,387	\$ 5,217,539	\$ 5,262,396	\$ 5,290,098	\$ 5,994,037	\$ 6,118,913	\$ 4,875,115	\$ 4,958,971	\$ 5,261,057
Restricted	2,300,067	2,232,898	2,168,030	2,266,228	2,302,546	1,988,209	2,049,426	2,400,517	2,965,876	2,927,252
Unrestricted (Deficit)	269,510	46,390	(1,312,032)	(1,432,709)	(1,574,290)	(1,548,633)	(1,665,070)	(1,654,887)	(1,352,307)	(1,162,525)
Total District-Wide Net Position	\$ 7,256,387	\$ 7,441,675	\$ 6,073,537	\$ 6,095,915	\$ 6,018,354	\$ 6,433,613	\$ 6,503,269	\$ 5,620,745	\$ 6,572,540	\$ 7,025,784

Source: ACFR Schedule A-1

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,274,341	2,567,778	2,484,080	2,315,227	2,491,312	2,487,054	2,740,806	3,372,100	3,827,099	3,700,266
Special Education	770,426	700,584	661,458	706,546	801,951	907,819	1,161,356	676,394	741,013	897,993
Other Special Instruction	172,115	100,026	263,007	81,742	46,438	40,560	28,765			
Other	50,948	58,426	55,654	34,745	37,200	42,064	43,374	73,544	49,301	122,553
Support Services										
Tuition	2,049,782	2,181,410	2,387,209	2,546,448	2,205,357	1,613,747	1,424,796	1,552,565	1,202,419	957,680
Student and Instruction Related Services	476,349	555,285	556,559	627,560	721,161	847,459	936,545	853,433	967,331	953,647
General Administrative Services	362,142	366,823	372,146	376,135	397,545	386,730	384,868	160,563	178,223	207,676
School Administrative Services	209,091	190,402	197,367	189,938	213,150	184,113	183,665	198,874	174,190	233,337
Central Services								197,621	186,760	166,286
Administrative Information Technology								19,286	20,714	37,616
Plant Operations and Maintenance	480,580	489,078	483,154	453,102	492,244	484,959	548,125	501,955	422,545	554,822
Pupil Transportation	724,617	683,056	652,393	644,708	646,848	723,359	894,508	769,872	773,697	917,396
Other Support Services	1,704,147	1,544,406	2,458,355	2,774,116	3,543,968	3,275,769	3,785,490	3,592,548	4,106,551	3,773,102
Transfer to Charter School						50,569	25,036			
Interest on long-term debt	128,567	119,107	109,215	99,053	88,489	77,320	67,050	87,808	82,309	69,507
Internal Service	120,244	69,115	72,748	75,939	170,747	123,952	159,879	498,202	479,985	455,773
Debt Service Assessment	25,954	40,020	40,020	40,020	40,020	40,020	40,020			
Amortization of Debt Issuance Cost	4,382									
Total Governmental Activities Expenses	9,553,685	9,665,516	10,793,365	10,965,279	11,896,430	11,285,494	12,424,283	12,554,765	13,212,137	13,047,654
Business-Type Activities										
Food Service	309,511	308,187	291,745	284,569	339,540	310,265	270,412	257,385	264,737	378,330
Child Care	28,347	28,077	34,802	36,451	33,418	32,506	57,203	37,089		
Total Business-Type Activities Expense	337,858	336,264	326,547	321,020	372,958	342,771	327,615	294,474	264,737	378,330
Total District Expenses	\$ 9,891,543	10,001,780	11,119,912	11,286,299	12,269,388	11,628,265	12,751,898	12,849,239	13,476,874	13,425,984
Program Revenues										
Governmental Activities										
Charges for Service	\$									481,482
Central and Other Support Services	204,400	106,000	106,000	106,000	181,000	184,000	184,000			
Operating Grants and Contributions	675,617	575,190	1,381,218	1,161,342	2,278,263	1,932,978	2,307,835	3,133,296	3,441,969	1,957,772
Total Governmental Activities Program Revenues	880,017	681,190	1,487,218	1,267,342	2,459,263	2,116,978	2,491,835	3,133,296	3,441,969	2,439,254
Business-Type Activities										
Charges for Services										
Food Service	74,080	74,078	74,255	75,170	121,625	131,374	100,675	94,507	64,526	71,776
Child Care	43,149	47,302	47,095	65,647	40,495	46,283	45,635	17,742		
Operating Grants and Contributions	227,393	243,324	221,855	198,932	196,732	185,870	193,961	237,136	271,824	403,296
Total Business-Type Activities Program Revenues	344,622	364,704	343,205	339,749	358,852	363,527	340,271	349,385	336,350	475,072
Total District Program Revenues	\$ 1,224,639	1,045,894	1,830,423	1,607,091	2,818,115	2,480,505	2,832,106	3,482,681	3,778,319	2,914,326
Net (Expense)/Revenue										
Governmental Activities	\$ (8,673,668)	(8,984,326)	(9,306,147)	(9,697,937)	(9,437,167)	(9,168,516)	(9,932,448)	(9,421,469)	(9,770,168)	(10,608,400)
Business-Type Activities	6,764	28,440	16,658	18,729	(14,106)	20,756	12,656	54,911	71,613	96,742
Total District-Wide Net Expense	\$ (8,666,904)	(8,955,886)	(9,289,489)	(9,679,208)	(9,451,273)	(9,147,760)	(9,919,792)	(9,366,558)	(9,698,555)	(10,511,658)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 1,927,691	1,927,691	2,157,571	2,204,384	2,204,384	2,248,472	2,283,372	2,329,039	2,375,620	2,423,132
Taxes Levied for Debt Service	246,709	287,122	150,749	148,639	141,813	132,582	285,232	275,228	283,562	277,243
Grants and Contributions	7,288,360	6,925,625	6,930,461	7,417,991	7,005,734	7,170,235	7,342,221	6,909,359	7,707,705	8,180,061
Tuition Received	61,684	24,241	9,629	8,689				51,921	37,657	92,779
Transportation Fees Received								2,856		
Investment Earnings	20,077	11,781	10,903	6,458	6,384	5,871	6,224			
Miscellaneous Income	196,430	10,991	19,812	11,720	15,231	19,728	63,536	64,078	76,118	17,707
Adjustment				(16,973)						
Adjustment to Fixed Assets	(4,400)		(51,923)	(21,479)		(3,791)	2,585	(1,325,381)		
Prior Year Adjustment								124,886		
Right-to-Use Lease Adjustment										
Transfers					(17,749)			(2,116)	(22,994)	(6,278)
Total Governmental Activities	9,736,551	9,187,451	9,227,202	9,759,429	9,355,797	9,573,097	9,983,170	8,429,870	10,457,668	10,964,880
Business-Type Activities										
Investment and Miscellaneous Earnings	2	181	225	221	166	209	278	96	69	22
Fixed Asset Adjustment				(58,994)		(10,286)		54,068		
Transfers	426			930	17,749					
Total Business-Type Activities	428	181	225	(57,843)	17,915	(10,077)	278	54,164	69	22
Total District-Wide	\$ 9,736,979	9,187,632	9,227,427	9,701,586	9,373,712	9,563,020	9,983,448	8,484,034	10,457,737	10,964,902
Change in Net Position										
Governmental Activities	\$ 1,062,883	203,125	(78,945)	61,492	(81,370)	404,581	56,722	(991,599)	687,500	356,480
Business-Type Activities	7,192	28,621	16,883	(39,114)	3,809	10,679	12,934	109,075	71,682	96,764
Total District-Wide	\$ 1,070,075	231,746	(62,062)	22,378	(77,561)	415,260	69,656	(882,524)	759,182	453,244

Source: ACFR Schedule A-2

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Restricted	\$ 2,040,321	\$ #####	\$ #####	\$ 1,976,821	\$ #####	\$ #####	\$ 2,032,337	\$ 1,479,863	\$ 2,560,287	\$ 2,576,202
Assigned:							17,087	920,654	372,245	320,738
Unassigned (Deficit)	(264,550)	(281,638)	(282,616)	(318,729)	(303,398)	(299,654)	(330,092)	(336,018)	(162,265)	(128,141)
Total General Fund	\$ 1,775,771	\$ 1,510,532	\$ 1,478,233	\$ 1,658,092	\$ 1,847,465	\$ 1,688,554	\$ 1,719,332	\$ 2,064,499	\$ 2,770,267	\$ 2,768,799
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund (Deficit)	\$ (27,350)	\$ (39,684)	\$ (29,037)	\$ (32,909)	\$ (24,198)	\$ (28,069)	\$ (49,485)	\$ (69,234)	\$ (31,951)	\$ (42,594)
Capital Projects Fund	532,684	522,684	387,684	247,684	102,684					
Debt Service Fund		1	2	1		1	2	1	1	1
Total All Other Governmental Funds	\$ 505,334	\$ 483,001	\$ 358,649	\$ 214,776	\$ 78,486	\$ (28,068)	\$ (49,483)	\$ (69,233)	\$ (31,950)	\$ (42,593)

Source: ACFR Schedule B-1

LAWRENCE TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (UNAUDITED)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 2,174,400	\$ 2,214,813	\$ 2,308,320	\$ 2,353,023	\$ 2,346,197	\$ 2,381,054	\$ 2,568,604	\$ 2,604,267	\$ 2,659,182	\$ 2,700,375
Tuition Charges	61,684	24,241	9,629	8,689				51,921	37,657	92,779
Transportation Charges								2,856		
Interest Earnings	20,077	11,781	10,903	6,458	6,384	5,871	6,224	6,510	5,580	4,232
Miscellaneous	196,430	10,991	19,812	11,720	15,231	19,728	63,536	57,568	70,538	20,285
State Sources	7,465,355	7,036,875	7,088,908	7,260,510	7,409,662	7,698,356	7,935,065	8,177,769	8,754,480	9,297,086
Federal Sources	498,622	463,940	476,626	440,801	454,900	451,399	577,471	603,024	663,703	864,192
Total Revenues	10,416,568	9,762,641	9,914,198	10,081,201	10,232,374	10,556,408	11,150,900	11,503,915	12,191,140	12,978,949
Expenditures										
Instruction										
Regular Instruction	2,137,101	2,419,526	2,355,927	2,186,829	2,329,641	2,359,678	2,603,028	3,177,150	3,631,177	3,491,985
Special Education Instruction	745,473	673,628	638,157	683,201	772,556	884,660	1,136,305	660,602	724,910	880,874
Other Special Instruction	172,115	100,026	263,007	81,742	46,438	40,560	28,765			
School sponsored/other instruction	50,948	58,426	55,654	34,745	37,200	42,064	43,374	73,544	49,301	122,553
Support Services										
Tuition	2,049,782	2,181,410	2,387,209	2,546,448	2,205,357	1,613,747	1,424,796	1,552,565	1,202,419	957,680
Student and Instruction Related Services	476,349	555,285	556,559	627,560	721,161	847,459	936,545	853,433	967,331	953,647
General Administration	153,655	155,361	155,746	154,966	162,664	176,586	159,631	160,563	156,752	184,851
School Administrative Services	176,652	149,716	167,076	159,590	174,937	154,006	151,099	178,344	152,719	210,512
Central Services	176,048	182,066	186,109	190,821	196,668	180,037	192,671	177,091	186,760	166,286
Administrative Information Technology								19,286	20,714	37,616
Plant Operations and Maintenance	458,124	464,819	462,183	432,091	465,789	464,115	525,580	487,743	409,126	532,850
Pupil Transportation	724,617	683,056	652,393	644,708	646,848	723,359	894,508	769,872	773,697	917,396
Employee Benefits	1,736,503	1,511,958	1,691,216	1,800,614	1,961,726	2,210,441	2,533,353	2,623,125	2,910,573	3,836,738
Charter Schools						50,569	25,036			
Capital Outlay	315,623	507,573	97,094	77,389	56,287	678,298	96,484	66,285	50,699	309,589
Debt Service:										
Principal	265,000	285,000	290,000	305,000	310,000	315,000	320,000	325,000	335,000	335,000
Interest and Other Charges	131,600	122,363	112,519	102,538	92,019	81,294	70,363	51,779	46,530	33,719
Total Expenditures	9,769,590	10,050,213	10,070,849	10,028,242	10,179,291	10,821,873	11,141,538	11,176,382	11,617,708	12,971,296
Excess (Deficiency) of Revenues Over (Under) Expenditures	646,978	(287,572)	(156,651)	52,959	53,083	(265,465)	9,362	327,533	573,432	7,653
Other Financing Sources (Uses)										
Transfers Out	(9,000)	(3,058)	(1,000)	(7,265)	(11,000)	(19,678)		(2,116)	(22,994)	(19,764)
Proceeds from Capital Lease		88,613								
Total Other Financing Sources (Uses)	(9,000)	85,555	(1,000)	(7,265)	(11,000)	(19,678)	9,362	(2,116)	(22,994)	(19,764)
Net Change in Fund Balances	\$ 637,978	\$ (202,017)	\$ (157,651)	\$ 45,694	\$ 42,083	\$ (285,143)	\$ 9,362	\$ 325,417	\$ 550,438	\$ (12,111)
Debt Service as a Percentage of Noncapital Expenditures	4.20%	4.27%	4.04%	4.10%	3.97%	3.91%	3.53%	3.49%	3.49%	3.49%

Source: ACFR Schedule B-2

LAWRENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Transportation	Prior Year Revenue	Student Activity	ERATE	Township	Misc.	Total
2022	\$ 4,232	\$ 92,779		\$ 1,885				\$ 7,611	\$ 106,507
2021	5,580	37,657		1,900		#####		#####	104,395
2020	6,510	51,921	2,856			#####		#####	115,024
2019	6,224					#####	8,846	#####	69,722
2018	5,871			1,581		6,768		8,869	23,089
2017	6,384					8,089		7,142	21,615
2016	6,458	8,689				9,454			24,601
2015	10,903	9,629				9,908		6,530	36,970
2014	11,781	24,241				9,426			45,448
2013	20,077	64,143			162,500	#####		#####	276,663

Source: District Records

LAWRENCE TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2022	\$ 10,731,400	\$ 186,337,500	\$ 17,338,500	\$ 2,339,800	\$ 8,586,200	\$ 2,950,000	\$ 290,000	\$ 228,573,400	\$ 1,118,640	\$ 229,692,040	\$ 1.177	\$ 234,687,666
2021	11,009,200	186,482,200	17,147,700	2,291,000	8,584,200	2,950,000	290,000	228,754,300	1,138,476	229,892,776	1.166	232,781,419
2020	11,231,800	186,446,100	17,278,100	2,293,400	12,991,000			230,240,400	1,005,378	231,245,778	1.139	224,559,056
2019	11,566,000	187,426,700	17,150,200	2,245,700	12,991,000			231,379,600	985,985	232,365,585	1.114	226,753,822
2018	12,005,100	188,247,300	17,336,100	2,226,300	12,337,400			232,152,200	984,675	233,136,875	1.062	224,463,447
2017	12,085,200	188,999,800	17,202,800	2,225,800	12,230,500			232,744,100	985,037	233,729,137	1.012	216,586,730
2016	12,775,900	191,528,000	17,523,600	2,211,900	11,466,100			235,505,500	979,731	236,485,231	0.994	208,615,023
2015	13,641,000	192,650,700	18,252,600	2,218,000	11,940,400			238,702,700	1,014,932	239,717,632	0.973	211,073,216
2014	13,844,900	193,201,100	19,376,700	2,359,700	10,429,400			239,211,800	985,757	240,197,557	0.942	216,559,660
2013								240,919,500	1,186,683	242,106,183	0.907	

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

R Revaluation

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)**

Year Ended June 30,	Stow Creek Township and Regional Boards of Education			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total District	Lawrence Township	Cumberland County	Total
2022	\$ 1.028	\$ 0.149	\$ 1.177	\$ 0.564	\$ 1.198	\$ 2.939
2021	1.019	0.147	1.166	0.551	1.209	2.926
2020	0.995	0.144	1.139	0.531	1.215	2.885
2019	0.967	0.147	1.114	0.521	1.180	2.815
2018	0.945	0.117	1.062	0.489	1.145	2.696
2017	0.898	0.114	1.012	0.467	1.084	2.563
2016	0.882	0.112	0.994	0.453	1.001	2.448
2015	0.863	0.110	0.973	0.411	0.986	2.370
2014	0.836	0.103	0.942	0.382	0.948	2.272
2013	0.804	0.114	0.907	0.366	0.940	2.213

Source: District Records and Municipal Tax Collector

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and th Net Valuation Taxable.

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Taxpayer</u>	<u>2022</u>		<u>2013</u>	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
AG-Mart Produce INC	\$ 3,512,600	1.53%	\$ 2,950,000	1.22%
Eastern Fresh Growers INC	1,700,000	0.74%		
SF Systems CO			1,700,000	0.70%
Bell Atlantic Prop	1,118,640	0.49%	985,757	0.41%
Taxpayer #1	935,200	0.41%	535,600	0.22%
Taxpayer #2	653,500	0.28%	557,800	0.23%
E Puglisi & Sons LLC	612,100	0.27%		
Nardelli Bros	604,300	0.26%		
Taxpayer #3	557,800	0.24%	483,600	0.20%
Taxpayer #4			475,900	0.20%
Suzway LLC	581,700	0.25%		
M&T Land Company, LLC			500,000	0.21%
Taxpayer#5				
Cedarville Cooperative			700,000	0.29%
Total	\$ 6,763,240	2.94%	\$ 8,888,657	2.45%

Source: District ACFR & Municipal Tax Assessor

LAWRENCE TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2022	\$ 2,700,375	\$ 2,700,375	100%	\$
2021	2,659,182	2,437,589	92%	221,593
2020	2,604,267	2,604,267	100%	
2019	2,568,604	2,568,604	100%	
2018	2,381,054	2,381,054	100%	
2017	2,346,197	2,346,197	100%	
2016	2,353,023	2,353,023	100%	
2015	2,308,320	2,308,320	100%	
2014	2,214,813	2,214,813	100%	
2013	2,174,400	2,174,400	100%	

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^D	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2022	\$ 646,000	\$	\$	\$	\$ 646,000	0.46%	\$ 209
2021	981,000				981,000	0.79%	359
2020	1,316,000				1,316,000	1.07%	487
2019	1,641,000				1,641,000	1.33%	550
2018	1,961,000				1,961,000	1.58%	623
2017	2,276,000				2,276,000	1.90%	729
2016	2,586,000				2,586,000	2.21%	820
2015	2,891,000				2,891,000	2.49%	904
2014	3,181,000				3,181,000	2.69%	941
2013	3,466,000				3,466,000	2.96%	1,006

LAWRENCE TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2022	\$ 646,000	\$	\$ 646,000	\$ 0.28%	209
2021	981,000		981,000	0.42%	316
2020	1,316,000		1,316,000	0.59%	435
2019	1,641,000		1,641,000	0.72%	537
2018	1,961,000		1,961,000	0.84%	635
2017	2,276,000		2,276,000	0.97%	722
2016	2,586,000		2,586,000	1.09%	812
2015	2,891,000		2,891,000	1.21%	902
2014	3,181,000		3,181,000	1.32%	985
2013	3,466,000		3,466,000	1.43%	1,064

Note: This statement is not applicable the district does not have any debt in any of the years reported herein.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Lawrence	\$ 2,318,425	100%	\$ 2,318,425
Other debt			
Cumberland Regional School Debt	3,882,000		
County of County - Township's share	96,213,842	2.493%	2,398,476
Subtotal, Overlapping Debt			4,716,901
Lawrence Township School District Direct Debt			646,000
Total Direct and Overlapping Debt			\$ 5,362,901

Sources: Lawrence Township Finance Officer and Cumberland County Finance Office

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

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis	
	2019	\$ 225,670,145
	2020	224,034,640
	2021	232,781,419
	[A]	\$ 682,486,204
Average Equalized Valuation of Taxable Property	[A/3]	\$ 227,495,401
Debt Limit (3% of Average Equalization Value)	[B]	6,824,862 ^a
Net Bonded School Debt	[C]	646,000
Legal Debt Margin	[B-C]	\$ 6,178,862

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 7,111,141	\$ 6,910,235	\$ 6,651,366	\$ 6,410,762	\$ 6,424,270	\$ 6,556,293	\$ 6,716,931	\$ 4,531,811	\$ 6,772,158	\$ 6,824,862
Total Net Debt Applicable to Limit	3,466,000	3,181,000	2,891,000	2,586,000	2,276,000	1,961,000	1,641,000	1,316,000	981,000	646,000
Legal Debt Margin	\$ 3,645,141	\$ 3,729,235	\$ 3,760,366	\$ 3,824,762	\$ 4,148,270	\$ 4,595,293	\$ 5,075,931	\$ 3,215,811	\$ 5,791,158	\$ 6,178,862
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	48.74%	46.03%	43.46%	40.34%	35.43%	29.91%	24.43%	29.04%	14.49%	9.47%

Source: Abstract of Ratables and District Records ACFR Schedule J-7

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population ⁽¹⁾	Personal Income (thousands of dollars) ⁽²⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2022 *	3,085	\$ 140,664,760	\$ 45,589	7.65%
2021	3,101	124,325,463	45,543	9.00%
2020	3,024	122,913,377	45,498	10.80%
2019	3,056	126,020,272	41,327	6.00%
2018	3,088	122,244,656	39,448	7.30%
2017	3,154	122,397,278	38,353	8.50%
2016	3,183	119,734,911	37,100	9.20%
2015	3,205	118,315,780	36,322	10.60%
2014	3,228	114,677,928	34,972	12.20%
2013	3,256	112,224,552	33,980	13.50%

* Estimate

Source:

- ¹ Population information provided by the NJ Dept of Labor and Workforce Development
- ² Personal income
- ³ Per Capita
- ⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

LAWRENCE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Employer*	2022		2013	
	Employees*	Percentage of Total Employment	Employees	Percentage of Total Employment
Inspira Health Network	3,600	5.22%	2,837	2.30%
Americold formerly AGRO Merchants	495	0.72%		
F & S Produce/Pipcp Transportstion	1,208	1.75%	525	0.43%
Wal-Mart	820	1.19%	806	0.65%
Durand Glass Manufacturing Co./ARC Inter	750	1.09%	970	0.79%
Gerresheimer (Kimble)			876	0.71%
ShopRite	742	1.08%	737	0.60%
WaWa	775	1.12%	562	0.46%
Seabrook Bros. & Sons	420	0.61%	550	0.45%
Sheppard Bus Service	602	0.87%	520	0.42%
Elwyn New Jersey (Vld. Training)			518	0.42%
Northeast Precast	461	0.67%		
AJM Packaging	498	0.72%		
Ardagh Group	365	0.53%		
Complete Care	310	0.45%		
South State, Inc	300	0.44%		
Corning Glass	285	0.41%		
Nipro PharmaPackaging Americas Corp	285	0.41%		
	11,916	17.28%	8,901	7.23%

*Cumberland County

Source: Cumberland County

LAWRENCE TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
 (UNAUDITED)

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	38.0	40.0	39.5	38.0	41.0	42.0	39.0	39.0	42.0	43.0
Special Education	8.0	7.0	8.0	7.0	7.0	4.0	5.0	6.0	7.0	7.0
Other special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student & Instruction Related Services	2.0	2.0	4.0	3.0	8.0	11.0	22.0	26.0	23.0	26.0
General Administrative Services	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	0.5
School Administrative Services	3.0	4.0	4.0	4.0	4.7	4.0	5.0	5.0	4.0	4.0
Other Administrative Services									1.0	1.0
Central Services	2.0	2.0	2.0	2.0	3.0	2.0	2.0	4.0	4.0	3.5
Administrative Information Technology										
Plant Operations and Maintenance	5.7	5.7	5.7	5.2	5.2	4.0	4.0	3.0	4.0	4.0
Pupil Transportation										1.0
Other Support Services										
Contracted Service - Speech										
Special Schools										
Food Service - Contracted										
Totals	<u>60.7</u>	<u>61.7</u>	<u>64.2</u>	<u>60.2</u>	<u>69.9</u>	<u>68.0</u>	<u>78.0</u>	<u>84.0</u>	<u>86.5</u>	<u>90.0</u>

Source: District Personnel Records

LAWRENCE TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	504	\$ 9,057,367	\$ 17,971	-7.62%	47.0	10 to 1	501.0	470.0	6.51%	93.81%
2014	510	9,135,277	17,912	-0.33%	46.0	9 to 1	508.0	483.0	1.40%	95.08%
2015	499	9,571,236	19,181	7.08%	47.0	10 to 1	496.0	471.0	-2.36%	94.96%
2016	486	9,543,315	19,636	2.38%	47.0	9 to 1	482.0	457.0	-2.82%	94.81%
2017	472	9,720,985	20,595	4.88%	45.0	8 to 1	476.0	445.0	-1.24%	93.49%
2018	465	9,747,281	20,962	1.78%	48.0	10 to 1	469.0	442.0	-1.47%	94.24%
2019	460	10,654,691	23,162	10.50%	46.0	10 to 1	498.0	459.0	6.18%	92.17%
2020	506	11,110,097	21,957	-5.21%	45.0	11 to 1	506.0	495.4	1.61%	97.91%
2021	480	11,567,009	24,098	4.04%	49.0	10 to 1	479.0	438.0	-3.82%	91.44%
2022	481	12,661,707	26,324	13.65%	50.0	9.6 to 1	485.2	449.5	-2.57%	92.64%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST THE FISCAL YEARS
(UNAUDITED)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>District Building</u>										
<u>Elementary</u>										
M.L. Powell Elementary (1885)										
Square Feet	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149	59,149
Capacity (Students)	628	628	628	628	628	628	628	628	628	628
Enrollment	504	510	499	486	472	465	460	506	480	481

Number of Schools at June 30, 2022

- Elementary = 1
- Middle School = 0
- Senior High School = 0
- Other = 0

Source: District records, ASSA

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

LAWRENCE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

<u>School Facilities</u>	<u>Project #</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Myron Powell School		\$ 68,596	\$ 59,010	\$ 87,941	\$ 96,937	\$ 71,172	\$ 75,224	\$ 46,407	\$ 44,856	\$ 21,890	\$ 85,866
Total School Facilities		<u>68,596</u>	<u>59,010</u>	<u>87,941</u>	<u>96,937</u>	<u>71,172</u>	<u>75,224</u>	<u>46,407</u>	<u>44,856</u>	<u>21,890</u>	<u>85,866</u>
Other Facilities											
Grand Total		<u>\$ 68,596</u>	<u>\$ 59,010</u>	<u>\$ 87,941</u>	<u>\$ 96,937</u>	<u>\$ 71,172</u>	<u>\$ 75,224</u>	<u>\$ 46,407</u>	<u>\$ 44,856</u>	<u>\$ 21,890</u>	<u>\$ 85,866</u>

LAWRENCE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
Utica National	Commercial Package Policy		
	Property		
	Blanket Building & Contents	\$ 13,573,304	\$ 1,000
	Utility Services - Time Element	500,000	1,000
	General Liability	3,000,000	
	Flood	1,000,000	25,000
	Earthquake - Volcanic Eruption	1,000,000	25,000
	Employee Benefits	1,000,000	1,000
	Governmental Crime	100,000	500
	Abuse or Molestation Liability	1,000,000	
	Employee Related Practices Liability	1,000,000	5,000
	Inland Marine		
	Computer	177,550	500
	Miscellaneous Property	500,000	500
	Valuable Papers & Records	100,000	500
	Signs	30,000	
	Commercial Auto Coverage	1,000,000	100
	Board of Education Liability	1,000,000	
	Governmental Crimes-Computer Funds Transfer	100,000	500
NJSBIA	Workers' Compensation and Employers Liability	3,000,000	
Berkley Life & Health Ins	Basic Student Accident Liability	1,000,000	
US Fire Ins. Company	Catastrophic Student Accident	2,500,000	25,000
Ohio Casualty Ins. Co	Surety Bonds		
	Board Secretary/Business Administrator	189,000	

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Lawrence Township School District
County of Cumberland, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Lawrence Township School District's basic financial statements, and have issued our report thereon dated February 15, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lawrence Township Board of Education'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 Lawrence Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lawrence Township Board of Education's internal control.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

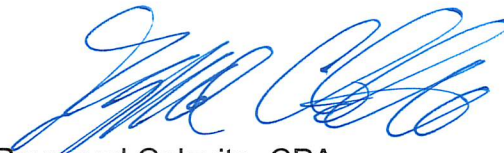
As part of obtaining reasonable assurance about whether the Lawrence Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 instance of noncompliance, or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
February 15, 2023

NIGHTLINGER, COLAVITA & VOLPA

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Certified Public Accountants

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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

The Honorable President and
Members of the Board of Education
Lawrence Township School District
County of Cumberland, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's compliance with the 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 Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs for the year ended June 30, 2022. The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance 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 Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey 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 Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey'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*, Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey'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*, Uniform Guidance and New Jersey OMB 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey'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 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Lawrence Township School District, in the County of Cumberland, State of New Jersey'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be significant, labeled 2022-1.

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

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
February 15, 2023

**TOWNSHIP OF LAWRENCE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2021			Budgetary Expenditures		Total Budgetary Expenditures (A)	Balance at June 30, 2022		
							Accounts Receivable	Unearned Revenue	Cash Received	Pass Through Funds	Budgetary Expenditures Direct		Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education															
General Fund:															
Medical Asst Program	93.778	2005NJ5MAP	N/A	\$18,445.00	7/1/21	9/30/22	\$	\$	\$ 18,445	\$ (18,445)	\$	\$ (18,445)	\$	\$	
Total General Fund									18,445	(18,445)		(18,445)			
Passed-through State Department of Education:															
Special Revenue Fund:															
E.S.E.A.															
Title I, Part A	84.010	S010A210030	ESEA 2570-22	\$ 300,410	7/1/21	9/30/22	\$	\$	\$ 143,780	\$ (300,410)	\$	\$ (300,410)	\$ (156,630)	\$	
Title I, Part A	84.010	S010A200030	ESEA 2570-21	223,450	7/1/20	6/30/21	(65,450)		65,450						
Title II, Part A	84.367A	S367A210029	ESEA 2570-22	36,186	7/1/21	9/30/22			17,511	(36,186)		(36,186)	(18,675)		
Title II, Part A	84.367A	S010A200029	ESEA 2570-21	26,511	7/1/20	6/30/21	(15,470)		15,470						
Title IV	84.424A	S424A210031	ESEA 2570-22	17,184	7/1/21	9/30/22			17,184	(17,184)		(17,184)			
IDEA Cluster:															
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	IDEA 2570-22	163,526	7/1/21	9/30/22			100,697	(163,526)		(163,526)	(62,829)		
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	IDEA 2570-21	171,096	7/1/20	9/30/21	(54,212)		54,212						
ARP IDEA Part B-Basic	84.027X	H027X210100	IDEA 2570-22	24,669	7/1/21	9/30/22			24,669	(24,669)		(24,669)			
I.D.E.A. Part B, Pre-School	84.173	H173A210114	IDEAPS 2570-22	4,621	7/1/21	9/30/22			4,621	(4,621)		(4,621)			
ARP IDEA Preschool	84.173X	H173X200114	IDEAPS 2570-22	2,096	7/1/21	9/30/22			2,096	(2,096)		(2,096)			
Education Stabilization Fund:															
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES2570-20	199,010	3/13/20	9/30/22	(25,243)		25,243						
CRRSA Consolidated:															
CRRSA-ESSER II	84.425D	S425D210027	N/A	771,590	7/1/21	9/30/22			187,108	(263,243)		(263,243)	(76,135)		
CR Learning Acceleration	84.425D	S425D210027	N/A	49,516	7/1/21	9/30/22									
CR Mental Health	84.425D	S425D210027	N/A	45,000	7/1/21	9/30/22			6,658	(11,435)		(11,435)	(4,777)		
ARP Consolidated:															
ARP ESSER	84.425U	S425U210027	N/A	1,734,100	7/1/21	9/30/22									
Accelerated Learning	84.425U	S425U210027	N/A	50,000	7/1/21	9/30/22									
Summer Learning	84.425U	S425U210027	N/A	40,000	7/1/21	9/30/22									
Beyond the School Day	84.425U	S425U210027	N/A	40,000	7/1/21	9/30/22									
NJTSS Mental Health Staffing	84.425U	S425U210027	N/A	45,000	7/1/21	9/30/22									
Other:															
REAP	84.358A	S358A182736	S358A182736	10,232	7/1/20	9/30/21			22,377	(22,377)		(22,377)			
Total Special Revenue Fund									(160,375)	687,076	(845,747)	(845,747)	(319,046)		
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Non-Cash Assistance:															
Food Distribution Program	10.565	Unknown	NA	17,029	7/1/21	6/30/22			17,029	(16,530)		(16,530)		499	
Cash Assistance:															
Child Nutrition Cluster:															
National School Breakfast Program	10.553	221NJ304N1099	NA	123,295	7/1/21	6/30/22			113,373	(123,295)		(123,295)	(9,922)		
National School Breakfast Program	10.553	211NJ304N1099	NA	98,455	7/1/20	6/30/21	(5,867)		5,867						
National School Lunch Program	10.555	221NJ304N1099	NA	242,536	7/1/21	6/30/22			223,164	(242,536)		(242,536)	(19,372)		
National School Lunch Program	10.555	211NJ304N1099	NA	165,071	7/1/20	6/30/21	(13,327)		13,327						
Emergency Operational Cost Program - Scl	10.555	202121H170341	N/A		7/1/21	6/30/22									
P-EBT Administrative Cost Reimbursement	10.649	202122S900941	N/A	614	7/1/20	6/30/21			614	(614)		(614)			
P-EBT Administrative Cost Reimbursement	10.649	202222S900941	N/A	628	7/1/21	6/30/22			628	(628)		(628)			
Supply Chain Assistance Funding	10.555	221NJ344N8903	NA	13,998	7/1/21	6/30/22				(13,998)		(13,998)	(13,998)		
Total Enterprise Fund									(19,194)	374,002	(397,601)	(397,601)	(43,292)	499	
Total Federal Financial Awards									\$ (179,569)	\$ 1,079,523	\$ (1,261,793)	\$ (1,261,793)	\$ (362,338)	\$ 499	

(A) There were no awards passed through to sub-recipients.

See accompanying notes to schedules of financial assistance
These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

TOWNSHIP OF LAWRENCE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2021			Cash Received	Budgetary Expenditures	Adjustment	Balances at June 30, 2022			MEMO	
				(Accounts Receivable)/	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Equalization Aid	22-495-034-5120-078	\$ 5,117,935	7/1/21	6/30/22	\$	\$	\$ 4,616,221	\$ (5,117,935)	\$	(501,714)	\$	* \$ (501,714)	\$	(5,117,935)
Equalization Aid	21-495-034-5120-078	5,178,069	7/1/20	6/30/21	(491,158)		491,158							
School Choice Aid	22-495-034-5120-068	433,840	7/1/21	6/30/22			391,310	(433,840)		(42,530)	*	(42,530)	(433,840)	
School Choice Aid	21-495-034-5120-068	443,280	7/1/20	6/30/21	(42,047)		42,047							
Transportation Aid	22-495-034-5120-014	87,111	7/1/21	6/30/22			78,571	(87,111)		(8,540)	*	(8,540)	(87,111)	
Transportation Aid	21-495-034-5120-014	87,111	7/1/20	6/30/21	(8,263)		8,263							
Special Education Categorical Aid	22-495-034-5120-089	372,413	7/1/21	6/30/22			335,905	(372,413)		(36,508)	*	(36,508)	(372,413)	
Special Education Categorical Aid	21-495-034-5120-089	372,413	7/1/20	6/30/21	(35,325)		35,325							
Security Aid	22-495-034-5120-084	160,344	7/1/21	6/30/22			144,625	(160,344)		(15,719)	*	(15,719)	(160,344)	
Security Aid	21-495-034-5120-084	160,344	7/1/20	6/30/21	(15,209)		15,209							
Extrodinary Aid	22-495-034-5120-044	118,612	7/1/21	6/30/22				(118,612)		(118,612)		*	(118,612)	
Extrodinary Aid	21-495-034-5120-044	95,517	7/1/20	6/30/21	(95,517)		95,517							
Non-Public Transportation Aid	22-495-034-5120-014	4,770	7/1/21	6/30/22				(4,770)		(4,770)		*	(4,770)	
Non-Public Transportation Aid	21-495-034-5120-014	4,770	7/1/20	6/30/21	(2,610)		2,610							
Homeless Tuition Reimbursement	N/A	25,390	7/1/21	6/30/22				(25,390)		(25,390)			(25,390)	
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	312,454	7/1/21	6/30/22			310,875	(312,454)		(1,579)		*	(312,454)	
Reimbursed TPAF Social Security Contrib.	21-495-034-5094-003	300,074	7/1/20	6/30/21	(1,524)		1,524					*		
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	1,509,374	7/1/21	6/30/22			1,509,374	(1,509,374)				*	(1,509,374)	
On-Behalf TPAF Post Retirement Medical	22-495-034-5094-001	352,651	7/1/21	6/30/22			352,651	(352,651)				*	(352,651)	
On-Behalf TPAF Long-Term Disability Medical	22-495-034-5094-004	708	7/1/21	6/30/22			708	(708)				*	(708)	
Total General Fund					(691,653)		8,431,893	(8,495,602)		(755,362)			(605,011)	(8,495,602)
Special Revenue Fund:														
Preschool Education Aid	22-495-034-5120-086	755,102	7/1/21	6/30/22			682,196	(756,666)	1,564	(72,906)	13,752	*		(756,666)
Preschool Education Aid	21-495-034-5120-086	652,953	7/1/20	6/30/21	(65,295)	13,752	65,295							
SDA Emergent Needs & Capital Maintenance	22-100-034-5120-086	10,339	7/1/21	6/30/22										
Total Special Revenue Fund					(65,295)	13,752	747,491	(756,666)	1,564	(72,906)	13,752			(756,666)
Debt Service Fund														
Debt Service Aid Type II:	22-495-034-5120-017	91,476	7/1/21	6/30/22			91,476	(91,476)				*		(91,476)
Total Debt Service Fund							91,476	(91,476)						(91,476)
State Department of Agriculture:														
Enterprise Fund:														
National School Lunch Program (State Share)	22-100-010-3350-023	5,695	7/1/21	6/30/22			5,249	(5,695)		(446)		*		(5,695)
National School Lunch Program (State Share)	21-100-010-3350-023	6,183	7/1/20	6/30/21	(944)		944							
Total Enterprise Fund					(944)		6,193	(5,695)		(446)				(5,695)
					<u>\$ (757,892)</u>	<u>\$ 13,752</u>	<u>\$ 9,277,053</u>	<u>\$ (9,349,439)</u>	<u>\$ 1,564</u>	<u>\$ (828,714)</u>	<u>\$ 13,752</u>	<u>\$</u>	<u>\$ (605,011)</u>	<u>\$ (9,349,439)</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	1,509,374	7/1/21	6/30/22			\$ 1,509,374	\$ (1,509,374)						
On-Behalf TPAF Post Retirement Medical	22-495-034-5094-001	352,651	7/1/21	6/30/22			352,651	(352,651)						
On-Behalf TPAF Long-Term Disability Medical	22-495-034-5094-004	708	7/1/21	6/30/22			708	(708)						
Total State Financial Assistance - Major Program Determination							<u>\$ 7,414,320</u>	<u>\$ (7,486,706)</u>						

See accompanying notes to schedules of financial assistance

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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, where applicable, 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 (\$13,009) for the general fund and (\$7,611) for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

LAWRENCE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2022
(Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 18,445	\$ 8,482,593	\$ 8,501,038
Special Revenue Fund	845,747	723,017	1,568,764
Debt Service Fund		91,476	91,476
Food Service Fund	397,601	5,695	403,296
Total Financial Assistance	\$ <u>1,261,793</u>	\$ <u>9,302,781</u>	\$ <u>10,564,574</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Lawrence School District had no federal or state loan balances outstanding at June 30, 2022.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, if any, represents the amount paid by the state on behalf of the 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.

NOTE 7: MAJOR PROGRAM

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

NOTE 8: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 9: ADJUSTMENT

There was an immaterial adjustment on Schedule B, Exhibit K-4 in the amount of \$1,564.

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____yes X no
- 2) Significant deficiencies identified? _____yes X no

Noncompliance material to basic financial statements noted? _____yes X no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____yes X no
- 2) Significant deficiencies identified? X yes _____no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a)? X yes _____no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
10.553,10.555	221NJ304N1099, 221NJ344N8903	Child Nutrition Cluster
84.425	S425D200027, S425D210027, S425U210027	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? _____yes X no

LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B 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 deficiencies identified that are not considered to be material weaknesses? _____yes X no

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Treasury Circular Letter 15-08 _____yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
22-495-034-5120-078	Equalization Aid
22-495-034-5120-089	Special Education Categorical Aid
22-495-034-5120-084	Security Aid
22-495-034-5120-068	School Choice Aid
22-495-034-5094-003	Reimbursed TPAF Social Security Contrib.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: None

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)**

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

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

FEDERAL AWARDS

Finding: 2022-1 (AMR 2022-1)

Information on the federal program: Child Nutrition Cluster (10.553, 10.555)

Criteria or specific requirement: The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Condition: Net cash resources in the Food Service Fund exceeded three months average expenditures.

Questioned Costs: None

Context: Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$239,399, as of June 30, 2022.

Effect: Violation of New Jersey Department of Agriculture requirements.

Cause: Actual expenditures were less than anticipated.

Recommendation: The Board should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

Views of responsible officials and planned corrective actions: Management is aware of the necessary procedures to be updated and followed.

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs
(continued)**

STATE AWARDS

Finding:None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**LAWRENCE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

All prior year findings were resolved except the following:

Finding: 2021-1 (AMR Finding 2021-1)

Condition: Net cash resources in the Food Service Fund exceeded three months average expenditures.

Status: Unresolved. See finding 2022-1